



ASX/MEDIA ANNOUNCEMENT

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## Apex to spin off nickel assets in deal with Mark Creasy

### ASX-listed Croesus to become new WA base metals explorer

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Apex Minerals NL (**ASX: AXM**) and Mark Creasy today announce that they will spin off their prospective WA nickel assets into Croesus Mining NL (**ASX: CRS**), creating a new focused exploration company.

Croesus will undertake a capital raising of between \$5 million to \$7 million, its board will be restructured, and its name will be changed to Sirius Resources NL to reflect its new direction.

The new company will house prospective exploration acreage in WA's rich nickel sulphide belt, which hosts world-class mines such as BHP Billiton's Leinster and Mount Keith projects, Xstrata's Cosmos and Prospero deposits and Norilsk Nickel's Waterloo deposit.

Under an agreement struck with well-known prospector Mark Creasy, Croesus will also give shareholders exposure to large areas of WA nickel and base metal exploration territory strategically accumulated by Creasy over several years.

Croesus will raise up to \$7 million through a private placement at 0.85 cents to sophisticated investors who are clients of Blackwood Capital. The transaction will be subject to the approval of Croesus shareholders at a meeting to be held in approximately one month's time.

In consideration for the transfer of its nickel assets, Apex will receive approximately 67 million Croesus shares and 600 million five year options with a strike price of 3 cents. Apex will also be reimbursed for past costs it has incurred.

Mark Creasy, and the vendor entities controlled by him (Creasy) will receive approximately 267 million Croesus shares as reimbursement for past exploration costs incurred on the properties and interests to be transferred to Croesus.

On the basis of a \$7 million capital raising, Apex will have a 4% stake in Croesus rising to 27% on a fully diluted basis (assuming the subsequent exercise of the options), ensuring that shareholders in Apex stand to benefit from any success in Croesus' extensive exploration program. Mark Creasy, who currently holds 45% of Croesus, will hold a 29% stake decreasing to 20% on a fully diluted basis.

Croesus will have access to Apex personnel and management expertise under a Service Agreement which will have the additional benefit of keeping its overheads low and ensuring that the group's extensive knowledge of the region is fully exploited.

Under the terms of this Service Agreement, and to reflect its major stake in Croesus, Apex has nominated Mark Bennett as Managing Director and Steve Lowe (a Non-executive Director of Apex) as Non-executive Chairman of Croesus. Jeff Foster, an internationally recognised nickel expert, consultant and Associate Professor at the University of Tasmania, will also become a Non-executive Director of Croesus.

Dr Bennett will retain his primary role as Apex's Director of Geology and his focus on Croesus will be equivalent to that currently spent on Apex's nickel assets. He will be supported by members of Apex's geological team, which comprises key former members of the highly successful LionOre Mining International exploration team responsible for the discovery of several nickel deposits. As well as giving Croesus access to their skills, the arrangement will help spread both Croesus' and Apex's corporate overheads under the terms of the Service Agreement.

Apex Managing Director Mark Ashley said the decision to house the group's nickel assets in a separate company would enable Apex to focus on its gold operation at Wiluna, which was now achieving its annualised production target of 120,000 ounces. The cash flow generated by the Wiluna project would underpin further gold exploration and resource definition drilling of known mineralization at the mine.

Mr Ashley said the transaction would also increase the prospects of exploration success on the nickel tenements because of the additional funding available and Croesus' sole focus on achieving its goal of becoming a significant nickel producer.

"The creation of a new nickel and base metals explorer provides Apex shareholders with an opportunity to have an exposure to a fully-funded exploration program in some of the world's most promising nickel regions while benefiting from the cash flow generated at Wiluna," he said.

## **THE CROESUS ASSETS**

### **The Apex Interests**

Apex will transfer its rights in the Lawlers Nickel Joint Ventures and other nickel tenements situated in the Yandal Belt and Fraser Range province to Croesus in return for the consideration described above.

- ***Lawlers Joint Ventures (earning 70% of nickel rights)***

Apex and Carey Minerals Pty Ltd, who are currently earning in to the Lawlers Nickel Joint Ventures, will transfer their rights in the joint ventures to Croesus. Apex and Carey Minerals are earning a 56% stake and 14% stake respectively. The joint ventures cover 80 strike kilometres of extensions of the stratigraphy which hosts most of WA's major nickel sulphide mines, including BHP's Leinster and Mount Keith nickel operations, Xstrata's Cosmos, Prospero and Sinclair nickel mines and Norilsk's Waterloo nickel mine.

