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Stratex International PLC
21 August 2014

Stratex International Plc

("Stratex" or "the Company")

Interim Results

Stratex International Plc, the AIM-quoted exploration and development company focused on gold and base metals in Turkey, East Africa and West Africa, announces its unaudited interim results for the six-month period ended 30 June 2014.

Operational highlights

- Construction is underway at the **Altintepe** gold project and first gold production is anticipated before the end of the year.
- Further drilling at **Dalafin**, Senegal has returned positive results at Faré South prospect, where broad zones of gold mineralisation have already been identified and at Madina Bafé prospect where reverse circulation and diamond drilling have returned excellent results, including 9.6 m at 16.08 g/t Au.
- Stratex and **Thani** Emirates Resources Holdings to combine their East African assets into a new company in which Stratex will own 40%. The new company will be the partners' exclusive vehicle for growth in the Arabian Nubian Shield and Afar region in Ethiopia, Djibouti, and Egypt.
- Stratex to invest £1.25 M in **Goldstone** Resources Limited, subject to regulatory and shareholder approval, for a 33.4% shareholder interest, potentially rising to 50.1% on exercise of matching warrants. Goldstone is an AIM-quoted gold exploration company, with assets in Ghana, including a JORC compliant resource of 600,000 oz gold, and exploration projects in Senegal and Gabon.
- Further drilling of the **Tembo** gold project in Tanzania has returned encouraging intersections from the project's extensive tenement close to African Barrick Gold's 20 Moz Bulyanhulu Mine (current reserves and resources total 14 Moz Au).

Financial Overview

- Operating loss for the first six months of £1,257,803 compared to an operating loss for the same period last year of £1,342,453. Pre-tax loss of £1,414,518 compared to a pre-tax profit for the same period last year of £733,668. The 2013 results benefitted from a gain of £2,479,996 on the sale of the Inlice project and the transfer of 55% stake of the Altıntepe Madencilik project to Bahar.
- Cash balance of £7,398,483 at 30 June 2014.

Chairman’s Statement

Stratex has continued to make steady progress in the six months to 30 June 2014, exploring its own properties and expanding its interests. I am confident that the second half of the year will see more tangible results on a number of fronts.

In Turkey, the Altintepe gold project (45% owned by Stratex) continues to move towards production following the granting of the Forestry Permit. The terms of a fixed price construction contract and an agreement for contract mining between Altintepe Madencilik, the joint venture company, and Bahar Mining, our partners, are close to being finalised. Site clearance, upgrading the road access, installing a power line, foundation work and some pre-stripping have continued during negotiations. Our partners, who are fully funding the operation to production, remain confident that we will see gold production before the end of 2014.

At the Muratdere copper-gold porphyry project, our partners Lodos are close to completing a feasibility study which will see them earn to 70%. The first stage of development envisages two pits in the supergene enriched zone (15 Mt at 0.54% Cu and 0.1 g/t Au), which contains an indicated and inferred resource of 80,000 tonnes Cu. Depending on the results, Stratex will decide whether to contribute to the development costs, dilute to a royalty or consider a sale of its interest.

The two strategic exploration alliances with Centerra and Antofagasta remain active but results will remain confidential for the foreseeable future to ensure first-mover advantage is retained. Centerra also continues to work on the Öksüt project, where Stratex sold its 30% interest in 2012, and is currently indicating production in 2016 at which time Stratex would begin to receive its 1% royalty, capped at US$20 million.

A second round of drilling at the Megenta project in the Afar region of Ethiopia was undertaken and, although gold continued to be intersected in most holes, the hoped-for high grades were not intersected and the project was relinquished, consistent with our policy of dropping properties where we see the risk outweighing the potential reward.

An MOU was signed with Thani Emirates Resource Holdings whereby Thani and Stratex would combine their interests in Ethiopia, Djibouti and Egypt into a new company. Stratex will contribute its 95% owned Blackrock licence and the 49% interest in Oklila, Djibouti where drilling is planned for later in the year. Thani will contribute its Hodine and Wadi Kareem concessions in Egypt, the former includes the Hutite discovery with a non-JORC resource of 520,000 oz gold, and the remaining 51% of Oklila. Each partner will contribute US$1.0 million for an initial 50% interest in the company and, after injection of the assets, Stratex’s share will be 40%. The aim is to raise additional third party funds and ultimately to list a new regional gold explorer and developer.

