

STRATEX INTERNATIONAL

West African discovery & Tembo Acquisition

BUY*

4.4p[#]

Year-end Dec	2011A	2012A	2013E	2014E
Revenue (£m)	-	-	0.2	-
EBITDA (£m)	(1.0)	(2.8)	(2.4)	(2.8)
Adj. Pre-tax Profit (£m)	(0.4)	9.6	(0.4)	(2.4)
Adj. EPS (p)	(0.1)	2.2	(0.1)	(0.5)
DPS (p)	-	-	-	-
Net Cash/(Debt) (£m)	0.6	2.4	11.1	6.2
P/E (x)	(34.3)	2.0	(53.1)	(8.6)
Dividend yield (%)	-	-	-	-
EV/EBITDA (x)	(15.2)	(7.8)	(13.6)	(9.8)

Key Data	
Rating (12 month)	BUY*
Price Target	12.8p
Risk	High
Sentiment	Positive
Ticker	STI.L
Shares in issue	467m
Market cap	£20.5m
12-mth price range	4.1p-5.75p
Net cash (H113)	£13.7m
Next event	Suehn Results

SOURCE: Northland Capital Partners Limited estimates

[#]Priced at market close, 16/10/2013

*Northland Capital Partners Limited is the Joint Broker to Stratex International and therefore this information should be viewed as Marketing Material.

Stratex International is a junior exploration and development company that has consistently discovered significant deposits and rapidly advanced and/or monetised these discoveries. The Company's exploration pedigree is demonstrated by its track record that includes the discovery of more than 2.2moz of gold and 7.9moz of silver. Stratex has de-risked and/or monetised these projects to provide shareholders with near term value. This is highlighted by Stratex retaining a significant stake in two development projects currently being funded by JV partners, a 1% royalty worth up to \$20m at the Öksüt project, as well as the £16.7m cash received from the sale of Öksüt and other projects. With £13.7m net cash, production next year and follow up drilling to begin shortly at the Dalafin project, its latest discovery, we continue to believe Stratex is significantly undervalued and maintain our price target of 12.8p.

COMPANY DESCRIPTION

Stratex International Plc is a gold and base metals exploration and development company with key assets in Turkey, East Africa and West Africa. The company has discovered more than 2.2moz of gold and is actively exploring all three territories through several JV partnerships with major operators.

- **Turkey:** Stratex is assuming a de-risked role at its Turkish projects with JV partners largely funding the development projects and potential partners looking at the Company's exploration projects.
- **East Africa:** At the Tendaho project, Stratex is taking operational control from JV partner Thani-Ashanti by funding 1,500m of drilling, currently underway.
- **Tembo Gold Corporation:** Stratex is acquiring a 10.3% interest in Tembo Gold Corporation (TEM.TSX-V) for c. £1m (09/10/13). Highlights from recent drilling at the Tembo project include: 3.13 g/t Au over 35.9m (TDD0004), 22.81g/t Au over 15m (TDD0041) and 8.17g/t gold over 11.1m (TDD0054) (more detail on pages 7-8).
- **West Africa:** The Dalafin project has proven to be another exciting discovery where Stratex is now looking to fast track exploration, commencing in Q413.
- **Forecasts and valuation:** Following the positive H113 results, we have updated our forecasts and maintain our BUY rating and price target of 12.8p.

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INVESTMENT APPRAISAL

Stratex International differentiates itself from the majority of other exploration and development companies with its impressive record of significant discoveries and its ability to rapidly turn its discoveries into cash. This allows the Company to maintain a robust balance sheet without regular equity dilution. Stratex has discovered more than 2.2 million ounces of gold and 7.9 million ounces of silver, and generated £16.7m through the sale of several projects in the past two years. The funds generated from these sales underpin the Company's current net cash position of £13.7m.

Net cash £13.7m

The recent success at the Dalafin project highlights Stratex's ability to acquire good projects at a low cost (consideration was less than £1m of shares in Stratex) and then rapidly advance them from green fields exploration to discovery (recent results include; 32m at 2.57g/t Au (FARB-00111)).

32m at 2.57g/t Au at the Dalafin project

We believe that Stratex's acquisition of a 10.3% stake in of Tembo Gold Corporation (TEM.TSX-V) for CAD\$1.657m (£1m) alongside the other members of an Investment Group will be another example of the Company rapidly adding value for a small consideration. With the risk of discovery already removed from the project by Tembo, Stratex and its partners in the Investment Group will provide c. £5.2m that will be used to fund step-out drilling and resource definition over the next two field seasons. A maiden resource at the project is likely to be a major share price catalyst and drill results from the project should provide further positive news flow.

Acquisition of 10.3% stake in Tembo Gold Corporation

Stratex is also poised to make the transition from developer to producer in 2014 with initial production at its 45%-owned Altintepe project. The production from Altintepe will provide Stratex with regular income that can be redeployed into its potentially higher impact exploration projects.

To become a producer from 2014

We are not the only ones that have confidence in Stratex's ability to generate returns on investment. Industry support is highlighted by a share register that includes major miners such as AngloGold Ashanti, Teck Resources, Antofagasta and Thani Ashanti, and specialist funds with mining expertise such as BlackRock Investment Management and Exploration Capital Partners (Sprott).

