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**Executive Chairman's Address  
To Annual General Meeting  
Of Apex Minerals NL  
3.30pm November 30<sup>th</sup> 2004**

- Ladies and gentlemen, during the next 10 minutes I would like to focus on bringing you right up to date on the very exciting work that we are doing in conjunction with Canadian mining group, Noranda in the eastern region of China's Xinjiang province where we are exploring for giant porphyry copper-gold orebodies.
- What we are doing in Xinjiang really is 'New Frontier' exploration and I recently discovered that the name Xinjiang actually means exactly that – 'New Frontier'.
- The key points I wish to convey today are that:
  1. The Alliance with Noranda has got off to a flying start and is working very well. The Alliance was only formalised in September this year but already we have completed three field reconnaissance expeditions to evaluate targets that Noranda has been feeding to us.
  2. The three field programmes have confirmed that Noranda's remote sensing based targeting techniques are very effective in identifying real and credible anomalies on the ground.
  3. Several of the areas inspected are definitely the sort of major alteration systems that one would expect to be associated with porphyry copper systems. Some of these show evidence of being mineralised but most have received only limited previous attention.
  4. We have taken many rock chip and soil samples and are awaiting the results from these but have already, through our existing China business partner, applied for two areas of interest. We have just received the important military consent for these and they are now moving through the formal grant process. Apex can ultimately obtain a 100% interest in these licences with no upfront or downstream payments required.
  5. Apex has also commenced negotiations to obtain interests in other targets that are held by local geological brigades.
  6. The Alliance with Noranda therefore provides Apex at a relatively low cost with access to considerable technical and project development resources.

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7. It is a very effective way for Apex to explore for and generate projects in China especially as our experience there is that there is clearly very little if any quality low hanging fruit to be had and you have to shake the tree extremely hard to get at any of it.
- The background to the deal with Noranda was that its specialist porphyry copper geologists had identified eastern Xinjiang as one of the most prospective regions in the world for major deposits of this type of mineralisation. By major I mean in excess of 500 million tonnes containing at least one percent copper equivalent in value mineralisation. But the Noranda geologists had no formal Board mandate to pursue these.
  - It needed to move quickly to evaluate on the ground and to secure targets. Apex, with whom it had already worked in Australia, was already well established in Xinjiang and proposed that Noranda should work through us.
  - By associating with Apex, Noranda can secure an interest in any major discoveries through its back-in rights and project funding arrangements.
  - Noranda has assets of some USD 8.7 billion, is one of the world's leading miners and producers of nickel, copper and zinc and operates all over the world. Most important for us is that it is also very successful at finding orebodies.
  - The Alliance's area of interest in Eastern Xinjiang is vast, covering over 350,000 square kilometres. It falls largely within the arcuate Altai porphyry copper belt which runs west-east from Kazakhstan into western China, then into Mongolia and back into northern China. In Mongolia it is host to the massive Oyu Tolgoi orebody so we know we are in a region that can deliver world class discoveries. In Xinjiang our area of interest encompasses the Tuwu – Yandong copper deposits that are now being developed. What is very encouraging is that the first hole into these was only completed in 1997.
  - So we are in eastern Xinjiang because it has the right geology, remote sensing works well as a cost effective reconnaissance and target generation tool in the dominantly Gobi desert environment, access is reasonably good compared to the Andes for instance, if necessary deals can be done, and the government actively encourages foreign explorers into the region.
  - And we are looking in China because that is where some of the world's major porphyry copper discoveries are now being made.
  - Dr Bob Page, Noranda's Chief Geologist – Copper and one of the world's leading porphyry copper authorities recently commented that 'China hosts portions of the Altai (Tianshan of Xinjiang) and Tethyan (Tibet) porphyry belts. These two belts, where they cross China, arguably have the lowest exploration risk of any porphyry belts in the world.'
  - Porphyry copper mineral deposits can have a reasonably predictable vertical and lateral zonation. A series of well chosen surface samples and a few drill holes can usually determine if the alteration anomaly is associated with a porphyry system and tell us what level of the system we are seeing at or near to surface.
  - So it is not that expensive to confirm whether or not we have locked onto a major and valuable ore system, if one is present. Of course, if we are successful the drill out and development costs will be large and that is another benefit of our alliance with Noranda.
  - Last week our geologists completed a 17 day expedition into the harsh, wintery conditions of the Gobi desert. It was led by Dr Bob Page who was accompanied by Apex's China consultant, Ian MacDonald, and two Chinese geologists.

