Oro Gold and Oro Silver Enter Into a Business Combination Agreement

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Vancouver, British Columbia -- (Marketwire) -- 08/11/10 -- Oro Gold Resources Ltd. ("Oro Gold") (TSX VENTURE: OGR) and Oro Silver Resources Ltd. ("Oro Silver") (TSX VENTURE: OSR) today jointly announce that they have entered into a binding letter of agreement (the "Agreement") to combine the two companies through a plan of arrangement (the "Transaction"). Under the Agreement, Oro Gold and Oro Silver have agreed, based on the recommendations of their respective special committees comprised of independent directors (the "Special Committees") in consultation with their advisors, that the Transaction will be an all-share transaction whereby Oro Gold would acquire all of the outstanding securities of Oro Silver on the basis of four common shares of Oro Silver for each common share of Oro Gold (the "Exchange Ratio").

The combination aligns with Oro Gold's corporate strategy of making low-cost acquisitions of gold ounces in under-explored mining camps that have significant expansion and discovery potential. Oro Silver's flagship property, El Compas, has excellent growth potential.

"With Oro Silver's assets becoming gold dominant, the strategy of the combined companies will simplify the corporate structure, consolidate management and reduce costs. This transaction will put us in a strong position to create value for our shareholders by having two low-cost gold assets with near term gold production and significant resource growth potential through exploration," stated Darren Bahrey, President and CEO of Oro Gold and Oro Silver.

Oro Silver shareholders will benefit from Oro Gold's strong liquidity and market position combined with participation in the exploration and development potential of Oro Gold's substantial Mexican property portfolio including the advanced Taunus deposit. The value of the offer provides Oro Silver shareholders with an approximate 11% premium to the preceding 20 day volume weighted average share price. Oro Silver stock options and warrants will be converted to Oro Gold stock options and warrants at the Exchange Ratio.

Key Points:

- -- Combining both companies creates a better capitalized, more liquid company with a focused management team that brings an impressive track record of past successes in gold exploration and mining to the expanded asset portfolio.
- -- The combined entity will have two near-term gold production properties located in Mexico with excellent infrastructure and resource growth potential through exploration.
- -- Oro Silver's core asset is the El Compas gold-silver property which has a NI 43-101 compliant resource of 65,000 gold-equivalent ounces in the indicated category (grading 5.8 g/t gold and 59.1 g/t silver) and 41,200 gold-equivalent ounces in the inferred category (grading 4.9 g/t gold and 45.7 g/t silver), using a 3 g/t gold-equivalent cut-off (See press release dated November 12, 2008).
- -- Oro Gold's core asset is the Taunus gold deposit which has a NI 43-101 compliant inferred resource of 200,930 ounces (4.5 million tonnes at an average gold grade of 1.4 g/t, using a 0.5 g/t gold cut-off (See press release dated July 2, 2008).
- -- Post transaction, Oro Gold will have approximately 84 million common shares outstanding and cash in excess of \$5 million to continue its exploration activities, and to complete resource estimation updates and necessary engineering studies to advance towards production.

Oro Silver was a spin-out of Oro Gold in 2007. Management of both companies have agreed that under current market conditions and in the interest of the shareholders the consolidation of both entities is the most advantageous strategy for advancing the companies' gold assets towards production and thus creating value for shareholders.

Exploration activities conducted this summer has been focused on exploration drilling at Oro Gold's projects. Four drill rigs are operating with the goal of adding to the already identified resource and targeting new

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discoveries. An additional drilling program will also be commencing at El Compas shortly.

Following the combination of Oro Gold and Oro Silver an updated NI 43-101 compliant resource estimate for both the Taunus and El Compas gold deposits will be prepared in the fall of 2010.

The parties are currently negotiating a definitive agreement (the "Definitive Agreement") that will incorporate the terms of the binding letter and other terms and conditions customary for transactions of this nature. It is estimated that the parties will enter into the Definitive Agreement within two weeks. The Transaction is anticipated to close early in the fourth quarter of 2010 subject to applicable regulatory authority approval including acceptance by the TSX Venture Exchange and Oro Silver shareholder approval of at least 2/3 of the votes cast.

The board of directors of Oro Gold will announce a new management team following the completion of this Transaction.

The directors and officers of Oro Silver, in their capacity as security holders of Oro Silver, have entered into lock-up agreements for their securities and unanimously vote in favour of the Transaction.

The full details of the terms of the Transaction will be contained in the Definitive Agreement that will form part of a proxy statement that will be filed with the regulatory authorities and mailed to Oro Silver shareholders in accordance will applicable securities laws. The Transaction is subject to customary conditions, including regulatory approval, fairness opinions and the parties negotiating and entering into the Definitive Agreement. The Transaction is subject to customary deal protection provisions, which include non-solicitation obligations for Oro Silver with the right to respond to a superior proposal and terminate on payment of a break fee of \$200,000 in certain circumstances following a right to match any superior proposal in favour of Oro Gold.

About Oro Silver

Oro Silver's strategy is to develop properties toward production through a strategic business arrangement and development plan focused on advanced-stage projects with known silver resources that exhibit potential for expansion. The El Compas mine continues to be the cornerstone for Oro Silve's growth strategy in the Zacatecas silver district - known to have produced several billion ounces of silver and hosts the world's largest silver mine, the Fresnillo Mine, located 45 kilometres to the northwest.

About Oro Gold

Oro Gold is a publicly-listed gold exploration company with projects located in Mexico and Panama. Oro Gold focuses exploration in under-explored mining camps that have the potential to host multi-million ounce gold deposits. The district-scale Trinidad property that hosts the Taunus gold deposit continues to be Oro Gold's top priority project and main focus of exploration and resource definition. Oro Gold's mission is to discover world class gold discoveries.

Gary Lustig, P.Geo, a qualified person as defined by National Instrument 43-101 has reviewed the technical content of this press release on behalf of Oro Gold.

Freeman Smith, P. Geo. a qualified person as defined by National Instrument 43-101 has reviewed the technical content of this press release on behalf of Oro Silver.

On Behalf of the Board of Directors of ORO GOLD RESOURCES LTD.

Ron Ewing Chair, Special Committee

On Behalf of the Board of Directors of ORO SILVER RESOURCES LTD.

Gregory J. Martin Chair, Special Committee

Some statements in this release may contain forward-looking information. These statements include, but are

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not limited to the use of the terms 'subject to', 'expects', 'anticipates', 'will', statements with respect to Board assessments, statements with respect to updating resource estimates, statements with respect to entering into the Definitive Agreement, future plans and expectations. Such statements are subject to a number of risks, uncertainties and assumptions. Actual results and events may vary for a variety of reasons. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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