



Platinum : Apex Minerals NL

Market Statistics

18 November 2002

Year Low/High:	\$0.11 - \$0.24	Shares:	Recommendation	SPEC BUY
Diluted No. Shares	38.0m	38m ords	Share Price	\$0.12
Diluted Mkt Cap:	A\$5m	16.35m perf pty pds		
By: Eagle Research (Keith Goode)	4m partly paid	www.apexminerals.com		

Apex Minerals NL (AXM)

Moving Towards the Drilling Phase

- *Apex Minerals has made material progress since its inception only one year ago in October 2001, and IPO primarily as a platinum exploration company in June 2002. It owns 80% of two significantly sized projects in WA namely the Windimurra Superproject focusing on PGE, nickel and gold, and the Jilawarra Project focusing on copper – gold mineralisation.*
- *Apex is run by Stephen Stone who favours lateral thinking and the use of the latest geological exploration techniques in combination with tried and tested methods, which resulted in one of his previous companies discovering the Weld Range PGE mineralisation which apparently had not been recognised before.*
- *This viewpoint has resulted in Apex going “back to basics” on its two projects while using up-to-date technology, and has highlighted areas of these projects that were apparently not considered prospective and have been little or poorly explored. AXM expected to start its fieldwork by the end of November 2002 at Windimurra, and commence drilling there early in 2003.*
- *The southernmost intrusion of the Windimurra Superproject is called Narndee and has been farmed out to a 50/50 JV between Falconbridge and Impala Platinum, in which the Falconbridge JV can earn 70% of Apex’s 80% by spending \$4m over 5 years, or 80% of 80% of any specific areas it selects to take through to a BFS. The Falconbridge JV have completed their fieldwork following their recently completed aeromag, and also expect to commence drilling in the March Quarter of 2003.*

OTHER KEY POINTS:

- **The Windimurra Superproject contains a number of prospective gold areas** in poorly explored greenstones in a region surrounded by historically and operating significant gold mines.
- **Part of the reason for the limited exploration at Windimurra** is that there is only about 10% outcrop in the 140km x 40km wide Project area, while about 25% is covered by a salt-lake with up to 50m thick clay sediments.
- **Exploration techniques have advanced materially in recent years** in their ability to locate hidden orebodies through aeromag, gravity, 3D combination imagery, and improved surface geochem, which AXM considers are applicable to Windimurra.
- **The major shareholder in Apex is the well-known successful and still active explorer, Mark Creasy**, who holds fully paid shares, partly paid shares, and has a 20% free-carried to BFS interest in the two main projects.
- **Some parts of Windimurra are excised** such as PMA’s “operational” vanadium mine, and parts of the old Paynesville goldfield.
- **Although Landsat images have been available for some time, the capability of their use has evolved** into ASTER images that identify individual indicator minerals such as siderite and chlorite, besides the more common haematite and magnetite, which is aiding interpretation of **Jilawarra**.

Corporate Overview

Apex Minerals NL (AXM) was formed in October 2001, listing as an IPO in June 2002 through the raising of \$4m in 20m shares at 20c each (AXM opened on 11 June 2002 at 23c and closed at 22c on about 650,000 shares traded). AXM currently has 38.2m ordinary shares on issue (of which 18.2m are escrowed until June 2004) plus 20.35m partly paid (paid to 0.001c with 19.999c to be paid) according to prescribed performance criteria.

The partly paid are in two categories, a 16.35m category and a 4m category. The 16.35m category is paid in 4 lots of 25% of the total based on if the share price doubles to 40c for more than 90 consecutive days, if it triples to 60c for more than 90 consecutive days, if AXM discovers a 0.5moz PGE resource or equivalent, and when AXM discovers a 1.0moz PGE resource. The remaining 4m category is to the Exec Chairman (Stephen Stone) in 0.5m issuings depending on the ability of the AXM share price to remain for 90 consecutive days in excess of 25c, 30c etc in 5c increments to 60c.

