



ASX/MEDIA ANNOUNCEMENT

MONDAY 24TH AUGUST, 2009

WILUNA PRODUCTION UPDATE

Apex Minerals NL (**ASX: AXM**) advises that the geotechnical work instigated to remedy the adverse ground conditions described in its June Quarterly report has now been largely completed, although this has taken longer than expected. However, following a wide-ranging review of operations at its Wiluna Project, the company has implemented significant strategic, organizational and procedural changes in respect of underground mining aimed at ensuring the company meets its stated production targets.

Production update

Geotechnical work has been ongoing since announced in July to ensure the sustainability of production from the Calais orebody, where adverse ground conditions were encountered in an area that has been open for several years. Whilst ore development has continued during this period, stoping from Calais has been curtailed, and this has resulted in a shortfall in underground feed. This shortfall has been replaced by processing residual open pit ROM stocks to maintain mill throughput, however the lower grade of these ROM stocks has impacted on the company's gold production in July and August. As a result, the company produced 6,400 ounces of gold in July, although gold sold in July was approximately 10,400 ounces, as a result of additional gold being recovered from the base of the BIOX reactors, as described in the June Quarterly report. Production for August is expected to be approximately 7,000 ounces.

The company is pleased to announce, that stoping is planned to recommence in the Calais orebody today following the completion of remedial work. This, together with stoping now underway in the Henry 5 North orebody, will significantly increase underground production over the next few months. The benefit of this increased tonnage of high grade underground production should start to translate into higher gold production in approximately three weeks.

Elsewhere in the mine, development of the Calais zone below the 600RL level is proceeding well, with good grades (5-8g/t gold) being encountered in development drives. Development of the Henry 5 North orebody is also proceeding, and development is continuing towards other orebodies to position the company for the longer term.

Precautionary geotechnical investigations have also been made to determine the cause of a zone of subsidence in a small part of the East Pit as described in the June Quarterly report. Development of the East Lode North decline was put on hold during this time, but the program is nearing completion and decline development is expected to resume in a few days.

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Operational review

Under the leadership of Apex's new general manager at Wiluna, Rod Jacobs, the Company has undertaken a comprehensive review and is implementing a program to increase the efficiency of its Wiluna operations. This program includes the geotechnical measures discussed above, to ensure safe long-term sustainable production, and also covers every aspect of mining, including overall strategy, procedures, work practices and the organisational structure.

The review has resulted in widespread changes to senior personnel at Wiluna, with Mr Jacobs overseeing the recruitment of several extremely experienced and highly respected technical staff and the reorganisation of the mining department.

In order to increase long-term operational flexibility, the breadth of production sources, and the ability to mine specific zones in a way which maximizes value, the company is reviewing a number of additional mill feed opportunities, including commencement of mining of the Wilsons orebody at Gidgee.

The Wilsons deposit has already been subject to a favourable feasibility study in 2008, and a project team headed by Rod Jacobs is reviewing this. Most long lead time items such as permitting, camp refurbishment and site preparation are already in place. It is expected that the outcomes of this review will be favourable, enabling the company will be in a position to make a rapid decision on development to provide additional ore within six months. Apex is pursuing a number of funding options in respect to the Wilsons development and will advise the market of any material decisions immediately they are made.

Managing director's comment

Apex managing director Mark Ashley said the changes outlined above will ensure the company meets its phase two production target of 12,500 ounces per month while maximising efficiencies and minimising costs. However, the time required to complete the implementation of the review's findings means this higher target is now likely to be achieved by April next year rather than late this year. In the meantime, the company's gold production is expected to build up over the coming months and is forecast to average 10,000 ounces per month until the commencement of ore production from the Wilsons deposit around April of next year.

Operating efficiencies have improved significantly over the past few weeks since the implementation of the major organizational changes described above, with the number of underground development cuts and tonnage hauled exceeding targets.



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