

STRAITS HILLGROVE GOLD

Hillgrove: A New Start

20th September 2007

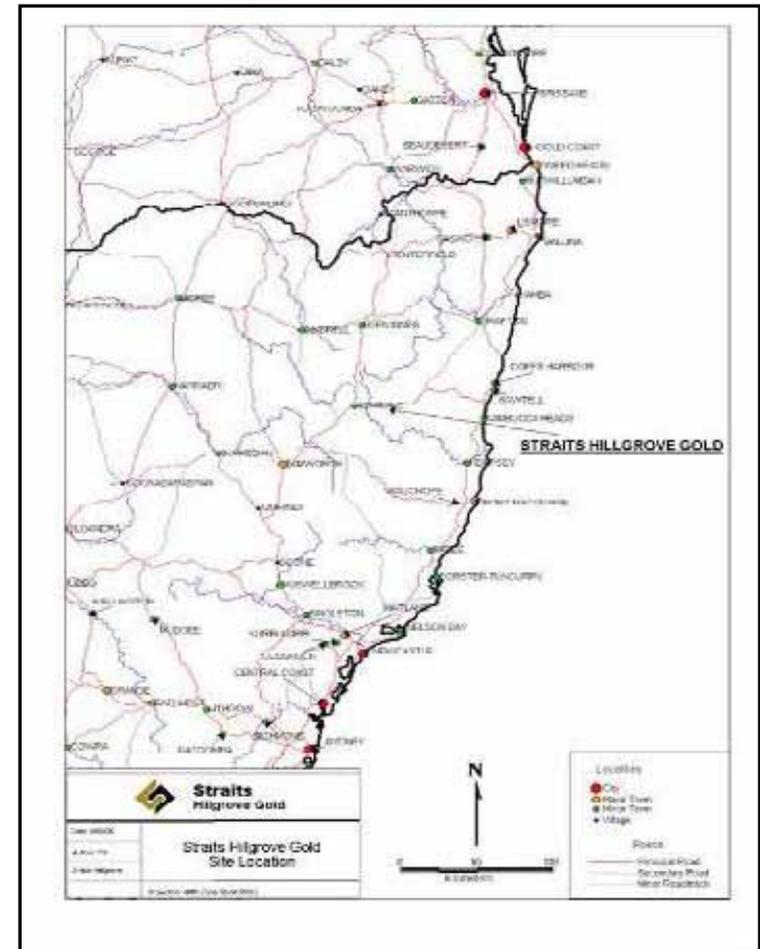
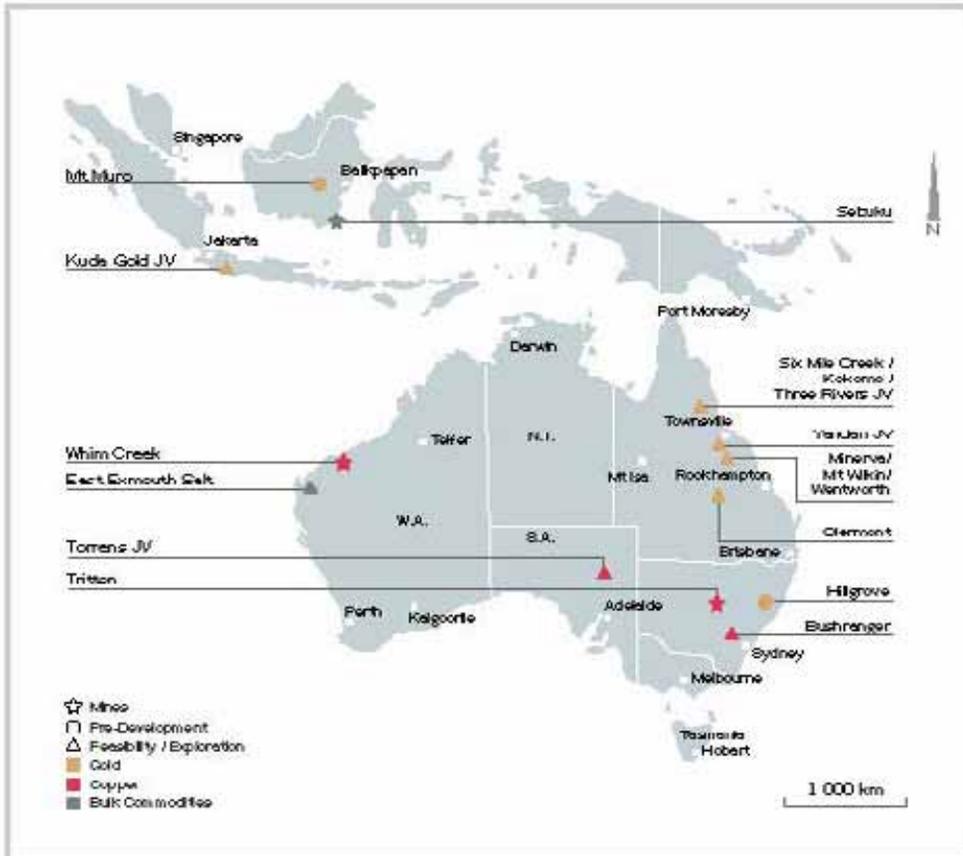
Chris Simpson – Senior Exploration Geologist

Site Overview

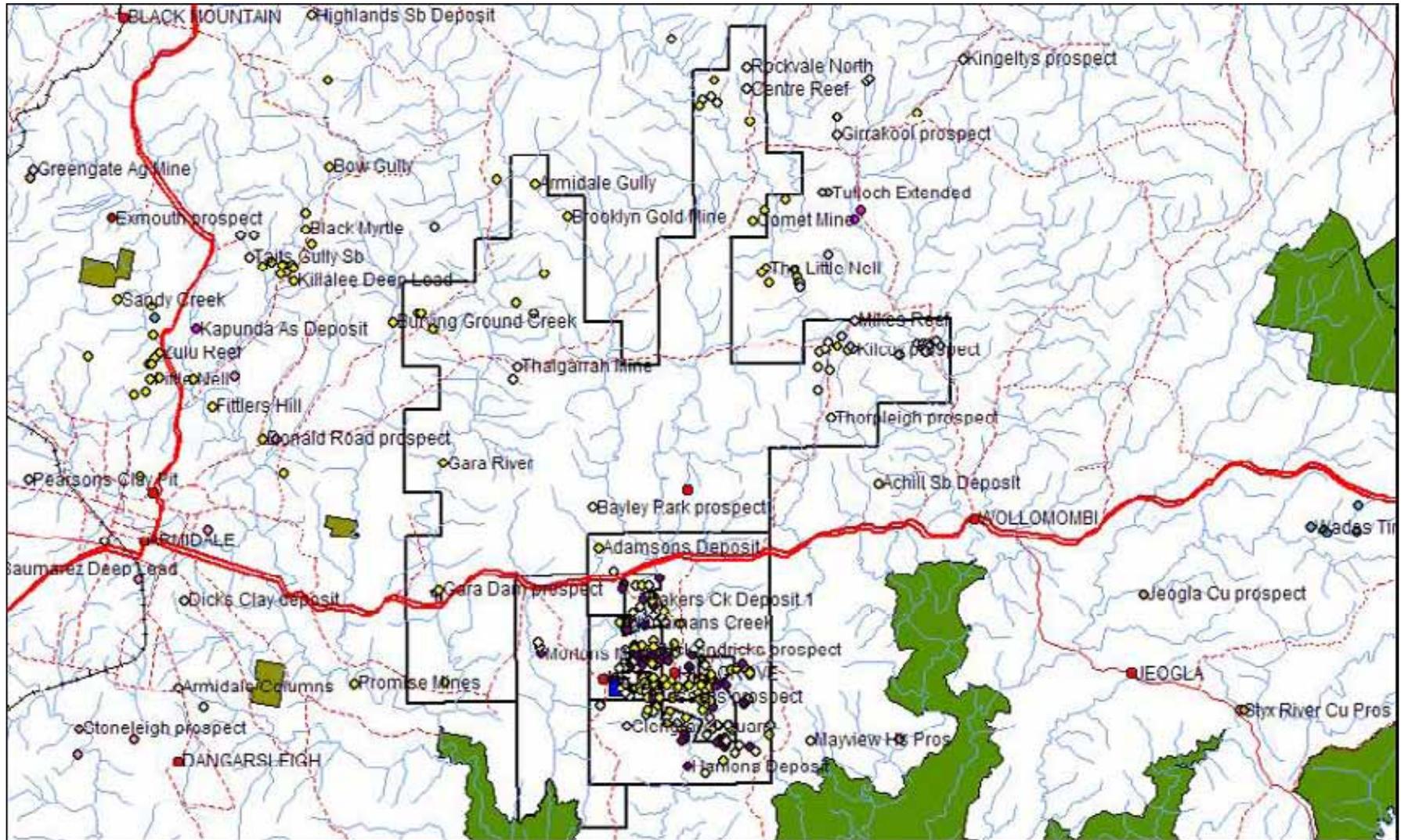
- Regional Geology
- Hillgrove Demonstration Process Plant
- Tailings Storage Facility Two (TSF2)
- Bakers Creek Haul Road
- Pre-Mine Development Syndicate
- Exploration Drilling
- Infrastructure Upgrades