- The team covered an enormous amount of territory in order to inspect the source of a first batch of anomalies generated, screened and ranked by Dr Page's Toronto based team using a variety of remote sensing datasets and processing techniques.
- They managed to inspect some 25 targets several of which were hundreds of kilometres apart. They carefully collected over 200 rock chip and stream sediment samples that we hope will confirm their pedigree. The results should be available in January.
- Apart from its proprietary in-house processing techniques, what gives the Noranda people their competitive edge is their ability to determine which targets are likely to be credible. This is founded on their considerable experience in following up and verifying their targets in the field.
- This most recent and two earlier expeditions have confirmed that Noranda's targeting work is indeed of very high quality. A very high proportion of the remote sensing anomalies, when inspected in the field have proven to be areas of alteration. In some cases there is coincidental evidence of historical or recent work by Chinese geologists. Some of the anomalies have already been drilled or have been the subject of small scale mining all of which provide us with encouragement that we are on the right track.
- We have also observed that some of the targets may in fact be epithermal in nature and therefore may have a stronger gold potential.
- There are very few parts of Xinjiang that have not been visited by geologists as part of a province-wide geochemical sampling programme. These are likely to have homed in on some of the larger target areas but for different reasons than why we are also looking there. That is why we may find that we are not the first to visit an area despite its remoteness. There is no shortage of government funds available for this work but it is thinly spread across a wide range of competing government exploration agencies or brigades who in turn apply it across an extremely large number of targets. There is therefore considerable competition amongst individual targets for funding and accordingly the best of these have generally received only limited attention. Like Tuwu, they can take many years to be progressed.
- This, of course, is our opportunity. If an area of interest to us is already held we can offer to share the exploration risk by taking the prospect to the next stage with a focused and well financed intense exploration programme. Being a small company, Apex is able to quickly mobilise the resources to perform the next stage evaluation and can maximise the percentage of funds that goes into the ground.
- So, you can see why we are excited about this alliance with Noranda. We have many more targets to evaluate. Our objective is to establish over the next year a portfolio of quality targets that we can relatively quickly and cost-effectively evaluate.
- China is not for the faint hearted or for those who expect to easily walk into a project. Considerable patience and tenacity are required and the system there, whilst changing, is still by no means perfect. If it were the place would be flooded with juniors and majors and it would be impossible to work in.
- We are also developing other strategies to generate project opportunities in other parts of China. This is working well and there is now a steady flow of these across our desk. We have to set rigorous hurdles for any project to justify the diversion of our limited financial and management resources from what we are already doing in Xinjiang or in Australia.
- So in respect to China, Apex is very proud of what it has been able to achieve over the past year from an absolute standing start.

- Before winding up I wish to emphasize that we have not forsaken our Australian projects. Just last week under the stewardship of consulting geologist John Bunting, Apex completed a programme of infill geochemical sampling on the western margins of the Narndee intrusion. This was in an area where historical and more recent work had indicated there to be gold potential associated perhaps with a hitherto unrecognised covered greenstone belt.
- Following on from John's review earlier this year of the Narndee region's potential specifically for nickel sulphide, we are also talking to parties about them farming into certain areas.
- And of course, WMC Resources is already actively exploring for nickel sulphides an area we hold between the Windimurra and Narndee intrusions.
- We have not been able to secure a partner yet for our Jillawarra iron-oxide copper-gold project but we retain our faith in its potential. We are particularly encouraged by plans for an IPO to finance the exploration of the adjacent Abra multi-element base metal project.
- So to conclude, Apex is a very active and tenacious junior explorer that achieves a great deal on limited resources and which also has two of the world's largest mining companies as its partners.
- Apex is therefore very well positioned to succeed in China and in Australia and as a shareholder you are well leveraged to the value that will be added to its market capitalisation that any discovery will bring.

Thank you

A handwritten signature in black ink, appearing to read "Stephen Stone".

**Stephen Stone**  
**Executive Chairman**  
**Mobile 0418 804 564**

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