The major shareholders of AXM are Mark Creasy and Stephen Stone. AXM formed on the basis of two major project areas being the Windimurra Superproject and Jilawarra Project. Creasy holds a 30% interest in AXM's 38.2m shares on issue or about 11.5m escrowed shares. Creasy also holds 11.1m of AXM's partly paid shares. AXM holds 80% of its properties through joint venture farm-ins, the remaining 20% (free-carried to a BFS) is held by Creasy or other joint-venture groups.

In addition, the Windimurra Superproject has two components, namely the Windimurra and Narndee intrusions, of which Falconbridge (in a 50/50 JV with Impala Platinum) has farmed into Narndee. Falconbridge in a Jan 2002 agreement subscribed for 1.5m AXM shares in the IPO and have the right to earn a 70% interest in the platinum, nickel, copper and associated minerals (hence excluding gold) in AXM's 80% interest in the Narndee intrusion by spending \$4m over 5 years. Falconbridge can increase their holding to 80% of AXM's 80% of Narndee by taking the selected areas through to a BFS.

Apex Minerals was founded on the basis of a positive outlook for platinum and improved exploration techniques for finding hidden orebodies. AXM consists of two main WA projects, namely the Windimurra Superproject covering the massive 140km long (north-south) by 40km wide (east-west) layered complex with PGE, nickel and gold targets, and the Jilawarra project with copper-gold targets. Some parts of the Windimurra Superproject have been excised, such as PMA's Windimurra vanadium mine and parts of the old gold mining area of the Paynesville District.

The Windimurra Superproject

The Windimurra Superproject complex has been explored by a who's who of the mining industry looking for a range of different minerals starting with Inco in 1969 looking for nickel and copper. The complex consists of two separate intrusions both from the same era of about 2.8bn years' ago, but bearing slightly different characteristics. The northernmost intrusion (Windimurra) is about 13km thick, and consists of layered anorthosites and gabbros, while the southernmost intrusion (Narndee) is about 7km thick and has generally finer-grained similar rocks but additionally with ultramafic peridotites and pyroxenites.

Falconbridge's preference for Narndee could be linked to previous relatively encouraging intersections of disseminated nickel at Milgoon of 1.2%Ni over varying widths of 7m to 12m when it was drilled by Inco in the early 1970s, along with intersections of 0.6%Ni, 1.3%Cu and low grades of Pt and Pd. Early in 2002, Wedgetail Exploration made an intersection of 1m at 5.2g/t palladium at a depth of 113m at Milgoon. In fact four PGE prospects have been identified in chromite-bearing bands within the Superproject, namely Corner Well, Mulyeron Hill and Wondinong in Windimurra, and at Milgoon in Narndee.

However the four PGE prospects are where there are outcrops of different quality in a complex that only has about 10% of its area under outcrop and 25% obscured by a salt-lake system with clays up to 50m thick. So both Falconbridge and Apex have taken a back to basics approach since often each exploration programme tends to build on that of its predecessor and can overlook different aspects through making similar assumptions. The complex was also historically hampered from a perception viewpoint using models of PGE complexes in other parts of the world such as the Bushveld complex which was formed almost 1.0bn years' later or about 1.8bn years' ago, and the Sudbury complex (which many now think resulted from a meteoric impact).

