

March 2014

QUARTERLY ACTIVITIES REPORT



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OPERATIONS REPORT

Overview

Orrex Resources Ltd ("Orrex" or the "Company") operates as a mineral explorer in Western Australia. Its principal asset is the Golden Mile South Project ("GMS"). Located in the heart of the Kalgoorlie region, Golden Mile South provides the potential for discovery of various styles of large gold deposits similar to those of the Eastern Goldfields.

The Company continues to preserve its cash balances to allow its limited funds to be applied to exploration areas which are considered to have the greatest potential and to conduct business development activities prospective for gold, copper and other metals globally.

GMS Activity

During the quarter the Company's consultants completed a further review of the GMS Project using additional regional geological and geophysical data sets not previously available to the Company. This work has resulted in the definition of two priority targets known as Lakeside North and Lakewood North that warrant immediate aircore drill testing. To this end the Company has submitted the required drilling permit applications to the DMP and drilling is expected to commence during May 2014.

The rationalisation of tenure with the least prospectivity continued, with 4 licences comprising the Kenty (Kingsreef) Project expiring during the quarter.

New projects

During the quarter the Company continued to evaluate potential new projects, targeting prospective regions primarily in Australia and America. With \$1.4m in cash and a tight capital structure, the Company is well positioned, given current market conditions, to take advantage of global business development opportunities.

Jonathan Asquith
Company Secretary

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Orrex Resources Ltd

ABN

29 107 371 497

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (...9.... months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(41)	(152)
1.3	Dividends received	(13)	(48)
1.4	Interest and other items of a similar nature received	18	47
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(36)	(153)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(36)	(153)

+ See chapter 19 for defined terms.

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Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(36)	(153)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(36)	(153)
1.20	Cash at beginning of quarter/year to date	1,425	1,542
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,389	1,389

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	17
1.24	Aggregate amount of loans to the parties included in item 1.10	None

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	80
4.2 Development	
4.3 Production	
4.4 Administration	20
Total	100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	18	9
5.2 Deposits at call	1,371	1,416
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,389	1,425

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	P26/3641 P26/3643 P26/3644 P26/3645	100% 100% 100% 100%	None None None None
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	36,685,000	36,685,000	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	*Convertible debt securities (description)			

+ See chapter 19 for defined terms.

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Mining exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	5,000,000 1,500,000		<i>Exercise price</i> \$0.30 \$0.05	<i>Expiry date</i> 12 April 2015 30 November 2018
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: Date: 30/04/2014
(Director/Company secretary)

Print name:Jonathan Asquith.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash

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position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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