

ASX Announcement & Media Release

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Gold alteration zone extended to 400m and still open

HIGHLIGHTS:

- 10,363 m infill program completed at Lakeside Prospect
- Gold mineralised alteration zone extended to at least 400m in strike and up to 75 m wide
- An RC program to test the mineralisation is being planned

Summary

Orrex Resources Ltd (**Orrex** or the **Company**; **ASX: ORX**) is pleased to announce the infill results of its latest program at the Golden Mile South Project. This program has extended and confirmed the trend of the gold mineralised alteration zone at Lakeside Prospect. This zone is up to 75 m wide and at least 400m in strike (open to the north and south).

Based on these results, Orrex has commenced planning an RC drill program to test the zone of mineralisation next quarter. The Company is still waiting for the assay results of its regional program and the southernmost line of the infill program. A plan view of the areas drilled is shown in Figure 1.

Lakeside Infill

Infill drilling was conducted in the vicinity of significant intercepts from the first two drill programs. In total, 40 holes over five lines were completed for a total of approximately 2252 metres. This consisted of:

- infill along existing lines to 25 metre spacing, and
- 100 metre infill lines with holes spaced on 50 metre drill centres.

All the assays from the infill drilling (except the southern line) have now been received. A table of the significant results (>100ppb Au) is presented in Appendix 1.

Of note is the presence of a 4 metre composite returning 69.3g/t Au in drill hole 11LKA484 (Figure 2); repeat assays returned results of 12.0 g/t Au and 8.2 g/t Au which may indicate a significant nugget gold effect. The sample consisted primarily of weathered bedrock material, however it sampled over the transported / bedrock interface. A program of 1 metre re-samples is being undertaken to establish whether the source of the gold is from within the weathered bedrock or has been transported.

Drilling has defined a number of northeast trending zones of anomalous gold, hosted within a sequence of intermediate volcanoclastics and sediments. The strongest of these is associated with a zone of sericite – carbonate +/- chlorite, quartz, sulphide alteration up to 75 metres wide and extends over a strike length of at least 400 metres (open to the north and south).

There also appears to be a correlation between gold mineralisation and the intersection of a NNW trending shear zone and the alteration zone; resulting in a local change in orientation of the alteration zone.

