

**APEX MINERALS NL**



**apex**

**Payout of GUP Notes  
Capital Raising & Asset Sale**

**2<sup>nd</sup> February 2011**

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- *A Competent Person Statement is made at the end of this presentation.*

## Transaction Highlights

- Payout of all outstanding Gold Upside Participation Notes (**GUP Notes**) for \$18.0 million cash (\$5 million by 8<sup>th</sup> February 2011 and \$13 million by end March 2011) and issue of 180 million warrants exercisable at 3.5 cents per share
- Cash consideration of \$18.0 million represents significant discount to accrued liability and independent valuation of future obligations
- Payout will give Apex shareholders full exposure to current high gold prices and release all security currently held by GUP holders (first ranking charge over all assets)
- GUP Payout funded via a \$22.6 million capital raising comprising a placement and underwritten rights issue
- \$6.3 million placement at 1.8 cents per share in order to satisfy \$5 million deposit required under the GUP Payout
- Renounceable 1-for-2.4 rights issue at 1.0 cent per share to raise approximately \$16.3 million, underwritten by Azure Capital
- Sale of Gidgee Exploration Project (excluding the tenement that contains the existing Wilsons deposit) to Panoramic Resources Ltd for \$15.5 million plus assumption of \$2 million in environmental bonds. Expected to Complete end February 2011
- Remaining proceeds will be used to extinguish other liabilities and for general working capital



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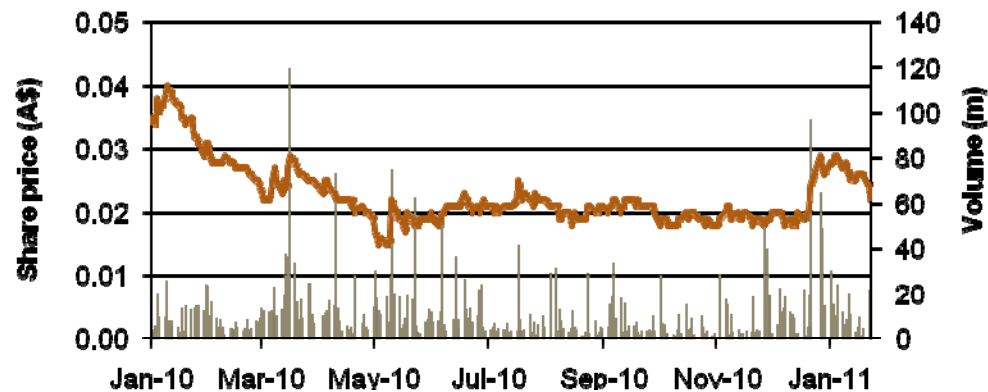


## Trading Update

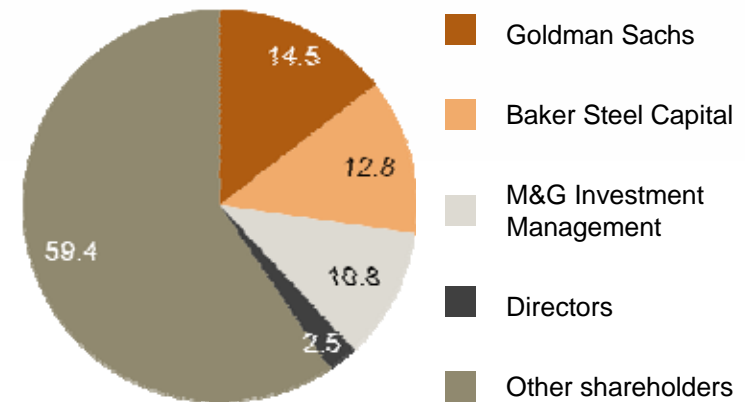
### Current key statistics

Ordinary shares on issue	25-Jan-11	3,567.8m
Partly Paid Shares	25-Jan-11	19.1m
Listed Options	25-Jan-11	678.6m
Unlisted Options	25-Jan-11	103.5m
Warrants	25-Jan-11	44.9m <sup>1</sup>
Last share price	25-Jan-11	\$0.022
Market capitalisation (undiluted)	25-Jan-11	\$78.5m
Net borrowings (including equipment leases)	31-Dec-10	\$15.3m <sup>2</sup>
Enterprise Value (undiluted)	-	\$93.8m
Ordinary shares on issue post rights issue	-	5,550.2m

