

**Stock Data**

Share Price: 0.44p  
Market Cap.: £3.1m  
Shares in issue: 701.8m

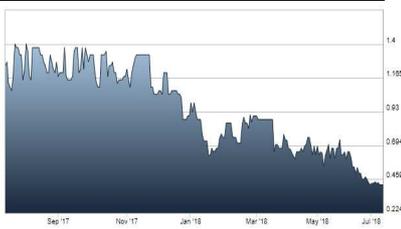
**Company Profile**

Sector: Mining  
Ticker: STI.L  
Exchange: AIM

**Activities**

Exploration and development company focused on gold and base metal deposits. Stratex is active in Senegal and Cameroon and has interests in companies operating in East and West Africa and Turkey.

**Share price performance**



Source: LSE

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TPI acts as joint broker to Stratex International PLC

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# Stratex International

Stratex is focused on the exploration and development of gold and base metals. The company is currently active in Senegal and has interests in companies operating in Turkey and across Africa. The company recently expanded its African asset base through the completion of an exciting option agreement to acquire up to 90% of two new projects in Cameroon. These are Bibemi and Wapouzé, which have the potential to significantly augment Stratex's gold exploration asset portfolio.

Cameroon's geology is highly favourable for a range of precious and base metals. In particular, the Pan-African fold belt is highly prospective for gold and there are 140 known gold deposits predominantly located in the central/eastern and northern regions. Approximately 32,000oz of gold was produced in 2016. However, Stratex believes that the region is still comparatively underexplored and there is significant potential for increased mineral resource definition.

Stratex has completed a two stage earn-in option agreement with Cameroonian company, BEIG3, which currently owns 100% of the highly prospective gold exploration licences, Bibemi (202km<sup>2</sup>) and Wapouzé (181km<sup>2</sup>) located in the north of the country. Bibemi is valid until April 2019 and the extension of the Wapouzé licence until 2020 is anticipated shortly.

Under the terms of the earn-in agreement, Stratex has exclusivity on both licences. Under the first stage option, Stratex will earn an initial 51% of both projects by funding \$1.56m of exploration activity over the next two years. For the second stage, Stratex will earn a further 39% for an additional \$1.56m expenditure or a pre-feasibility study on either one of the projects over the subsequent two years. BEIG3 will retain a 10% free carried interest in both projects up to completion of the second stage option. Stratex will manage the project on the ground and BEIG3 will provide operational and logistical support.

Exploration on the Bibemi project to date has focused on the central Bakassi area of the licence where gold is predominantly hosted in quartz veins which can be discontinuous and irregular. Three mineralised trends have been identified over a distance of c.20km. Recent exploration activity has identified three parallel zones of gold-in-soil mineralisation over 20km in the Bakassi area and multiple other gold occurrences. Stratex notes that 7,744 samples have been assayed for gold and the best results reported a range from 14m @1.00g/t Au to 6.2m @ 8.05g/t Au.

The earlier stage Wapouzé licence is located 20km north of Bibemi and the main gold anomaly has been identified in the east of the licence. Stream sampling was conducted in 2011-2015 over 15km and gold anomalies included 14 samples >10ppb Au, 6 samples >25ppb Au and 3 samples >50ppb Au. Additional zones showing signs of mineralisation have been identified for further evaluation.

The work plan under budget for the first stage option includes infill trenching at Bakassi to better define key gold anomalies and drilling to target key anomalies after full project evaluation has been conducted. Mapping and rock-chip sampling is currently underway and follow-up RC and diamond drilling is scheduled to commence in October. At Wapouzé, Stratex intends to conduct detailed mapping and reconnaissance soil and rock sampling and trenching in order to define areas of more concentrated gold anomalies which can subsequently be drilled.

To expand the company's activities in Cameroon, Stratex raised £1.15m before expenses through a placing of 230 million new shares on 13 June 2018. Of this, at least £1.0m will be utilised directly to fund the company's work commitments on Bibemi and Wapouzé. We understand that Stratex also has existing cash resources of c.£1.3m with which to fund operations relating to the company's existing portfolio.

## Cameroon option agreement

Stratex has entered into a conditional option agreement with BEIG3 (Bureau d'Etudes et d'Investigations Géologico-minières, Géotechniques et Géophysiques SARL), a well-established Cameroonian company, for its two-stage gold exploration projects; Bibemi and Wapouzé in north Cameroon. The option agreement signed with BEIG3 will enable Stratex to earn up to a 90% interest in the two projects.

Stratex can earn an initial 51% of the Bibemi and Wapouzé projects by funding US\$1.56m of exploration over two years (termed the First Option). This option has a minimum expenditure commitment of US\$0.56m within the first year of the First Option.

Stratex can earn a further 39% to bring the company's interest up to 90%, for further exploration expenditure amounting to US\$1.56m (or completion of a pre-feasibility study on one of the projects) over the subsequent two years (termed the Second Option). BEIG3 will retain a 10% free carried interest in the two projects up to completion of the Second Option or the pre-feasibility study on one of the projects.

Stratex has agreed to manage the project and BEIG3 will provide consulting and operational/logistics support through a technical support agreement.

### Details of the placing

Stratex raised new funds of £1.15m before expenses through a placing of 224.5 million new shares and a subscription of 5.5 million new shares at a price of 0.5p per share. The total issue of 230 million new shares represent 32.8% of the enlarged total share capital of the company.

The placing was conducted by Stratex's new joint broker, Turner Pope Investments (TPI). For conducting the placing, Stratex issued 4,490,000 new shares to TPI at the placing price of 0.5p in addition to 13,470,000 warrants also exercisable at the placing price at any time over the three year period after issue.

As a consequence of the successful completion of the placing, Stratex currently has approximately 701.8 million shares in issue.

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