Figure 1. Location of Apex's Main Projects

a. The Two Main Projects



b. The Windimurra Superproject

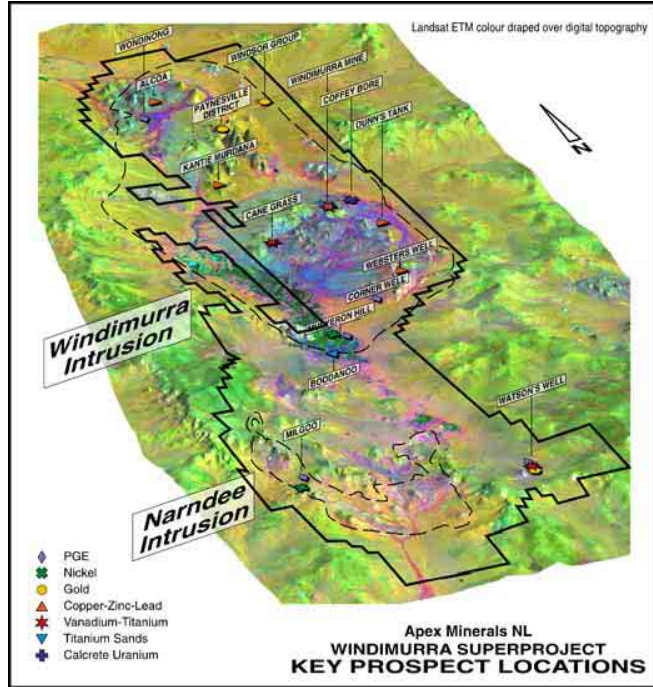
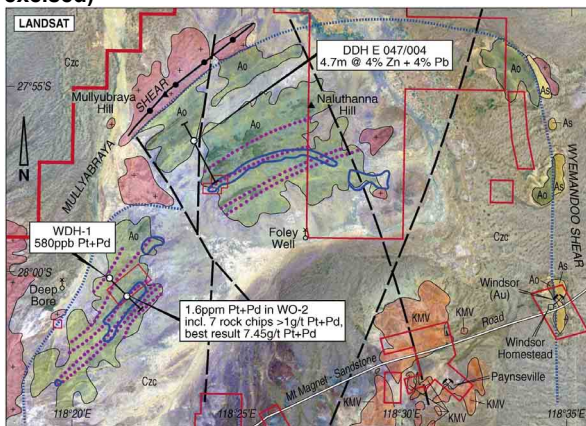
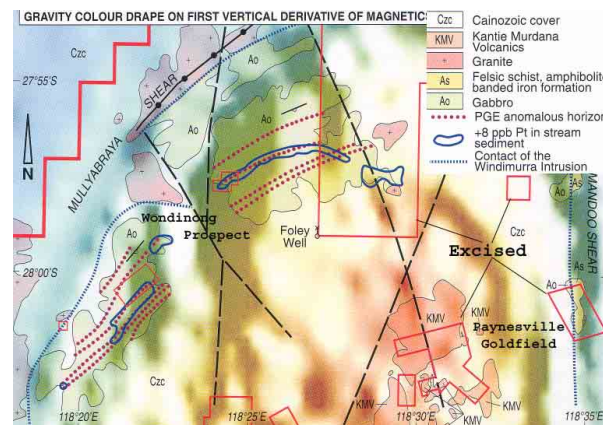


Figure 2. Wondinong PGE Prospect and Paynesville Gold Prospect in the Windimurra Intrusion

a. Landsat Viewpoint (light red bounded areas : excised)



b. Gravity Drape



There have been dramatic advances in recent years in geological exploration techniques, and the understanding of hidden orebodies. Consequently, Falconbridge is now evaluating the results of its recently completed high-resolution aeromag of Narndee and first pass geochem and mapping, in order to start drilling in the March Quarter of 2003.

