



Company Announcements Office
Australian Stock Exchange Limited

Monday 19th December 2005
Two Pages

www.apexminerals.com

ASX Code: AXM

Initial Drilling Intersects Major Sulphide System At Kalatage

All four diamond holes drilled at Apex's Kalatage project near Hami in eastern Xinjiang, China have intersected extensive zones of sulphidic mineralisation containing anomalous copper and gold.

Each hole contains numerous intersections of disseminated to massive pyritic mineralisation and minor levels of copper as chalcopyrite within intensely altered volcanic units.

Preliminary assay results for holes G2-02 and G2-03 confirm the presence in the system of anomalous copper and gold mineralisation.

'The confirmation at Kalatage of an extensive, sulphidic, magmatic related system anomalous in copper and gold validates our exploration strategy and confirms the prospectivity for porphyry and epithermal style mineralisation on the project' comments Apex Executive Chairman, Stephen Stone.

'The cycle time from first identification using Landsat data through to acquisition and drill confirmation has been very rapid. We are very encouraged by what we have seen so far and are keen to continue in the New Year exploration and drilling at Kalatage, at our two other recently acquired sister projects, Yiwu and Qiongheba, and at the many other targets yet to fully screened'.

'Interestingly, G2-03 and G2-04 were drilled through approximately 5 metres of soil cover and also intersected 'blind' intensely altered sulphidised rocks. This indicates that the sulphidic system at Kalatage is laterally extensive, extends beneath areas where there is no outcrop and considerably increases the scope for success on the property'.

Robert Page, Chief Geologist for Copper with Falconbridge Limited, which holds project back in rights, comments that 'Kalatage is just the first in a pipeline of targets that Apex is accumulating in conjunction with the Falconbridge, Toronto based worldwide copper exploration team. It appears that the Kalatage system is fully intact with surface exposures in the epithermal part of the system. The work to date demonstrates the potential for not just copper porphyries but also large scale, volcanic hosted, epithermal systems with gold potential'.

Three inclined holes (G2-01, G2-02 and G2-03) were drilled for a total of 917.2 metres to test geophysical targets (dipole-dipole IP and gradient array IP) beneath zones of rock chip base metal and gold anomalism within the exposed 2.0 square kilometre G2 alteration zone on the Kalatage licence.

A fourth hole, G2-04, was drilled to 200.0 metres depth to test one of several other separate areas of intense alteration within the licence area.

Apex Minerals NL

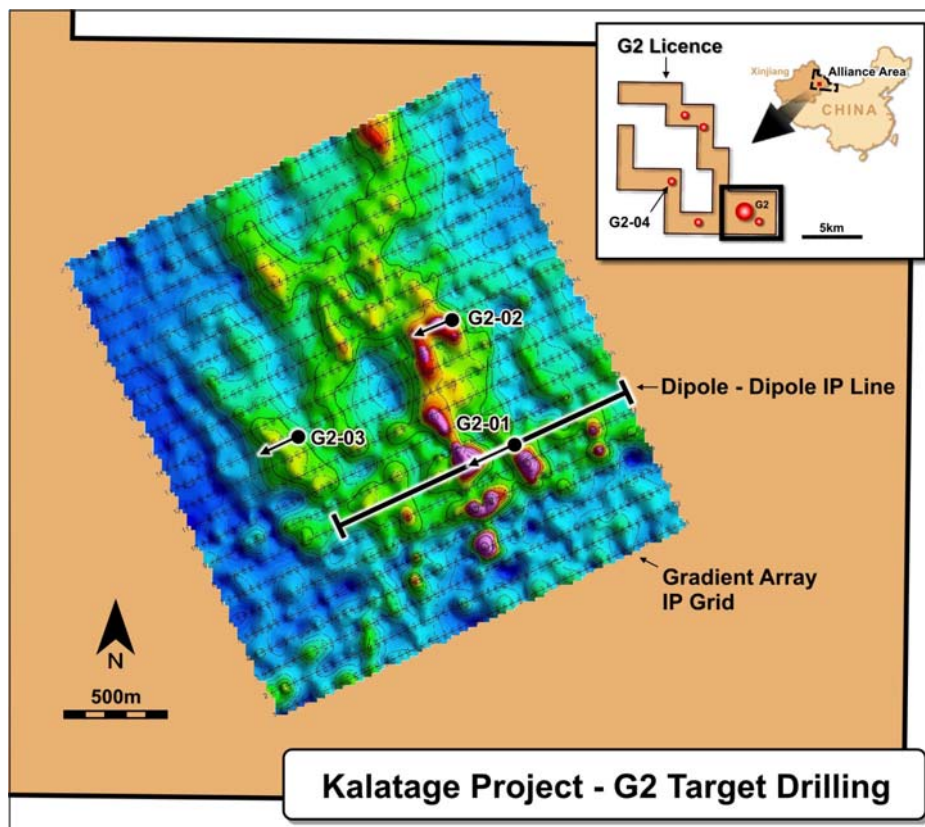
PO Box 682 West Perth, Western Australia 6872 Tel: 61 8 9486 8000 Fax: 61 8 9486 8044 admin@apexminerals.com
ASX Code: AXM www.apexminerals.com ABN 22 098 612 974

Both G2-02 and G2-03 returned long runs of background to slightly anomalous levels of copper but the gold assays were more interesting. In G2-02 several one to two metre intervals exceeded 1.0 grammes per tonne gold. In G2-03 one 8.60 metre interval graded 0.55 grammes per tonne gold including 4.0 metres grading 0.90 grammes per tonne gold.

However, check assays on the reject splits of samples from each interval carrying plus 1.0 grammes per tonne gold in G2-02 came back with very low levels of gold (an aqua regia digest – AAS finish was used in both cases). To determine the cause of this reproducibility problem these two holes along with G2-01 and G2-04 will be assayed at a second China based, western certificated laboratory using a fire assay – AAS finish method. Full assay results for all holes should be available by the end of January.

The Kalatage, Yiwu and Qionheba projects lie within a 350,000 square kilometre region in eastern Xinjiang being explored for porphyry and epithermal style mineralisation by Apex in alliance with Falconbridge Limited, which has project back-in rights.

The area lies within the highly prospective Altaid – Tianshan orogenic belt that outside of China hosts several major gold and copper deposits along its 5,000 kilometre length including Kumtor, Maruntau and Olg Tolgoi. The belt is one of the world's most endowed gold provinces outside of South Africa's Witwatersrand but within China it remains relatively under explored.



Contact:

**Stephen Stone
Executive Chairman
Mobile 0418 804 564**

Unless otherwise indicated, technical information contained in this report is based on information compiled by a competent person who is a corporate member of the Australasian Institute of Mining and Metallurgy. The competent person is Mr Stephen Stone who is Executive Chairman. Whilst the expectations expressed in any forward looking statements in this report are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and results or developments may for several reasons differ materially from those stated.