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The Manager
Centralised Company Announcement Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir,

RE: MT CRAWFORD RC DRILLING RETURNS SIGNIFICANT NEAR SURFACE GOLD RESULTS AND RECONNAISSANCE AC DRILLING AT SCUTTLEBUTT IDENTIFIES NEW HANGING WALL MINERALISED CORRIDOR PROSPECTIVE FOR BOTH GOLD AND BASEMETALS.

Metex Resources Ltd ("Metex") together with its joint venture partner Granny Smith Mines ("GSM"), a wholly owned subsidiary of Placer Dome Asia Pacific ("PDAP") is pleased to announce that recent RC drilling has identified broad zones of near surface mineralisation at the recently acquired **Mt Crawford** project near Lancefield (see attached Figure 1.) while reconnaissance aircore drilling targeting near surface mineralisation has identified strongly anomalous gold and base metal pathfinder geochemistry beneath shallow cover in the hangingwall of the Chatterbox Shear at **Scuttlebutt**.

Mt Crawford

Results from the recent RC drilling program of **14 holes for 1,078m** have confirmed the presence of several low angle ore grade mineralised shoots on the eastern flank of a granitic intrusive body hosted by altered basalts. The ore zones are typically quartz vein systems with visible arsenopyrite (similar to those seen in the Lancefield deposit).

Shallow historic workings are present where these shoots come to surface. Recent drilling has now shown that the shoots are more extensive below cover along strike and are thickening with depth. The current known shoots remain open in all directions.

Potential exists for the immediate development of shallow resources, with ore zones commencing from near surface. Drilling has also shown significant potential exists for repetition or stacking of ore lodes similar to the stacked lodes seen in other deposits nearby, such as the Wallaby (greater than 7 million oz) and Sunrise Dam (greater than 5 million oz) deposits. The Wallaby deposit is of particular interest since it is also hosted in and around the flanks of a similar intrusive body within the Laverton Tectonic Zone.

Geochemistry carried out on drill chips from the recent program shows a **very strong correlation between gold and arsenic-antimony-tungsten** and moderately elevated levels of molybdenum-bismuth-silver. This signature is indicative of a major mineralised system, and shows that the Mt. Crawford intrusion may be instrumental in providing the architecture for the emplacement of the **Lancefield deposit (historical production in excess of 1.3 million oz)**, which lies on the western flank of the same intrusion.

Significant results from the current program include:

Hole No	Northing	Easting	Interval (m)	Intercept
MCRC001	6837298N	442278E	19-24	5m @ 3.36g/t
MCRC002	6837388N	442229E	16-24	8m @ 2.19g/t
MCRC003	6837426N	442275E	23-24	1m @ 1.3g/t
			52-54	2m @ 1.32g/t
MCRC004	6837462N	442114E	20-21	1m @ 1.62g/t
			23-25	2m @ 0.98g/t
MCRC005	6837494N	442152E	13-14	1m @ 4.91g/t
			19-20	1m @ 1.36g/t
			24-25	1m @ 1.56g/t
			27-36	9m @ 4.33g/t
			39-43	4m @ 2.06g/t
MCRC006	6837564N	442159E	21-22	1m @ 1.28g/t
			27-28	1m @ 1.82g/t
			39-42	3m @ 1.00g/t
			45-48	3m @ 0.89g/t
MCRC007	6837877N	442328E	5-6	1m @ 2.06g/t
			16-19	3m @ 0.73g/t
MCRC010	6837350N	442339E	59-60	1m @ 3.26g/t
MCRC011	6837017N	442660E	17-18	1m @ 2.2g/t
			21-22	1m @ 2.41g/t
			26-28	2m @ 1.19g/t
			37-38	1m @ 1.3g/t
MCRC012	6837028N	442689E	31-32	1m @ 1.82g/t
			72-73	1m @ 1.06g/t
MCRC013	6837071N	442684E	54-55	1m @ 1.31g/t
			66-69	3m @ 1.52g/t

Further RC drilling testing the strike extent of mineralisation encountered in MCRC001-005 has commenced.

Scuttlebutt

This program has specifically targeted a sequence of strongly faulted banded iron formation units that lie between the intensely weathered Chatterbox Shear (**hosting the known resources at Whisper, Rumour and Innuendo**) and the Garden Well Banded Iron Formation (**hosting the Garden Well resource**). The sequence lies between 400 and 900m east of the Chatterbox Shear where the bulk of the historical exploration has been completed.

Depth of transported cover is less than 20m and decreases to nil further east. The cover has effectively masked a traditional geochemical approach to exploration resulting in the need for systematic aircore coverage on 200m spaced traverses.

Initial composite results to date on the **86 holes completed in this program of 4,832m** are still being received, together with 1 metre resplits of the original composites. However, the results to date **indicate the presence of a large hydrothermal system likely to host significant gold and potentially base metal mineralisation.**

Although deeply weathered the host sequence includes a variable package of sheared mafic and felsic rocks together with banded iron formation and cherts. **The discovery hole RFAC523 (6826400N 432600E) returned a bottom of the hole intercept of 10m @ 560ppb gold between 115-125m together with significant arsenic and antimony anomalism.** This new hanging wall zone is in a structurally complex area located 250m east of the typical Chatterbox style of mineralisation. It has remained undiscovered due to the presence of up to 20m of transported cover. No drilling has been completed to the north, and the closest hole is 200m to the south. **Further south, again at the beginning of a traverse, RFAC478 (6825400N 432350E) testing a previously undrilled weakly magnetic interflow sediment of at least 1km strike length has returned 1m @ 1,200ppb gold between 55-56m and 2m @ 890ppb gold between 60-62m, together with strongly anomalous copper, arsenic, bismuth, antimony and tin values.** Reprocessing of airborne EM that just covers this unit clearly indicates the presence of a bedrock conductive unit, possibly massive sulphides. **The**

coincidence of strongly anomalous geochemistry together with indications of massive sulphides from the EM is highly encouraging. RC drilling to test the more gold anomalous areas is underway, while ground based EM will be used to further define the significance and extent of the base metal anomalous interflow unit.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'I.W. Walker', with a long horizontal flourish extending to the right.

I.W.Walker
Managing Director

This report, so far as it pertains to ore or mineralisation, is based on information compiled by and as reported upon by Mr I.W. Walker, Managing Director Metex Resources Ltd who is a member of the Australian Institute of Geoscientists, and has at least five years experience in the field of activity concerned.

