



ASX/MEDIA ANNOUNCEMENT

11<sup>th</sup> October 2007

## FURTHER SIGNIFICANT SUCCESS AT WILUNA AS DRILLING FROM UNDERGROUND DEVELOPMENT IDENTIFIES NEW HIGH GRADE ZONES

### TEN DRILL RIGS NOW UNDERTAKING INTENSIVE PROGRAMS AT WILUNA, GIDGEE & YOUANMI

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Apex Minerals NL (ASX:AXM) is pleased to announce highly encouraging drilling results at its Wiluna Gold Mine in the Eastern Goldfields region of Western Australia following commencement of drilling from the new underground development established to facilitate this process (Tables 1-4 & Figures 1-4).

Of particular note is drillhole CADH684, which is the first hole to be drilled from the newly established section of the Henry5 decline in a position which enables multiple zones to be tested with each drillhole. CADH684 intersected **four separate mineralised structures** including the Henry5 zone (on the 100 surface), the Henry5 footwall zone (on the 50 surface), the Brothers Reef, and an **additional previously unidentified mineralised zone**, as follows:

- **9.5m @ 22.7g/t gold** (est. 4.8m true width), from 126.5m down hole - the main Henry5 zone on the lower margin of the defined resource (on the 100 surface).
- **5.7m @ 7.2g/t gold** (est. 2.9m true width), from 144.0m down hole - the Henry5 footwall zone (on the 50 surface).
- **10.4m @ 13.1g/t gold** (est. 8.0m true width), from 172.6m down hole - the Brothers Reef target.
- **3.4m @ 50.3g/t gold** (true width unknown at this time), from 190.0m down hole - a **new zone**, tentatively interpreted to be an additional footwall structure.

This hole has intersected better grades and widths than expected in the Henry5 zone and in the Henry5 Footwall zone, has identified an entirely new high grade footwall zone and confirmed the presence of high grade mineralisation in a quartz reef interpreted to be the Brothers Reef target (Figure 2).

The Brothers Reef intersection is a laminated quartz reef containing sulphides and visible gold and is similar in style to the previously mined Golden Age Reef, a quartz reef striking broadly at right angles to the main sulphide lodes. The Golden Age Reef produced approximately 160,000oz at a grade of 9.1g/t. This intersection is very encouraging as it is only the second hole drilled into the Brothers Reef target, following up previously announced drillhole WDH1118 which intersected **26.0m @ 4.1g/t gold including a central high grade zone of 13.0m @ 6.6g/t** (est. 5.0m true width) some 130m up dip and to the north (Figure 2). It is planned to further define the extent and orientation of Brothers Reef and the new footwall structure by extending holes beyond the Henry5 zone where possible.

Furthermore, drilling from the Calais decline and the Woodley decline has also intersected **additional previously unrecognised zones of mineralisation** which include:

- **3.0m @ 27.8g/t gold** (est. 2.6m true width) on the West Lode, in exploratory hole WDH1146, drilled from the Woodley decline.
- **2.8m @ 17.8g/t gold** (true width unknown at this time) in a quartz reef containing visible gold in the vicinity of the Burgundy zone in drillhole CADH637, drilled from the Calais decline.
- **5.4m @ 4.4g/t gold** (est. 5.0m true width) in an east-west striking cross lode between West Lode and East Lode in the vicinity of the Henry5 North zone in drillhole WDH1122, drilled from the Woodley decline.

Drilling is also continuing to extend the limits of known mineralisation and is confirming the internal continuity of mineralisation in the Burgundy, Calais, Henry5 and Henry5 North zones (Figures 3 & 4). Better assay results received to date include:

#### Henry5:

- **27.3m @ 5.5g/t gold** (est. 13.7m true width), including **7.8m @ 9.9g/t gold** (est. 3.9m true width) in CADH693, an infill hole in the main Henry5 zone which is outside the current resource boundary, 20m down dip of 4.8m true width @ 22.7g/t gold reported above in CADH684.
- **4.8m @ 10.6g/t gold** (est. 2.4m true width) in CADH693 (the same hole as above) in the Henry5 Footwall zone on the 50 surface.