Figure 3. Windimurra’s Gold Potential and Location of Jillawarra

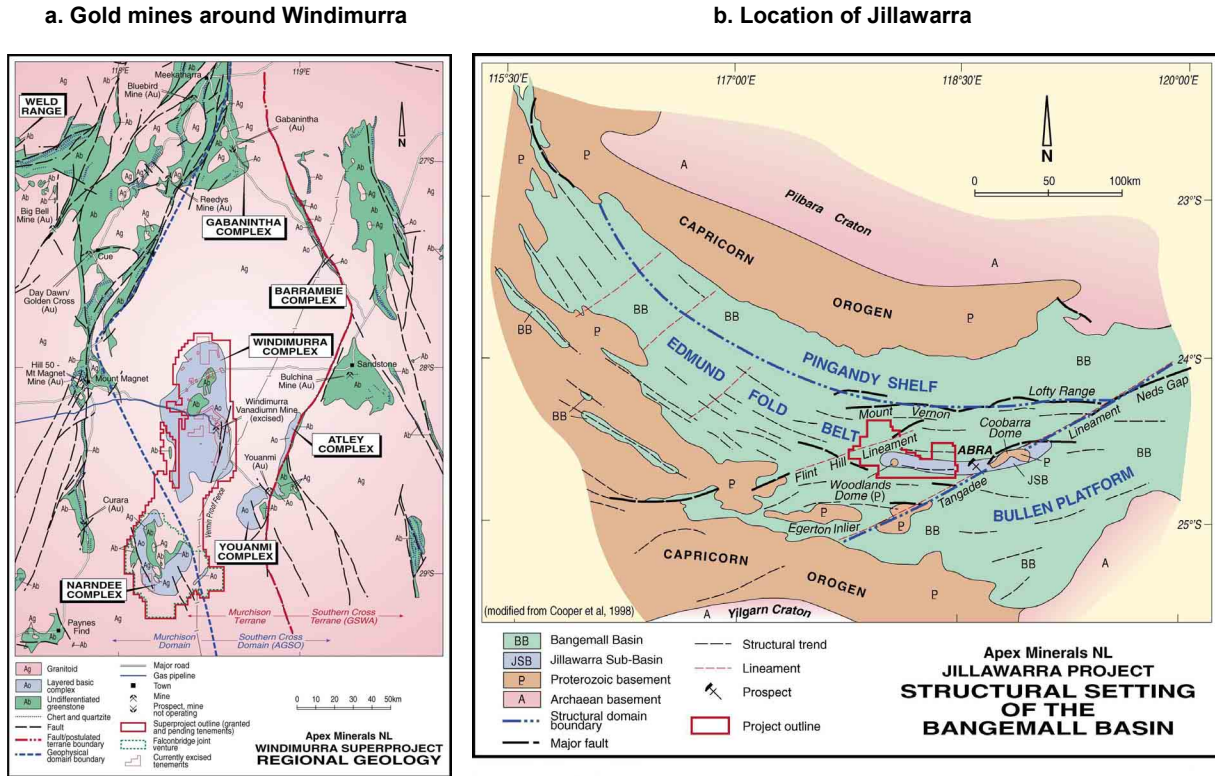
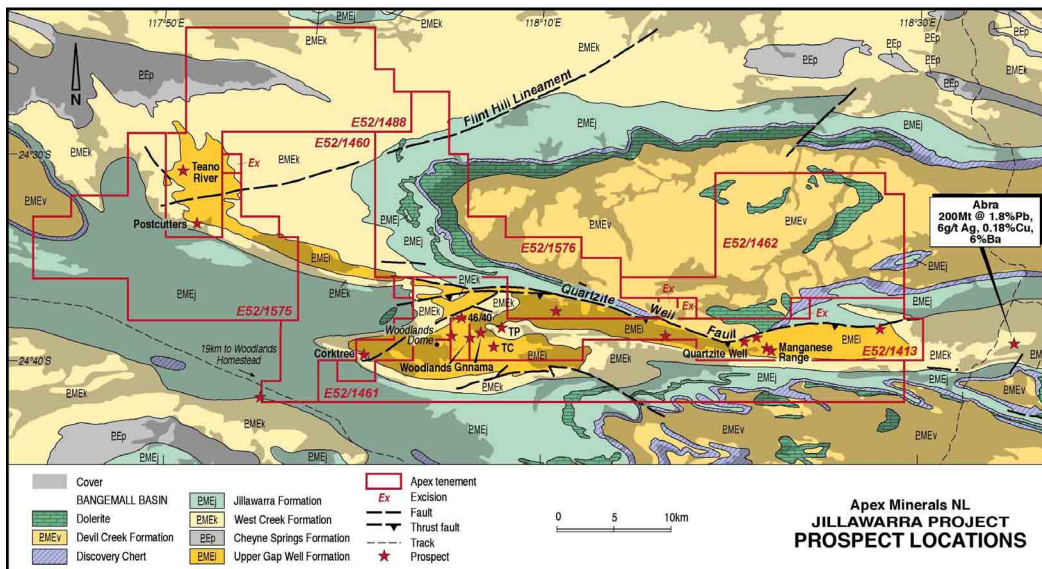


