Company	Stratex International PLC
TIDM	STI
Headline	Interim Results
Released	12:57 31-Jul-06

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

31 July 2006

Stratex International Plc, ('Stratex' or 'the Company')
Interim Results

Stratex International Plc, the AIM-listed international exploration and development company currently focusing on gold and base metal opportunities in Turkey, announces its results for the period ended 30 June 2006.

Chairman's statement

It gives me great pleasure to review the first six months of your Company's activities since listing. Stratex – Strategic Exploration, has developed rapidly and successfully in its short public period. True success in exploration, a rare commodity, is defined by drilling of economic ore intersections. Your Company duly delivered with the first drill hole at its 100% owned Inlice prospect in the Konya Volcanic Complex (KVC). The intersection of 38.45 metres grading 2.98 g/t Au confirmed the prospect as a serious new discovery of high sulphidation gold mineralization in Turkey. Since that early success in April our work on what we regard as our flagship discovery has progressed well, culminating in the recent exciting press release of 18th July declaring an intersection of 32.20 metres grading 5.75 g/t Au with a high grade core of 16.50 metres grading 8.53 g/t Au.

Strategic indeed, especially as your Company had rapidly moved to put itself competitively ahead of other exploration companies by recognising the strategic importance of the KVC and its potential for further epithermal and porphyry discoveries. High sulphidation gold systems are a major target worldwide especially given the importance in terms of low cost production of such mines as Yanacocha, Pierina and Veladero. These systems often come in clusters and the presence of more than 20 target alteration systems in the KVC is highly encouraging.

Drilling is ongoing at Inlice; our understanding of the controls on gold mineralization is being added to. Your Company has now shown multi-million ounce potential and is rapidly moving forward to defining a serious resource here. There will be holes with little or no gold but as long as your experienced team is using such knowledge to enhance the prospect of finding the main focus of the gold mineralization the project will be developed further. Indeed recent mapping with QuickBird high resolution imagery has identified a new large target north west of the current Main Zone that the Company has quickly evaluated with soil sampling. I look forward to continuing encouraging news from the Inlice and KVC project.

Stratex has an exciting portfolio. Indeed as I write drilling has started on yet another gold discovery – Karaagac in our Muratdagi project area. The style of mineralization here is what is known as sediment-hosted gold. The Company had defined gold with silicified and structurally prepared zones with encouraging gold grades up to 9.7 g/t Au. The aerial extent of the mineralization bodes well for discovery of a large-tonnage low-grade gold resource.

In line with the plans given in the AIM Admission Document, the Company has also almost completed mapping and sampling of the Dikmen property with the anticipation of identifying drill targets, and this effort will shortly be directed to the Muratdere property also.

Many companies espouse the use of so-called “black box” techniques such as advanced remote sensing technology. Your Company uses such tools as a matter of course as part of its normal exploration programmes. What is critical is having qualified experienced economic geologists capable of making observations, defining risk and managing programmes for maximum value. Such people are rare, but Stratex in its dynamic CEO, Dr. Bob Foster, and Turkish General Manager Bahri Yildiz has such people and they are building a good support team.

You can be assured of an exciting six months as the Company tests and develops these projects and develops further its pipeline of projects. The Strategic Association with Teck Cominco means that Stratex has a willing and financially and technically capable partner to develop these projects further at no cost to the Company if they exercise their back-in rights. Together with Teck Cominco we are reviewing additional opportunities and I anticipate expansion of our mutual interests outside of Turkey in the coming months.

Thank you for your past interest and support and I hope you will continue to support what I firmly believe to be a strategically positioned Exploration & Development company with very considerable assets in terms of its project pipeline and its people.