Major industry backers

Industry confidence in Stratex is further demonstrated by the large number of JV partnerships the Company has, including majors such as Centerra Exploration, Antofagasta, Thani Ashanti, and Centamin, as well as numerous other junior and local partners.

Major industry partners

We view Stratex as providing excellent exposure to the mining sector even at this stage in the cycle, given management's track record, the quality of JV-partners, the exploration prospects and the inherent value of gold in the ground. Any improvement in sentiment for small cap mining should see Stratex as a preferred selection. We retain our BUY rating and 12.8p price target.

Price target 12.8p



TURKEY

In Turkey (Figure 1), Stratex is largely assuming a more passive and de-risked role. All three of the development projects where Stratex has an interest are currently being developed and largely funded by a partner. As a result, Stratex will benefit from any upside at the projects at no significant financial risk. At some of its less strategic exploration projects, Stratex is currently in discussions with a number of Turkish companies regarding potential joint ventures or acquisitions.

Our combined valuation of the Turkish projects is £41.8m or 8.9p per share that contrasts sharply with the Company's enterprise value of £10.2m (2013 interims) or 2.1p per share. Given that Stratex has little or no cash exposure to the advancement of these projects, we view the assets as an attractive source of low risk upside.

De-risking exposure in Turkey

EV 2.1p per share

FIGURE 1: A MAP OF STRATEX'S TURKISH PROJECTS



SOURCE: Company modified by Northland Capital Partners

DEVELOPMENT PROJECTS

ALTINTEPE

At Altintepe, where Stratex has a 45% free carried-to-production interest in the project, joint-venture partner Bahar Madencilik is waiting for a Forestry Permit before it can commence construction. There is currently a large backlog of permits pending in Turkey and we do not believe the delay is related to the likely success of the application. The delay means that initial production expectations for the project are pushed back to at least Q314 from Q413. Bahar is committed to starting construction as soon as the permit is awarded and we would expect construction to take around six months.

Initial production expected Q314

The minimum production target for the project is approximately 30,000oz Au per annum for an initial 40 months, but the Company is confident that additional resources will be extracted, prolonging the life of the mine. We currently have a 25% development stage discount applied to our valuation of Stratex's 45% interest in Altintepe. However, once production begins, this discount will be reduced and our valuation of Stratex's interest in the project could potentially

We value the project at £23.3m or 5.0p per share



increase from its current level of £23.3m (5.0p per share) to £31.4m (6.7p per share).

MURATDERE

At Muratdere, where Stratex has a 39% interest, joint-venture partner Lodos is currently undertaking resource drilling that is expected to be completed within a year (Q214) with results likely to follow shortly after. Subsequently, we expect Lodos to fund a feasibility study to earn a 70% interest in the project. This is likely to be completed by around Q314. We currently value Stratex's 39% interest in the project at £14.7m or 3.1p per share.

We value the project at £14.7m or 3.1p per share

ÖKSÜT

At Öksüt, where Stratex owns a 1% royalty on production (capped at \$20m), the project operator, Centerra, is undertaking additional drilling. The timing for the conclusion of the drill programme has not been announced but we would anticipate its completion by Q214. We currently value the gross revenue royalty at £3.5m or 0.7p per share based on the current resource size and production assumptions.

We value the royalty from the project at £3.5m or 0.7p per share

EXPLORATION PROJECTS

To the remaining Turkish exploration projects we assign a valuation of £0.6m or 0.1p per share as there is little work currently being undertaken at the projects. At the Hasançelebi, Karaağac and Konya projects, Stratex is in negotiations with a number of Turkish companies that are interested in the licences.

We value the exploration projects at £0.6m or 0.1p per share



EAST AFRICA

Stratex has discovered a major epithermal province in the Afar Depression of Ethiopia and Djibouti (Figure 2). Early mover advantage enabled the Company to establish an extensive portfolio that includes some of the most prospective licences in the area. The Company has several majority-owned interests in the region and has attracted significant interest from major JV partner Thani Ashanti to help finance its early exploration efforts in the Afar and also shares a JV with Centamin.

The early stage nature of exploration work in East Africa means that the East African portfolio only makes up a relatively small part of our valuation, £2.5m or 0.5p per share. However, the upside potential, should a significant discovery be made at one of Stratex's majority owned or joint-venture projects, would be transformational.

Discovered major epithermal province

We value the East African projects at £2.5m or 0.5p per share

FIGURE 2: A MAP OF STRATEX'S EAST AFRICAN PROJECTS



SOURCE: Company modified by Northland Capital Partners

BLACKROCK

Drill results from the first two campaigns at the Blackrock project, where Stratex owns a 95% interest, did not, as hoped, discover a continuation at depth of the bonanza gold grades defined at surface. Results did, however, demonstrate the widespread nature of gold mineralisation within the Blackrock licence area.

This is an exciting development in the early stages of a district-scale exploration programme and highlights the prospectivity of the region. It is also important to note the significant size of the project (299 sq km) and that Stratex has only tested a relatively small proportion of the extensive system of veins at the project.

A comparison can be drawn with the significant amount of exploration required to make the first discovery in the Deseado Massif located in Patagonia, which hosts the 6moz Cerro Vanguardia and 3.1moz Cerro Negro gold deposits as well

Wide spread gold mineralisation

Only tested small proportion of the system

Comparable to Deseado Massif



as numerous other smaller deposits. These are the deposit-types that Stratex has discovered in the Afar.

