

# Oriole Resources PLC

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## 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:** 0.48

**Market Cap:** £3.37 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.*

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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.

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