#### Burgundy:

- **18.2m @ 4.7g/t gold** (est. 11.0m true width), including **6.0m @ 7.8g/t gold** (est. 3.6m true width) in CADH633, an infill hole in Burgundy, some 25m above 8.8m true width @ 6.4g/t gold previously reported in CADH610.
- **13.0m @ 4.0g/t gold** (est. 6.5m true width) in CADH637, an extensional hole some 50m south and down plunge of 8.8m true width @ 6.4g/t gold previously reported in CADH610 at Burgundy.

Assays are awaited for a number of holes that have intersected mineralisation down plunge to the north of Burgundy (CADH607, 771, 773, & 774), and from two holes drilled north of Henry5 North (WDH1124 & 1125). Although assays have not yet been received, it is anticipated that these holes will show that the Burgundy mineralisation is largely contiguous with the down dip extension of the Calais 50 lens (Figure 3), and that the Henry5 North zone will extend a further 50m along strike (Figure 4).

Apex's Managing Director, Mr Mark Ashley, said the Company's decision to establish additional underground development last July was now providing significant benefits, with the number of drill metres required to test targets and infill resources being substantially reduced and the number of targets able to be tested being increased.

"A fifth underground diamond drill rig has recently commenced operation in order to expedite this program," he said. "Since signing the agreement with Oxiana to acquire the Wiluna operations just four months ago and commencing drilling, we have now begun to appreciate the very significant potential of Wiluna which is shaping up well beyond our original expectations."

Commenting on the results, Apex's Exploration Director, Dr. Mark Bennett, said: "As foreshadowed in our last announcement, Apex now has ten drill rigs undertaking intensive gold exploration and resource definition programs at Wiluna, Gidgee and Youanmi, and a further rig has commenced drilling the first generation of nickel targets at Lawlers. This level of activity clearly demonstrates our commitment to the successful implementation of our regional gold consolidation strategy."

"The exploration drilling at Wiluna continues to identify new high grade mineralised zones and opens up entirely new target areas close to existing or planned development. It is also expanding the known mineralised zones at Burgundy and Henry5 North and providing us with valuable information on the internal continuity within these zones which will be used in our resource estimates" he added.

### Other gold projects

Resource definition drilling is progressing on the Wilsons deposit at Gidgee, with the deployment of three surface diamond drill rigs. A separate exploration update will be released once sufficient assay results have been received.

Drilling has commenced at Youanmi, with a second rig scheduled to start in mid-October. This program will continue for several months with the aim of infilling the existing drilling and upgrading the current Youanmi Deeps Inferred Resource to Indicated status in the March 2008 Quarter.

At the Aphrodite gold project, preliminary metallurgical testwork of the Phi 15 lode has commenced with the collection of a 90kg bulk sample for flotation and BIOX testwork. A major resource drilling program is scheduled to commence on the Phi lodes late in 2007 with the aim of establishing an initial resource estimate in the March quarter of 2008.

### Lawlers Nickel JV

The first reverse circulation (RC) drilling program has commenced at the Lawlers Nickel JV, with the objective of testing several electromagnetic (EM) targets identified in the recent first phase of EM geophysics. Analytical results from this program may not become available for 6-8 weeks due to the heavy demand and long turnaround times currently being experienced at commercial laboratories.

### Commercial

All conditions to enable completion of the Wiluna Gold Mine acquisition from Oxiana Ltd. (ASX:OXR) have now been satisfied and completion is expected today. Approximately 9.5 million Apex shares will be issued to Oxiana in respect of the share component of the sale. Approval for the issue of these shares was obtained from Apex shareholders at an Extraordinary General Meeting held in Perth on 10<sup>th</sup> September 2007.



Mark Ashley

Managing Director

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The information in this report that relates to Exploration Results is based on information compiled by Dr. Mark Bennett and Mr. Andrew Thompson, who are employees of the company. Dr. Bennett and Mr. Thompson are Members of the Australasian Institute of Mining and Metallurgy and have 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. Dr. Bennett and Mr. Thompson consent to the inclusion in this report of the matters based on information in the form and context in which it appears.

Reverse circulation (RC) drill samples are obtained by collecting meter samples via a three stage riffle or cone splitter, and diamond drill hole results are obtained from half NQ core or quarter HQ core sampled to geological boundaries where appropriate.

