



ASX/MEDIA ANNOUNCEMENT

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Apex hits production target for June quarter

- **Wiluna's steady performance confirmed with production reaching target of 29,000 ounces in June quarter**
- **Plant throughput averages an annualised rate of 930,000 tonnes in June (10% higher than initially forecast) and 880,000 tonnes for the June quarter (5% higher than initially forecast)**
- **Cash costs expected to be A\$750/oz while production stands at the current annual rate of 120,000 ounces. Costs expected to fall on the back of any increase in production.**
- **First ore drive in Henry 5 North nears completion and second access into Henry 5 North intersects ore as planned.**

Overview

Apex's Wiluna project has posted its third consecutive month of steady production, taking output for the quarter to 29,000 ounces of gold, which is line with the company's published objective of producing at an annualised rate of 120,000 ounces.

Apex managing director Mark Ashley said the result confirmed that Wiluna was now operating in a state of steady production, with plant throughput exceeding expectation and cash costs set to fall steadily as underground mining ramped up.

Processing

Ore treated for the June quarter was approximately 220,000 tonnes at 5g/t (approximately 35,000 ounces of gold contained), equating to an annualised plant throughput rate of approximately 880,000 tonnes (approximately 140,000 ounces of gold contained).

Gold produced in the June quarter is estimated to be 29,000 ounces at an overall plant recovery of 83%.

Ore treated in June was approximately 76,000t at 4.6g/t (approximately 11,300 ounces of gold contained). The grade of ore treated in June comes from an increased proportion of open pit ROM stocks to underground ore production. The mill throughput

rate for June equates to an annualised rate of 925,000 tonnes, significantly higher than the company's initial annual throughput forecast of 840,000 tonnes per annum.

During the quarter it became apparent that some free gold was contained in ore mined in high grade underground stopes and that some of this free gold had not reported to the cyanide leach (CIL) circuit of the plant. Sampling and assaying of sediment in the base of the BIOX reactors was undertaken and a decision was made to inspect one of the reactors at the end of the month. It was discovered that a very high grade (in excess of 1,000 g/t Au) concentrate of slurry had accumulated on top of another hard layer of high grade (approximately 200 g/t Au) sediment that had accumulated on the base of the reactors. Panning of the very high grade slurry revealed fine gold particles.

The quantity of gold contained in the base of the BIOX reactors is currently being confirmed and is expected to account for the difference between gold produced and gold poured for the June quarter. The material at the base of the reactors will be treated over the coming quarter. A full reconciliation of gold production and Gold in Circuit will be available for the June quarterly.

In addition, a pilot gravity gold circuit will be installed for the purpose of intercepting a sample of the material containing the free gold ahead of the BIOX circuit and determining the most effective treatment route.

Gold produced in June is estimated to be between 9,000 and 9,500 ounces depending on the gold contained in the BIOX reactors with gold poured being 7,600 ounces.

Mining

Underground ore production totalled 29,000t at 7.2g/t in June. The first ore drive in Henry 5 North on the 712RL is nearing completion. The second access in Henry 5 North on the 712RL intersected ore at the end of June and ore driving will take place in July. Development of the East Lode North decline continued during the month without incident.

ROM and Developed Ore Stocks

ROM stocks at the end of June were 226,000 tonnes at 3g/t and ore in stopes in production or already developed in Calais above 600RL and Henry 5 North totals 124,000t at 5.9g/t. The combination of ROM and underground developed stocks totals approximately 350,000 tonnes at 4g/t for 45,300 ounces of contained gold.

	Tonnes @ g/t Au	Gold (oz)
Developed Underground		
<i>Calais/Henry 5 North</i>	<i>124,000 @ 5.9</i>	<i>23,500</i>
ROM Stocks		
Medium grade	97,000 @ 3.4	10,700
Low grade	73,500 @ 2.3	5,400
Starting Stocks	43,500 @ 2.9	4,100
Crushed Stocks	12,000 @ 4.1	1,600
<i>Total ROM Stocks</i>	<i>226,000 @ 3.0</i>	<i>21,800</i>

Operating Cost Guidance

- Now that operations have reached initially designed production levels, the company can provide operating cost guidance for the Wiluna mine. Based on mill feed comprising 50% of the remaining open pit ROM stocks and 50% underground ore, production is expected to be maintained at about 10,000 ounces a month at a cash cost of about \$750 an ounce.
- It is expected that cash costs will fall by about \$40 an ounce for every additional 1000 ounces produced each month.
- The following cost estimates assume mill throughput of 75,000 tonnes per month (900,000tpa) and metallurgical recoveries of 83%.

Gold Production (ounces) per month **10,000**

Costs per tonne

Underground mining costs (per tonne mined underground)	59
Open Pit mining costs (per tonne of open pit mined)	<u>22</u>
Average mining costs	41
Processing	43
Site Admin	12
Royalty	<u>4</u>
TOTAL OPERATING COST PER TONNE	<u><u>100</u></u>

Costs per ounce

Mining	312
Processing	321
Admin	90
Royalty	<u>29</u>
TOTAL	<u><u>752</u></u>

It should be noted that the cash costs for the June quarter will be higher due to additional staffing and associated costs necessary in April to complete the ramp up and the redundancy costs incurred in May.



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