David J. Hall
Chairman
18 July 2006

Consolidated Income Statement

	6 months to 30 June 06 Unaudited £	6 months to 30 June 05 Unaudited £	Period from 24 August 04 to 31 December 05 Unaudited £
Turnover	-	-	-
Other operating expenses	(255,803)	(120,578)	(256,741)
Loss from operations	(255,803)	(120,578,)	(256,741)
Finance income	28,726	5,158	9,770
Loss from ordinary activities before tax	(227,077)	(115,420)	(246,971)
Tax (charge)/credit on profit on ordinary activities	-	-	-
Retained loss for the period attributable to shareholders	**(227,077)**	**(115,420)**	**(246,971)**
Loss per share - basic and diluted	**(0.17)p**	**(0.15)p**	**(0.33)p**

Consolidated balance sheet

	30 June 06 Unaudited £	30 June 05 Unaudited £	31 December 05 Unaudited £
ASSETS			
Non-current assets			
Property, plant & equipment	16,594	4,146	3,570
Intangible assets	205,283	12,060	79,302
	221,877	16,206	82,872
Current assets			
Other receivables	35,571	12,838	42,710
Bank balances and cash	1,337,011	390,508	177,977
	1,372,582	403,346	220,687
Total assets	**1,594,459**	**419,552**	**303,559**
EQUITY & LIABILITIES			
Equity			
Issued capital	1,374,000	1,000,000	1,000,000
Reserves	163,455	(601,461)	(731,109)
	1,537,455	398,539	268,891
Current liabilities			
Trade payables	14,772	18,489	28,325
Other payables	42,232	2,524	6,343
	57,004	21,013	34,668
Total equity and liabilities	**1,594,459**	**419,552**	**303,559**

Consolidated Statement of Changes in Equity

	Share Capital £	Share Premium £	Merger Reserve £	Accumul-ted loss £	Translation reserve £	Total £
As at 1 January 2006	**1,000,000**	**0**	**(485,400)**	**(246,971)**	**1,262**	**268,891**
Issue of ordinary shares	374,000	1,496,000				1,870,000
Share option – value of employee services				12,594		12,594
Costs of share issue and admission to AIM		(329,940)				(329,940)
Consolidated loss for the period				(227,077)		(227,077)
Movement on translation reserve					(57,013)	(57,013)
As at 30 June 2006	**1,374,000**	**1,166,060**	**(485,400)**	**(461,454)**	**(55,751)**	**1,537,455**

Consolidated cash flow statement

	6 months to 30 June 06 Unaudited	6 months to 30 June 05 Unaudited £	Period from 24 August 04 to 31 December 05 Unaudited £
Cash inflow from operating activities			
Loss before tax	(227,077)	(115,420)	(246,971)
Interest income	(28,726)	(5,158)	(9,770)
Depreciation	2,555	725	1,545
Employee services for issue of share options	12,594	-	-
Exchange (loss)/gain	(17,673)	(685)	1,262
Operating loss before changes in working capital	(258,327)	(120,538)	(253,934)
(Increase)/decrease in other receivables and prepayments	7,139	(12,838)	(42,710)
Increase in trade payables	22,336	21,013	34,668
Net cash outflow from operating activities	**(228,852)**	**(112,363)**	**(261,976)**
Cash flows from investing activities			
Purchase of intangible assets	(163,275)	(11,995)	(79,302)
Purchase of tangible assets	(17,625)	(4,892)	(5,115)
Interest received	28,726	5,158	9,770
Net cash used in investing activities	**(152,174)**	**(11,729)**	**(74,647)**
Cash flows from financing activities			
Proceeds from the issue of shares	1,540,060	504,600	514,600
Net cash inflow from financing activities	**1,540,060**	**504,600**	**514,600**
Net increase in cash and cash equivalents	1,159,034	380,508	177,977
Cash and cash equivalents at the beginning of the period	177,977	10,000	0
Cash and cash equivalents at the end of the period	**1,337,011**	**390,508**	**177,977**

Notes to the unaudited financial statements

1. **Establishment and operations**

   The principal activity of the Stratex Group is base metals exploration and development. Stratex International plc, the parent company, completed a listing on AIM on 4 January 2006. The funds raised as a result of the share placing in January are forecast to provide sufficient working capital for the remainder of 2006.

2. **Financial information**

   The financial information set out above does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. It has been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS). The accounting policies applied in preparing the financial information are consistent with those that will be adopted in the Group's 2006 statutory accounts.