As a result of the second phase of drilling at Blackrock, Stratex has an improved understanding of the timing and structural controls on the gold mineralisation, and continued mapping at the project has defined new outcropping veins yet to be drill tested. Stratex will now use the insights gained from this campaign in the next phase of work at the Megenta prospect (Tendaho project), before further work is undertaken at Blackrock.

Insights to be applied at Megenta

SHEHAGNE

At the Shehagne project, where Stratex owns a 60% interest, Centamin is completing a 1,000m drill programme to earn 80% of the project. The timeframe for these results has not been announced but we would anticipate receiving results by the end of Q413.

Results Q413

BERAHALE

The potential for porphyry and skarn-style mineralisation at Berahale, where Stratex has a 95% interest, is exciting but the steep topography means that the next stage of exploration at the site will require helicopter support. Stratex is currently considering its options and we anticipate a follow up programme to commence towards the end of the year.

Follow up programme before 2014

TIGRAY

Following the discovery of additional veins at the Mariam Hill prospect, where Stratex owns a 95% interest in the Tigray project, Stratex is currently undertaking an initial trenching programme with results anticipated by the end of Q413. If positive, it is possible that an initial drill programme will be undertaken next year.

Results Q413

AFAR JV

At the Tendaho project, where Stratex currently has a 49% interest, Stratex and joint-venture partner Thani Ashanti have reached an agreement that allows Stratex to earn back majority control of the project (65%).

Stratex earning back control

Stratex will fund (£0.5m), operate and manage the upcoming 1,500m drill programme at the project as part of the deal. The deal contains a claw back clause, where Thani Ashanti can earn back to 51% of the project by reimbursing Stratex three times its exploration expenditure. Stratex is planning to test blind structures at the Megenta prospect down to a vertical depth of c. 200m during the drill programme and we remain positive on the potential for the Company to make a significant discovery at the project. Stratex commenced drilling at the beginning of October, with results expected by the start of Q214.

1,500m drill programme

At the Oklila, Assal and Dimoli Khan projects, Stratex and JV partner Thani Ashanti are considering plans for the next phase of exploration, including drilling on the exciting Pandora system, and we would anticipate further developments next year.

Further developments expected 2014

TEMBO GOLD CORPORATION

Stratex is in the process of acquiring a 10.3% stake in Tembo Gold Corporation for CAD\$1.7m (£1m) in what appears to be another impressive deal for the



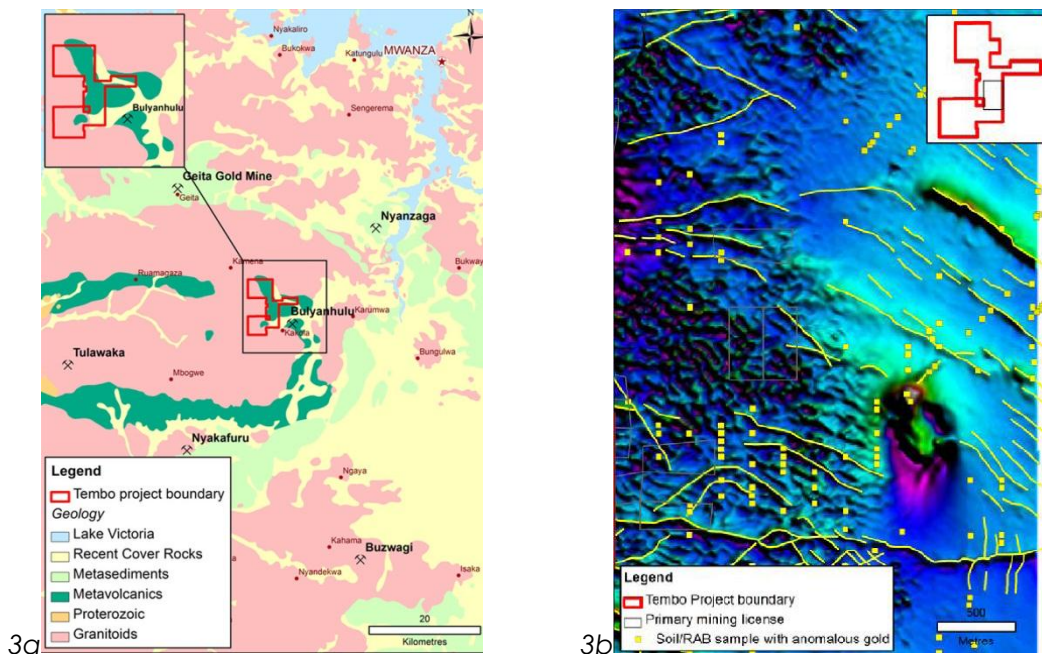
Company. Stratex is participating in the placing as part of an Investment Group with an expected raise of up to CAD\$8.7m (£5.2m). The other members of the Group are the New Africa Mining Fund II and Concept Capital Management.

As part of the deal, Bob Foster (CEO of Stratex) will join the Tembo Board along with representatives of the other strategic investors in the Group and the Group could control up to 60.5% of Tembo through a voting pool arrangement (post warrants), ensuring that Stratex can protect its investor's interests. Stratex will be able to increase its interest to 18.7% following the exercise of warrants.