Hillgrove – Overview

Location



Hillgrove Mineral Exploration Tenements



Overview



Hillgrove – Overview

History



- Challenging terrain – 450m deep gorge adjacent the mine site
- Straits Resources purchased 100% of Hillgrove in March 2004
- Exploration plus ongoing care and maintenance activities to July 2006.
- Pre mine development from August 2006

Overview - Historical



Mining since the 1880's



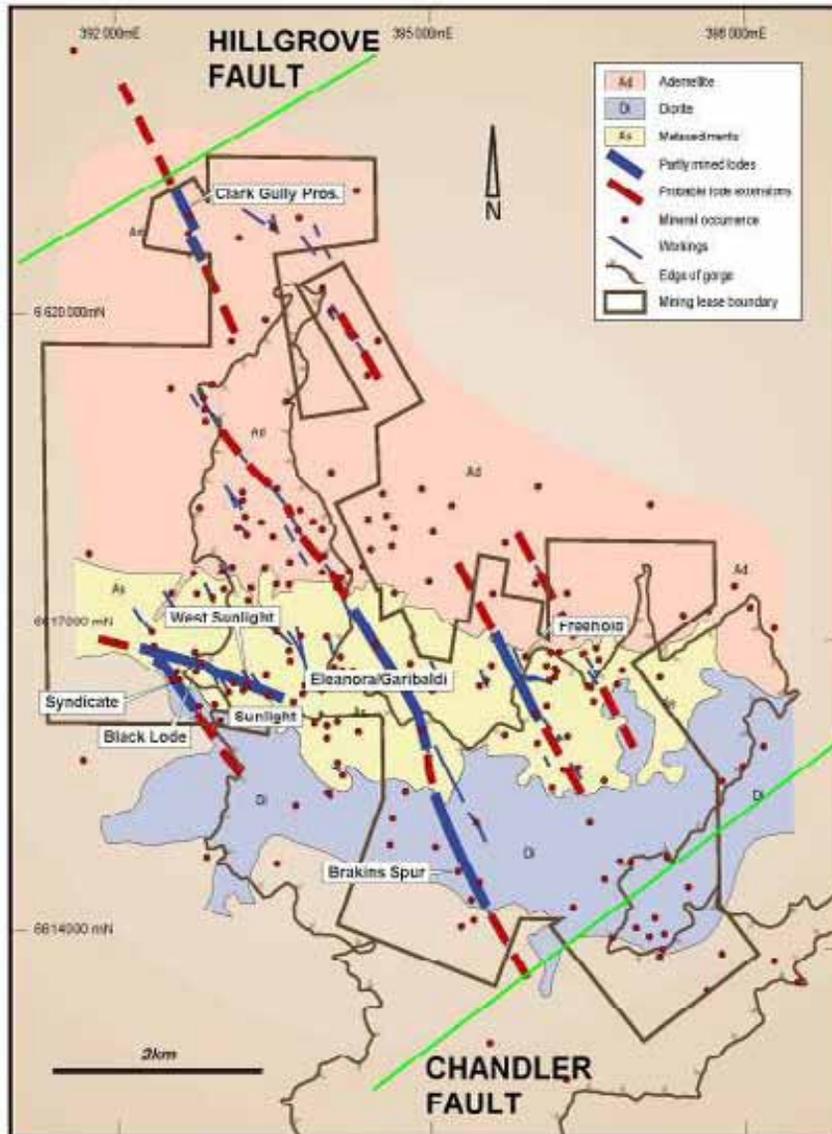
Hillgrove



**Straits
Hillgrove Gold**

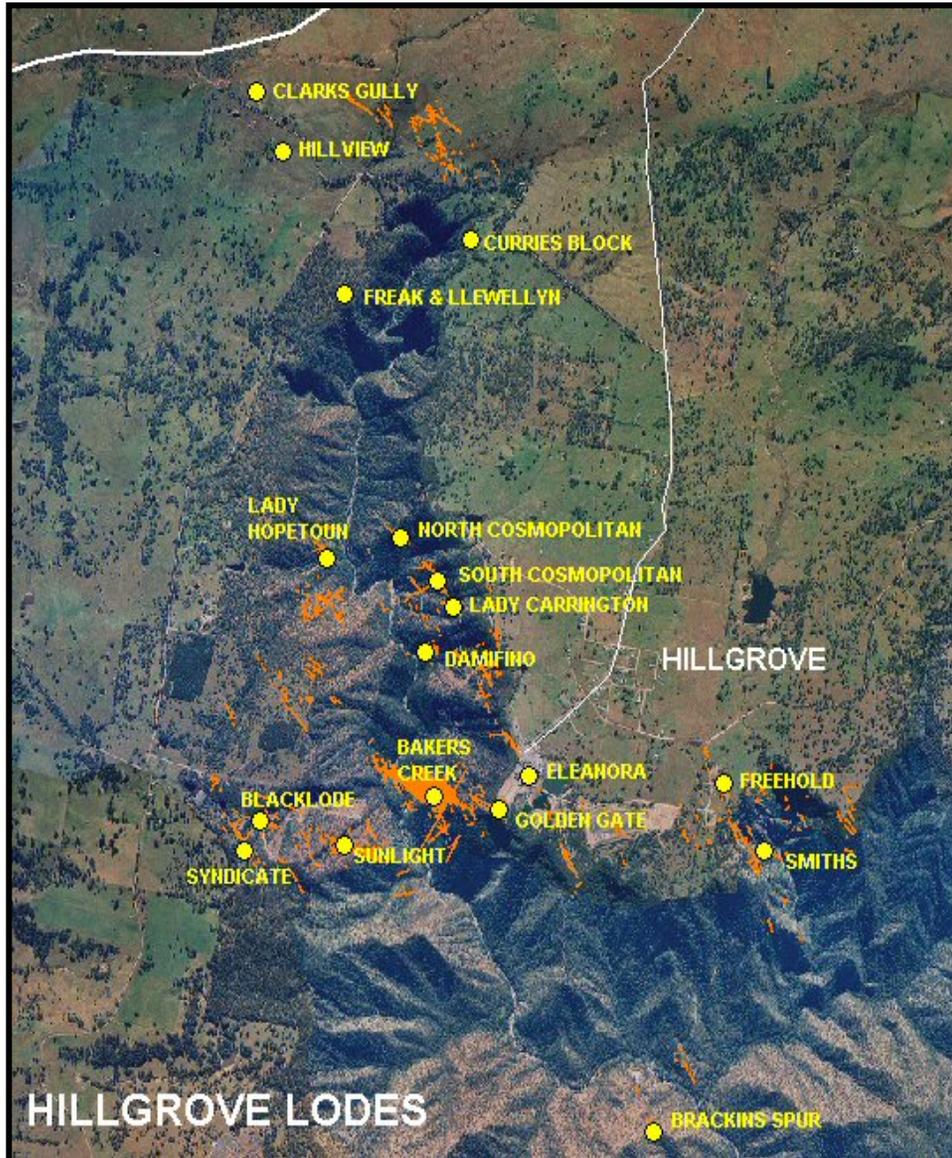
Regional Geology

Regional Geology

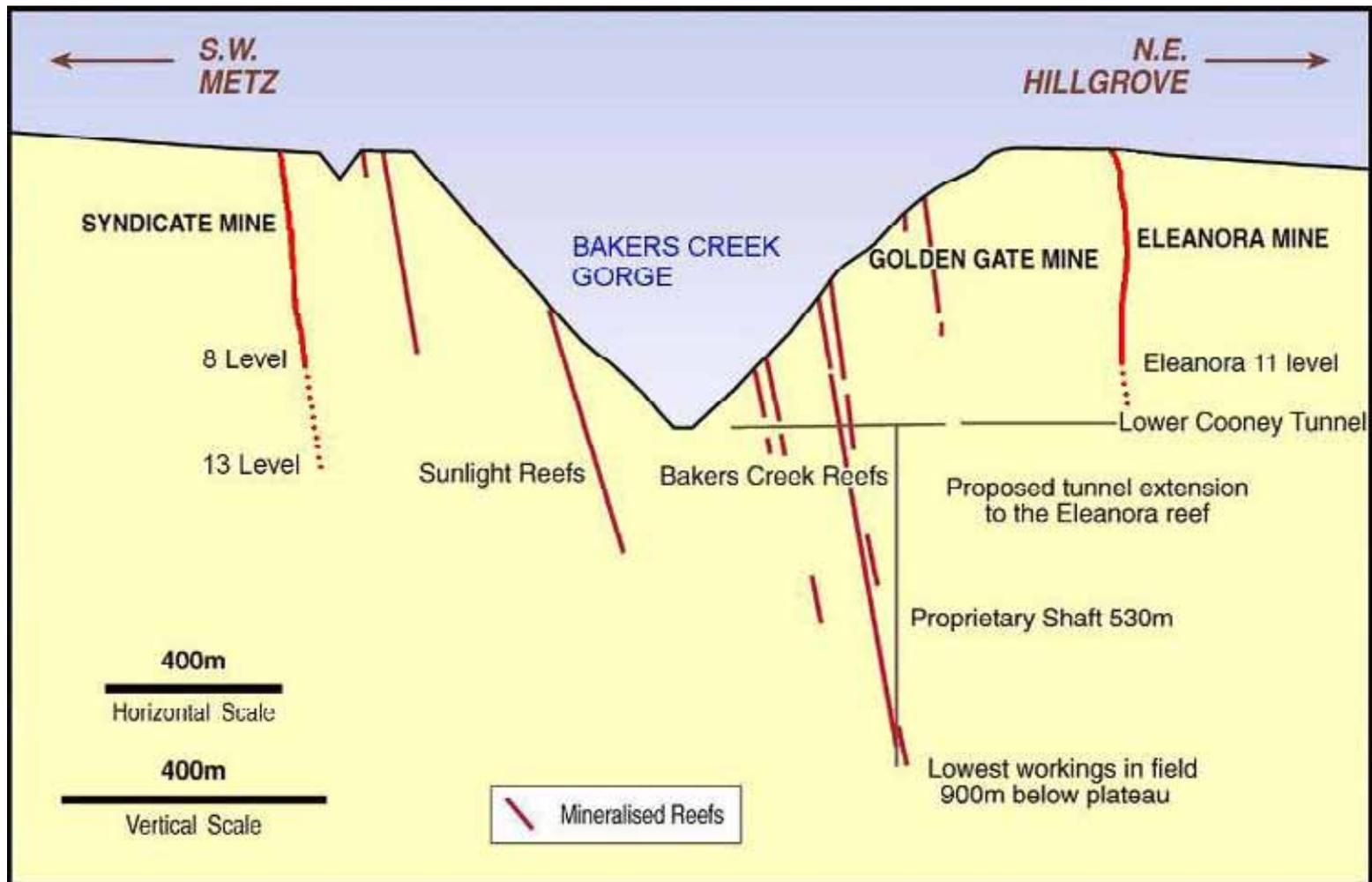


- Late Carboniferous Girrakool Sediments – Turbiditic shales and cherts
- Intruded by Early Permian Granites – Hillgrove Adamellite / Bakers Creek Diorite
- Tension gash corridor bounded by two regional ENE fault zones
- Lamprophyre dykes are common – Mid Carboniferous in age
- Multi phase Au – Sb – W mineralisation
- Shear hosted
- Strong Au – As association

Geology



- 200+ lodes identified within the field
- Extensive workings on many of the lode systems
- Investigated 15 lode systems to date
- Resource currently at 1.44 M ounce gold equivalent as at 31st December 2006



Typical X-Section – Hillgrove Lodes

Hillgrove



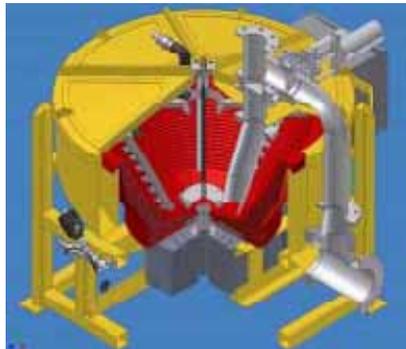
Hillgrove Demonstration Process Plant

Hillgrove Demonstration Plant



The Process

- Comminution. SAG mill circuit producing a coarse product for concentration
