

NEWS RELEASE

Strait Gold Corporation

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FOR IMMEDIATE RELEASE

TSX-V: SRD

July 23, 2010

Strait Gold closes first tranche of Working Capital Offering

Strait Gold Corporation (“Strait Gold” or the “Company”) (TSX-V: SRD) is pleased to announce that it has placed 2,800,000 working capital units (the “WC Units”) priced at \$0.06 per WC Unit for gross proceeds of \$168,000. Each WC Unit consists of one (1) common share (a “WC Share”) and one half (1/2) of a share purchase warrant (a “WC Warrant”). Each full WC Warrant entitles the holder to acquire a further common share of the Company at a price of \$0.15 per share until the earlier of: (i) the date which is twenty-four (24) months following the closing; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least \$0.30 for ten (10) consecutive trading days, and the 10th trading day (the “Final Trading Day”) is at least four (4) months from the Closing Date, the date which is thirty (30) days from the Final Trading Day (the “Trigger Date”). A cash fee of \$11,760 and 196,000 broker warrants to acquire common shares at a price of \$0.10 per share for 24 months from closing was paid to Loeb Aron & Co Ltd of London, England, in respect of the closing of the first tranche of the offering. The Company is offering up to a further 5,533,333 WC Units for up to a further \$332,000.

All of the securities referred to herein are legended and restricted from trading until November 24, 2010.

An Insider of the Company will subscribe for 150,000 WC Units for proceeds of \$9,000. The insider private placement is exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 (“MI61-101”) by virtue of the exemptions contain in section 5.5(a) and 5.7(1) (a) of MI 61-101 in that the fair market value of the consideration for the securities of the Company to be issued to insiders does not exceed 25% of its market capitalization.

The proceeds from the financing will be used for working capital and to fund initial drilling and further exploration at the Alicia copper-gold project in Peru.

Phase 1 of the Alicia exploration program included systematic surface mapping and geophysical surveys in addition to sampling that confirmed significant values for copper, gold and silver, and expanded the overall drill target area considerably. Phase 2 will consist of drilling a minimum of five holes to test for copper-gold mineralization at depth along the porphyry-limestone contact.

The Alicia Project is located within the prolific Andahuaylas-Yauri Belt, which stretches across much of southern Peru. This highly prospective belt hosts numerous porphyry and skarn deposits, including Xstrata's Las Bambas deposit with indicated and inferred resources of 1.1 billion tonnes grading 0.77% copper, plus associated molybdenum and gold. Strait Gold can earn a 100% interest in the Alicia property under a three-year option agreement, subject to a 2% NSR royalty.

Dr. Roger Moss, P.Geo., is the Qualified Person as defined by NI 43-101 for the purpose of this press release and has reviewed its technical content.

About Strait Gold Corporation:

Strait Gold Corporation, a Canadian mineral exploration company active solely in Peru, is listed on the TSX Venture Exchange. It has an option to earn a 100% interest in the Alicia copper-gold property in Cusco Department approximately 500 km southeast of Lima, the capital of Peru, and holds a 100% interest in both the Letra Rumi South copper-silver property and the Culebrilla gold-silver property, both in Ancash Department approximately 250 km north of Lima. To learn more about Strait Gold, please visit our website at www.straitgold.com.

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.