In Tanzania, our strategic investment in TSX-V listed Tembo Gold, where Stratex holds almost 13% with matching warrants, continued to return encouraging drill results particularly from the Nyakagwe Village and Nyakagwe East targets. The results are currently under review and next steps being planned.

Results from our now 85% owned Dalafin project in Senegal were announced in February, May and since the period end in July. A combination of reverse circulation and diamond drilling was completed on four key targets; Faré, Saroudia, Baytilaye and Madina Bafé. Follow up drilling at Faré South and Madina Bafé has been very encouraging with relatively shallow intersections including 96 m at 1.51 g/t Au and 9.6 m at 16.08 g/t Au, respectively. An IP survey was also completed at Faré South. Drilling has now been suspended for the rainy season, allowing the results to be properly interpreted in order to design the appropriate drilling programme once access to the sites is again feasible.

At the AGM in May, I indicated that Stratex was still searching for opportunities where its cash and expertise could be applied to accelerate the exploration process compared with grass roots work. Shortly after the end of the period we reached conditional agreement to acquire a 33.4% interest, with matching warrants which could see this holding increase to 50.1%, in Goldstone Resources, a Jersey-registered, AIM-quoted company. Subject to shareholder consent and approval by The Takeover Panel of a waiver of Rule 9 of the City Code on Takeovers and Mergers, Stratex will invest £1.25 million and appoint two directors to the board as well as nominating an additional non-executive director. Goldstone controls the Homase-Akrokerri gold project in Ghana, which is immediately adjacent to Anglogold Ashanti's Obuasi mine, and currently has a resource of approximately 600,000 oz. We look forward to working with Goldstone management to develop an economic resource incorporating these and possibly other nearby deposits, as well as looking for other opportunities in Ghana. Goldstone also has the Sangola project in Senegal, where there may be synergies with Dalafin, and two early-stage exploration licences in Gabon where the potential needs to be more fully evaluated before committing to further work.

Stratex remains in a fortunate position, with over £7.0 million in cash at 30 June 2014 and the real expectation of cash flow from Altintepe in 2015 and Öksüt in 2016. We have had very encouraging results at 85% owned Dalafin in Senegal where we continue to work towards defining the scale of the discovery and ultimately a resource; the restructuring of our interests in Ethiopia and Djibouti combined with exposure to the potential of Egypt has enabled us to reduce ongoing overheads; and lastly, the association with Goldstone which has given us a foothold in one of the most highly-endowed gold producing regions in Africa with the potential for development, further discovery and consolidation.

Mindful as always of controlling costs, we continuously review our overheads and exploration costs and seek ways to operate more efficiently. However, the management team is small and stretched, even within our chosen 3-hour time zone and we are looking to strengthen the team with some additional senior management capability. This will enable us to take Stratex into the next phase of its development with consistent cash flow, underpinning our own exploration initiatives. It will also assist in the search for new opportunities where our demonstrably successful business model can be applied to the further benefit of shareholders.

Christopher Hall
Non-Executive Chairman
20 August 2014

Statement of Consolidated Comprehensive Income

	6 months to 30 June 2014 Unaudited	6 months to 30 June 2013 Unaudited
	£	£
Continuing operations		
Revenue	-	123,753
Cost of sales	-	(81,972)
Gross profit	**-**	**41,781**
Administration expenses	(1,314,419)	(1,688,351)
Exchange gains – net	56,616	304,117
Operating loss	**(1,257,803)**	**(1,342,453)**
Finance income	24,473	33,150
Share of losses of associate	(68,052)	(56,072)
Net (loss)/gain on sale of related companies	(98,834)	2,479,996
Project impairment costs	-	(380,953)
Other losses	(14,302)	-
(Loss)/Profit before income tax	**(1,414,518)**	**733,668**
Income tax	-	177,131
(Loss)/Profit for the period	**(1,414,518)**	**910,799**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Share of comprehensive income of investments accounted for using the equity method	26,523	-
Exchange differences on translating foreign operations	(244,183)	326,905
Other comprehensive (loss)/income, net of tax	**(217,660)**	**326,905**
Total comprehensive (loss)/income for the period	**(1,632,178)**	**1,237,704**
(Loss)/Profit attributable to:		
Equity shareholders of the Parent Company	(1,414,518)	910,799
(Loss)/Profit for the period	**(1,414,518)**	**910,799**
Total comprehensive income attributable to:		
Equity shareholders of the Parent Company	(1,632,178)	1,237,704
Total comprehensive (loss)/income for the period	**(1,632,178)**	**1,237,704**
Earnings per share – continuing operations		
Basic and diluted earnings per share attributable to equity holders of the Company (pence)	(0.30)	0.19