The Tembo Gold project consists of thirty-three prospecting licences and five prospecting licence applications, covering over 100km² in the Lake Victoria Gold Belt adjacent to African Barrick Gold's Bulyanhulu Mine (Figure 3a) that has proven and probable reserve of 10.6m oz Au.

Tembo has received encouraging results from 35,000m of drilling on six targets but is yet to define a resource, giving Stratex and the other members of the Investment Group an opportunity to add significant value by funding step-out drilling, hopefully leading to a maiden resource estimate.

FIGURE 3a: A MAP OF TEMBO GOLD CORPORATIONS PROJECT. 3b: MAP OF MAGNETIC ANOMALIES AND ANOMALOUS GOLD SAMPLES

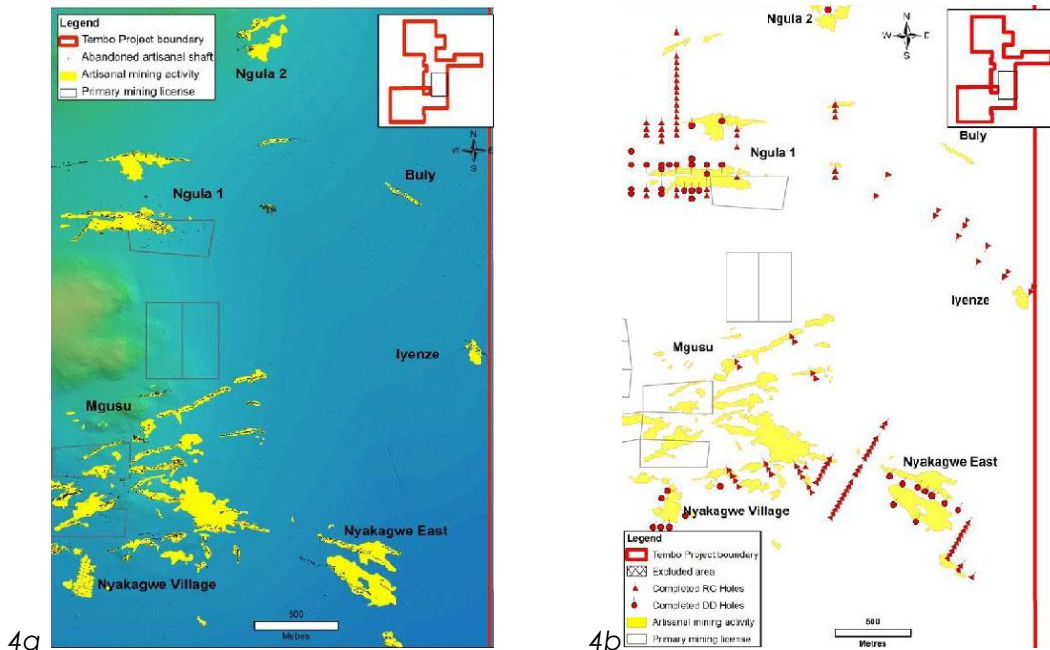


SOURCE: Tembo Gold Corporation

Within the licence there is over 100km of magnetic structures (Figure 3b) that variously correspond to artisanal mining activity and anomalous gold in soil. Highlighting the area's prospectivity are the 2,000 artisanal miners operating at 100 active mine shafts on the licence (Figure 4a). Work by Tembo indicates that the artisanal miners are extracting grades between 5 and 58g/t Au from shafts between 30-90m deep.



FIGURE 4a: MAP SHOWING THE EXTENT OF ARTISANAL MINES, 4b: LOCATION OF DRILLING

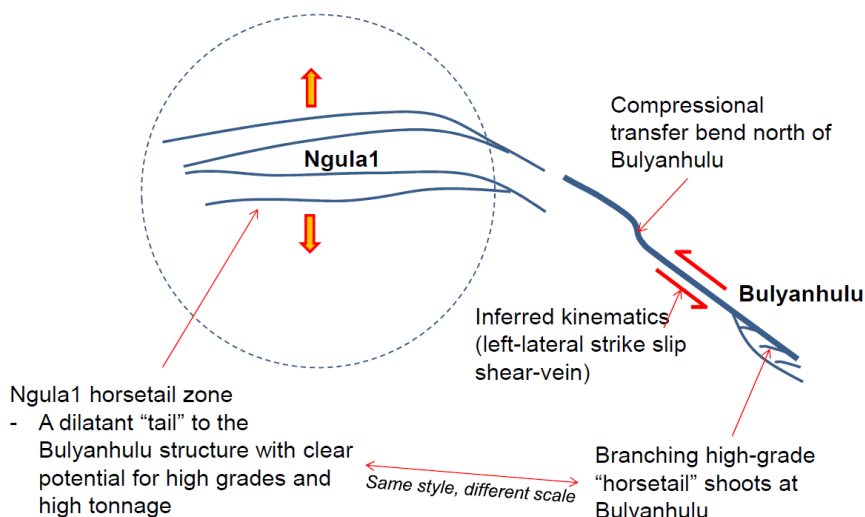


SOURCE: Tembo Gold Corporation

Based on this work, Tembo has defined seven targets (Ngula 1, Nyakagwe East, Mgusu, Nyakagwe Village, Iyenze and Ngula 2) at which it has drilled 192 holes, mostly RC, totalling 35,328m (Figure 4b). Highlights from this drilling includes: 3.13 g/t gold over 35.9m (TDD0004), 22.81g/t Au over 15.0m (TDD0041), 10.76 g/t gold over 4.0m (TDD0005) and 8.17g/t gold over 11.1m (TDD0054).