- Concentration. Conventional Flash Flotation followed by rougher flotation at a coarse grind to generate a bulk mineral concentrate. Gravity concentration of bulk concentrate to produce gravity gold concentrate.



Hillgrove Demonstration Plant



The Process

- Antimony Leach. Alkaline / sulphide leach to selectively dissolve antimony from Stibnite



- Antimony EW process**

Direct electro-winning of Sb from leach solution

Crystalline deposit easily removed from plates for melting on site



Laboratory Antimony Cathode

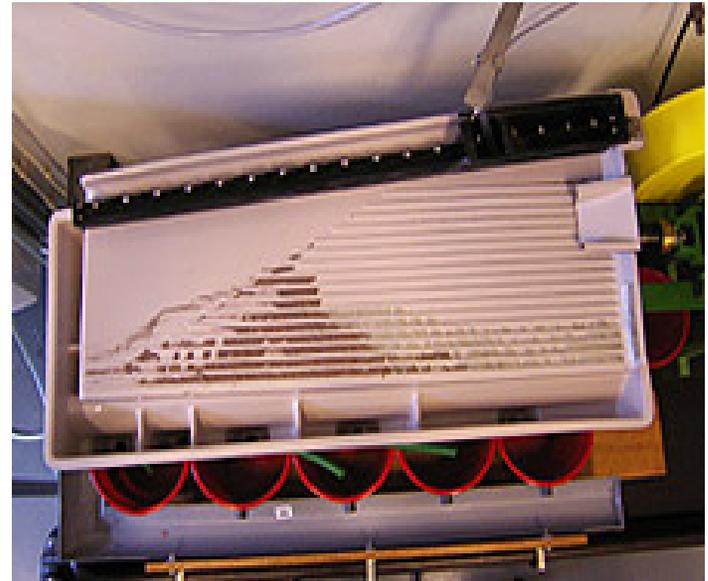


Hillgrove Demonstration Plant



The Process

- Tungsten recovery. Gravity recovery of Scheelite mineral from circuit tailings



Hillgrove Demonstration Plant



The Process

- Metal casting Facility. Electric furnace melting and automatic casting facility



Hillgrove – Overview

Plant Construction - Pictures



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Hillgrove Gold**



SAG Mill

Hillgrove – Overview

Plant Construction - Pictures



Au Room

E/W

Sb Smelting

Process Water

Hillgrove



Hillgrove



Hillgrove



Tailings Storage Facility Two (TSF2)

Hillgrove



TSF2 Construction – September 2007

Hillgrove



Bakers Creek Haul Road

Mining



Hillgrove



Mining

- Internal access road and creek crossing completed



Hillgrove



Mining

- Bakers Creek crossing completed



Hillgrove



Pre-mine Development - Syndicate

Hillgrove



Mining

- Development has commenced in 1740 and 1650 Levels.



Hillgrove

Mining

- Preparation for stoping underway.