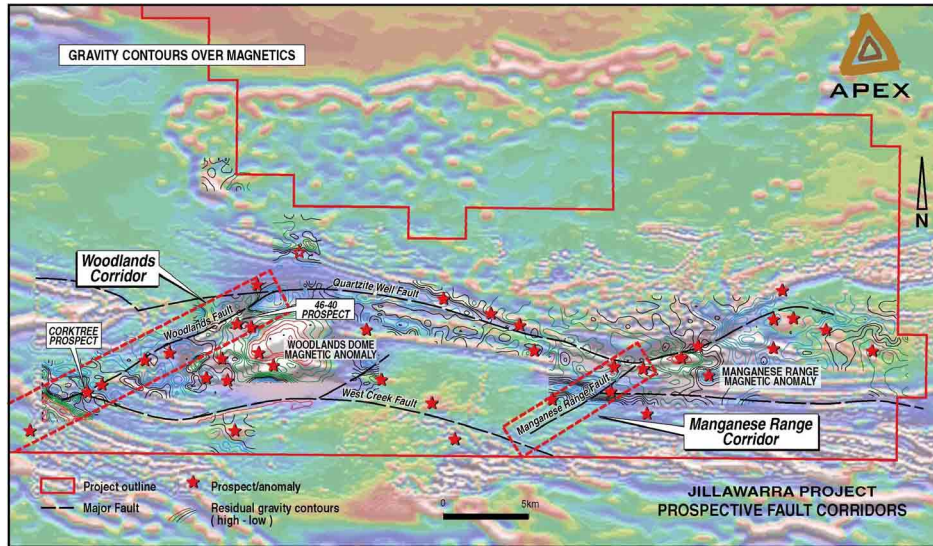
Figure 4. Jillawarra

a. Original 40 possible targets



Apex is about one month behind Falconbridge in some aspects of its exploration campaign and have also completed a high resolution aeromag of Windimurra. Apex expect to commence first stage fieldwork in November, and after fine tuning some of their drill targets, they could be able to start drilling in early 2003. Falconbridge also have a first right of refusal over the Windimurra intrusion, where anomalous PGE's were delineated in chromite-bearing bands at Wondinong as shown in figure 2.