Statement of Consolidated Financial Position

	30 June 2014 Unaudited £	30 June 2013 Unaudited £	31 December 2013 Audited £
ASSETS			
Non-current assets			
Furniture, fittings and equipment	149,768	239,281	178,416
Intangible assets and goodwill	10,012,173	9,726,863	8,942,778
Investments accounted for using the equity method	2,323,587	1,079,595	2,545,207
Available-for-sale financial assets	137,391	-	137,391
Trade and other receivables	174,809	182,306	132,094
Deferred tax asset	196,833	217,787	202,041
	12,994,561	11,445,832	12,137,927
Current assets			
Trade and other receivables	1,960,304	2,228,106	1,412,701
Cash and cash equivalents	7,398,483	14,992,545	10,574,966
	9,358,787	17,220,651	11,987,667
Held-for-sale assets	238,435	94,305	244,744
	9,597,222	17,314,956	12,232,411
Total assets	**22,591,783**	**28,760,788**	**24,370,338**
EQUITY			
Equity attributable to owners of the Company			
Ordinary shares	4,673,113	4,673,113	4,673,113
Share premium	20,426,431	20,426,431	20,426,431
Other reserves	(845,083)	(70,275)	(631,301)
Retained earnings	(3,484,896)	2,460,847	(2,070,378)
Total equity attributable to owners of the Company	**20,769,565**	**27,490,116**	**22,397,865**
LIABILITIES			
Non-current liabilities			
Employee termination benefits	29,796	27,935	28,107
Deferred consideration	-	375,313	-
Deferred tax liabilities	89,326	90,737	89,343
	119,122	493,985	117,450
Current liabilities			
Deferred consideration	1,154,366	-	1,140,064
Trade and other payables	548,730	776,687	714,959
	1,703,096	776,687	1,855,023
Total liabilities	1,822,218	1,270,672	1,972,473
Total equity and liabilities	**22,591,783**	**28,760,788**	**24,370,338**

Statement of Consolidated Changes in Equity

	Share Capital £	Share Premium £	Merger Reserve £	Shares option reserve £	Retained earnings £	Translation reserve £	Total equity £
As at 1 January 2014	**4,673,113**	**20,426,431**	**(485,400)**	**766,658**	**(2,070,378)**	**(912,559)**	**22,397,865**
Share based payments	-	-	-	3,878	-	-	3,878
Total contributions by and distributions to owners of the Company	**-**	**-**	**-**	**3,878**	**-**	**-**	**3,878**
Comprehensive income for the period:							
- Loss for the period	-	-	-	-	(1,414,518)	-	(1,414,518)
- 0ther comprehensive income	-	-	-	-	-	(217,660)	(217,660)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(1,414,518)**	**(217,660)**	**(1,632,178)**
As at 30 June 2014	**4,673,113**	**20,426,431**	**(485,400)**	**770,536**	**(3,484,896)**	**(1,130,219)**	**20,769,565**
As at 1 January 2013	**4,673,113**	**20,426,431**	**(485,400)**	**738,132**	**1,550,048**	**(667,106)**	**26,235,218**
Share based payments	-	-	-	17,194	-	-	17,194
Total contributions by and distributions to owners of the Company	**-**	**-**	**-**	**17,194**	**-**	**-**	**17,194**
Comprehensive income for the period							
- Profit for the period	-	-	-	-	910,799	-	910,799
- 0ther comprehensive income	-	-	-	-	-	326,905	326,905
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**910,799**	**326,905**	**1,237,704**
As at 30 June 2013	**4,673,113**	**20,426,431**	**(485,400)**	**755,326**	**2,460,847**	**(340,201)**	**27,490,116**