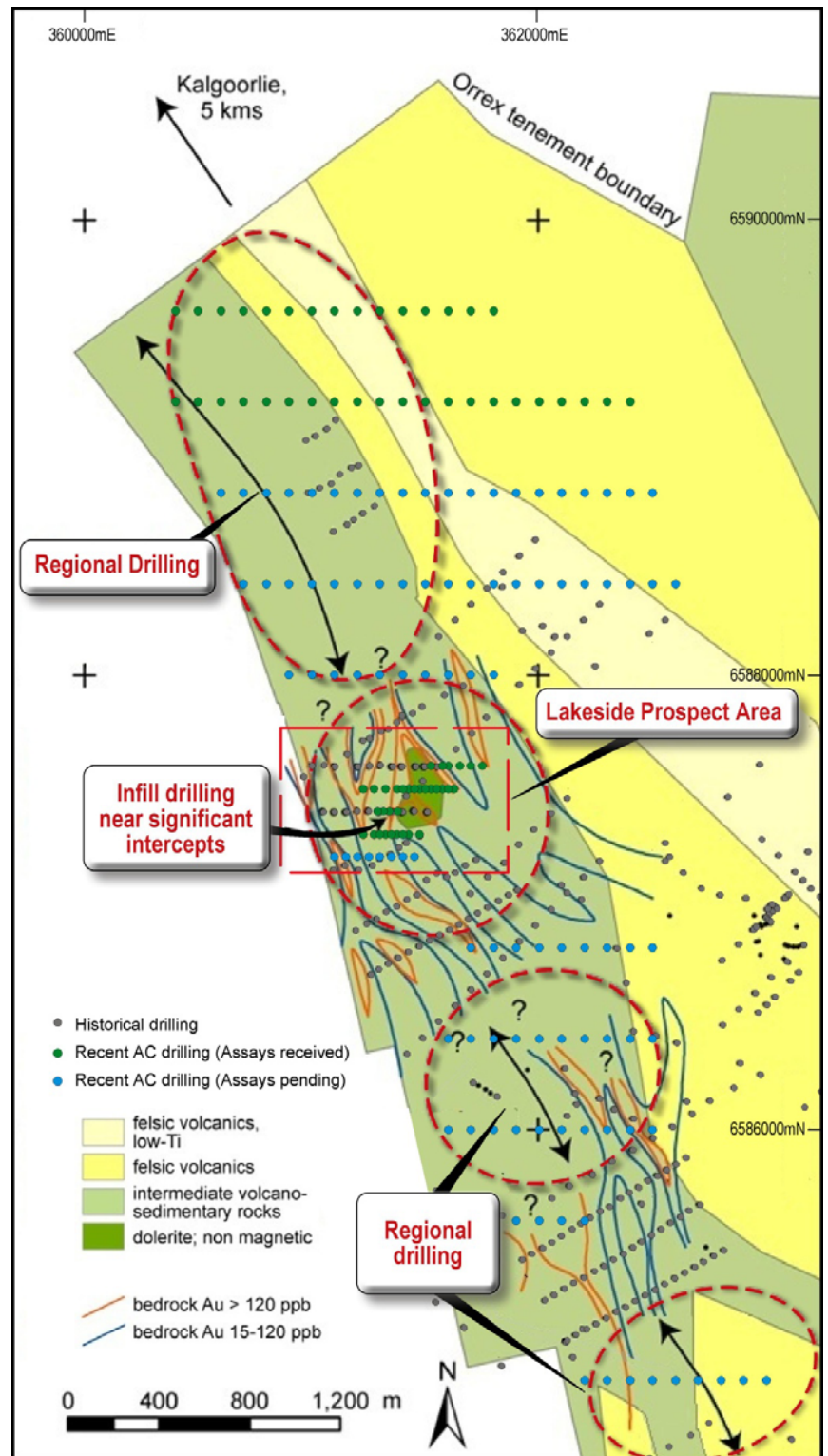


Figure 1: Areas of infill and regional drilling at Lakeside.