### Twelve month share price / volume history



### Current ownership structure



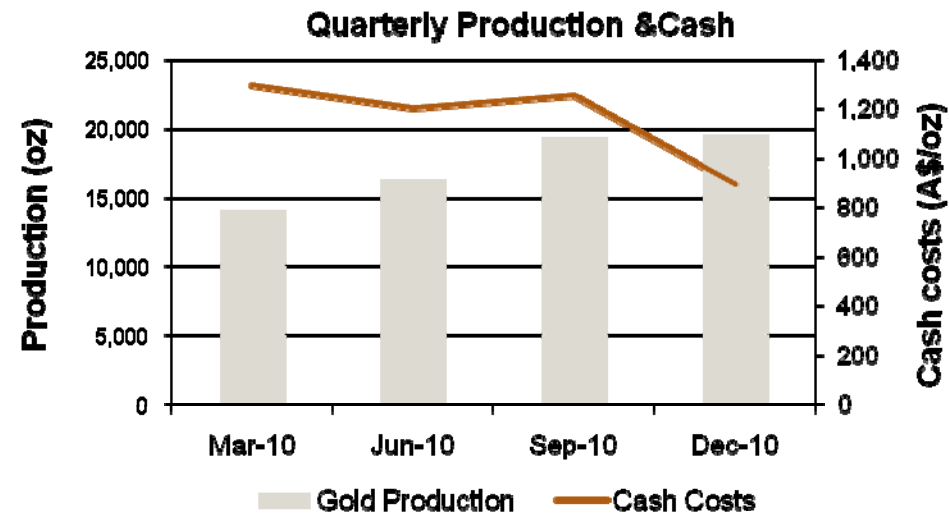
### Distribution of shares

Range	Holders	Percentage
1 – 1,000	1,047	0.01%
1,001 – 5,000	1,025	0.08%
5,001 – 10,000	554	0.13%
10,001 – 100,000	2,524	3.23%
> 100,000	1,741	96.55%
<b>Total</b>	<b>6,891</b>	<b>100.00%</b>

- 121 Warrants outstanding, convertible into 44.9m ordinary shares – these warrants will be cancelled (subject to shareholder approval) as part of payout of GUP Notes
- Calculated as at 31 Dec 2010; cash of \$1.0m and equipment leases of \$14.3m and insurance premium funding of \$2.0m

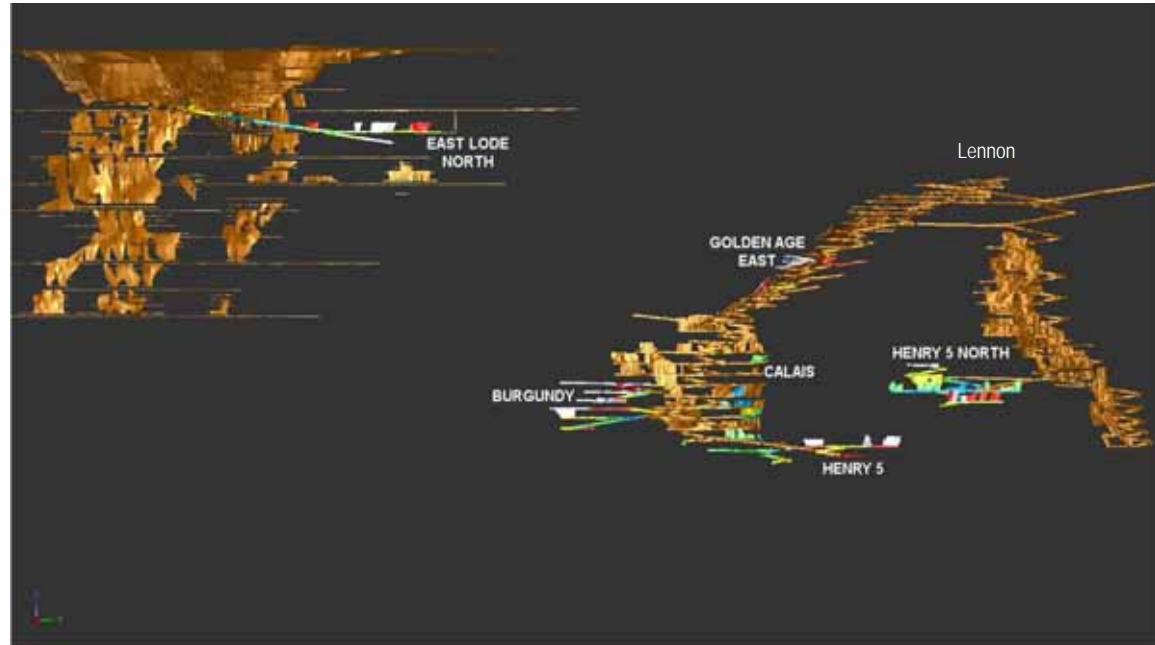
## Operations Overview

- Operations improved throughout 2010
- December quarter highlights:
  - Underground activities continued to improve with 21,000 ounces mined (increase of 12% from September quarter)
  - Gold production of 19,500 ounces (up slightly from the September quarter) ~50% plant utilisation
  - Average grade increased 12% to 6.0g/t and recoveries improved from 85% to 88%
  - Cash operating costs of A\$890/oz (down from A\$1,256/oz in the September quarter)
- Gold production expected to stabilize at 19,000-21,000 ounces per quarter at cash operating costs of around \$850 - \$900 per ounce
- Comprehensive review of all mining parameters commenced during the December quarter with initial positive results. Objective to deliver increased production and further reduction in cash costs in the medium term (3 – 6 months)
- With increasing production and elimination of GUP, increased cash flow can be directed to re-commencing exploration at Wiluna with an objective to further increase feed to the process plant in the future
- Wilsons Deposit at Gidgee provides opportunity for additional mill feed for Wiluna



## Operations Overview

- Comprehensive review of all mining parameters commenced in December quarter
  - Includes geology, cost structure, gold price and minimum mining widths
- Initial review focused on near term production at Henry V North and Burgundy
- New stope designs indicate approximately 14,000 more ounces of gold to be mined from these two zones over the next 6 – 9 months (further details set out on following two slides)
- This review is now focusing on Calais/Baldric and East Lode North/Calvert
- Once the review is completed a revised mine schedule and sequencing will be completed to understand full impact on expected monthly production
  - Objective is to deliver a ~15% increase in monthly production commencing in 3 – 6 months