Statement of Consolidated Cash Flows

	6 months to 30 June 2014 Unaudited £	6 months to 30 June 2013 Unaudited £	12 months to 31 December 2013 Audited £
Cash flow from operating activities			
(Loss)/Profit before income tax	(1,414,518)	733,668	(3,830,681)
Issue of share options	3,878	17,194	36,485
Depreciation	44,006	52,810	112,916
Project impairment write-offs	-	380,953	2,679,540
Fixed asset write-offs	-	1,218	1,803
Share of losses/(profits) of associated companies	68,052	56,072	(570,748)
Gain/(loss) on sale of related companies	98,834	(2,479,996)	(2,043,751)
Change in value of deferred consideration	14,302	4,471	769,222
Increase in employee termination benefit fund	2,477	-	(5,384)
Interest income on short term deposits	(24,473)	(33,150)	(138,679)
Foreign exchange movements on operating activities	(140,357)	210,662	12,214
Changes in working capital, excluding the effects of exchange differences on consolidation:			
Trade and other receivables	(590,317)	12,700,384	169,489
Trade and other payables	(166,258)	(838,669)	(900,396)
Net cash (used in)/generated from operating activities	**(2,104,374)**	**10,805,617**	**(3,707,970)**
Cash flows from investing activities			
Purchase of furniture, fittings and equipment	(26,593)	(73,064)	(82,736)
Purchase of available-for-sale financial assets	-	-	(137,391)
Purchase of intangible assets	(1,192,128)	(3,662,444)	(5,525,493)
Purchase of investments	-	(38,657)	-
Proceeds from sale of associate company	-	2,602,179	15,475,156
Investment in associate company	-	-	(1,055,875)
Interest received	24,473	33,150	138,679
Net cash (used in)/generated from investing activities	**(1,194,248)**	**(1,138,836)**	**8,812,340**
Cash flows from financing activities			
Funds received from project partners	122,139	607,316	752,148
Net cash inflow from financing activities	**122,139**	**607,316**	**752,148**
Net (decrease)/increase in cash and cash equivalents	(3,176,483)	10,274,097	5,856,518
Cash and cash equivalents at beginning of the period	10,574,966	4,718,448	4,718,448
Cash and cash equivalents at end of the period	**7,398,483**	**14,992,545**	**10,574,966**

Notes to the unaudited financial statements

1. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

2. Financial Information

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Except as described below, the accounting policies applied in preparing the interim financial information are consistent with those that have been adopted in the Group's 2013 audited financial statements. Statutory financial statements for the year ended 31 December 2013 were approved by the Board of Directors on 11 March 2014 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

Risks and uncertainties

The key risks that could affect the Group's short and medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2013 Annual Report and Financial Statements, a copy of which is available on the Company's website: www.stratexinternational.com . The Group's key financial risks are the availability of adequate funding and foreign exchange movements.

Accounting Policies.

Critical accounting estimates and judgements

The preparation of condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 4 of the Group's 2013 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period. The condensed consolidated interim financial statements have been prepared under the historical cost convention as modified by the measurement of certain investments at fair value.

Changes in accounting policy and disclosures.

New and amended standards adopted by the Group:

Amendment to IAS 36, 'Recoverable Amount Disclosures for Non-Financial Assets', to reduce the circumstances in which the recoverable amount of assets or cash-generating unites is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IFRS 11, 'Joint arrangements' provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint venture has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

The financial information for the 6 months ended 30 June 2014 and the 6 months ended 30 June 2013 has not been audited.

3. Operating Segments

Operating segments are reported in a manner which is consistent with internal reports provided to the Board and are used by the Directors to make strategic decisions. The management structure reflects these segments. The Company's exploration operations are based in three geographical areas, namely Turkey, East Africa and West Africa. The Group's head office is located in the UK and provides corporate and support services to the Group and researches new areas of exploration opportunities.

The allocation of losses, assets and liabilities by operating segment is as follows:

(Profit)/Loss for the period:

6 months to 30 June 2014	**Turkey**	**East Africa**	**West Africa**	**UK**	**Total**
Administrative costs	290,991	234,126	199,562	546,761	**1,271,440**
Inter-segment charges	46,986	241,405	151,975	(440,366)	**-**
Finance income	-	-	-	(24,473)	**(24,473)**
Depreciation	3,504	27,617	1,902	9,956	**42,979**
Exchange (gains)/losses	(109,260)	662	8,497	43,485	**(56,616)**
Share of losses of associates	31,415	36,637	-	-	**68,052**
Other losses	-	-	14,302	-	**14,302**
Loss on part disposal of Associate	-	98,834	-	-	**98,834**
Loss before Income Tax	**263,636**	**639,281**	**376,238**	**135,363**	**1,414,518**