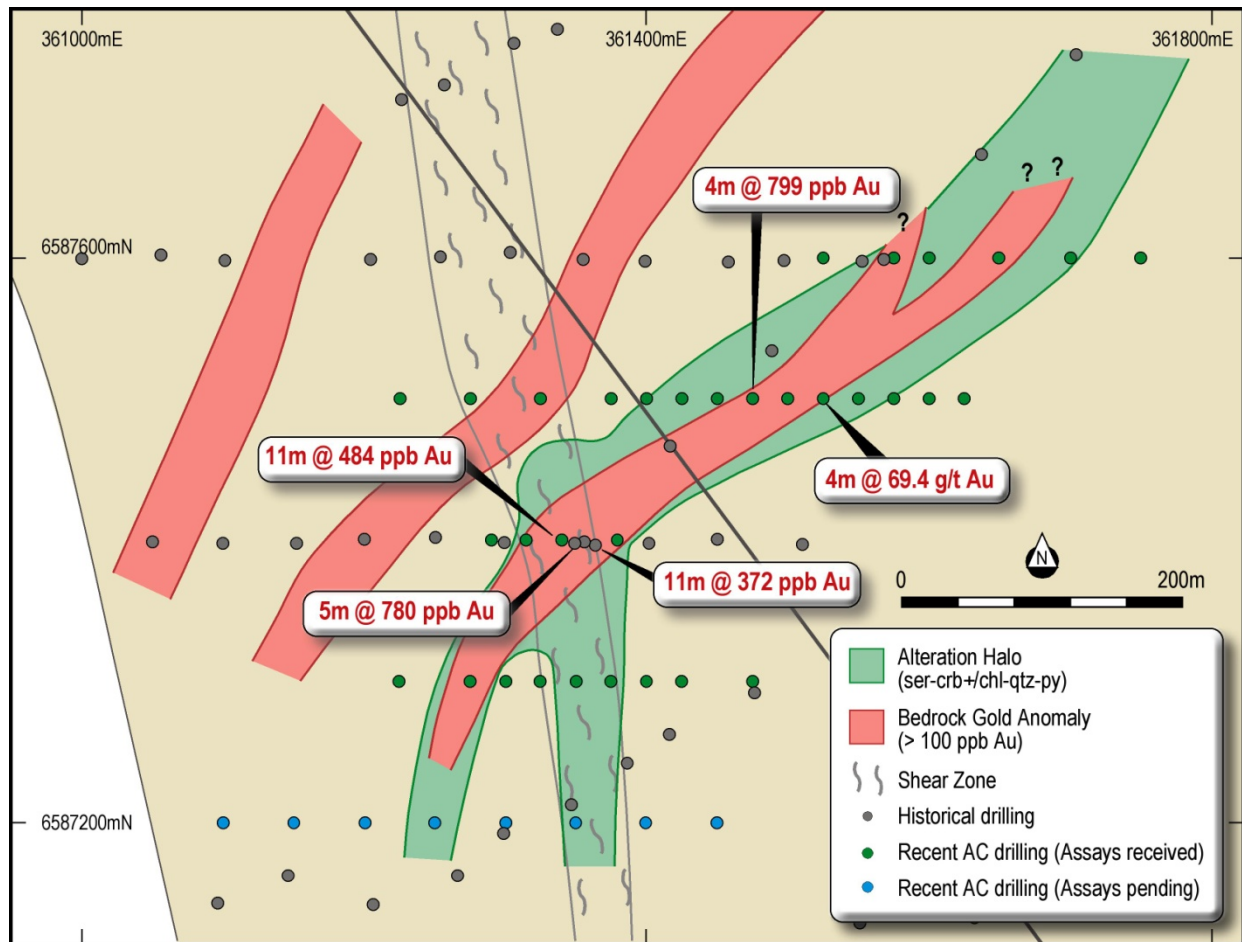


Figure 2: Area of alteration halo and bedrock gold anomalies at the Lakeside Prospect Area shown in Figure 1.

Lakeside Regional

The prospectivity of Lakeside was enhanced by the recognition of broad zones of pervasive to fracture controlled chlorite and sericite alteration. The geology of the area is dominated by a moderately foliated intermediate volcanic unit with gold anomalies concentrating in the vicinity of the contact between this unit and an un-foliated dolerite.

Drilling was completed to systematically test the entire prospect area. Orrex drilled regional lines across the prospect area on 400 metre line spacing with holes on 100 metre centres. Ten lines and a total 131 holes and 7617 metres were completed over the Lakeside Prospect and the Company is currently waiting for the assay results.

South Lakewood (Hannan's South Extension)

A line of drilling with holes spaced at 100 metre centres were drilled south of Lakeside at South Lakewood (Hannan's South Extension). It targeted NNE trending structures extending from the Hannan's South open pit which is to the west of the Golden Mile South Project area.

A total of seven holes were drilled for 494 metres with assay results pending.

Orrex Managing Director, Sonja Felderhof, commented: "We are pleased with the results of the infill program as it extended the gold mineralised alteration zone which is still open to the north and south. An RC program will now be planned at the Lakeside Prospect. We are eager to receive the pending regional results which should be released before the end of August."

Yours Faithfully,



Sonja Felderhof
Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. John Bartlett, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Bartlett is a consultant to the company. He has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bartlett consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1: Summary of Anomalous Drill Results

Table 1: Significant Gold Intervals (>100 ppb Au) in Bedrock Samples

Hole ID	Target	Easting	Northing	From	To	Interval (m)	Au (g/t)
11LKA476	Lakeside	361,275	6,587,300	37	38	1 (EOH)	0.33
11LKA479	Lakeside	361,339	6,587,397	44	55	11	0.48
11LKA480	Lakeside	361,314	6,587,398	32	36	4 (EOH)	0.18
11LKA485	Lakeside	361,475	6,587,501	44	48	4	0.80
11LKA488	Lakeside	361,326	6,587,506	44	48	4	0.32
11LKA493	Lakeside	361,361	6,587,600	54	55	1 (EOH)	0.11
11LKA495	Lakeside	361,574	6,587,599	53	54	1 (EOH)	0.21
11LKA503	Lakeside	361,499	6,587,503	56	60	4	0.27

Table 2: Table of Significant Gold Intervals (>100 ppb Au) in Cover

Hole ID	Target	Easting	Northing	From	To	Interval (m)	Au (g/t)
11LKA482	Lakeside	361,622	6,587,502	44	48	4	0.16
11LKA484	Lakeside	361,530	6,587,505	28	32	4	0.26
11LKA484	Lakeside	361,530	6,587,505	40	44	4	69.30*
11LKA486	Lakeside	361,425	6,587,502	32	36	4	0.49
11LKA487	Lakeside	361,375	6,587,499	28	32	4	0.20
11LKA488	Lakeside	361,326	6,587,506	28	36	8	0.11
11LKA495	Lakeside	361,574	6,587,599	40	47	7	0.33
11LKA496	Lakeside	361,532	6,587,601	40	44	4	0.17
11LKA501	Lakeside	361,600	6,587,504	40	44	4	0.19
11LKA503	Lakeside	361,499	6,587,503	28	32	4	0.61
11LKA504	Lakeside	361,449	6,587,502	28	32	4	0.11
11LKA505	Lakeside	361,398	6,587,501	28	32	4	0.13

*A program of 1 metre re-samples is being undertaken to establish whether the source of the gold is from within the weathered bedrock or has been transported.