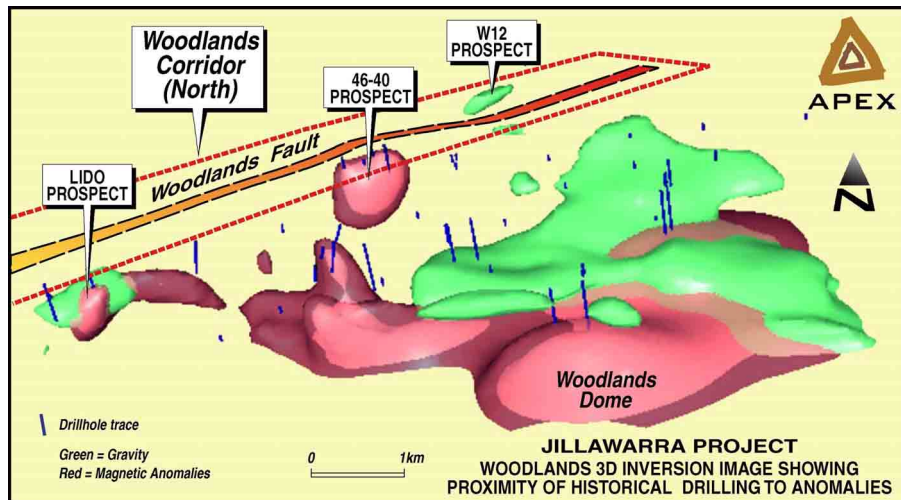
b. Aeromag and Gravity



The Windimurra intrusion also includes the old Paynesville goldfield, which does not appear to have been that successful, only recovering about 6,300oz at an average grade of about 21g/t from a period between 1898 and 1939. However, there is scepticism in the historical records of the field's accuracy owing to some initial extremely high grades of 0.5 to 4 oz/t. As shown in figure 3a, virtually all the surrounding greenstones have been explored and resulted in relatively large mines, some of which in similar circumstances have been high-grade vein systems such as were mined at Youanmi (to the southeast of Windimurra). There have been comments along the lines of part-time prospectors finding similarities with Troy's Bulchina, in the Paynesville area. Although some parts of the Paynesville goldfield have been excised, there are other greenstone areas in the Superproject that have potential for gold exploration.

Figure 5. Jillawarra 3 Dimensional (Magnetics in red, and Gravity in green)

a. Woodlands Anomaly



b. Manganese Range anomaly

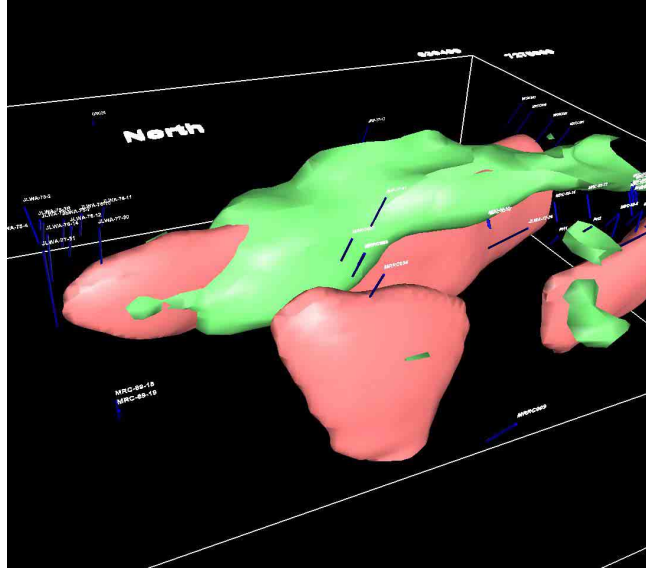
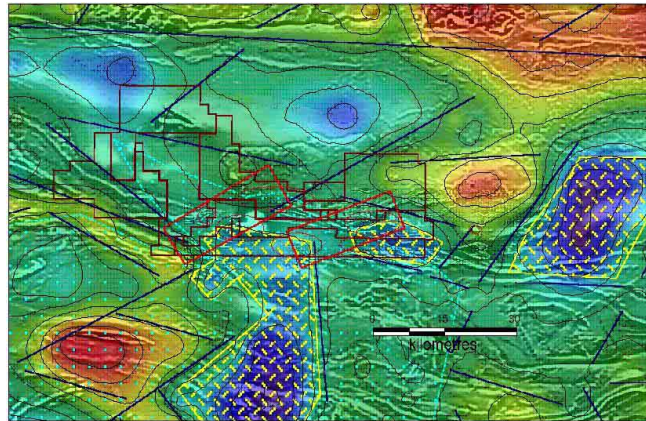
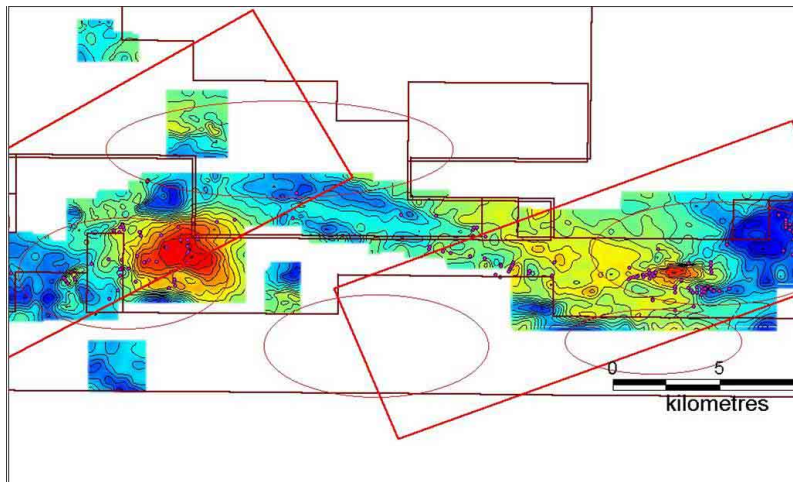


