
STRAITS RESOURCES LIMITED (ASX: SRQ)**Restructure of Silver Prepayment Facility for Mt Muro**

Straits Resources Limited (ASX: SRQ) is pleased to announce that it has today finalised the restructuring of its Mt Muro silver prepayment facility.

Straits Executive Chairman, Mr Andre Labuschagne said the restructured silver prepayment facility will assist the Company in addressing the challenge of short-term liquidity while it implements a new operational strategy to bring its Mt Muro gold operations to a cashflow positive position.

“The new terms agreed with our lender include a significant reduction (in the order of 280,000oz) silver in the monthly silver repayments out to the end of September 2013, while pre-stripping is carried out in the Serujan Pit to expose the higher grade ore in the deeper sections of the pit,” Mr Labuschagne said.

“A further reduction of 60,000oz silver in the monthly silver prepayment facility from October to December will allow us to better manage cashflow as we introduce the higher grade ore into the process in the last quarter of CY13.”

“While Mt Muro will remain challenging for the next few months as we set about achieving the waste removal targets to expose the higher grade ore, encouragingly the grade control model has been reconciling positively on a gold ounce equivalent basis against the revised resource model over the last three months. Recent grade control drilling in the deeper sections of the pit that we plan to mine in the coming months also confirms the forecast higher grades from the resource model.”

The restructured silver prepayment facility results in a remaining commitment of 1,503,000oz compared to 1,685,946oz prior to the restructure. The lower silver ounces now required and the re-profiling of the repayment profile have been achieved by closing out part of the remaining Mt Muro gold hedge and rolling the proceeds into the silver prepayment facility restructure. 15,062oz from the gold hedge has been closed out as part of the restructure leaving 15,015oz (at a hedged price of US\$1,585.81/oz) of the hedge in place out to the end of December 2014.

“The restructure of the silver prepayment facility is just one of a number of initiatives to ensure the longer-term repositioning of the Company,” Mr Labuschagne said.

“We look forward to providing further updates in coming weeks.”

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