

Oriole Resources PLC

10:23 22 Aug 2013

UPDATE: Stratex International swings to profit after Inlice sale

--adds broker comments, share price--

The sale of its stake in the Inlice gold project in Turkey helped Stratex International (LON:STI) swing to a profit in the first half of 2013.

The company sold its 45% stake for around £6.4 million in cash, equivalent to an in-situ reserve price of US\$167 per ounce of gold. Its interim results revealed the net gain on the sale was £2.1m.

Having made a loss of £707,000 last year, it posted a profit after tax of £911,000, thanks largely to the disposal, but also due to the £396,000 gained from the transfer of 55% of the Alt?ntepe project to Bahar Mining.

It follows the sale of two other Turkish projects in 2012: the Muratdere copper project and the Öksüt gold property.

The company boasted a healthy cash balance of £15m at the end of June compared with £7m in 2012.

Chairman Christopher Hall reflected on a tough period for junior gold miners amid a slump for the price of the precious yellow metal.

"The first six months of 2013 have seen near paralysis in the market for exploration equity," he said.

"More and more companies are seeing cash balances run down to dangerous levels and, in spite of rising interest in less traditional funding routes, the outlook shows no real signs of improvement.

"Through a combination of foresight, good fortune and an appropriate business model, which has seen cash generated from three projects (Öksüt, Inlice and Muratdere), Stratex is finishing the half year with a very healthy cash balance of £15 million."

Northland Capital called the interims "a strong set of results that highlight Stratex's value creation, robust balance sheet and strong recycling of cash".

Analyst Dr Ryan Long points out that profits from disposals should not be taken as exceptional items as these show "the successful culmination of Stratex's business model" of buying greenfield assets, building them up and then selling them on for a profit.

"As the interim statement iterates, the company's low market valuation owes largely to general sector sentiment," said Long.

"However, we view Stratex as an excellent exposure even at this stage in the cycle, given management track record, quality of JV-partners, exploration prospects and inherent value from gold in the ground, whilst any improvement in

Price: 0.465

Market Cap: £3.26 m

1 Year Share Price Graph



Share Information

Code: ORR

Listing: LSE

52 week High Low
0.645 0.25

Sector: Gold & silver

Website: orioleresources.com

Company Synopsis:

Oriole Resources PLC is an AIM-listed exploration company, operating in Africa and Europe.

action@proactiveinvestors.com

sentiment for small cap mining should see Stratex as a preferred selection."

He has a 'buy' recommendation and 12.8p target price, against the current price of 4.5p, up 2.9% today.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Oriole Resources PLC named herein, including the promotion by the Company of Oriole Resources PLC in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).