The principal prospect within the Tembo licence is the Ngula 1 prospect that appears to be the "horsetail" off the 10.6m oz Au (proven and probable reserve) Bulyanhulu Structure (Figure 5). Tembo is interpreting this as a dilatant zone that has the potential to contain high grades and large tonnages.

FIGURE 5: DIAGRAM SHOWING THE RELATIONSHIP OF NGULA 1 TO BULYANHULU

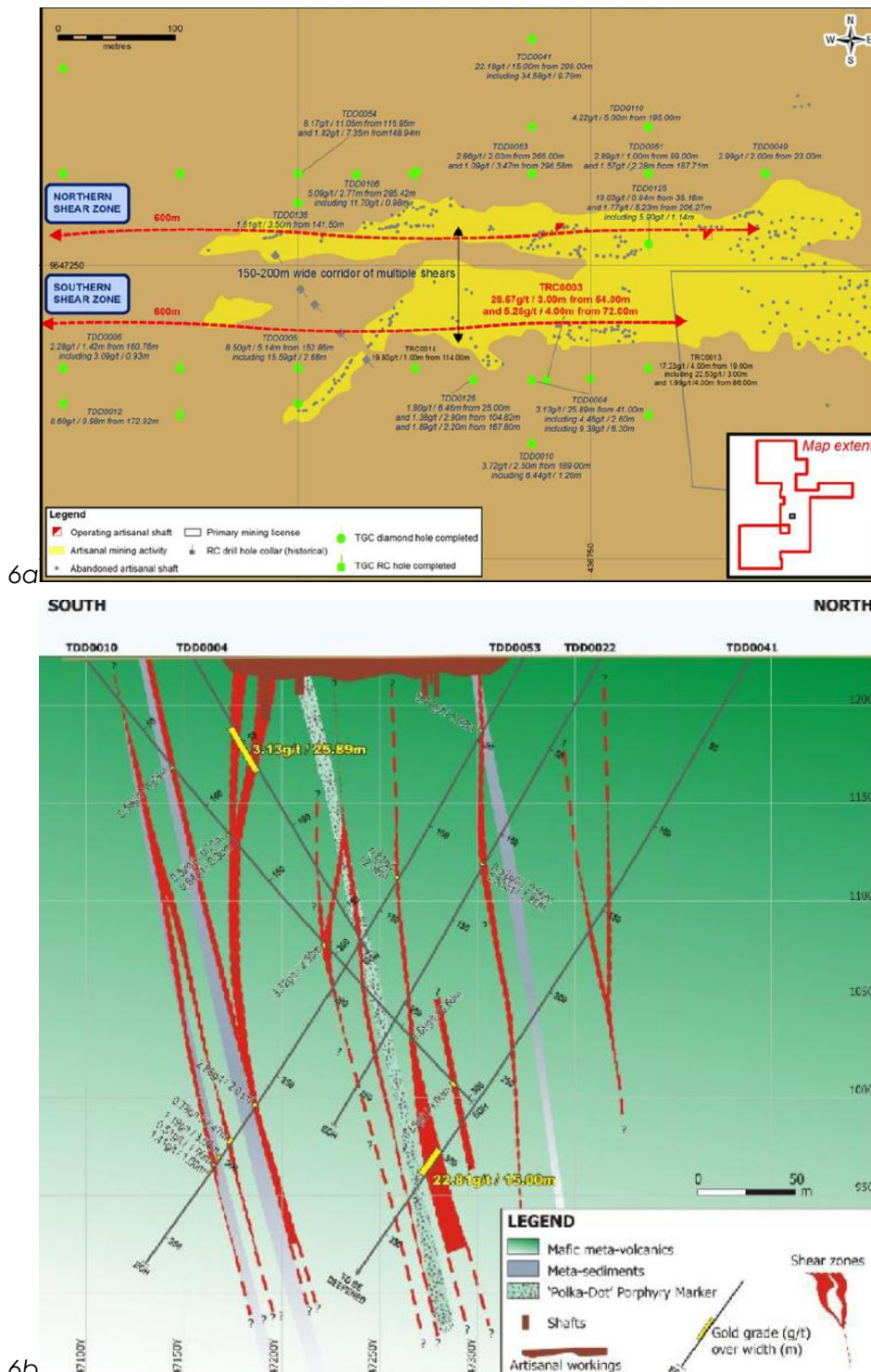


SOURCE: Tembo Gold Corporation



Drilling to date has defined a 600m strike length of multiple steeply dipping gold-bearing structures with grades that range between 1-300g/t Au associated with a large artisanal working (Figures 6a and 6b). Additional infill drilling is now required in anticipation of being able to define an open-pittable inferred resource and deeper drilling is planned to define the potential for higher grades at depth.

