

RNS Number : 8710G  
Stratex International PLC  
11 August 2016

Stratex International Plc / Index: AIM / Epic: STI / Sector: Mining

**Stratex International Plc**

("Stratex" or "the Company")

**Altıntepe Gold Mine Q2 Update:  
H1 Revenues of US\$32.73 million**

Stratex International Plc, the AIM-quoted exploration and development company focussed on gold and base metals in Turkey and West Africa, provides a Q2-update on its 45%-owned Altıntepe Gold Mine ("Altıntepe", the "Project" or the "Mine") in Turkey, where first gold pour was reported at the end of 2015 (Press Release dated 6 November 2015).

**Highlights:**

- Project sales in H1-2016 of gold and silver generated total revenues of US\$32.73 million. Aggregate project revenues (5<sup>th</sup> November 2015 to 30<sup>th</sup> June 2016) stand at US\$33.39 million;
- Successful installation and testing of new clay treatment facility increased the production rate of the crusher circuit by 40% in Q2-2016 compared to Q1-2016;
- H1-2016 production rates from Camlık and Camlık East at budgeted levels;
- Total operating costs (less working capital and closure costs) for H1-2016 are estimated to be approximately US\$560/oz, which includes a contract mining cost of US\$450/oz;
- Stage I exploration and reserve drilling at the Extension Ridge zone is nearing completion, with 44 holes completed for 4,033 metres at end-June;
- Construction of Phase II leach pad is underway with completion anticipated during November 2016; and
- Assessment of longer-term life-of-mine (beyond Phase 1) production planning continues.

Bob Foster, Stratex Chief Executive Officer commented: **“We are delighted to report that H1 gold and silver sales have generated total revenues of US\$32.73 million. In addition, our partner Bahar Madencilik ("Bahar") has advised us that production remains on track to meet the minimum annual production target of 30,000 oz gold, with 19,467 oz gold produced to 30 June 2016. In the meantime, life-of-mine planning with our partner has flagged the requirement for development capital (to be funded out of Project revenues) and closure planning, although final numbers will in part be dependent on the conclusion of the current Stage I exploration and reserve drilling on the Extension Ridge zone. We are working with Bahar to establish a sound policy for funding future capital expenditure and mine-closure costs. Once these requirements have been agreed and accurately costed, the level of distribution of net cash to both parties throughout the life of mine - on the agreed accelerated payback basis of 80% to Bahar and 20% to Stratex until Bahar has recovered its pre-production costs - can commence. In the meantime, the elevated gold price is a very positive factor in the longer-term life-of- mine evaluation and planning.”**

#### **Further Details:**

The installation and testing of a new clay treatment facility (announcement dated 17 April 2016) has proven very successful and the crusher circuit throughput now commonly exceeds the targeted 3,500 tpd, a 40% improvement in the production rate compared to Q1-2016.

During Q2-2016, throughput at the Mine delivered a total of 281,149 tonnes ore at an average grade of 1.35 g/t Au with end-H1 mine reconciliation (based on an average gold grade of 85%) indicating production of 19,467 oz at 1.49 g/t Au from the Camlık East and Camlık zones. The Mine remains on track to deliver at least 30,000 oz Au in 2016.

H1-2016 sales of gold and silver generated total revenues of US\$32.73 million and at 30<sup>th</sup> June 2016, total project revenues since start of production (announcement dated 6 November 2016) stood at US\$33.39 million.

The cost of contract mining by Stratex’s partner Bahar Madencilik (“Bahar”) was US\$450/oz. Altintepe Madencilik (owned 45% by Stratex; 55% by Bahar) is responsible for all other elements including mine planning, grade control, processing, and sale of the doré to a refinery in Turkey. Total operating costs, less closure and working capital costs, during H1-2016 are estimated to be approximately US\$560/oz.

Discussions continue with Bahar, with regard to mine planning, and a critical-path analysis by Stratex and Bahar is focusing on the following:

- Expansion of the leach pad area, required for the latter part of Phase I production from Camlik East through to the processing of further material from Camlik zone during Phase II and possibly the Extension Ridge zone – construction of the leach pad for Phase II is currently underway with completion anticipated during November 2016;
- Assessment of longer-term life of mine production planning (therefore beyond Phase I).

Stage I exploration and reserve drilling on the Extension Ridge zone to facilitate the planning is nearing completion, with 44 holes drilled for 4,033 metres to end of June 2016.

Proceeds from doré sales continue to accrue to the operating company, Altıntepe Madencilik, but distribution of net cash awaits agreement by Stratex and Bahar on the post-Phase I mine-development plan and the evaluation of the Project's future requirements for capital expenditure and working capital. A number of capital items, totalling c. US\$1.8 million, and including the new clay circuit, have already been expensed to Altıntepe Madencilik. This is further to the US\$39 million pre-production capital expenditure paid by Bahar as part of their earn-in to 55% of the Project. Once the longer term planning of the Mine has been fully evaluated and provision made for future capital requirements, including eventual mine closure, distribution of net cash can be initiated on the agreed accelerated payback basis of 80% to Bahar and 20% to Stratex, until Bahar has recovered its pre-production costs. Thereafter, the net cash generated will be distributed 55% to Bahar and 45% to Stratex.

**\*\* ENDS \*\***

For further information please visit [www.stratexinternational.com](http://www.stratexinternational.com), email [info@stratexplc.com](mailto:info@stratexplc.com), or contact:

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**Notes to Editors:**

Since listing in 2006, Stratex has discovered more than 2.2 million ounces of gold and 7.09 million ounces of silver, as well as 186,000 tonnes of copper. The Company achieved first gold pour at its 45%-owned Altintepe gold mine in Turkey in November 2015 and during H1-2016 the Mine produced 19,467 oz Au. It also owns 14.87% of a copper-gold project at feasibility stage. With its current cash position, projected cash returns and no debt, the Company is well-placed to advance its existing exploration programmes and is also actively seeking to acquire advanced projects that are at the drill-ready stage or even have identified resources.

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