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## Operational Review: Henry V North

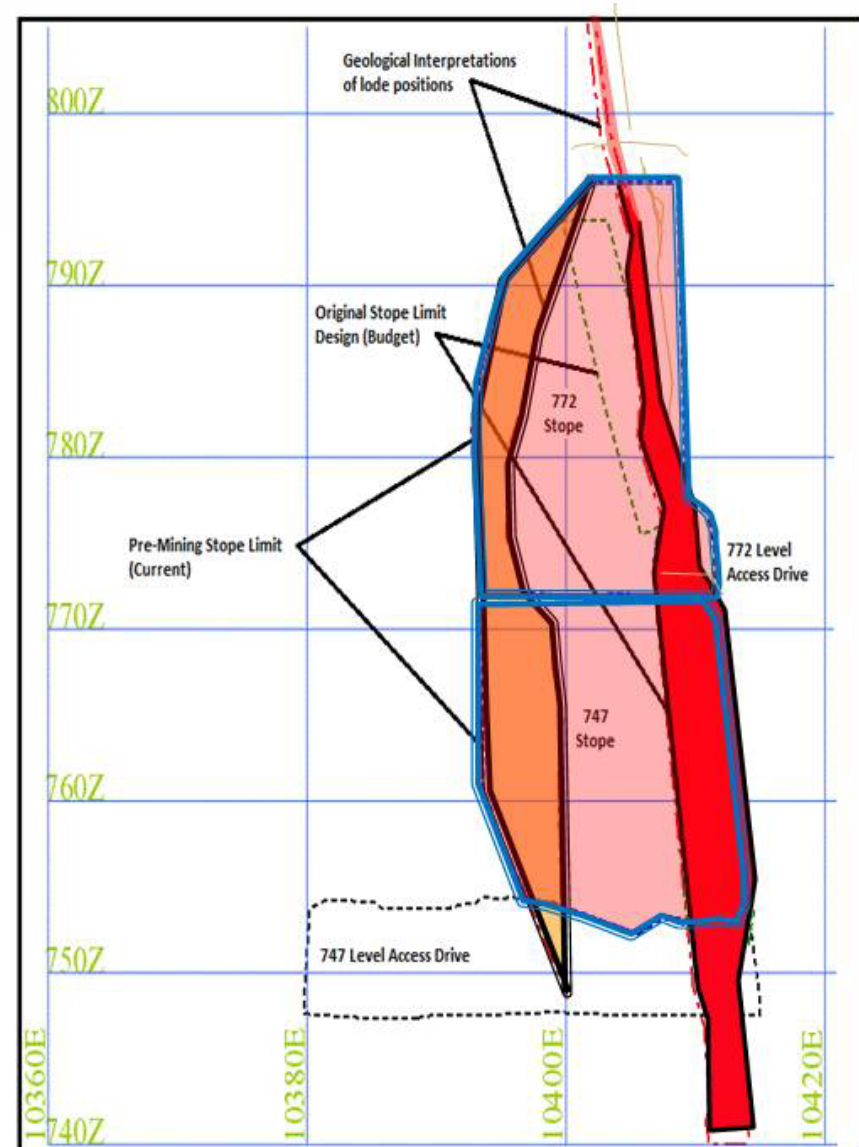
- Original design only targeted the eastern Lode
- Mining of the two lodes as discrete stopes without expensive cemented fill would be problematic
- Mining of the bulk stope offers an opportunity to stabilise stope production, improve stope bogging efficiency, increase production and cash

	Tonnes	Grade	Gold
Preliminary design	32,000	6.15	6,600
Revised design	82,000	4.84	12,800
<b>INCREMENT</b>	<b>50,000</b>	<b>3.86</b>	<b>6,200</b>

### Results

- Extra 6,200 ounces of gold contained
- Extra Revenue ~ \$7.1m
- Additional costs ~\$ 2.5m (variable)

(Assuming Gold price of A\$1,350 per ounce)