6 months to 30 June 2013					
Administrative costs	498,904	466,376	59,369	590,639	**1,615,288**
Inter-segment charges	53,799	204,793	87,432	(346,024)	**-**
Finance income	-	-	-	(33,150)	**(33,150)**
Depreciation	4,797	20,683	-	5,802	**31,282**
Project impairment	-	-	380,953	-	**380,953**
Exchange (gains)/losses	66,750	(64,156)	7,741	(314,452)	**(304,117)**
Share of losses of associates	56,072	-	-	-	**56,072**
Gain on sale of investment	(2,083,977)	-	-	-	**(2,083,977)**
Gain on sale of subsidiary	(396,019)	-	-	-	**(396,019)**
(Profit)/loss before Income Tax	**(1,799,674)**	**627,696**	**535,495**	**(97,185)**	**(733,668)**

Assets and liabilities:

6 months to 30 June 2014	**Turkey**	**East Africa**	**West Africa**	**UK**	**Total**
Exploration assets	-	4,954.091	4,131,536	-	9,085,627
Goodwill	-	-	926,546	-	926,546
Furniture, fittings and equipment	13,720	74,769	26,836	34,443	149,768
Associate companies	842,461	1,481,126	-	-	2,323,587
Cash and other assets	1,235,701	201,264	1,177,660	7,491,630	10,106,255
Liabilities	(337,375)	(27,759)	(1,346,788)	(110,296)	(1,822,218)
Inter-segment	(2,571,605)	(11,002,823)	(6,756,613)	20,331,041	-

Net Assets	**(817,098)**	**(4,319,332)**	**(1,840,823)**	**27,746,818**	**20,769,565**
6 months to 30 June 2013					
Exploration assets	196,501	5,869,492	2,734,324	-	8,800,317
Goodwill	-	-	926,546	-	926,546
Furniture, fittings and equipment	29,896	152,841	11,250	45,294	239,281
Associate companies	1,079,595	-	-	-	1,079,595
Cash and other assets	2,008,670	520,026	352,898	14,833,455	17,715,049
Liabilities	(402,049)	(152,766)	(183,228)	(532,629)	(1,270,672)
Inter-segment	(2,769,318)	(9,047,370)	(3,339,391)	15,156,079	-
Net Assets	**143,295**	**(2,657,777)**	**502,399**	**29,502,199**	**27,490,116**

Other assets include cash and cash equivalents amounting to £7,398,483 at 30 June 2014, (2013: £14,992,545).

4. Related party transactions

Directors of the Company received total remuneration of £309,986 for the six months ended 30 June 2014 (six months ended 30 June 2013 - £292,050).

5. Earnings per share

The calculation of earnings per share is based on the loss attributable to equity holders of the Company of £1,414,518 for the period ended 30 June 2014 (30 June 2013: profit of £910,799) and the weighted average number of shares in issue in the period ended 30 June 2014 467,311,276 (30 June 2013: 467,311,276). There is no difference between the basic and diluted earnings per share.

6. Events after the reporting period

On 21 July 2014, the Company announced that it had conditionally agreed to invest £1.25m in Goldstone Resources Limited, to acquire 20,833,333 ordinary shares at a price of 0.63p for an interest of 33.4%. In addition the Company will hold matching warrants exercisable within 18 months at 0.7p per share. The shareholding would rise to 50.1% after exercising the warrants.

Goldstone Resources Limited is an AIM-quoted gold exploration company with advanced exploration assets in Ghana, Senegal and Gabon. The company does not capitalise its exploration costs and recorded a loss of £6,481,450 for the year ended 28 February 2013.

Completion of the placing is subject to various conditions including shareholder consent and the approval by the Takeover Panel of a waiver of Rule 9 of the City Code on Takeovers and Mergers.

7. Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on 20 August 2014.

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Notes to editors:
Stratex International is a well-funded AIM-quoted exploration and development company focussed on gold and high-value base metals in Turkey, East Africa and West Africa. Since listing on AIM in 2006, Stratex has had an impressive track record of successful exploration supported by joint-venture partnerships, both with major international mining companies and local companies to maximise the potential of its discoveries.

In December 2012 the Company announced the sale of its 30% interest in the Öksüt gold project for cash of 20 times its original US$1 million investment and retained a royalty of 1% up to a maximum additional value of US$20 million.

To date Stratex has discovered more than 2.2 million ounces of gold and 7.9 million ounces of silver, as well as 186,000 tonnes of copper. The Company has a robust cash balance and is therefore 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, particularly in East Africa and West Africa.