



ASX ANNOUNCEMENT

27 FEBRUARY 2013

## STRATEGIC REVIEW AND OPERATIONAL UPDATE

---

Apex Minerals NL (**ASX: AXM**) ("Apex" or "the Company") is pleased to provide an update on the progress of a strategic review initiated in January 2013.

### Overview

- Full utilisation of the Wiluna mill capacity (1Mtpa) offers substantial economic benefits.
- Accordingly, the Company has identified multiple third party ore sources in the vicinity of Wiluna, including Bogada Bore, which may utilise the excess capacity that currently exists.
- Discussions are underway with several parties, including the owner of Bogada Bore, regarding the possibility of supplying ore under a number of potential arrangements.
- Capital released from the sale of the Youanmi Gold Project will assist in the implementation of this capacity maximisation strategy.
- A number of further operational efficiencies have been identified including a reduction in the workforce and return of surplus mining equipment, which will reduce operating costs.

### Strategic Review

The Strategic Review announced on 11 January 2013 has reached the preliminary conclusion that value for Apex is likely to be maximised through higher utilisation of the Wiluna Mill. Apex is currently in discussions with multiple third parties about potential transactions that would bring additional throughput to the mill, including the Mark Creasy owned Bogada Bore project. Apex expects to conclude a transaction with at least one of these prospective third parties in the near term.

These positive developments, together with the impending sale of the Youanmi Gold Project for \$15 million provides considerable comfort to the Board that Apex can return Wiluna to a long term sustainable gold producer.

#### Youanmi Gold Project Sale

Apex has received its initial \$250,000 exclusivity payment from Infinity Fame with respect to the potential sale of the Youanmi Gold Project. Infinity Fame has begun its due diligence on the assets, with completion, subject to due diligence and approvals, expected by mid-April.

## **Wiluna Operations Update**

The main focus of the Wiluna Operations continues to be the reduction of operating costs and increasing the mined grade.

A reduction in operating costs has resulted from a reduction of the total workforce including labour hire contractors. These labour efficiency initiatives have in turn resulted in reduced catering, accommodation costs and air charter flight expenses. Underground mining equipment which was previously on hire has also now been fully returned.

Recent equipment purchases, including a loader and charge up machine (for loading explosives), have been made as part of enhancements to the operating equipment profile and are expected to provide a three month pay back.

Mill 2 at Wiluna however has had a girth gear failure which management expects will take some time, approximately six months, to repair or replace. Notwithstanding this, mill processing can continue with the coupling of Mills 1 and 3 to maintain throughput at a slightly reduced rate.

Production from the free milling high grade Golden Age Reef is increasing as a result of the engagement of four airleg miners. In addition a three tonne excavator is expected on site within the next two weeks to recover high grade underground stockpiles, spillage and road base from the ore development drives in Golden Age Reef.

The total production target for Golden Age ore from airleg mining and excavator ore recovery activities is projected at 4,000 tonnes @ 10g/t per month or 1,300 contained ounces in addition to normal Wiluna underground activity. Success from this operation could then be extended to other high grade areas of the mine including Bulletin and Calais.

Processing of free milling high grade Golden Age ore has been occurring through the oxide circuit Mill 1 with metallurgical recoveries of 90%.

-Ends-

For Enquiries:

**Investors**  
Eduard Eshuys  
Executive Chairman  
**Apex Minerals NL**  
+61 8 6311 5555

**Media**  
James Tranter  
Director  
**FTI Consulting**  
+61 8 9485 8888