



ASX/MEDIA ANNOUNCEMENT

May 21st, 2010

## Apex market update

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### Highlights

- Golden Age upper extension proven to be economic
- Settlement with Oz Minerals
- Mark Ashley to take on joint role as Managing Director and Acting General Manager at Wiluna
- Apex to take control of underground fleet maintenance at Wiluna

#### **GOLDEN AGE (see figure below)**

##### ***Upper level extension***

Apex Minerals (ASX:AXM) is pleased to announce that an assessment of the recently discovered upper extensions to the historic Golden Age ore-body at Wiluna has resulted in a decision to mine this new zone, with development having commenced last weekend.

##### ***Phase 1 development update***

Mining of the lower zone has progressed on target with two levels completed and the third level (960) just days from being finalised, which will enable stoping to commence. Development ore from this area has yielded excellent reconciliation of tonnes and grade with both being above of the original study resulting in over 60% more gold being mined to-date, confirming the robustness of original study. Preparations for stoping recently commenced with the first stope expected to be mined by the end of May. Processing of the development ore has confirmed high metallurgical recoveries (~90%) with low operating costs.

The Golden Age mineralisation is free milling (non-refractory) , is close to the existing underground development and is open up and down-dip.

#### **OZ MINERALS**

Additionally, Apex advises that it has finalised an agreement with Oz Minerals regarding various claims between the companies, including the dispute originally outlined in Apex's announcement on 29th January 2009. Under the agreement, Oz Minerals will pay Apex \$3

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million in settlement of all claims. The remaining terms of the settlement between Apex and Oz are confidential.

### **GENERAL MANAGER - WILUNA**

Apex advises that Managing Director Mark Ashley will assume the position of Acting General Manager of the Company's Wiluna mine in addition to his current role at the end of this month. Mr Ashley will fill the dual role following the resignation of Rod Jacobs as General Manager, for personal reasons.

Mr Ashley, who has been based at Wiluna since mid March, said he intended to remain Acting General Manager until further key initiatives are implemented and a replacement then sought.

Mr Ashley thanked Mr Jacobs, who joined Apex in mid-2009, for his contribution to the Wiluna Project, saying he had played an important role in the significant operational improvements recorded on site.

### **UNDERGROUND FLEET MAINTENANCE**

Apex also advises that from August 2010 it will take control of the underground fleet maintenance at Wiluna which is currently being carried out under contract by Atlas Copco.

It is expected that Apex will offer employment to Atlas Copco employees and sub-contractors currently employed at Wiluna. Benefits are expected to accrue from consolidating the team at Wiluna in addition to savings in overheads.

Mr Ashley said the latest developments would further boost Apex's financial position as it continued to focus on improving production and ramping up exploration at Wiluna. Various other initiatives are being pursued that will underpin improved productivity and reduce costs.

"We are delighted by the early success at Golden Age, which is just one of many exploration targets we have identified," he said. "This area is under-explored and has huge potential".