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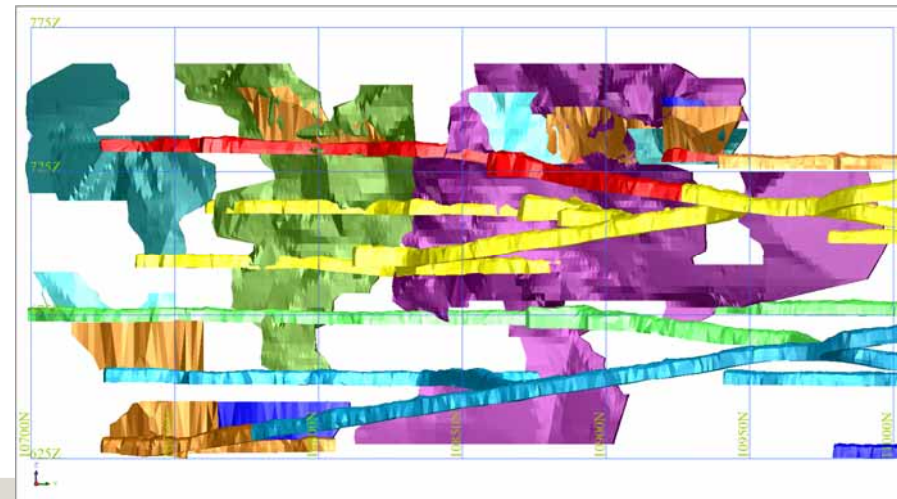
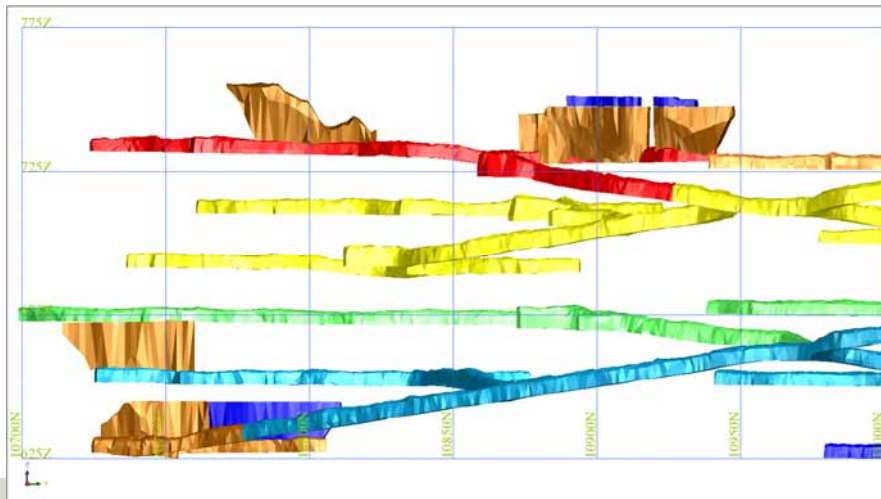
## Operational Review: Burgundy

- Following review/re-modeling of Henry V North engineering, focus then turned to Burgundy
- New Mine Plan now completed for Burgundy with identification of additional 8,000 ounces to be mined in the coming months
- Expected to generate additional cash ~\$6.5m (Assuming Gold price of A\$1,350 per ounce)
- Review continuing and expected to continue to result in significant increase production/cash

	Tonnes	Grade	Gold
Original design	106,000	6.41	22,000
Revised design	166,000	5.56	30,000
<b>INCREMENT</b>	<b>60,000</b>	<b>4.06</b>	<b>8,000</b>

Original design

Revised design



## Recent Key Events

### Comprehensive review of all mining parameters

- Comprehensive review of all mining parameters commenced in December quarter
  - Includes geology, cost structure, gold price and minimum mining widths

### Management Changes

- New operating team in place to drive operating changes
  - Refer to following slide for further details

### Increase Resources

- New Wiluna Resource of 2.2mozs of gold announced in December 2010, an increase of 0.6mozs over the previous Resource (October 2009) notwithstanding mine depletion
  - Refer to slide 25 for further details

### Increase Resources

- Interim Reserve of 0.29mozs based on the 2009 Resource estimate (see slide 26)
  - Represents an increase over the 2008 Reserve estimate of 0.33mozs when mining depletion of 0.17Moz is factored in
- New Reserve estimate based on the updated Resources estimate currently being calculated

## New Operating Team

### Allan King

*Chief Operating Officer*

- Experienced operator, formerly General Manager Operations for Resolute Gold, General Manager Mining at LionOre Australia, General Manager Nifty Copper, Mining Manager at KCGM Resident Manager St. Ives Gold
- Commenced with Apex in August 2010 and currently based at Wiluna

### Ross Glossop

*Chief Financial Officer*

- Experienced operator, formerly CFO for Paladin, Oceana Gold and Barrick Australia
- Commenced with Apex in July 2010

## Technical Advisers

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### Stephen Miller

- Mining Engineer and Principal, Red Rock Engineering
- Extensive experience in mine operations, project/mine evaluation, and development Senior operating positions including Iluka Mid West, and LionOre.
- Commenced in October 2010 and based at Wiluna

### Eric Dailey

- Principal Technical Advisor
- Experienced planner (with PhD Rock Mechanics), formerly senior operations positions with Resolute, Norilsk/LionOre Australia, WMC's Leinster Operations, Nifty Copper and Western Areas.
- Will commence early February 2011 and based at Wiluna

## Summary

### Operational Objectives

- Our Objectives
  - Continue stabilisation of production (immediate)
  - Increase production over coming 6 months
  - Continue to reduce cash costs
  - Increase reserves
- How?
  - New operating team in place
  - Comprehensive operational review
  - Better mine planning and more appropriate mining techniques in place
  - Improved mining equipment availability
  - Utilise spare mill capacity
  - Increased workforce morale

### Corporate Objectives

- Our Objectives
  - Re-establish market credibility
  - Re-rate alongside peers
  - Re-commence exploration
- How?
  - Operational improvements to deliver consistency
  - Improved communication with stakeholders
  - Payout of GUP Notes resulting in improved cash flow
  - Significantly stronger balance sheet



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## Sale of Gidgee

### Terms

- Apex acquired the Gidgee Project in 2007 for \$11m primarily to gain ownership of the Wilsons refractory deposit – supplementary feed for Wiluna
- Panoramic Resources Ltd (**Panoramic**) to acquire the Gidgee Exploration Project (**Gidgee**) for \$15.5 million plus assumption of \$2 million in environmental bonds
  - Apex to retain the Wilsons Deposit
- The assets sold as part of the Gidgee transaction comprise:
  - ~1,200km<sup>2</sup> tenement package located approximately 640 kilometres northeast of Perth and approximately 110km from Apex's Wiluna operation
  - 600,000tpa process facility (not in operation); and
  - 150 man camp
- The transaction is expected to complete by the end of February 2011