   The financial information for the 6 months ended 30 June 2006, the 6 months ended 30 June 2005 and the period to 31 December 2005 has not been audited.

3. **Accounting policies**

   Basis of preparation

   These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) 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

   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. Accordingly the financial information for the current period and comparatives has been presented as if Stratex Exploration Ltd had been owned by Stratex International plc throughout the current and prior periods.

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.

Foreign currency translation

(a) **Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in sterling, which is the Group's presentation currency.

(b) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) **Group companies**

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

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 assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an 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.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

Plant & Machinery	10%	
Furniture & Fittings	20%	
Office and computer equipment		25% - 33%
Software	33%	

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Deferred taxation

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

No liability to UK corporation tax arose on ordinary activities for the current period or prior periods. The Group has losses to be carried forward on which no deferred tax asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets are recognised in the balance sheet at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate. Interest receivable and payable is accrued and credited/charged to the profit and loss account in the period to which it relates.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Share based incentives

The fair value of the employee services received in exchange for the grant of share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date the Group revises its estimate of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

4. Loss per Share

The calculation of loss per share is based on a retained loss of £227,077 for the period ended 30 June 2006 (30 June 2005: £115,420; 31 December 2005: £246,971) and the weighted average number of shares in issue in the period 30 June 2006 of 137,400,000 (30 June 2005: 77,411,135; 31 December 2005: 75,546,744). There is no difference between the diluted loss per share and the loss per share shown.

The number of shares used to calculate the loss per share for the period ended 30 June 2005 and the period ended 31 December 2005 is based on the 100,000,000 shares, which were issued as part of the business combination, weighted in accordance with the dates of issue of the underlying shares which were exchanged.

5. Dividends

No dividend is proposed for the period.

Independent review report to the Directors of Stratex International plc

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2006 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity and the consolidated cash flow statement and the related notes to the accounts and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules of the London Stock Exchange and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Directors' Responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the interim report in accordance with the AIM Rules of the London Stock Exchange which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the annual accounts except where any changes, and the reasons for them, are disclosed.

Review Work Performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4; the review of interim financial information issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review Conclusion
On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2006.

CLB Littlejohn Frazer
Chartered Accountants
1 Park Place
Canary Wharf
London E14 4HJ

*** * ENDS * ***

For further information please contact:

David Hall	Stratex International Plc	Tel: +44 (0)20 7830 9650
Bob Foster	Stratex International Plc	Tel: +44 (0)20 7830 9650
Imran Ahmad	HB Corporate	Tel: +44 (0)20 7510 1166
Hugo de Salis	St Brides Media & Finance Ltd	Tel: +44 (0)20 7242 4477

Notes to editors:

Stratex International Plc is an AIM-listed exploration and development company currently focusing on gold and base metal opportunities in Turkey. Directed by a highly experienced resource sector management team, Stratex's activities will identify quality mineral resources, primarily gold, silver, copper, molybdenum, zinc, and nickel.

Stratex has developed four high-priority prospects in central and western Turkey and is undertaking an extensive exploration and resource drilling programme, together with mapping and sampling of key prospects. The Company has identified widespread evidence for a 'high-sulphidation' style of gold mineralization on its Inlice property. This style of mineralization occurs at three of the largest and lowest cost gold mines placed into production in the last 15 years, namely Yanacocha, Pierina and Alto Chicama in Peru.

Teck Cominco Limited

The Company has a 'Strategic Alliance' with Teck Cominco Limited, a diversified mining company headquartered in Vancouver, Canada. Teck Cominco holds 14.5% of the Company. This enables the two parties to pool expertise, skills and databases to identify potential projects. Technical and financial risks are also being reduced through the alliance with a major metal producer providing additional project funding, a wealth of technical expertise and a ready buyer for new resources ensuring rapid returns from discoveries.

END

Close

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. Terms and conditions, including restrictions on use and distribution apply.

©2006 London Stock Exchange plc. All rights reserved