

ASX Announcement & Media Release

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DEEP DIAMOND HOLE AT GOLDEN MILE SOUTH

HIGHLIGHTS:

- Orrex has accepted up to \$150,000 under the Exploration Incentive Scheme financed by the State of WA acting through the Department of Mines & Petroleum. This funding will be used to target the Golden Mile Dolerite with a diamond drill hole during the 2012 calendar year.
- 3-D inversion modelling clearly shows a WSW dipping target trending SE from the Super Pit and under Orrex's Golden Mile South tenements. The model was generated with a threshold used to replicate the response observed over the Super Pit (+70 Moz Au).
- The drill hole is designed to intersect the target where it folds/thrusts back toward surface. The aim is to confirm the presence of the Golden Mile Dolerite and prospective structural settings at an economical extraction depth.

Target generation that attracted State of WA funding:

Earlier independent work by WMC Resources Ltd and Geoscience Australia indicated that the Golden Mile Dolerite underlies the western part of Orrex's Golden Mile South Project tenements. Orrex commissioned a geophysical review designed to aid targeting beneath the rocks closest to the surface (Black Flag Beds). The investigation included 3D inversion modelling of available magnetic and gravity data, and processing of existing 2D seismic lines.

Both magnetic and gravity modelling clearly show the presence of a WSW dipping unit trending SE from the Super Pit into the northwest part of Orrex's tenements. The gravity and lower threshold magnetics suggest shallower depths (300 - 400m) and are interpreted to define the depth to the mafic basement. The higher threshold magnetics which replicated the response over the Super Pit are at a depth of 600 - 700m and likely identify either, (1) zones of alteration (with associated magnetite formation), indicative of major gold mineralising deposits in the Eastern Goldfields (i.e. the Super Pit and St. Ives); or (2) a discrete magnetic dolerite intrusion which is an attractive trap for mineralising fluids.

The geophysical investigation also identified the Golden Mile Splay Structure which runs along the western edge of the target and the Super Pit. These second and third order splay structures are often the best place for gold mineralisation within the Eastern Goldfields (Refer to Figure 1). In addition, there are late stage NE fault structures which bound the target. The presence of cross-cutting faults can act as zones of dilation, facilitating increased flow of mineralising fluids and facilitating further mineral precipitation in the locality (Refer to Figure 1).

A study was also undertaken on the bottom of hole multi-element geochemistry from aircore drilling at Golden Mile South. It shows evidence of widespread sericite-chlorite associated with anomalous As-Sb within the Black Flag Beds which overlie the target. It was concluded this alteration represented a weak acid/reduced alteration system; characteristic of a distal hangingwall position lending support to a mineralised system below the Black Flag Beds.

Finally, this target coincides with another target identified earlier by a bedrock geochemical gold anomaly in the latest aircore program (11LKA508; 6m @602 ppb Au). This is exciting as it potentially reflects “leakage” zones and/or stacked gold mineralisation above the proposed main mineralised lode(s) (Refer to Figure 1).

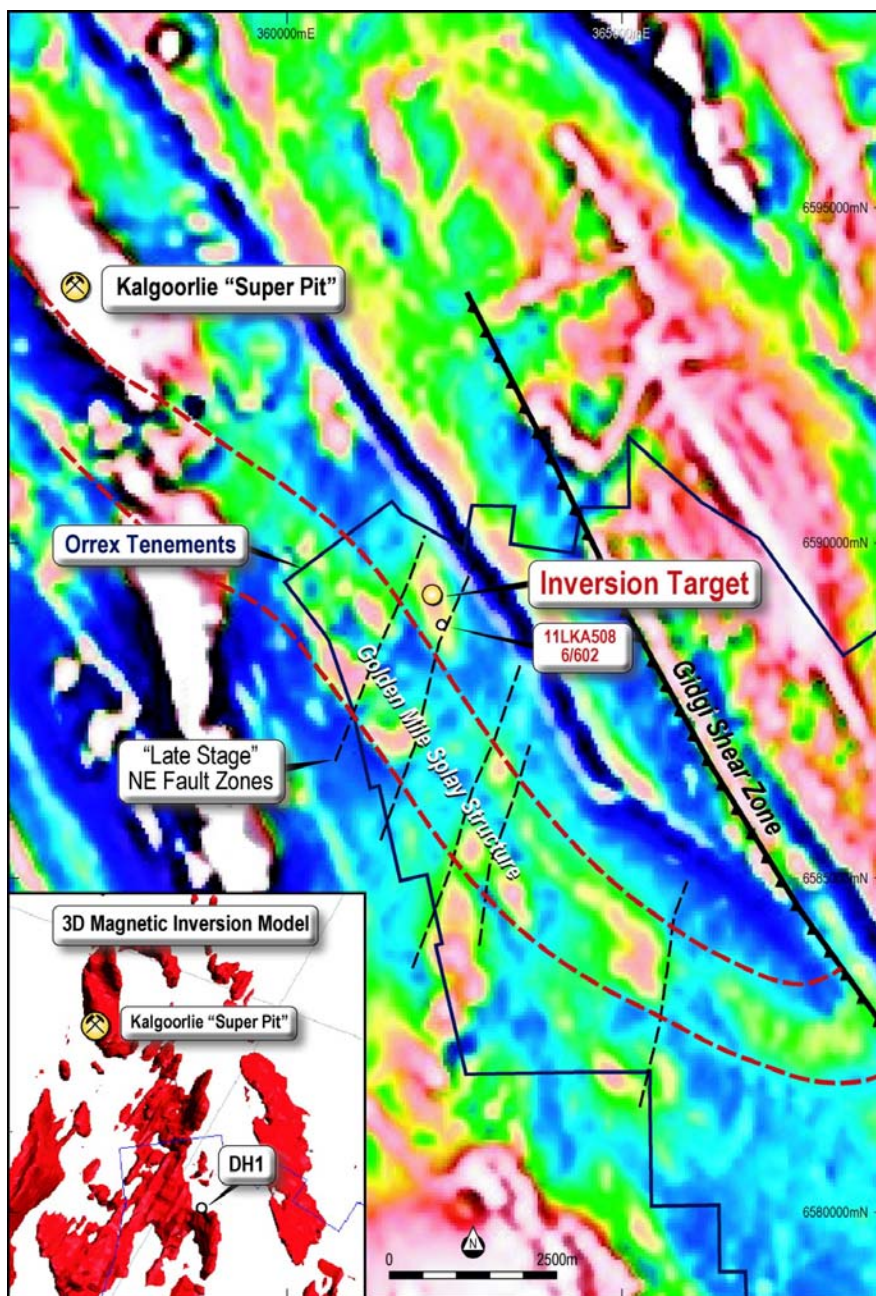


Figure 1: Golden Dolerite Deeps Target on background aeromagnetic image and 3-D model inset.

Orrex Managing Director, Sonja Felderhof, commented: “We would like to thank the State of WA acting through the DMP for offering their support in our program to test for the Golden Mile Dolerite. It represents a significant opportunity for Orrex and we look forward to commencing the program in the New Year when drilling is permitted to begin under the agreement.”

Yours Faithfully,

Sonja Felderhof

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.