Samples are prepared at Genalysis' Kalgoorlie laboratory using single stage pulverization of the entire sample. Samples are analysed at Genalysis' Perth laboratory. Gold assays are obtained using a 50g lead collection fire assay digest and atomic absorption spectrometry (AAS) analysis techniques. Multi-element analyses (arsenic, sulphur, iron, lead, zinc, bismuth, antimony and tellurium) are obtained using a four acid total digest and inductively coupled plasma optical emission spectrometry (ICP OES) analysis techniques. Full analytical quality control is achieved using a suite of certified standards, laboratory standards, field duplicates, laboratory duplicates, repeats, blanks and grind size analysis.

The spatial location of samples from surface holes is derived using a combination of surveyed grid co-ordinates and 3D differential GPS collar survey pickups, and Reflex single shot and gyroscopic downhole surveys. The spatial location of samples from underground holes is derived using surveyed rig setups and Reflex multi-shot downhole surveys.

Drill intercepts are defined using a combination of geological criteria and an arbitrary 1g/t lower cutoff. No top cut is applied until the resource estimation stage. Intersections comprising multiple samples of variable length are length weighted, but not weighted for relative density (SG), as density differences are minor.

**Table 1. New drilling results – Wiluna - Burgundy**

Hole Id	From	To	Lens	Downhole Length	True Width	Grade g/t Au	Location
CADH 0622	n/a	n/a	Burgundy 100 lens	n/a	n/a	NSI	100m south of hangingwall mineralisation
CADH0633	222.8m	241.0m	Burgundy 50 lens	18.2m	11.0m	4.7g/t	Infill hole 25m above CADH610 (8.8m t/w @ 6.4g/t)
<i>including</i>	235.0m	241.0m		6.0m	3.6m	7.8g/t	Ditto
CADH 0636	108.0m	112.0m	Burgundy 100 lens	4.7m	2.3m	1.1g/t	Minor hangingwall zone
CADH0637	256.0m	269.0m	Burgundy 50 lens	13.0m	6.5m	4.0g/t	Extensional hole 50m south & below CADH610 (8.8m t/w @ 6.4g/t)
CADH0642	237.0m	245.0m	Burgundy 50 lens	8.0m	5.1m	3.0g/t	Southern edge of mineralised zone
CADH0644	n/a	n/a	Burgundy 50 lens	n/a	n/a	NSI	Southern edge of mineralised zone
CADH 0645	n/a	n/a	Burgundy 50 lens	n/a	n/a	NSI	South of mineralised zone

**Table 2. New drilling results – Wiluna – Henry5**

Hole Id	From	To	Lens	Downhole Length	True Width	Grade g/t Au	Location
CADH0684	126.5m	136.0m	Henry5 100 lens	9.5m	4.8m	22.7g/t	Hole on lower edge of resource
<i>and</i>	144.0m	149.7m	Henry5 50 lens	5.7m	2.9m	7.2g/t	Extensional hole in footwall zone
CADH0690	121.0m	124.4m	Henry5 100 lens	3.4m	1.7m	3.2g/t	Infill hole on margin of resource
CADH0693	128.7m	156.0m	Henry5 100 lens	27.3m	13.7m	5.5g/t	Infill hole near CADH575 (8.8m t/w @ 6.4g/t)
<i>Including</i>	148.2m	156.0m		7.8m	3.9m	9.9g/t	
<i>Also</i>	185.9m	190.7m	Henry5 50 lens	4.8m	2.4m	10.6g/t	Infill hole in footwall zone
CADH0694	128.2m	132.0m	Henry5 100 lens	3.8m	2.0m	13.3g/t	Infill hole on margin of resource

**Table 3. New drilling results – Wiluna – Henry5 North**

Hole Id	From	To	Lens	Downhole Length	True Width	Grade g/t Au	Location
WDH1122	268.2m	270.0m	Henry5 North 100 lens	1.8m	1.3m	5.5g/t	Northern edge of mineralized zone
WDH1133	338.0m	340.0m	Henry5 North 100 lens	2.0m	1.4m	7.7g/t	Down dip edge of mineralized zone
WDH1146	387.0m	391.2m	Henry5 North 100 lens	4.2m	3.0m	2.0g/t	100m down dip of mineralized zone

