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NEWS RELEASE NEWS RELEASE NEWS RELEASE

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**OPTION TO PURCHASE JUBILEE MINERALS LIMITED,
PRIVATE PLACEMENT, DEBT SETTLEMENT,
APPOINTMENT OF NEW DIRECTORS**

VANCOUVER, B. C., CANADA -----John Cumming, President of Merrex Resources Inc., (the "Corporation") announces:

OPTION TO ACQUIRE JUBILEE MINERALS LTD.

Pursuant to an option to purchase agreement dated August 12, 2005 with eight individuals the Corporation has optioned to purchase all of the issued shares of Jubilee Minerals Limited ("Jubilee"), a privately held Nova Scotia corporation. In consideration of the Corporation undertaking an exploration program of \$143,900 by December 31, 2005 the Corporation shall have a twelve-month option to purchase all of the issued shares of Jubilee for 10,000,000 common shares subject to Value Securities escrow conditions as prescribed by the TSX-V.

Jubilee holds title to the Jubilee lead-zinc mineral properties ("Jubilee Properties") which are comprised of 12 mineral claims currently held and a further 193 mineral claims recently staked. All of the claims are located in Inverness and Victoria counties situate in the Little Narrows area of Central Cape Breton, Nova Scotia.

Pursuant to a Valuation Report dated November 10, 2004 prepared by Mercator Geological Services Limited in accordance with NI 43-101, and revised June 30, 2005, valuation ranges for the interest of Jubilee in the Jubilee Properties were estimated to be as follows:

The Primary Valuation Method - Cost Approach (Appraised Value Method)
Low value: \$452,000 High value: \$591,000

The Secondary Valuation Method - Market Approach (Comparable Transaction Method)
Low value: \$520,000 High value: \$636,000

For purposes of required calculations when determining the relative numbers of Value Securities and Excess Securities a value, as agreed between the Corporation and the Jubilee shareholders, of \$600,000 has been used.

Of the 10,000,000 common shares to be issued as consideration for the exercise of the option to purchase Jubilee, 8,000,000 shares will be 'Value Securities' and 2,000,000 shares will be 'Excess Securities' and all 10,000,000 will be issued subject to a Value Securities Escrow Agreement (all terms as defined by the TSX-V Listings Policies). The terms of the Value Securities Escrow Agreement provide for a straight line release from escrow of 10% exercise of the option and 15% each six months thereafter over a total of 36 months.

The option agreement is subject to shareholder and regulatory approvals. A second shareholder approval will be required after completion of the approved exploration program and prior to the

exercise of the option and the issuance of the shares in consideration thereof. In addition, an updated NI 43-101 report must be filed with and accepted by the TSX following completion of the approved exploration program.

The vending shareholders of Jubilee are:

Gregory Isenor,	Bedford, Nova Scotia
Dan Whittaker	Halifax, Nova Scotia
Gary MacKenzie,	Bedford, Nova Scotia
David Mosher	Toronto, Ontario
James Patterson	Oakville, Ontario
Lauchie MacLean	Bedford, Nova Scotia
Jim Matheson	Bedford, Nova Scotia
Robert MacDonald	New Glasgow, Nova Scotia

The Jubilee Properties occur within the River Denys Sub-basin of the Late Devonian to Lower Permian age Maritimes Basin of eastern Canada. Basin fill sedimentary sequences evolved from Late Devonian–Early Carboniferous clastic sediments to overlying marine evaporite, carbonate and fine grained clastic sequences of the Windsor Group. The basal carbonate units of this succession host most of the significant zinc, lead and barite deposits defined to date in the region, foremost among these with respect to past development and mining being the Gays River zinc lead deposit and the Walton barite, lead, zinc silver deposit, located in central Nova Scotia.

The Jubilee Properties cover approximately half of the currently known mineralized breccia system defined by drilling to date in the Jubilee area. The remainder of the system occurs on an adjoining property held by Aur Resources Ltd. Collectively this system is called the “Jubilee Deposit”.

The Jubilee Deposit is a carbonate-hosted, stratabound zinc, lead, barite deposit that has been classified to date as showing affinity with both "Irish Style" base metal deposits and the broad Mississippi Valley Type (MVT) deposit class. Mineralization at Jubilee is hosted by carbonate rocks of the Early Carboniferous (Visean) Windsor Group, with the principal base metal sulfides being galena and sphalerite. These occur as replacements of host rock and as breccia matrix phases, locally accompanied by barite.

Mineral resources or reserves considered compliant with National Instrument 43-101 (NI43-101) have not been established on the property to date. However, an in-house estimate in 1998 of 1,560,000 tonnes (rounded) grading 5.49% zinc and 1.4% Pb was prepared by Savage Resources Canada Company (Savage) and an earlier in-house estimate of 872,000 tonnes (rounded) grading 5.83% zinc and 1.44% lead was prepared in 1978 by Amax Minerals Exploration (a Division of Amax Potash Limited). The Savage estimate includes results from numerous drill holes completed subsequent to 1978 and therefore covers a larger portion of the mineralized zone. The resource was not classified in accordance with NI 43-101 in the cited estimates. The Corporation considers the historic figures to be relevant and reliable to future property evaluation by demonstrating continuity and character of mineralization. Associated drilling results are interpreted as showing that the deposit remains open to the northwest along the Jubilee Fault and also along mineralized, northeast trending secondary faults.