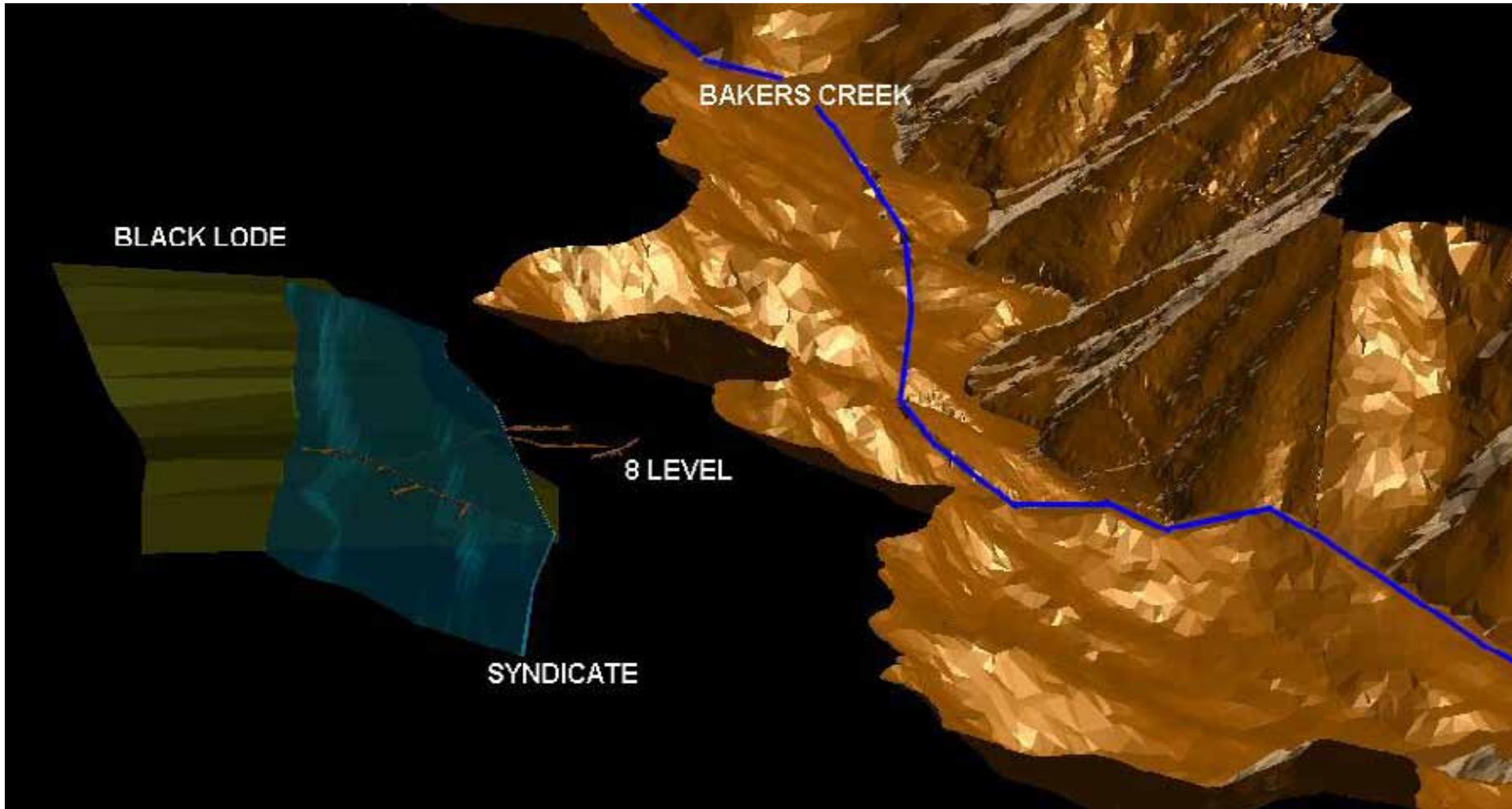
Hillgrove

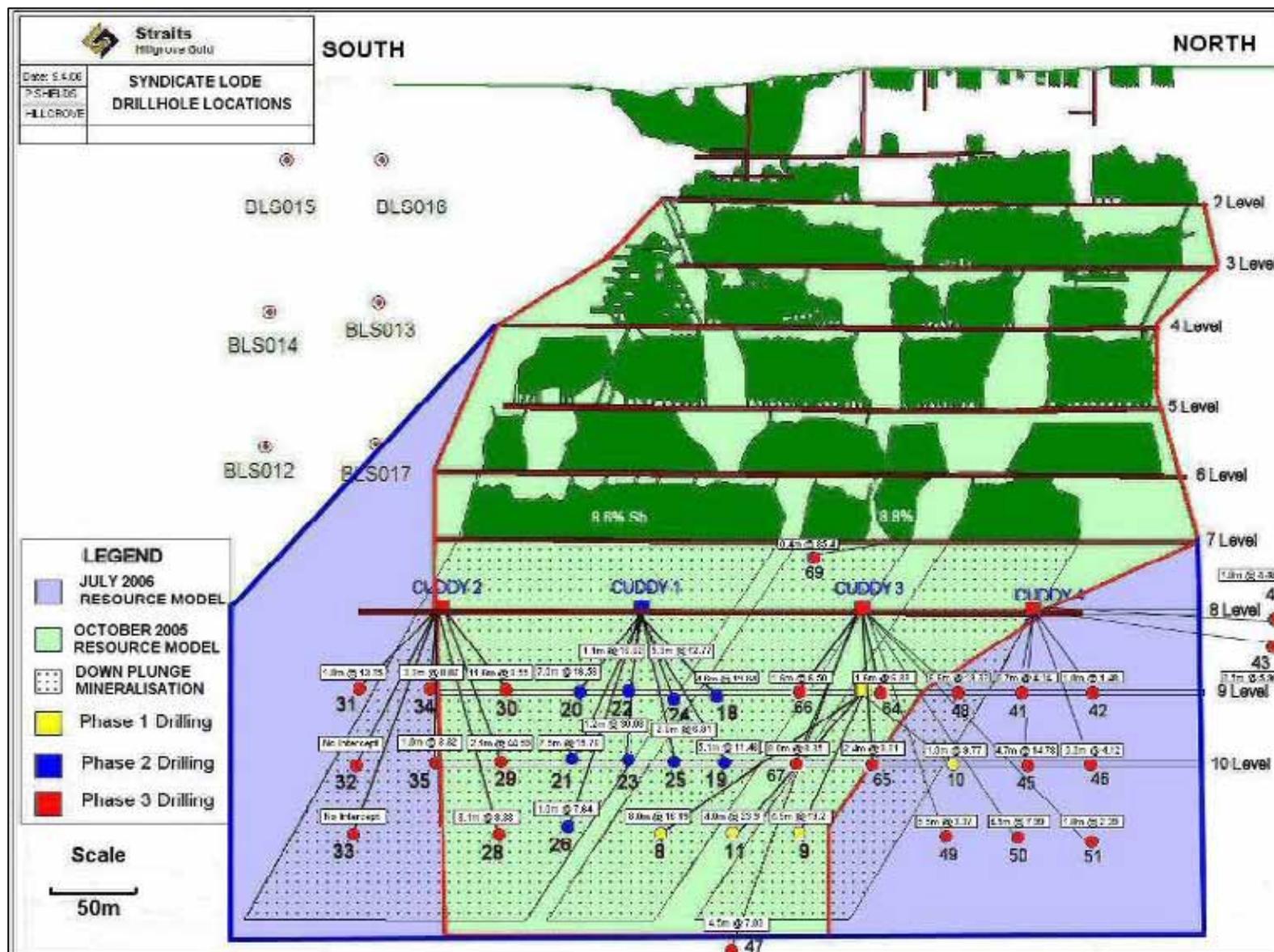


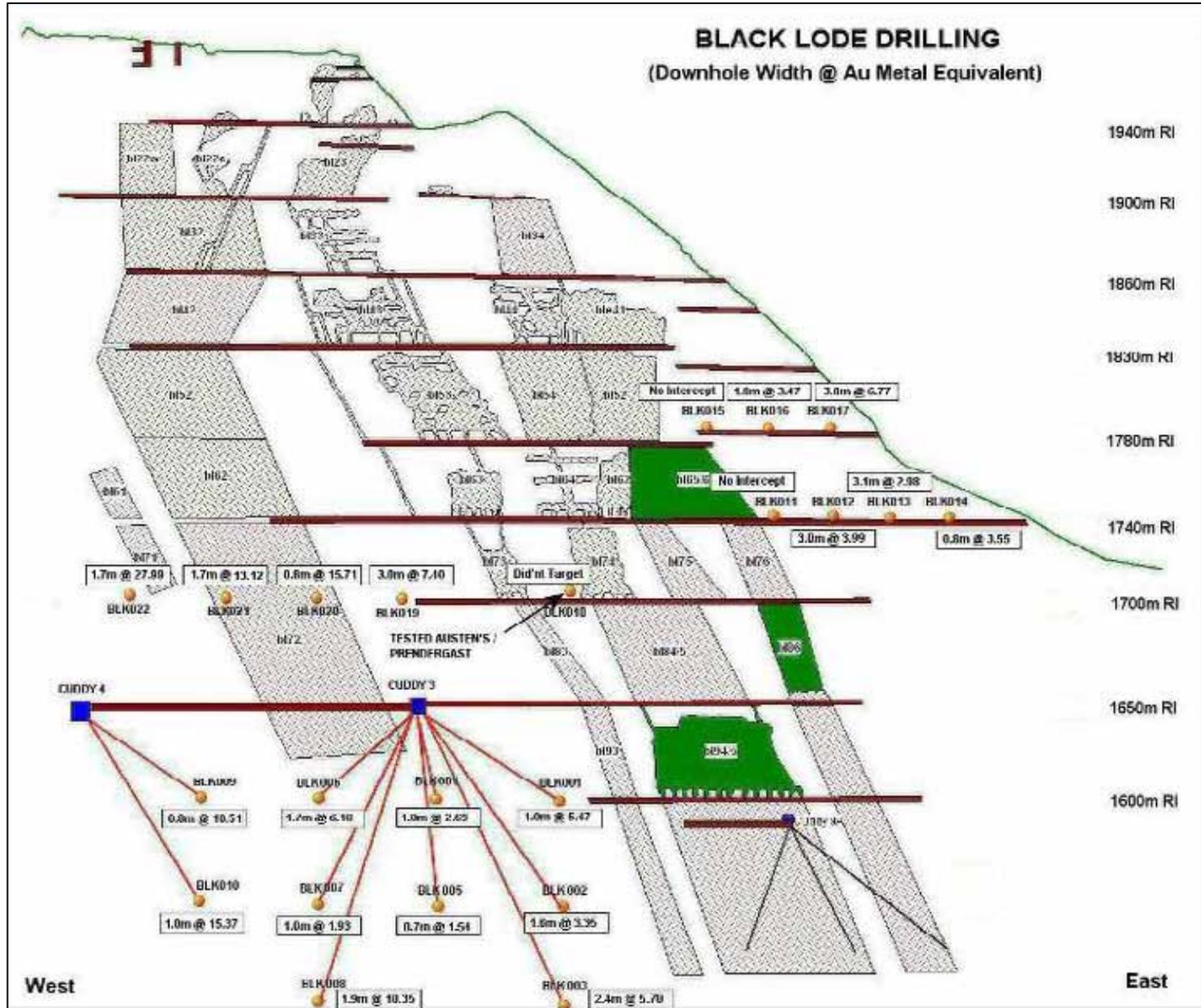
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Exploration drilling