### Rationale for Sale

- Apex's current focus is on further improving production at Wiluna whilst also reducing operating costs
- In light of this strategy the Company has previously stated that it intends to evaluate its options in respect of its non-core assets
- Given the quantum of Panoramic's offer, the Company determined that the most effective use of shareholders funds was to sell Gidgee, whilst retaining the Wilsons underground deposit for potential future development
- Apex is continuing to consider its options in respect of its Youanmi Gold Project

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## Placement and Rights Issue

### Placement

- \$6.3 million placement of new shares to institutional and sophisticated investors
- 350 million shares at 1.8 cents per share representing an 18% discount to Apex's closing price on 25 January 2011 prior to entering the trading halt
- The placement is being made under the Company's 15% placement capacity and therefore shareholder approval for the issue is not required
- The placement shares are expected to be admitted to trading on the ASX on 3 February 2011

### Rights Issue

- Renounceable 1-for-2.4 rights issue at 1.0 cent per share to raise \$16.3 million
- The offer price of 1.0 cent per share represents a 55% discount to Apex's closing price on 25 January 2011 prior to entering the trading halt
- The rights issue is underwritten, subject to certain terms and conditions, by Azure Capital Limited (refer to slide 19)
  - Rights issue sub-underwritten by a number of new and existing sophisticated and institutional investors
- As the rights issue is renounceable, the rights can be transferred or sold
- Apex's largest shareholder, Goldman Sachs (14.5%) have indicated, subject to the rights issue completing, that they will subscribe for all of their entitlement

## Payout of GUP Notes

### Payout of GUP Notes

- Apex to redeem all outstanding fully secured GUP Notes for consideration comprising \$18.0 million in cash plus 180m unlisted warrants exercisable at 3.5 cents per share at any time on or before February 2014
- The \$18.0 million cash consideration is payable in two tranches:
  - \$5.0 million by 8 February 2011
  - \$13.0 million by 31 March 2011
- 44.99 million existing warrants currently held by GUP holders will be cancelled for nil consideration (requires shareholder approval)
- GUP holders will benefit from the cancellation of the GUPs as a result of their significant shareholding in Apex (together they hold approx 21% of the shares in Apex)

### Rationale for Payout of GUP Notes

- The GUP Notes entitle the holders to be paid an amount calculated by reference to a formula which provides the holder to participate in any increase in the monthly average gold price above A\$1,110/oz for a predetermined number of ounces per month (effectively a gold call option)
- The GUP Notes were due to expire on 31 May 2012, with approx 4,500 ounces per month scheduled for the period Feb 11 to May 12 inclusive
- GUP Payout price of \$18 million represents good value for Apex shareholders because:
  - It is inclusive of GUP Note accrued entitlement for July 2010 to January 2011 of approximately \$7.1 million
  - The balance of the GUP liability (February 2011 to May 2012 inclusive) has been independently valued as a gold call option at \$21 million based on the gold price as at 27th January 2011 (A\$1,349 / oz)
  - Without the GUP Notes Apex shareholders have better exposure to any increase in the gold price
  - All security is released and future cashflows will be retained by the Company

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## Sources and Uses

### Sources

Placement	\$6.3m
Rights issue	\$16.3m
Sale of Gidgee	\$15.5m <sup>1</sup>
<b>Total Sources</b>	<b>\$38.1m</b>

### Uses

Payout of GUP Notes	\$18.0m
Reduction in current liabilities	\$9.5m <sup>3</sup>
Environmental bonds	\$1.5m <sup>2</sup>
General working capital	\$6.6 m
Transaction Costs	\$2.5m
<b>Total Uses</b>	<b>\$38.1m</b>

1. Refer to ASX announcement dated 31<sup>st</sup> January 2011 "Apex Sells Gidgee Exploration Project"
2. Replacing environmental bonds previously provided by Mark Creasy – see Note 35 of Apex's Annual Report 2010 (\$2m being proved by Panoramic in respect of the Gidgee tenements and \$1.5m cash backing ).
3. Includes overdue statutory taxation obligations (including PAYG & Payroll Tax) of approximately \$7.6m (see Note 2e of Apex's Annual Report 2010) and reduction in overall creditors



## Key Conditions

### Key Event

### Key Conditions

#### Payout of GUP Notes

- Completion of the Placement
- Completion of the sale of Gidgee Exploration Project

#### Sale of Gidgee Exploration Project

- Sale tenements and assets being released from the GUP Notes security package
- Other customary conditions typical of mineral asset sale and purchase agreements
- No further due diligence

#### Underwriting

- Lodgement of a Prospectus
- Completion of the Payout of the GUP Notes
- Completion of the sale of the Gidgee Exploration Project
- The Underwriting Agreement will contain representations, warranties, indemnities and rights of termination in favour of the Underwriter, including a right to terminate their underwriting commitment in the event of a 10% fall in the All Ordinaries Index or a 10% fall in the price of gold for five consecutive business days