Mineralization similar to that in the deposit area occurs in drill holes elsewhere on the Jubilee properties and these represent targets for further investigation leading to drill testing. Additionally, numerous un-drilled structural targets, considered by the Corporation to be similar to the Jubilee deposit trend, have been identified on the Jubilee properties. These also require further investigation leading to drill testing.

A diamond drilling exploration program of \$143,900 has been recommended for the Jubilee Properties. This program has been approved by Jubilee and constitutes the approved program to be completed by December 31, 2005.

Mike Cullen of Mercator Geological Services in the qualified professional.

The option to purchase Jubilee is at arm's length in all respects.

A finder's fee of 191,866 shares will be issued to Fortress Management Services Limited in connection with this option. Subject to TSX approval, a further 850,000 shares will be issued to Fortress Management Services Limited in connection with the acquisition of Jubilee if the option to purchase the shares of Jubilee is exercised within the twelve month term of the option.

APPOINTMENT OF NEW DIRECTORS AND PROPOSED FUTURE DIRECTOR

On August 15, 2005 Gregory Isenor, P. Geol., and Gary MacKenzie, B. Comm., C.A. were appointed to the Board of Directors filling the vacancy left by the resignation of Peter Bojtos.

Mr. Isenor is a professional geologist with over 35 years experience in the resource industry. He has worked in numerous parts of the world including Canada, the United States, Australia, New Zealand, Asia and Africa. He is currently the President and Chief Executive Officer of Jilbey Gold Exploration Ltd. (JBL-V).

Mr. MacKenzie is a chartered accountant and businessman. He is also Vice President and Director of Jilbey Gold Exploration Ltd.

Mr. Isenor and Mr MacKenzie join current directors John Cumming and John T. Edmondson on the Board. Mr. Cumming, President of the Corporation, is a lawyer and businessman. Mr. Cumming is also a director of Yaletown Entertainment Corp. (ECY-V) and President and Director of Chatworth Resources Inc. (CTW-V). Mr. Edmondson is a businessman and owner of Jte Management Ltd. and a director of Collingwood Capital Corp. (CTW-V)

At the forthcoming Annual General Meeting, in addition to the present board of directors, management will nominate Dr. James M. Patterson, Ph.D., P.Geol. for election to the Board of Directors. Dr. Patterson is currently Exploration Vice President of FNX Mining Inc. and a director of Jilbey Gold Exploration Ltd. Dr. Patterson is an economic/exploration geologist with experience in initiating, developing, conducting and supervising all phases of mineral exploration, ore reserve audits and valuations.

PRIVATE PLACEMENTS

On January 5, 2005 the Corporation closed a private placement of 1,000,000 Units at a price of \$0.075 per Unit to net \$75,000 to treasury.

As part-and-parcel of this option to purchase Jubilee, the Corporation announces that subject to shareholder and regulatory approvals a private placement of up to 3,666,667 Units at a price of \$0.075 per Unit. Each Unit is comprised of one share and one two-year non-transferable share purchase warrant exercisable at \$0.15 per share. If fully subscribed this private placement will net \$275,000 to treasury.

The proceeds of this private placement will be used to pay accounts payable, to conduct the recommended exploration program on the Jubilee lead-zinc prospect and for working capital.

This private placement and any shares which may be issued pursuant to any exercise of the share purchase warrants will be one-half flow-through common shares and one-half ordinary common shares.

A finder's fee of 366,667 common shares will be issued to Rustle Woods Capital Inc. in connection with this private placement.

The shares in the initial Units and any shares which may be issued pursuant to any exercise of the share purchase warrants will be subject to a four month hold period.

SHARES FOR DEBT SETTLEMENT

Subject to shareholder and regulatory approval the Corporation will issue up to 1,466,666 Units at a price of \$0.075 per Unit to settle up to \$110,000 of debt owed to two insiders. Each Unit is comprised of one share and one two-year non-transferable share purchase warrant exercisable at \$0.15 per share. This share issuance and any shares which may be issued pursuant to any exercise of the share purchase warrants will be one-half flow-through common shares and one-half ordinary common shares.

VOLUNTARY HALT TRADING REINDED

At the request of the Corporation trading in the Corporation's shares will resume trading on the TSX.H at the opening of the market on August 17, 2005.

CONDITIONS PRECEDENT AND INVESTOR CAUTION

Completion of these transactions is subject to a number of conditions, including but not limited to, TSX-V acceptance and shareholder approvals. These transactions cannot close until the required shareholder approvals are obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circulars to be prepared in connection with these transactions, any information released or received with respect to these transactions may not be accurate or complete and should not be relied upon. Trading in the securities of Merrex Resources Inc. should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transactions nor has it either approved or disapproved the contents of this press release.

On behalf of the Board:

John Cumming, Director

The NEX has not reviewed and does not accept responsibility for the accuracy of this release.