**Table 4. New drilling results – Wiluna – Other zones**

Hole Id	From	To	Lens	Downhole Length	True Width	Grade g/t Au	Location
CADH0637	179.2m	182.0m	New quartz reef	2.8m	Unknown	17.8g/t	New mineralised zone
CADH0684	172.6m	183.0m	Brothers Reef	10.4m	8.0m	13.1g/t	New mineralised zone
<i>and</i>	190.0m	193.4m	New Footwall structure	3.4m	Unknown	50.3g/t	New mineralised zone
WDH1122	172.6m	178.0m	New Cross Lode	5.4m	5.0m	4.4g/t	New mineralised zone east of Woodley
WDH1146	90.8m	93.8m	West Lode	3.0m	2.6m	27.8g/t	Previously untested part of West Lode

Figure 1. 3D view of Wiluna East and West Lodes showing mined areas, development, resources, prospects and targets.

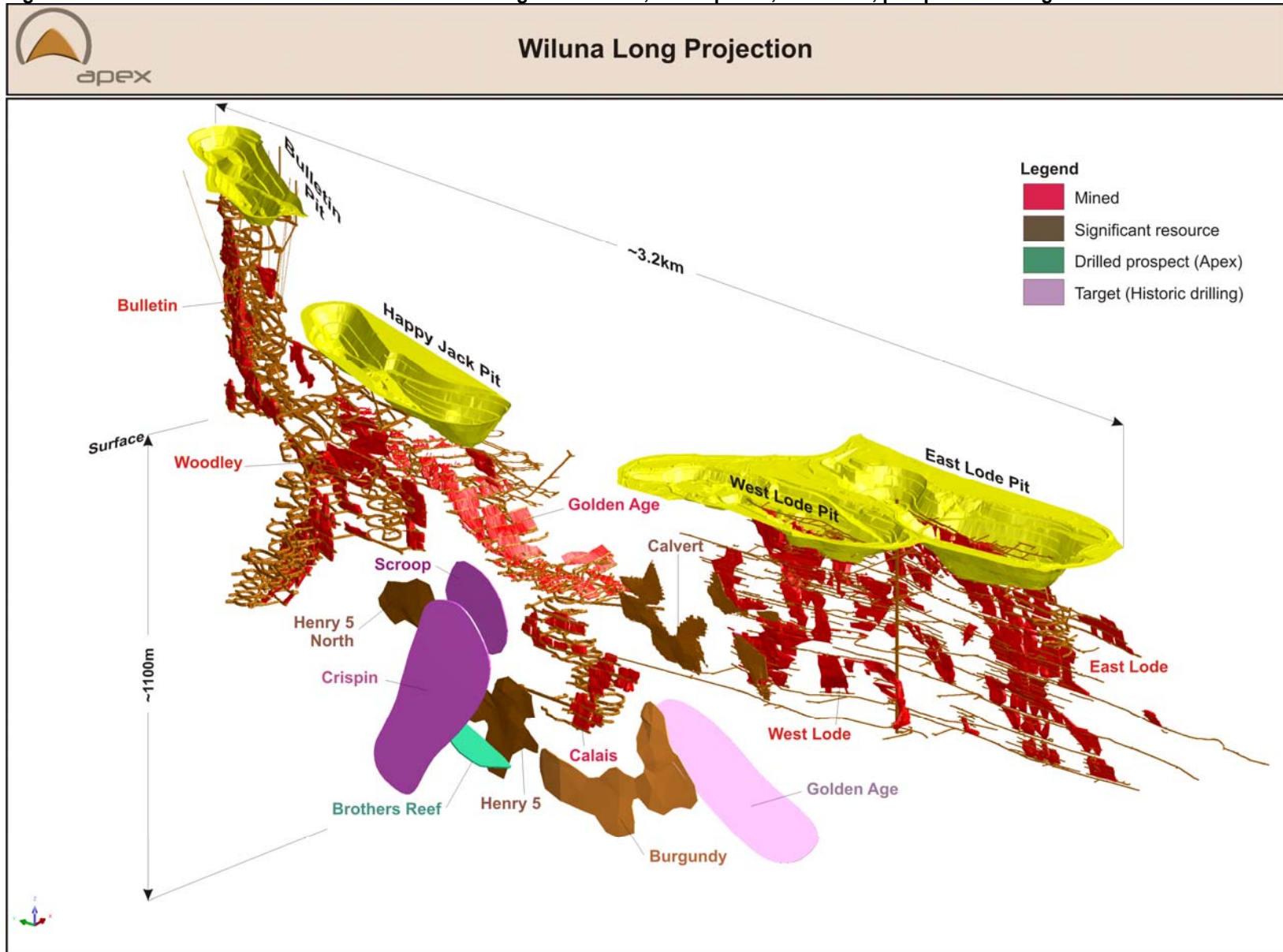


Figure 2. Schematic plan projection of the Brothers Reef and Henry5 zone showing new drill intercepts.