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## Indicative Dates

Event	Date (2011)
Rights Issue Announcement	2 February
Prospectus and Appendix 3B lodged with ASX Notification sent to option holders	10 February
Notice of Rights Issue sent to security holders	11 February (T+1)
Existing shares quoted on an 'ex' basis Rights start trading	14 February (T+2)
Record date	18 February (T+6)
Despatch of Rights Issue Documents to Eligible Shareholders Offer Period Opens	24 February (T+10)
Rights stop trading	7 March (T+17)
Offer Period Closes	15 March (T+23)
Shortfall Notice Deadline Date (notice of the Shortfall Securities and Certificate)	17 March (T+25)
Notification of under-subscriptions to ASX (if any)	17 March (T+25)
Shortfall settlement date	21 March (T+30)
Shares issued Holding statements despatched Updated Appendix 3B lodged with ASX	24 March (T+33)
Commencement of trading of New Shares	25 March (T+34)



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## Key Risks

<p><b>Commodity price and General Economic conditions</b></p>	<ul style="list-style-type: none"> <li>Substantially all of Apex's cash flows and revenues are derived from the sale of gold, and as such, Apex is exposed to gold price fluctuations. These fluctuations may be influenced by numerous factors and events which are beyond the control of Apex or its employees</li> <li>Such factors include the costs of production of other gold producers and other macro-economic factors such as inflationary expectations, monetary and fiscal policy (which, for example, may impact interest rates), currency exchange rates as well as general global political trends</li> </ul>
<p><b>Foreign Exchange Risk</b></p>	<ul style="list-style-type: none"> <li>Apex is an Australian business that reports in Australian dollars. Apex's revenue are in US dollars derived from the sale of gold; however, as Apex's costs are mainly in Australian dollars, movements in the USD/AUD exchange rate may adversely or beneficially affect Apex's results of operations and cash flows</li> </ul>
<p><b>Regulatory Risks</b></p>	<ul style="list-style-type: none"> <li>Apex's operations are subject to various Federal, State and local laws and plans including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health</li> <li>Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. No assurance can be given that Apex will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, Apex may be curtailed or prohibited from continuing or proceeding with production and exploration</li> </ul>
<p><b>Mineral Resources and Ore Reserves Estimation Risk</b></p>	<ul style="list-style-type: none"> <li>Apex's Mineral Resources and Ore Reserves are estimates only and no assurance can be given that any particular recovery level of gold ore will in fact be realised. Apex's estimates comply with the JORC Code, 2004; however, Mineral Resources and Ore Reserves are expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience. Estimates which are valid when made may change significantly when new information becomes available</li> </ul>
<p><b>Rising Energy and Commodity Costs</b></p>	<ul style="list-style-type: none"> <li>Apex has significant commodity (diesel) and energy (gas and electricity) requirements and it relies on being able to fulfil those requirements at a cost which does not negatively impact on its cash flows. A number of factors (particularly the strength of the US dollar) may lead to an increase in commodity and energy costs, which may materially adversely affect the earnings of the Company</li> </ul>
<p><b>Insurance</b></p>	<ul style="list-style-type: none"> <li>Apex currently maintains insurance coverage as determined appropriate by the Board and Management, but no assurance can be given that Apex will continue to be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover all claims</li> </ul>

## Key Risks

<p>Claims, Liability and Litigation</p>	<ul style="list-style-type: none"> <li>Apex may have disputes with counterparties in respect of major contracts, or may be exposed to customer or environmental, occupational health and safety or other claims. Apex may incur costs in defending or making payments to settle any such claims, which may not be adequately covered by insurance or at all. Such payments may have an adverse impact on Apex's profitability and/or financial position. Details of all material claims currently known to the Company are disclosed in the 2010 Annual Report including, without limitation, the legal proceedings in respect of the two statutory demands issued by Atlas Copco in May and June 2010 totalling \$4.4 million</li> </ul>
<p>Geotechnical Risk</p>	<ul style="list-style-type: none"> <li>Apex has previously experienced a seismic event in the first half of 2009 that curtailed gold production at its operations. Although Apex has had independent geotechnical advice and undertaken a number of measures to mitigate this risk, including diversifying ore feed sources by opening up new deposits and implementing various geotechnical operating procedures, Apex can not guarantee that this will not affect future production and performance</li> </ul>
<p>General Equity Market Risks</p>	<ul style="list-style-type: none"> <li>The value of Apex shares, including those new shares issued under this Rights Issue may fluctuate. In recent times, the extent of this volatility in Apex shares and the wider market has been significant</li> <li>Investments in equity markets are generally speculative in nature and potential investors should carefully consider this risk before making any investment in Apex shares</li> <li>There is no guarantee that Apex shares will trade at or above the Rights Issue price. Potential investors should also note that past performance of Apex shares on ASX provides no guidance as to the future performance of these shares on ASX</li> </ul>
<p>Execution Risk</p>	<ul style="list-style-type: none"> <li>This presentation has highlighted a number of conditions that must be met in order for certain key events of the Rights Issue, sale of Gidgee and the Payout of the GUP Notes to have effect. There is a risk that some conditions may not be met and the Rights Issue may not be able to proceed</li> </ul>
<p>Termination of Underwriting Agreement</p>	<ul style="list-style-type: none"> <li>The Underwriting Agreement contains termination events in favour of the underwriter. In the event that Underwriting Agreement is terminated and the Rights Issue experiences a low take-up rate, the portion of the Rights Issue applied to working capital will be reduced accordingly. The termination events included in the Underwriting Agreement include, among others, those set out on slide 19 as well as Apex's application to have set aside Atlas Copco's Statutory Demands being dismissed and an amount equal to or greater than \$2,000,000 being held to be due and payable to Atlas Copco.</li> </ul>
<p>Requirement for Future Funding</p>	<ul style="list-style-type: none"> <li>There may be a need for funds in the future even if the Placement, Rights Issue and sale of Gidgee proceed, as a result of risks and factors outlined above which are out of the control of Apex, its directors, employees and advisors. The ability of Apex to meet this future requirement, should it arise, will be dependent on Apex's continued access to credit markets, funding sources and financing facilities</li> <li>Recent developments in global financial markets have adversely affected the liquidity of global credit markets, which has resulted in an increase in the cost of funding and in certain cases a reduction in the availability of funding sources throughout global markets. Access to credit markets on less favourable terms will impact Apex's access to financing facilities should the need arise, and may have a material adverse effect on Apex's future financial performance and position</li> </ul>