Figure 6. Re-interpreting Jilawarra

a. Two major NE/SW Blocks (outlined in red)



b. And Surface Geochem and Gravity



Jillawarra Project

Apex's 80% owned Jillawarra project is located on the western half of a sub-basin in the 1.0 to 1.6bn years' old Bangemall Basin that lies between the Pilbara and Yilgarn Cratons about 220km north of Meekatharra (or 400km north of Windimurra) in WA. It lies 9km east of the well-known large low-grade copper-lead-silver Abra deposit containing 200mt of 0.18%Cu, 1.89%Pb, 6g/t Ag.

Jillawarra has already been flown by aeromag and has a number of different drilling targets which have resulted from previous company's exploration attempts. However, as at Windimurra, Apex are taking a different approach, by taking the macro viewpoint of the region to focus on the feeders for the major regional structures, and then home in on individual prospects such as the old subtle anomalies and new anomalies on which little work (if any) has been done.

Jillawarra's original targets are shown in figure 4a, with aeromag in figure 4b showing the domal mag structures of the well-known 2km diameter Abra, and similarly 6km diameter Woodlands and Manganese Range. Examining the anomalies from a gravity perspective shows Abra to be on the edge of its gravity anomaly, while Woodlands bears a coincident 4km by 3km gravity high over the middle of its complex.

In July 2002, Apex completed a detailed ground gravity survey over most of the key structures and mag anomalies. While the combined use of gravity and mag mapping is not new, targeting using 3D imagery certainly is as shown in figure 5 for both the Woodlands and Manganese Range anomalies. Although Jillawarra has been explored for various combinations of the primary base metals suite of copper, lead and zinc plus associated gold and silver, Apex have moved further down the innovation curve, by moving back to basics and focusing on the potential copper-gold feeder system for the region. Drawing in data and combining it with the use of the latest Landsat and ASTER imagery techniques used by Anglo which is capable of showing individual minerals on the plans, Apex have been able to delineate prospective structures as an aid to drill targeting.

As shown in figures 6a to 6b, two major NE/SW corridor blocks were identified from a revised macro structural viewpoint and then re-interpreting the magnetics. The drill-hole data was then incorporated, followed by adding gravity, surface geochem and Landsat imagery to identify overlooked areas.

This back to basics different approach of identifying two corridors associated with the Woodlands and Manganese Range faults, has enabled AXM to generate subtle drilling targets that may have not been considered by previous company's exploration teams who appear to have focused on the mag highs.

Upside Potential

Stephen Stone uses lateral thinking in the geological interpretation of the projects that his companies explore, which resulted in Dragon finding a PGE Merensky-like inlier at Weld Range which apparently had not been recognised before. He is using similar lateral thinking approaches to exploration on Apex's two major projects at the previously explored Windimurra and Jillawarra, taking them back-to-basics and building them back up again from a macro and a micro viewpoint while making full use of the latest exploration and analytical techniques. This approach has already identified logical areas of prospectivity that have had little if any exploration undertaken on them.