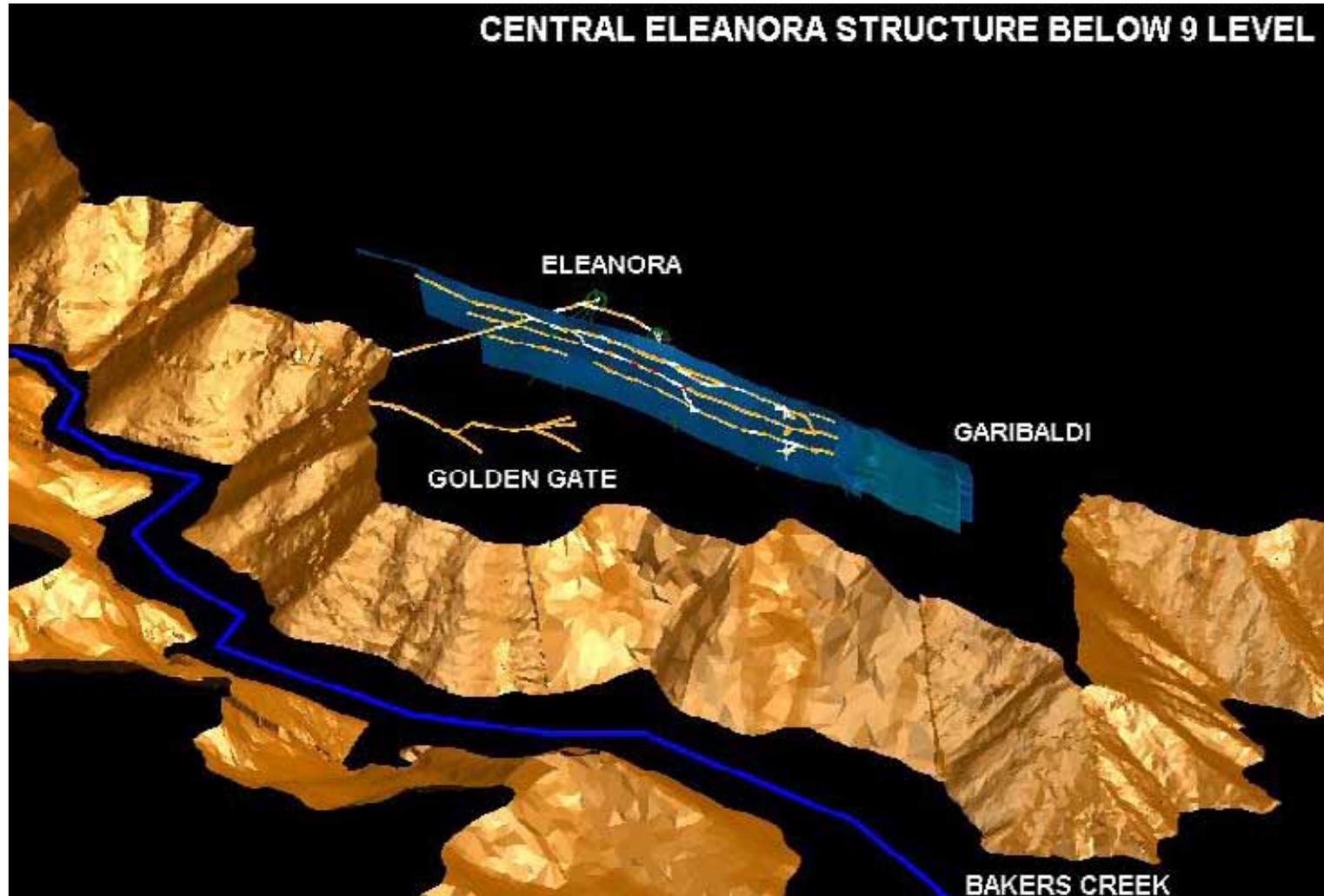
Syndicate



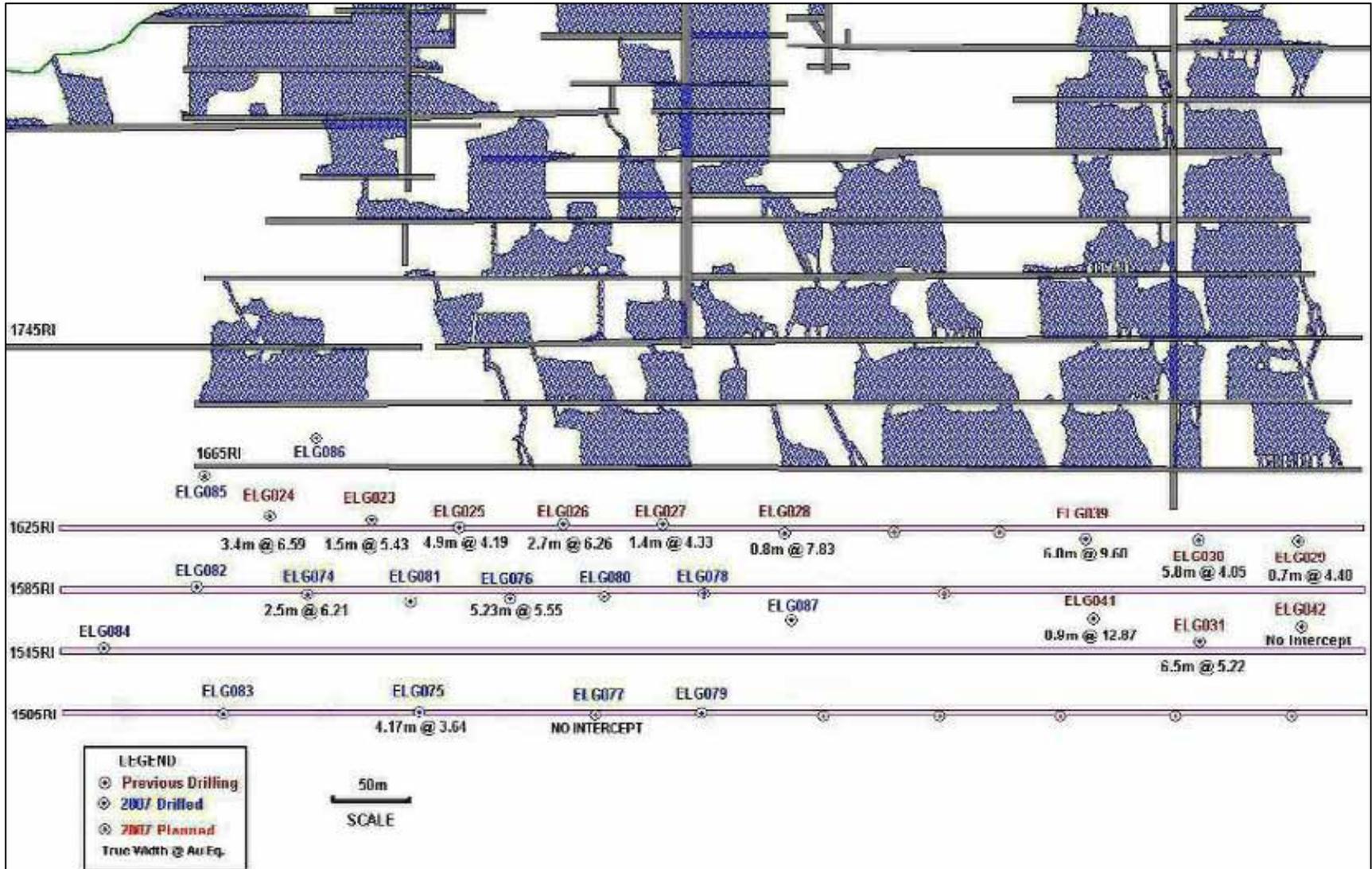




Eleanora / Garibaldi



Eleanora / Garibaldi



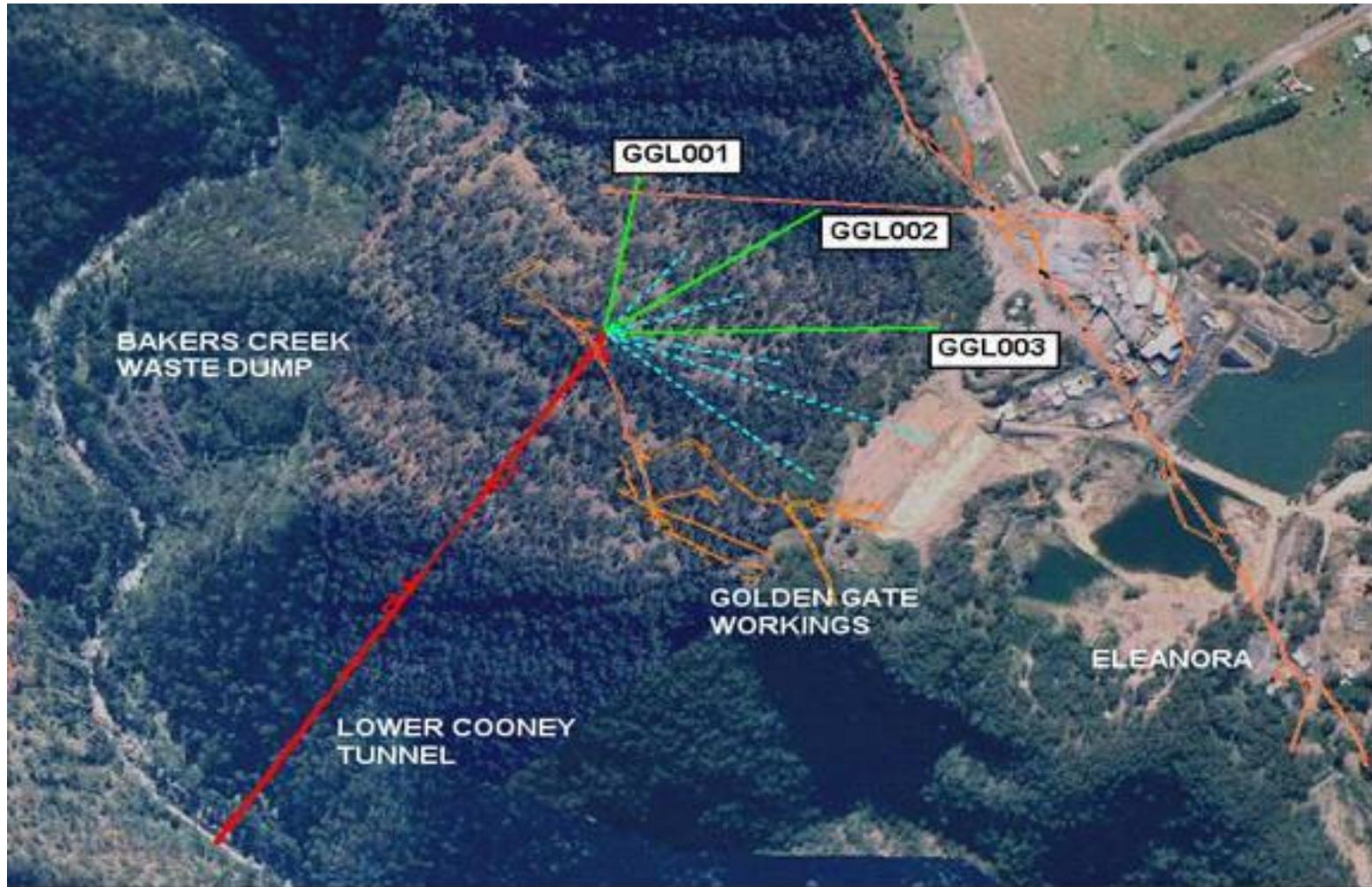