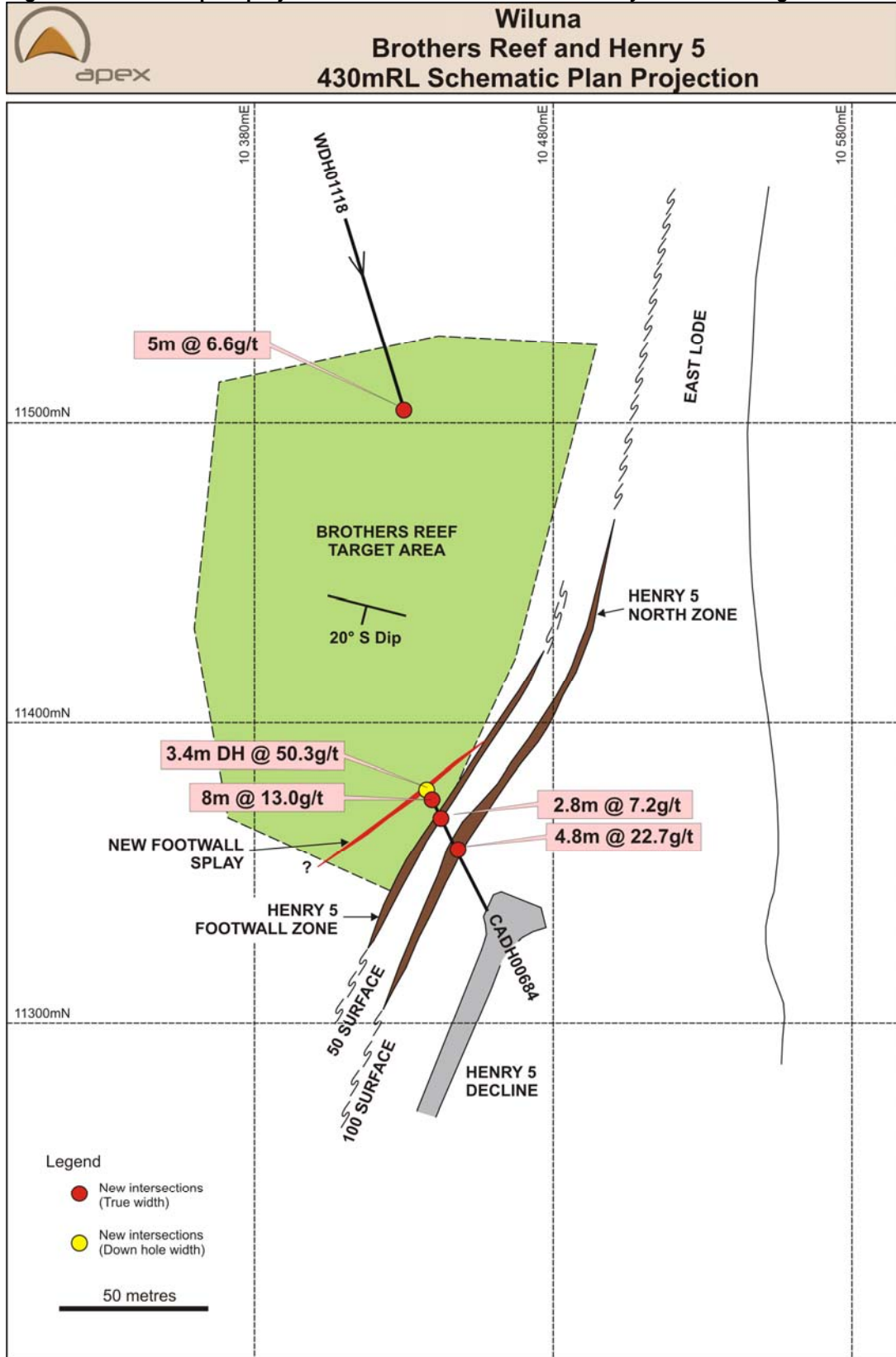


Figure 3. Long projection (looking west) of the 50 Surface, showing new drilling intercepts in between Burgundy and Calais50, and in Henry5 Footwall.