**Kim Robinson**  
**Non-executive Chairman**

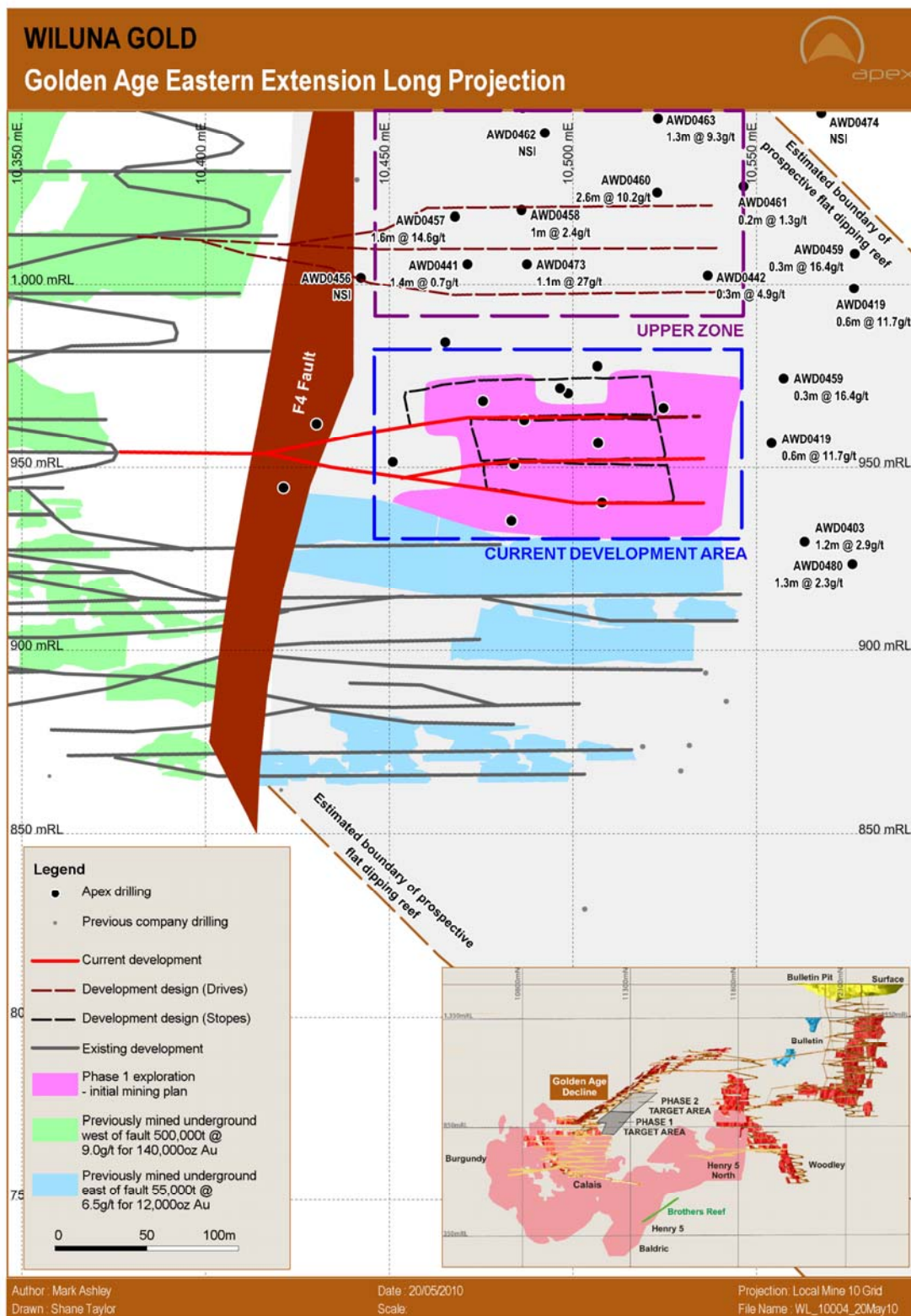
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Figure 1



## **Important Notice**

*This press release is not an offer of securities for sale in the United States. No security of Apex has been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and no such security may be offered or sold in the United States absent registration under the U.S. Securities Act and applicable state securities laws or an exemption from registration under the U.S. Securities Act and such laws.*

## **Competent Person's statement**

*The information in this report that relates to Exploration Results and Mineral Resources 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 Competent Persons 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.*

*Assay results are obtained from Intertek (formerly known as Genalysis) in Perth. Samples are prepared using single stage pulverization of the entire sample. Gold assays are obtained using either a 30g or 50g lead collection fire assay digest and atomic absorption spectrometry (AAS) analysis techniques or, in the case of reef quartz such as the core of the Golden Age Reef, large volume leachWELL digest and atomic absorption spectrometry (AAS). The LeachWELL technique is a strong accelerated cyanide leach of a 1Kg sample, designed to minimize the analytical variability in samples containing coarse nuggety gold.*

*Full analytical quality assurance - quality control(QAQC) is achieved using a suite of certified standards, laboratory standards, field duplicates, laboratory duplicates, repeats, blanks and grind size analysis. Assays quoted in announcements may be of a preliminary nature. Assays used in resource estimates have undergone full QAQC.*

*The spatial location of samples from underground holes is derived using surveyed rig setups and Reflex multi-shot downhole surveys. True widths are calculated using the mean dip and strike of the mineralization from 3D wireframe models and downhole surveys.*

*Quoted drill intersections are based on situation specific criteria, which include using a lower cutoff of 1g/t or 2g/t gold and acceptable levels of internal dilution.*

*Mineral Resources have been estimated using standard accepted industry practices. All Resources have been estimated via Block Ordinary Kriging using 2m composite samples. Top cuts have been applied to the composites and are considered appropriate for the nature and style of mineralization in all cases. Directional grade variography was modeled for all zones based on 2m composites. Geological and mineralization modeling has been achieved by 3D modeling of footwall and hangingwall. Grade interpolation (via Block Ordinary Kriging) was then undertaken using a multiple estimation pass strategy.*

*Mineral Resources are quoted on the basis of a 4.5g/t Au lower cutoff (LCOG) for underground resources. Where quoted, Mineral Resource tonnes and ounces are rounded to appropriate levels of precision, causing minor computational errors.*

*Mineral Resources are classified on the basis of drillhole spacing, geological continuity and predictability, geostatistical analysis of grade variability, sampling, analytical, spatial and density QAQC criteria and demonstrated amenability of mineralization style to proposed processing methods.*

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