It is the single largest ground holding that remains relatively unexplored for nickel sulphide since the discovery and development of most of the surrounding nickel mines.

Carey Minerals will receive approximately 16.7 million Croesus shares and 150 million five year options with a strike price of 3 cents. Carey Minerals will also be reimbursed for past exploration costs.

## The Creasy Interests

Creasy will transfer a 70% interest in his Collurabbie, Fraser Range and Youanmi exploration properties to Croesus and the parties will enter into joint ventures to explore and develop those properties. Creasy is entitled to a 30% free-carried interest through to the completion of a feasibility study under each of the joint ventures. The Fraser Range and Youanmi properties are subject to certain split commodity arrangements as detailed below.

- ***Collurabbie Joint Venture (70% all mineral rights)***

The Collurabbie Joint Venture covers the northern extensions of the stratigraphy which hosts BHP's Olympia nickel-copper-platinum group metals (Ni-Cu-PGM's) discovery, some 12km along strike. Drilling results previously published for the Olympia discovery include 5.77m @ 3% Ni, 1.96% Cu and 5.3g/t PGM's. Despite being along strike from Olympia, the area is concealed by overburden and largely unexplored, and is highly prospective for Olympia-style Ni-Cu-PGM targets.

Creasy will transfer a 70% interest in the tenements and all mineral rights to Croesus which, together with Creasy's remaining interest will be the subject of a joint venture between the parties.

- ***Fraser Range Joint Venture (70% base metal and PGM rights)***

The Fraser Range Joint Venture covers 400km strike length of the Albany-Fraser mobile belt, to the south of Anglogold's/Independence's Tropicana gold discovery. Much of the area is completely unexplored, but prospective ultramafic rocks have been intersected in previous drilling in the southern part of the area adjacent to the Eyre Highway. The area is prospective for the rare but giant intrusive-associated Ni-Cu-PGM deposits.

The Fraser Range tenements will remain under the ownership of Creasy which will grant split commodity nickel, copper, cobalt, zinc, lead and PGM rights to a 70/30 joint venture to be formed between Croesus and Creasy.

- ***Youanmi Joint Venture (70%, excluding vanadium-titanium-magnetite rights)***

The Youanmi Joint Venture covers the Youanmi intrusive complex and surrounding felsic stratigraphy. The intrusive complex is prospective for magmatic Ni-Cu-PGM mineralisation and the surrounding stratigraphy is prospective for volcanogenic massive sulphide (VMS) style copper-zinc mineralisation, as evidenced by historic drill intersections and new resources recently published by other companies nearby. These occurrences include the Empire Resources' Just Desserts copper-gold resource and Metals Australia's Manindi zinc resource. The area also contains extensions of structures which host gold mineralisation at Apex's nearby Youanmi gold mine.

A 70% interest in the Youanmi tenements will be transferred to Croesus which will form a 70/30 joint venture with Creasy. Split commodity rights in respect of vanadium, titanium and magnetite will be reserved to Creasy pursuant to a split commodity agreement.

## The Croesus Interests

- ***Polar Bear Joint Venture (20% all mineral rights)***

Croesus will retain its 20% interest in the Polar Bear Joint Venture, managed by Barrick Gold Australia and situated north of the township of Norseman. The project contains the southern extensions of the nickel prospective Kambalda stratigraphy.

“The Croesus transaction offers investors an opportunity to be part of a significant exploration program in some highly promising nickel provinces, managed by a proven team of discoverers,” Dr Bennett said. “We are very optimistic toward the Lawlers Joint Ventures given the success enjoyed by many other companies on this world-class nickel sulphide belt.”

“In addition to this, the deal with Mark Creasy also gives investors exposure to over 8,000 square kilometres of nickel and base metal exploration acreage in key emerging provinces such as the Collurabbie and Fraser Range belts, which have known mineralisation but remain largely unexplored.”



**Mark Ashley**  
**CEO and Managing Director**  
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***Competent Person's statement***

*The information in this report that relates to Exploration Results is based on information compiled by Dr. Mark Bennett who is an employee of Apex Minerals. Dr. Bennett 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. Dr. Bennett consents to the inclusion in this report of the matters based on information in the form and context in which it appears.*