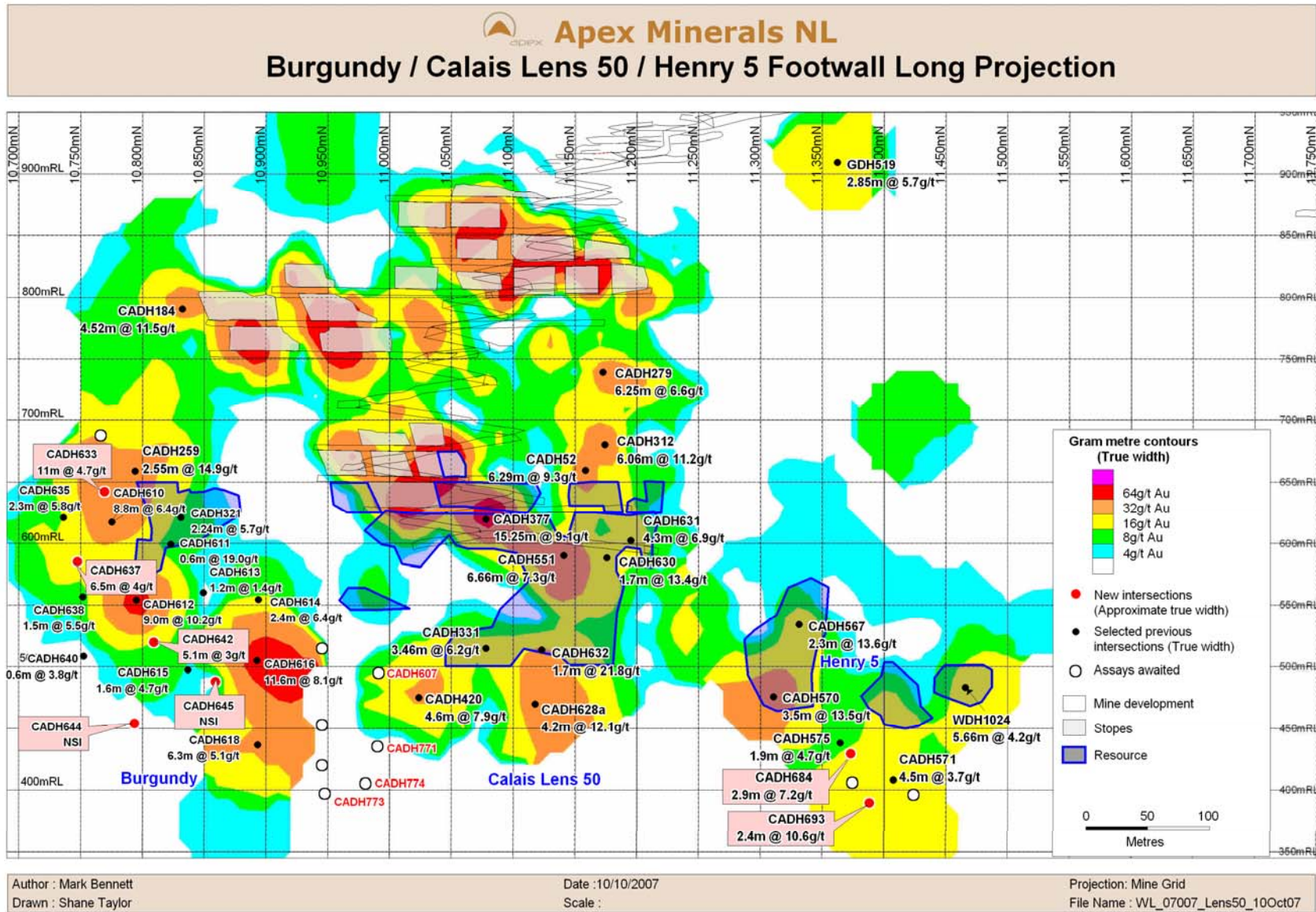


Figure 4. Long projection (looking west) of the 100 Surface, showing new drilling intercepts in Henry5 and Henry5 North.