## Key Risks

Operating Risk	<ul style="list-style-type: none"><li>The operations of Apex may be affected by various factors, including operational and technical difficulties encountered in production, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, adverse weather conditions, industrial and environmental accidents, industrial disputes, fluctuations in commodity prices, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment</li></ul>
Operating Cost	<ul style="list-style-type: none"><li>Any material increase in Apex's operating and/or capital costs or failure to achieve cash operating efficiencies may adversely impact the cash flows of the Company. Failure to keep operating and capital costs at an acceptable level (or a reduction in the gold price) may erode the Company's operating margin</li></ul>
Environmental Risks	<ul style="list-style-type: none"><li>It is Apex's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, the environmental impact of mineral exploration and mining operations can give rise to substantial costs of environmental remediation, damage control and losses. Apex is subject to various environmental regulations, non-compliance with which could result in a cessation of production and substantial liabilities</li></ul>
Reliance on Key Personnel	<ul style="list-style-type: none"><li>Apex's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel could have an adverse effect on Apex</li></ul>
Native Title	<ul style="list-style-type: none"><li>The current and future assets of Apex may be subject to land claims or native title claims by indigenous people. Should this occur, Apex's ability to conduct exploration and/or mining activities may be affected, which may have a material adverse effect on Apex's financial performance</li></ul>

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## Wiluna Resources

Lode	Indicated			Inferred			Total			Notes
	Tonnes 000's	Grade (g/t)	Contained Au 000's oz	Tonnes 000's	Grade (g/t)	Contained Au 000's oz	Tonnes 000's	Grade (g/t)	Contained Au 000's oz	
Henry 5	321	7.5	77	101	3.8	12	422	6.6	90	1
Baldric	196	5.7	36	96	5.9	18	292	5.7	54	1
Henry 5 North	299	6.0	58	124	3.9	15	423	5.4	73	1
Woodley 200	317	5.6	57	18	6.0	3	335	5.7	61	1
Scroop	-	-	-	225	3.1	22	225	3.1	22	1
Bulletin	643	6.1	126	670	4.7	100	1,313	5.4	226	1
Lennon	40	7.4	10	13	8.2	3	53	7.6	13	1
<b>Total Henry 5 / Woodley / Bulletin</b>	<b>1,816</b>	<b>6.2</b>	<b>364</b>	<b>1,247</b>	<b>4.4</b>	<b>175</b>	<b>3,063</b>	<b>5.5</b>	<b>539</b>	
Burgundy	484	6.8	105	174	5.5	31	658	6.4	136	1
Calais 50/50H	440	6.4	90	89	6.8	19	529	6.4	109	1
Calais 100/90	574	5.2	97	151	3.8	19	724	4.9	115	1
Calais 150	57	4.6	8	-	-	-	57	4.6	8	1
<b>Total Burgundy / Calais</b>	<b>1,554</b>	<b>6.0</b>	<b>300</b>	<b>414</b>	<b>5.2</b>	<b>69</b>	<b>1,968</b>	<b>5.8</b>	<b>369</b>	
East Lode North	417	6.0	80	563	4.9	89	980	5.4	169	1
East Lode South	131	6.3	27	191	5.1	31	322	5.6	58	1
East Lode Main	463	5.2	77	1,174	5.4	203	1,638	5.3	280	1
<b>Total East Lode</b>	<b>1,011</b>	<b>5.6</b>	<b>183</b>	<b>1,929</b>	<b>5.2</b>	<b>324</b>	<b>2,940</b>	<b>5.4</b>	<b>507</b>	
West Lode Main	209	5.5	37	1,933	5.6	349	2,142	5.6	386	1
West Lode 1	116	4.2	16	902	4.6	135	1,019	4.6	150	1
Calvert	125	8.4	34	324	6.7	70	449	7.2	103	1
<b>Total West Lode</b>	<b>450</b>	<b>6.0</b>	<b>87</b>	<b>3,159</b>	<b>5.4</b>	<b>553</b>	<b>3,609</b>	<b>5.5</b>	<b>640</b>	
Essex	139	7.6	34	9	3.7	1	148	7.4	35	1
Lone Hand	73	5.6	13	169	7.7	42	242	7.1	55	2
North Pit	272	3.2	28	280	2.7	24	552	2.9	52	2
Queenie	69	3.8	9	125	3.4	14	194	3.6	22	2
<b>Total Other</b>	<b>553</b>	<b>4.7</b>	<b>83</b>	<b>583</b>	<b>4.3</b>	<b>81</b>	<b>1,136</b>	<b>4.5</b>	<b>164</b>	
<b>Wiluna Total Resources (Oct 10)</b>	<b>5,384</b>	<b>5.9</b>	<b>1,017</b>	<b>7,332</b>	<b>5.1</b>	<b>1,203</b>	<b>12,716</b>	<b>5.4</b>	<b>2,220</b>	
<i>Previous Resource (Oct 09)</i>	<i>3,460</i>	<i>6.9</i>	<i>763</i>	<i>4,570</i>	<i>5.8</i>	<i>849</i>	<i>8,030</i>	<i>6.2</i>	<i>1,612</i>	
<b>Net increase</b>	<b>1,924</b>	<b>4.1</b>	<b>254</b>	<b>2,762</b>	<b>4.0</b>	<b>354</b>	<b>4,686</b>	<b>4.0</b>	<b>608</b>	