Apex's two major projects have the potential to host significant orebodies that have proven elusive to previous exploration companies. However, AXM's totally different "fresh" approach could provide the "key" to what ore deposits the projects actually contain.

Management

Board of Directors

Stephen Stone – Executive Chairman since October 2001. Steve is a mining geologist who worked on the Zambian Copperbelt for 6 years, and in 1986 founded Dragon Resources (who discovered the Weld Range PGE property in WA). He was also instrumental in part of the success behind Marlborough Gold, and Archaean Gold.

Philip Pullinger – Non-Executive Director since October 2001. Philip has been practicing corporate and mining law in relation to numerous acquisitions, joint ventures and other exploration and mining ventures for a number of years. He has also been a Director of a number of listed public companies.

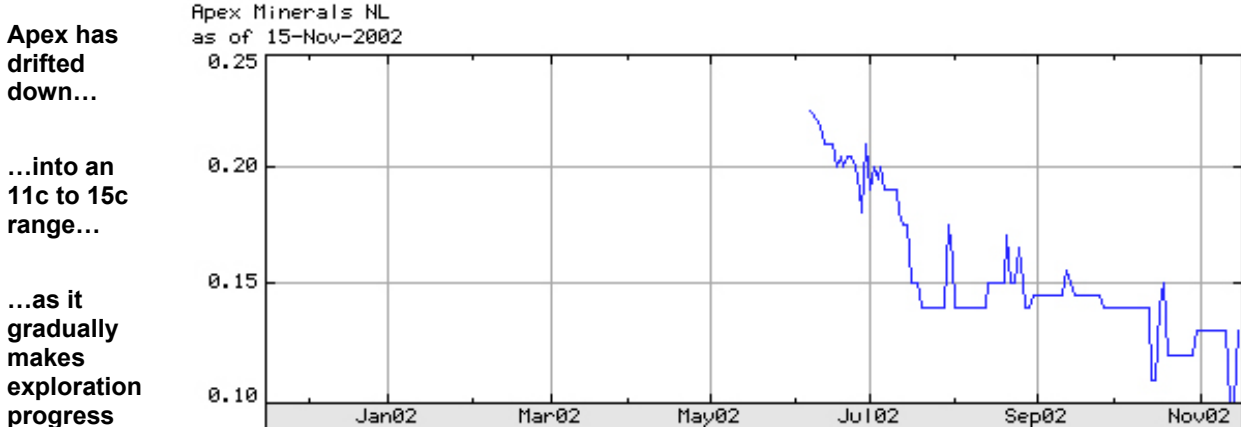
Stephen Lowe – Non-Executive Director since October 2001. Steve is a taxation specialist with over 14 years' experience consulting on a broad range of mining and international taxation issues. He has been a director of a number of unlisted public companies.

Technical Team

Mark Creasy - Technical Consultant since October 2001. Mark is mining engineer who is well recognised in the industry as one of Australia's most successful and active prospectors, and who sold his Jundee discovery to Great Central Mines (now owned by Newmont). He provides advice to Apex on its overall exploration strategy, tenement and technical activities. He is also the major shareholder in Apex and is one of the joint venture partners in both of Apex's two major projects.

Rick Berg – Exploration Manager since October 2002. Rick was previously an exploration manager for Billiton, and now manages exploration at both of AXM's projects and co-ordinates a team of recognised geological specialists.

Chart of Apex over the past year (November 2001 to November 2002) (Source : www.yahoo.com)



Disclosure

Apex Minerals NL commissioned Keith Goode (who holds a Proper Authority with State One Equities Ltd ACN 064 904 650, and is a consultant with Eagle Research Advisory Pty Ltd ACN 098 051 677) to compile this report, for which Eagle Research Advisory Pty Ltd has received a consultancy fee. At the date of this report Keith Goode and his associates may hold interests in shares issued by Apex Minerals NL.

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