FIGURE 6a: MAP OF DRILLING RESULTS AT NGULA 1. 6b: INTERPRETED CROSS-SECTION OF NGULA 1



SOURCE: Tembo Gold Corporation



WEST AFRICA

As with East Africa, the early-stage nature of Stratex's West African projects mean that they comprise only a small part of our valuation (£1.8m or 0.4p per share). However, the recent drill results from Dalafin highlight the potential of the area to provide significant upside on our current valuation.

We value the West African projects at £1.8m or 0.4p per share

FIGURE 7: A MAP OF STRATEX'S EAST AFRICAN PROJECTS



SOURCE: Company modified by Northland Capital Partners

DALAFIN

Following the positive results from initial drilling at Stratex's 75%-owned Dalafin project in Senegal, the Company is now fast-tracking follow-up drilling after the rainy season ends in Q413.

Follow up drilling Q413

Results from the first phase of drilling at the project included 32m at 2.57g/t Au (FARB-00111) and 35m at 1.19g/t Au (FARB-00109) from the Faré prospect; 6m at 6.11g/t Au (DFRB-00990) and 6m at 2.57g/t Au (DFRB-01041) from the Baytilaye prospect; 2m at 10g/t Au (DFRB-00425) and 4m at 4.7g/t Au (DFRB-00205) from the Madina Bafé prospect; and 2m at 2.85g/t Au (DFRB-00845) and 2m at 1.76g/t Au (DFRB-00786) from the Saroudia prospect.

32m at 2.57g/t Au

These exciting results mean that four out of five areas identified by geochemical and geophysical surveys at the Dalafin project have yielded encouraging at- or near-surface gold-bearing intersections.

Near surface gold

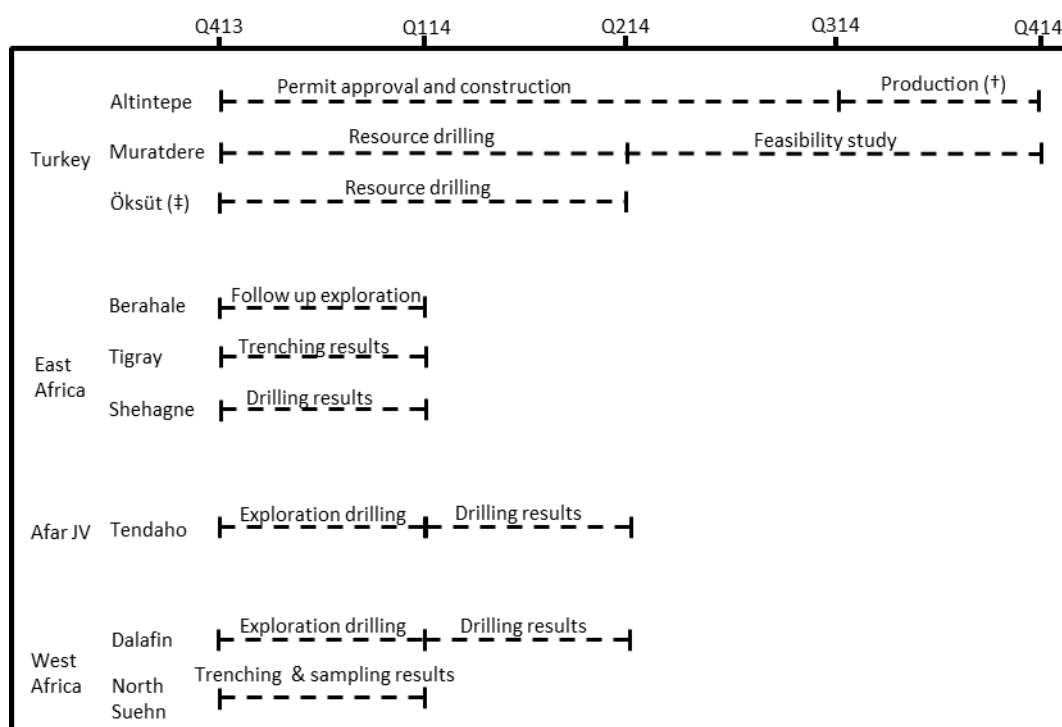
NORTH SUEHN

The initial results at North Suehn project in Liberia were positive with a large gold-in-soil anomaly defined by early geochemical work. Stratex is currently undertaking follow-up trenching and continued stream sediment sampling and we expect results before the end of Q413.

Results Q413



FIGURE 8: TIMELINE SUMMARY OF EXPECTED DEVELOPMENTS FROM STRATEX



SOURCE: Northland Capital Partners, †Subject to permitting and construction, ‡Owned by Centerra – Stratex has a 1% royalty on production (capped at \$20m)

VALUATION

We maintain our valuation of 12.8p per share for Stratex with the bulk of the valuation (70%) being made up by the development projects, where the Company has little or no financial exposure. The significant cash balance is also a large contributor (20%), whilst the exploration projects only make up a relatively small part of the valuation (<10%). Our valuation does not fully reflect the blue sky potential of its exploration projects or the potential stake in Tembo Gold Corporation. Considering Stratex's success in making discoveries (the recent drilling at the Dalafin project is a good example), we believe our valuation is conservative.

