



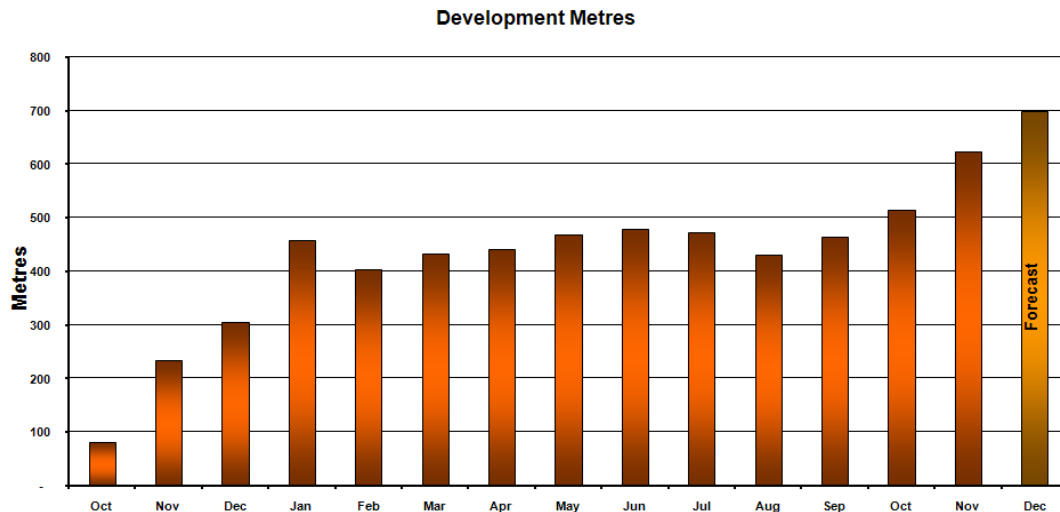
ASX ANNOUNCEMENT

TUESDAY 22<sup>nd</sup> DECEMBER, 2009

## WILUNA UPDATE

Apex Minerals NL (**ASX:AXM**) would like to take this opportunity to provide a general update to the market on its operations as follows:

- Development rates underground have continued to show considerable and consistent improvements with November achieving a total rate of 625 metres. The November result is some 20% higher than October following a consistent monthly improvement which is continuing into December. (see graph below). This is important in setting up the medium to longer term viability of the mine by opening up multiple ore sources to achieve targeted underground production rates and efficiencies.



- Apex advises that the plant's tertiary crusher was off line for 7 days recently. During this time the primary and secondary crushing circuits were modified to enable the plant to continue to operate at the rate of about 60 per cent of the plant capacity. The tertiary crusher has since been repaired and became fully operational mid last week.
- Stopping of ore is currently occurring on two levels in the Calais ore-body and two levels in the Henry 5 North ore body. Stopping commenced at Henry 5 North earlier this quarter and has provided a second independent high grade underground mining area.
- During the quarter, Apex has been driving toward the main ore zone at East Lode North and has encountered some strong mineralisation over a 30 metre strike, approximately 2-3m wide with face samples averaging around 10g/t gold in an area where ore was not previously expected. Development in the main ore body commenced over the weekend. Stopping is expected to commence toward the end of the March quarter.
- Development toward the Burgundy ore-body commenced in October with first development ore expected in January and stopping commencing in the June Quarter.

- There are currently about 12,000t at 6g/t gold of broken stoping stocks underground awaiting to be hauled to the surface for immediate processing. Typically this would be a much lower number (less than 1,000 tonnes). However Apex has experienced lower than normal levels of underground equipment availability particularly with regard to loaders and trucks over the past two weeks. Apex has initiated discussions with the fleet supplier (who also provides on-site maintenance services) at a senior level with regard to improved equipment availability to ensure an effective and speedy resolution.
- The assessment of Wilsons deposit at our Gidgee tenements has continued during the quarter. However it is likely that there may be a delay in being able to provide feed to Wiluna in April 2010 as previously expected. Apex currently expect a delay of two to three months due mainly to formalities required to upgrade the road between Wilsons and Wiluna. Apex is in discussions with the Wiluna shire in this regard. New sources of ore being identified at Wiluna should compensate the impact of this delay to some extent.

Apex would also like to take this opportunity to provide an update on exploration

Resource development drilling from underground has been recently expanded with the sourcing of an additional underground drill rig.

This has provided the operation with the flexibility to have a dual infill and expansionary approach with one rig focussed on grade control and conversion of inferred to indicated resources with the second rig investigating additional near-term mining opportunities close to planned development, but outside the current mining plan and also new growth opportunities (such as Woodley, East lode and others including Calvert and Golden Age extensions).

The first drill program for new near mine opportunities at East Lode North (about 25 metres south of current development), comprising 8 holes, has been completed and initial visual estimates suggest most holes have returned economic intersections. This has been validated by results from the first 2 holes which are tabulated below:

Hole ID	Northing	Easting	RL	Dip	From	To	Down Hole (m)	Est True Width (m)	Au (g/t)	
<b>AWD0356</b>	10081	10132	1323	-20	345	77.8	83	5.2	2.1	7.7
<b>AWD0358</b>	10081	10132	1323	-37	338	54.5	72.78	18.28	7.8	9.2

True width assumes plane of mineralisation as -85 dip to 098deg as per lode wireframe  
Intersection quoted at 3.5g/t lower cut

These results together with the unexpected ore recently encountered during waste driving (reported above), highlights significant additional opportunities around the East Lode North Reserves.

Exploration drilling into Calvert and Golden Age extensions will commence in the first half of January and there will also be an ongoing focus on drilling extensions to Henry V and Burgundy.

In addition to the expanded underground exploration program a renewed approach to surface exploration away from the immediate mine environment is being planned commencing with a target generation exercise based on a revised geophysical interpretation and geological modelling of the mineralised structures. Drilling of these targets is expected to commence during the first half of 2010.

Apex would finally like to note that it is currently expecting production for the quarter to be similar to the September quarter as it develops more ore sources to set up the future of the mine.

Cash on hand at 30 November 2009 was \$22 million with all the \$70 million senior Secured notes (including a short term \$10m element) having been fully repaid (at a cost of \$63 million) and with trade and other payables having been reduced from \$44 million at 30<sup>th</sup> June to \$14m at the end of November 09.



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#### **Competent Persons statement**

*The information in this report that relates to Exploration Results is based on information compiled by Mr. Andrew Thompson who is an employee of the company. Mr. Thompson is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Thompson consents to the inclusion in this report of the matters based on information in the form and context in which it appears.*