Eleanora / Garibaldi



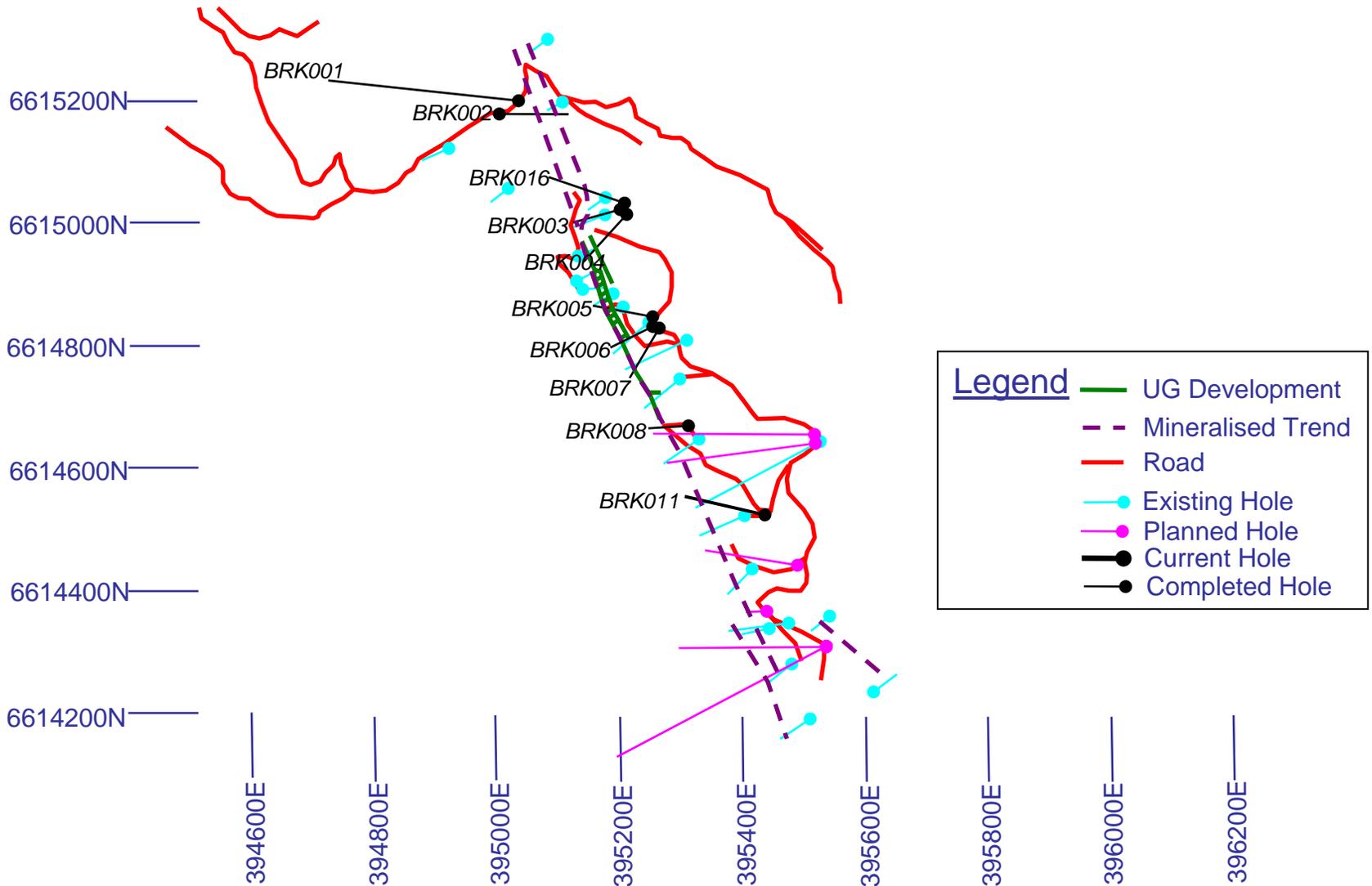
Quartz Breccia – ELG076



Lower Cooney Tunnel

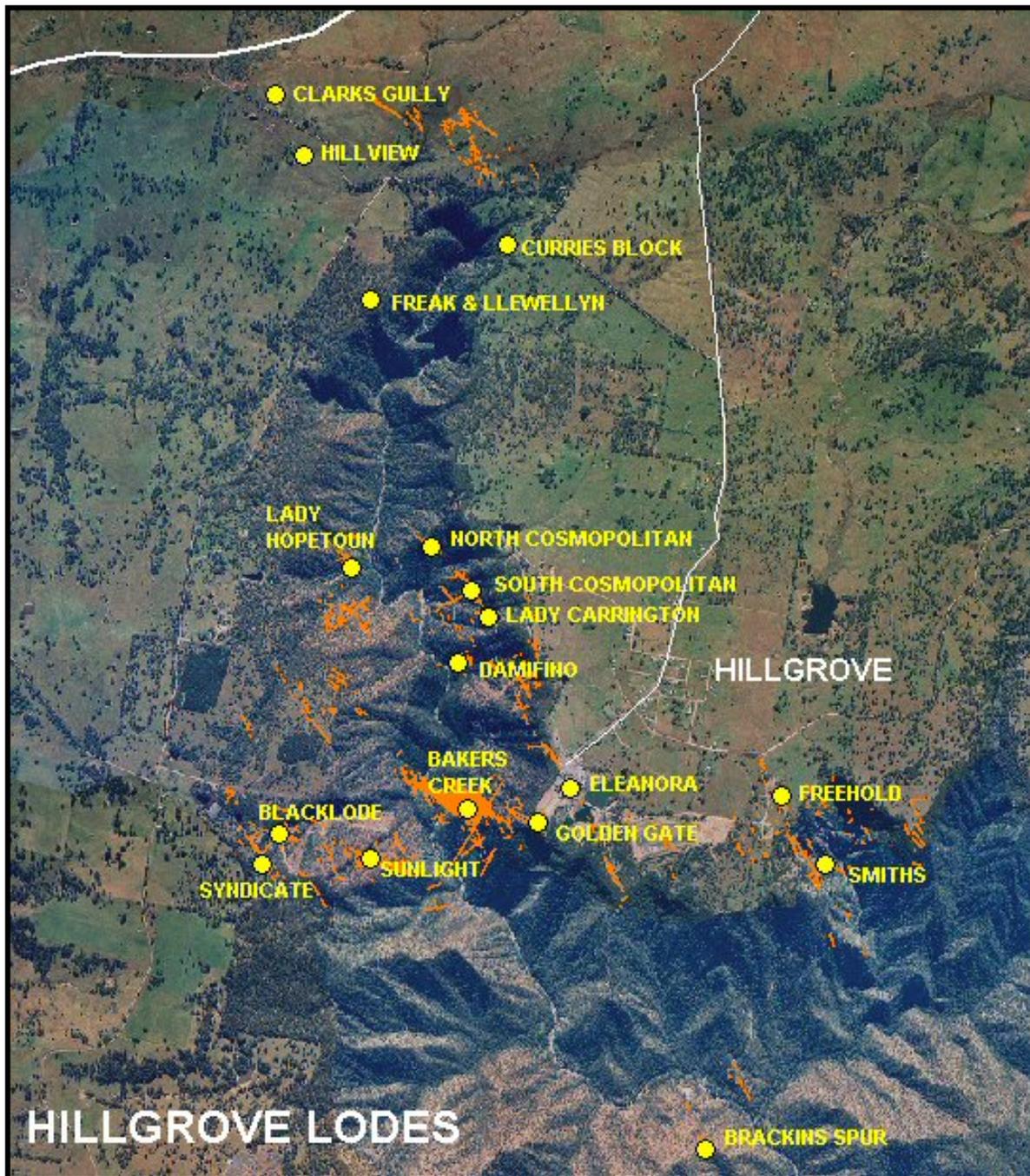