SUMMARY OF OUR VALUATION

Project	Valuation (\$m)	Valuation (£m)	Valuation per share (p)
Altintepe	36.4	23.1	5.0
Muratdere	22.9	14.6	3.1
Öksüt NSR	5.4	3.5	0.7
Turkey - other	1.0	0.6	0.1
Turkey total	65.7	41.8	8.9
East Africa inc. Afar	3.9	2.5	0.5
West Africa	2.8	1.8	0.4
Net Cash (debt)	21.6	13.7	2.9
Total	94.0	59.8	12.8

SOURCE: Northland Capital Partners



FORECASTS

Following the publication of Stratex's interim results (22/08/13), we have made a few minor changes to our forecasts. We have added revenue of £0.2m and cost of sales of £0.16m associated with consultancy services provided by Stratex to Centerra on the Öksüt project. Another positive influence on our forecasts is a £0.2m taxation credit associated with the sale of the Öksüt project. We have also included a £0.4m impairment related to the dropping of the three licences located in Mauritania.

Following the exciting discovery at Dalafin and the positive earn back into the Megenta project, Stratex's focus for the second part of the year has shifted. As a result, we are expecting slightly lower exploration costs (£6m) than previously forecast (£8m) and we also expect the Company to receive slightly less funding from its JV partners (£1m) compared to our previous forecasts (£2m).

Income statement				New	Old	New	Old
Year to 31st December (£m)	2010A	2011A	2012A	2013E	2013E	2014E	2014E
Revenue	-	-	-	0.2	-	-	-
Cost of Sales	-	-	-	(0.2)	-	-	-
Administration expenses	(1.7)	(2.0)	(2.9)	(2.5)	(2.5)	(2.9)	(2.9)
Exchange profit/(loss)	0.1	0.9	(0.0)	-	-	-	-
Issue of shares other than for cash	-	-	-	-	-	-	-
EBIT	(1.6)	(1.1)	(2.9)	(2.5)	(2.5)	(2.9)	(2.9)
Financial income	0.0	0.0	0.1	0.1	0.1	(0.1)	0.1
Financial expense	-	-	-	-	-	-	-
Post tax associate income from Altintepe	-	-	-	-	-	0.6	1.5
Gain/(loss) of associate	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Gain/(loss) on acquisition/sale	(1.1)	0.8	12.9	2.5	2.8	-	-
Impairment charges	(0.1)	(0.1)	(0.1)	(0.4)	-	-	-
Profit/(loss) before tax	(2.9)	(0.5)	9.7	(0.3)	0.3	(2.5)	(1.4)
Taxation credit/(expense)	(0.0)	0.1	(0.1)	0.2	-	-	-
Profit/(loss) for the year	(2.9)	(0.4)	9.6	(0.2)	0.3	(2.5)	(1.4)
Exchange differences on translating foreign operations	(0.3)	(0.7)	0.2	-	-	-	-
Profit/(loss) for the year	(3.1)	(1.2)	9.8	(0.2)	0.3	(2.5)	(1.4)
Profit/(loss) for the year attributable to:							
Equity holders of the parent company	(2.9)	(0.4)	9.6	(0.2)	0.3	(2.5)	(1.4)
Non-controlling interest (minorities)	-	(0.0)	(0.0)	-	-	-	-
Basic EPS/(LPS) (p)	(1.0)	(0.1)	2.2	(0.0)	0.1	(0.5)	(0.3)
Diluted EPS/(LPS) (p)	(0.9)	(0.1)	2.2	(0.0)	0.1	(0.5)	(0.3)
Taxation Rate %	0.3	(14.1)	(1.4)	(31.0)	-	-	-
Group Pre-tax Margin (%)	178.7	46.1	(331.3)	23.3	(8.8)	85.1	59.8
Operating Profit (EBIT) Margin (%)	n.a.	n.a.	n.a.	(1,230.0)	n.a.	n.a.	n.a.
Dividends per share (p)	-	-	-	-	-	-	-
Dividend Cover (x)	-	-	-	-	-	-	-
Number of shares (m) (Ave weighted)	284.1	321.5	437.3	467.3	467.3	467.3	467.3
Number of shares (m) (Ave weighted fully dil.)	305.2	342.5	445.4	479.6	479.6	479.6	479.6
EBITDA (£m)	(1.5)	(1.0)	(2.8)	(2.4)	(2.5)	(2.8)	(2.9)
Enterprise Value (£m)	12.9	15.6	21.9	32.1	13.8	27.2	17.0
EBITDA Interest Cover (x)	(69.4)	(43.5)	(46.9)	21.3	(23.1)	44.4	(37.7)
Depreciation & Amortisation	0.1	0.1	0.1	0.1	0.0	0.1	0.0
Cash Earnings Per Share (p)	(0.5)	(0.3)	(0.6)	(0.5)	(0.5)	(0.6)	(0.6)
Price (p)	4.4	4.4	4.4	4.4	5.1	4.4	5.1
Price Earnings Ratio	(4.6)	(34.3)	2.0	(53.1)	111.9	(8.6)	(14.3)
Net yield %	-	-	-	-	-	-	-
NAV per share (c)	0.7	0.9	4.2	2.7	2.6	1.8	1.8
EV/EBITDA	(8.5)	(15.2)	(7.8)	(13.6)	(5.5)	(9.8)	(5.9)

