



ASX/MEDIA ANNOUNCEMENT

TUESDAY, 27 JANUARY 2009

CAPITAL RAISING

Apex Minerals NL (**ASX:AXM**) advises that it has recently appointed stockbroking groups Southern Cross Equities and Blackwood Capital as joint lead arrangers in respect of a placement of approximately 72.5 million shares at a price of A\$0.27 per share (on a book build basis) to raise approximately \$19.6 million. Apex has today received confirmation that bids for this amount have been received and the placement will now proceed to completion. The issue is to institutional and sophisticated investors to fund the completion of the delayed ramp-up of the Wiluna Gold Project to full capacity.

To further strengthen its position the Company has also secured a \$5 million revolving stand-by credit facility from its major shareholder, Mr Mark Creasy through Yandal Investments. Additional details of the placement and credit facility are outlined below.

The funding package follows delays to the refurbishment of the Wiluna processing plant as previously reported which temporarily slowed production ramp-up during December and January resulting in a consequent drop in revenue through delayed gold sales.

The time required to locate and remedy these unforeseen faults, resulted in resources being diverted from the actual commissioning process. As a result, commissioning continued in parallel with production start up and has led to a slower ramp up to a steady state production base.

Apex estimates that these delays, have resulted in deferred revenue of approximately \$20 million during this commissioning period.

With refurbishment effectively complete, the Wiluna project is now cashflow positive and is currently producing at approximately 7,000 ounces per month.

The project is expected to achieve its initial targeted annualised production capacity of 120,000 oz per annum in early February.

Apex Managing Director Mark Ashley said: "This additional funding, secured despite the recent significant deterioration of equity markets, enables Apex to complete the ramp-up of the Wiluna Gold Project. Apex is now well placed to take advantage of the strong gold price as production at Wiluna continues to grow."

In addition, Apex has given notice to Oz Minerals that certain of the additional costs incurred in refurbishing the plant could be claimed by Apex pursuant to the terms of the sale agreement between the parties whereby Apex acquired the Wiluna Gold Project from Oz Minerals. Apex has set off a portion of these costs against a \$3 million contingent consideration otherwise payable to Oz Minerals by Apex. Oz Minerals and Apex are currently in dispute in relation to this issue.

Placement and Credit Facility

The placement will be conducted in two tranches:

The first tranche of 56m shares will be placed with institutional and sophisticated investors immediately. As the total number of shares to be placed will exceed 15% of its total issued capital, the second tranche of approximately 16.5 million will be subject to the approval of shareholders at a general meeting anticipated in early March.

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- The agreement with Yandal Investments provides Apex with a revolving cash advance facility of up to \$5 million up to four months from the date of first drawdown to fund short term working capital requirements (if required). Yandal is being granted 2.5 million three year options at \$0.38/share.

A Notice of Meeting will be dispatched shortly.



Mark Ashley
Managing Director & CEO

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