### Notes

- 2g/t bottom cut off used for reporting
- 0.5g/t bottom cut off used for reporting indicated and inferred oxide material. 2g/t bottom cut off used for reporting indicated transitional and fresh material
  - For the sake of clarification, there are no Measured Resources
  - 1 troy ounce = 31.103477 grams

# APEX MINERALS NL



## Wiluna Reserves

Lode	Proved			Probable		
	Tonnes 000's	Grade (g/t)	Contained Au 000's oz	Tonnes 000's	Grade (g/t)	Contained Au 000's oz
Henry 5	169	5.7	31	169	5.7	31
Baldric	105	4.9	16	105	4.9	16
Henry 5 North	32	6.2	6	32	6.2	6
Woodley 200	59	5.8	11	59	5.8	11
Henry 5/Woodley/Bulletin	364	5.5	65	364	5.5	65
Burgundy	364	5.9	69	364	5.9	69
Calais	235	5.2	39	235	5.2	39
Burgundy/Calais	600	5.6	108	600	5.6	108
East Lode North	360	5.4	62	360	5.4	62
East Lode South	78	5.2	13	78	5.2	13
East Lode Total	438	5.3	75	438	5.3	75
Calvert	211	5.5	37	211	5.5	37
West Lode/Calvert Total	211	5.5	37	211	5.5	37
<b>Wiluna Total</b>	<b>1,614</b>	<b>5.5</b>	<b>286</b>	<b>1,614</b>	<b>5.5</b>	<b>286</b>
<b>Previous Reserve (October 2008)</b>	<b>1,684</b>	<b>6.0</b>	<b>326</b>	<b>1,684</b>	<b>6.0</b>	<b>326</b>

### Notes

- The Reserve estimate account for all mining depletion up until 1st October 2010
- The Reserve estimate excludes ROM stockpiles
- Subtotals may not add up due to rounding
- No additional information has been derived from the deposits at Wilsons or Youanmi and the reserves that were reported in the Annual Report for 2009, remain unchanged for these deposits

## Competent Person's Statement

### Competent Person's statement for Ore Reserves Estimates

*The Reserves have been estimated in accordance with the guidelines defined in the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition)*

*The information in this presentation is based on information compiled under the direction of Allan King, who is a member of the Australian Institute of Mining and Metallurgy. Mr King is a full time employee of Apex Minerals and has sufficient experience which is related to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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. Mr King consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

### Competent Person's statement for Mineral Resources Estimates

*The information in this presentation that relates to Exploration Results and the Mineral Resources at Wiluna is based on information compiled by Mr. Mark Savage, who is a full time employee of Apex Minerals NL..*

*Mr Savage is a Member of the Australasian Institute of Mining and Metallurgy, and has sufficient experience of relevance to the styles of mineralization 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. Mr Savage consents 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. Assay results are obtained from Intertek (formerly known as Genalysis) and ALS Chemex Laboratories in Perth. Samples are prepared using single stage pulverization of the entire sample. Gold assays are obtained using a 30g or 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 assurance and 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 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 down hole surveys. The spatial location of samples from underground holes is derived using surveyed rig setups and Reflex multi-shot down hole surveys. True widths are calculated using the mean dip and strike of the mineralization from 3D wireframe models and down hole surveys. Quoted drill intersections are based on situation specific criteria, which include using a lower cut-off 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 1m 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 modelled for all zones based on 1m composites.*

*Geological and mineralization modelling has been achieved by 3D modelling of footwall and hanging wall structures. Block models have been developed for both deposits incorporating a suitable parent and sub block dimension to allow adequate volume resolution of modelled geology and mineralization. Grade interpolation (via Block Ordinary Kriging) was then undertaken using a multiple estimation pass strategy. Mineral Resources are quoted on the basis of situation specific lower cut-offs (LCOG) for underground resources and open pit resources. Where quoted, Mineral Resource and Ore Reserve tonnes and ounces are rounded to appropriate levels of precision, causing minor computational errors. Mineral Resources are classified on the basis of drill hole spacing, geological continuity and predictability, geo-statistical analysis of grade variability, sampling, analytical, spatial and density QAQC criteria and demonstrated amenability of mineralization style to proposed processing methods*