Brackins Spur Drilling YTD07



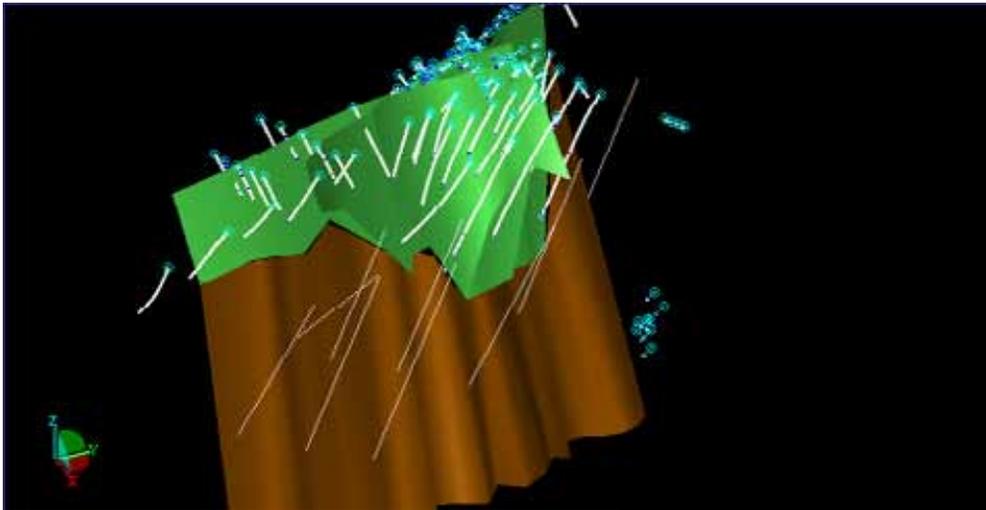


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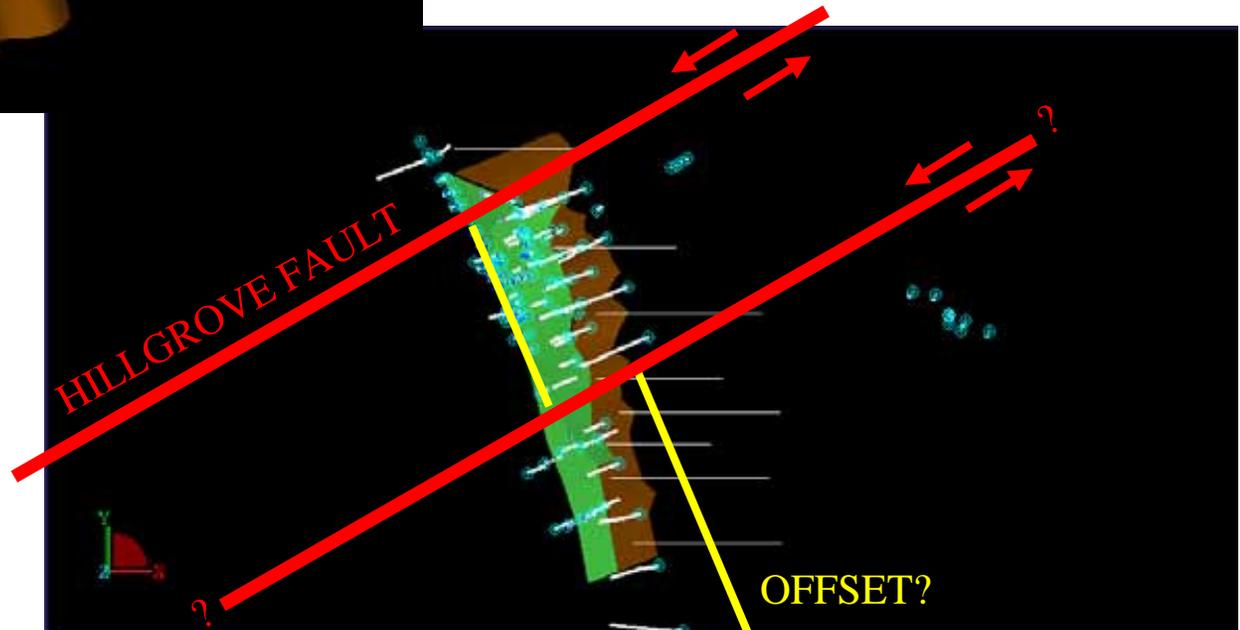