SOURCE: Northland Capital Partners Limited estimates



Cash flow				New	Old	New	Old
Year to 31st December (£m)	2010A	2011A	2012A	2013E	2013E	2014E	2014E
Operating profit (EBIT)	(1.6)	(1.1)	(2.9)	(2.5)	(2.5)	(2.9)	(2.9)
Net interest (cash paid)	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Depreciation and Amortisation	0.1	0.1	0.1	0.1	0.0	0.1	0.1
Post tax associate income from Altintepe	-	-	-	-	-	0.6	1.1
Other	(0.0)	(0.1)	(0.0)	-	-	-	-
Cash in	(1.5)	(1.1)	(2.7)	(2.4)	(2.5)	(2.2)	(1.6)
Debtors less creditors	(0.4)	0.6	(0.2)	-	-	-	-
Tax paid	-	-	-	-	-	-	-
Cash out	(0.4)	0.6	(0.2)	-	-	-	-
Gross trading cash flow	(2.0)	(0.5)	(2.9)	(2.4)	(2.5)	(2.2)	(1.6)
Capital expenditure	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Exploration costs	(1.7)	(4.5)	(5.2)	(6.0)	(8.0)	(3.1)	(3.1)
Net trading cash flow	(3.8)	(5.0)	(8.3)	(8.5)	(10.6)	(5.4)	(4.8)
Acquisitions & investments	(0.0)	(1.0)	(0.2)	(0.1)	(0.1)	(1.1)	(1.1)
Sale of fixed assets & investments (net)	0.7	0.8	1.3	15.4	15.6	-	-
Issue of share options	0.0	0.1	0.1	-	-	-	-
Issue of shares (net)	1.3	4.5	7.6	-	-	-	-
Funds from JV partner	1.4	2.8	1.2	1.0	2.0	1.5	1.5
Gain/(loss) from non-controlling interest in subsidiary	-	0.3	(0.2)	-	-	-	-
Exchange Rate Movements	(0.2)	(0.5)	0.2	-	-	-	-
Change in net cash and cash equivalents	(0.7)	2.0	1.7	7.8	7.0	(5.0)	(4.4)
Gross cash and cash equivalents	1.0	3.0	4.7	12.5	11.7	7.5	7.3

SOURCE: Northland Capital Partners Limited estimates



Balance sheet				New	Old	New	Old
Year to 31st December (£m)	2010A	2011A	2012A	2013E	2013E	2014E	2014E
Share capital	2.9	3.5	4.7	4.7	4.7	4.7	4.7
Share premium account	9.3	13.2	20.4	20.4	20.4	20.4	20.4
Retained earnings/losses	(7.7)	(8.1)	1.6	1.2	1.8	(1.3)	0.4
Other Reserves (incl. Foreign currency reserve)	0.0	(0.6)	(0.4)	(0.6)	(0.6)	(1.0)	(0.8)
Non-controlling interest (minorities)	-	0.1	-	0.1	0.1	0.1	0.1
Deferred tax, provisions & retirement benefit obligations	-	-	-	-	-	-	-
Long term debt	1.4	0.5	0.5	0.3	-	-	-
Short term debt	0.1	2.0	1.8	1.1	0.9	1.3	0.9
Capital employed	6.0	10.7	28.5	27.1	27.3	24.2	25.7
Intangibles and goodwill	2.5	5.2	8.0	13.0	14.0	14.6	15.6
Fixed assets	0.3	0.2	0.2	0.3	0.3	0.5	0.4
Investments/assets held for sale	0.6	0.3	0.5	-	-	-	-
Investments in subsidiaries	0.1	0.3	1.1	1.1	1.1	1.4	1.0
Stocks	-	-	-	-	-	-	-
Debtors less creditors (incl. Loans receivable)	1.4	1.4	13.8	-	-	-	-
Deferred tax	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Cash & Equivalent (unrestricted)	1.0	3.0	4.7	12.5	11.7	7.5	8.5
Cash (restricted)	-	-	-	-	-	-	-
Capital employed	6.0	10.7	28.5	27.1	27.3	24.2	25.7
Net assets per share net of goodwill & intangibles (p)	0.7	0.9	4.2	2.7	1.8	1.8	0.7
Net assets per share inc. goodwill & intangibles (p)	1.6	2.5	6.0	5.5	4.9	4.9	5.1
Net cash (debt) (£m)	(0.4)	0.6	2.4	11.1	7.8	6.2	7.6
Free cash flow per share (p)	(0.6)	(0.1)	(0.7)	(0.5)	(0.5)	(0.5)	(0.3)
Gearing (%)	(9.2)	7.4	9.3	43.3	33.9	27.4	31.7
Shares in issue (m)	284.1	321.5	437.3	467.3	467.3	467.3	467.3
Post tax RoCE (%)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
RoE (%)	(0.7)	(0.1)	0.4	(0.0)	(0.1)	(0.1)	(0.1)
Shareholders' funds (£m)	4.6	8.1	26.2	25.6	23.0	22.8	23.9
Shareholders' funds net of intangibles (£m)	2.0	2.9	18.3	12.7	8.4	8.2	3.4

SOURCE: Northland Capital Partners Limited estimates



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