Clarks Gully

Wide-spaced deeper drilling



- Preliminary resource of 413,757t @ 15.1g/t Au Eq

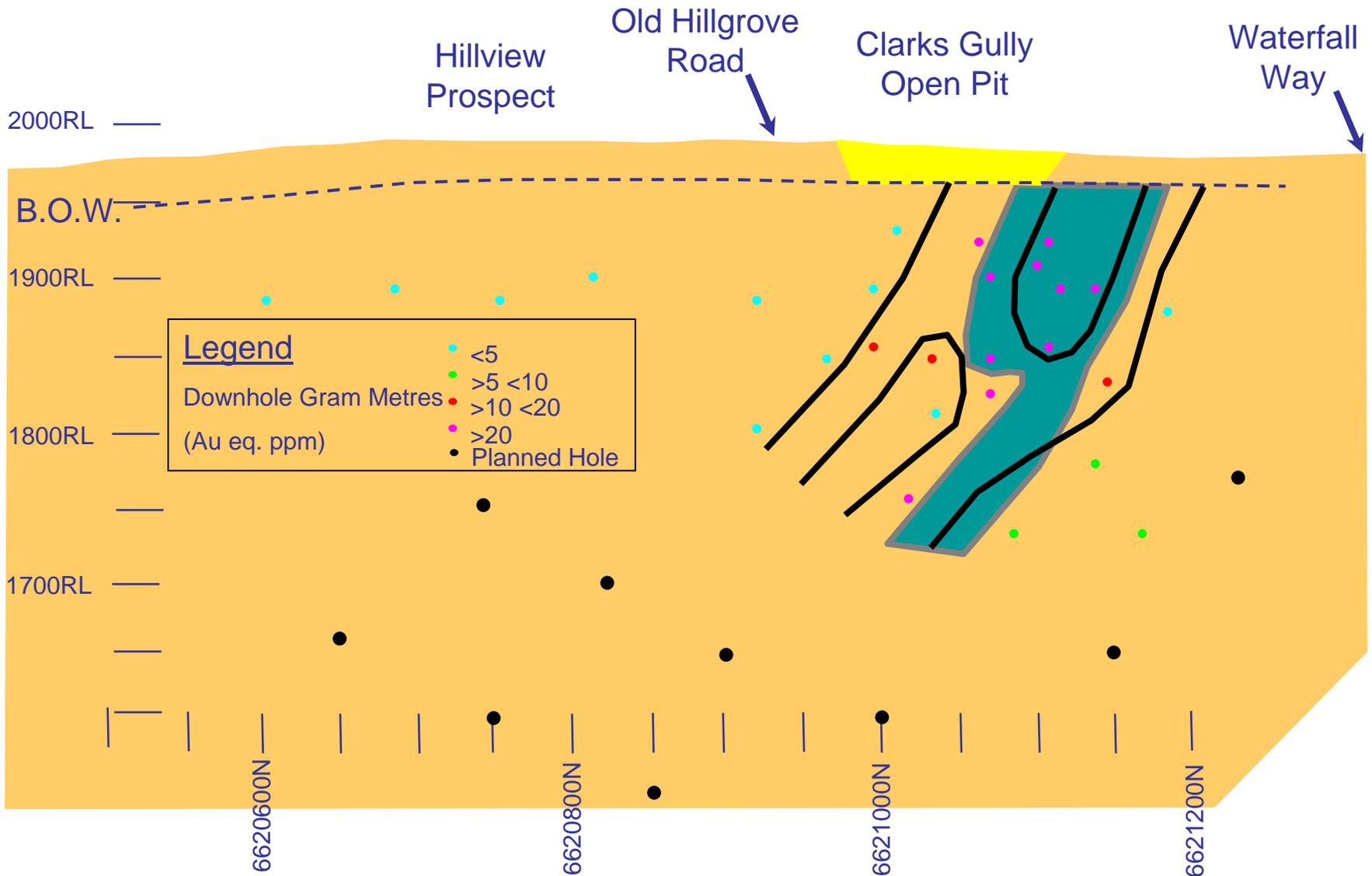


Clarks Gully



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Sb core with enveloping Au - Proposed Drilling 2007/2008



Hillgrove



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Regional Exploration

Regional Exploration 2007/2008



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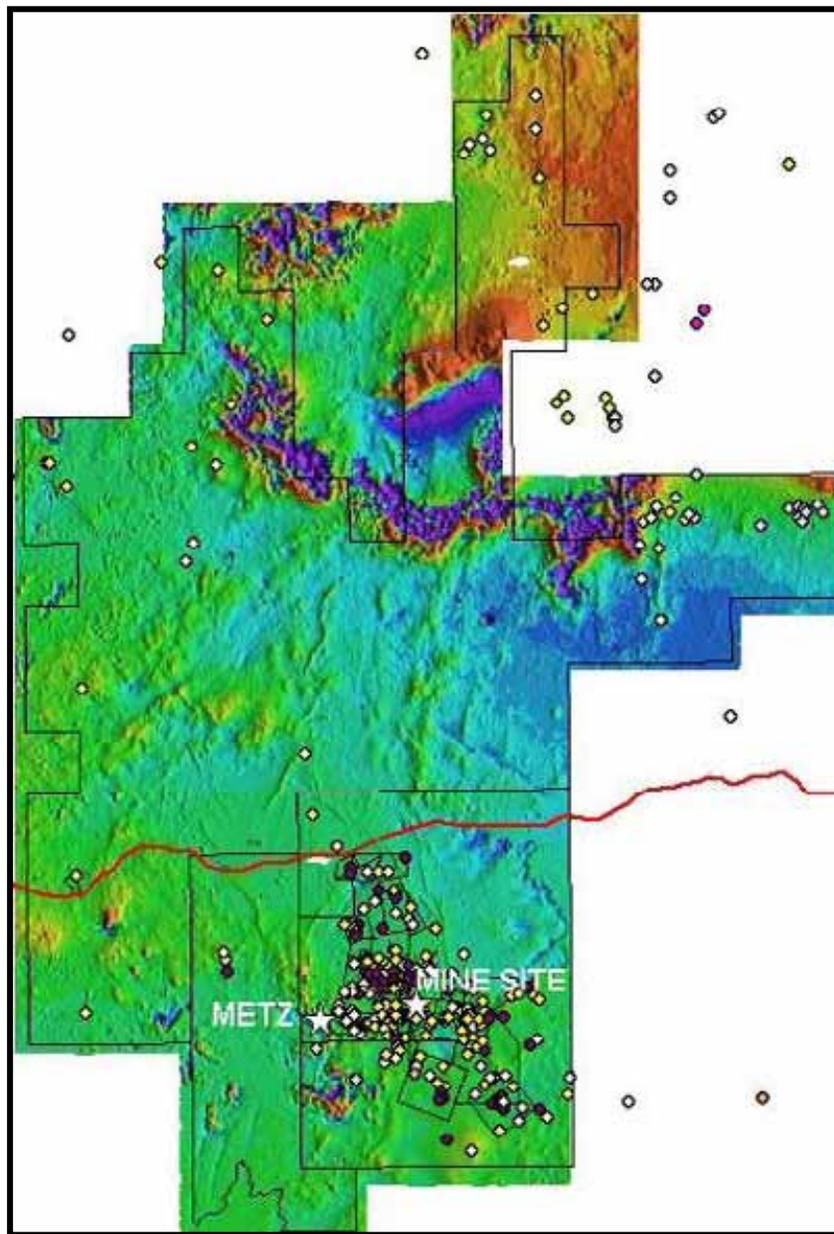
- Helicopter borne magnetometer survey completed Dec 2006
- Literature review and digital capture of regional exploration data completed, including geological mapping, soils, streams and drilling
- Many untested targets with either no work, or incomplete work eg soil sampling with no gold assay
- Large scale stream sediment/soil sampling, mapping and drilling of targets will occur during 2007/2008
- Steady climb in annual drill metres

Year	Diamond	Percussion	Total
2004	2,113	5,178	7,291
2005	5,225	8,326	13,551
2006	10,287	-	10,287
2007	16,865	-	16,865
			47,994

Hillgrove Helimag Survey



**TMI with sun angle
from east**



Hillgrove



Upgrade & Refurbishment of Site Infrastructure

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Thank you