



## REPORT ON ACTIVITIES FOR THE QUARTER ENDED 31st MARCH 2003

### SUMMARY

#### Windimurra - Platinum

- 23 hole, 1,500 metre RC drilling programme commenced 25<sup>th</sup> April. Results available end May.
- Four drill traverses to test beneath soil cover for prospective rock types and PGE anomalies in the vicinity of the Corner Well and Muleryon Hill prospects.

#### Narndee – Platinum (Falconbridge-Implats Joint Venture)

- Extensive ground checking, rock chip sampling and 3,900 sample infill soils campaign underway ahead of diamond drill programme proposed for mid to late June.

#### Windimurra - Gold

- 1,000 sample reconnaissance and infill soils campaign has confirmed and/or extended several geochemical soil anomalies at Paynesville.
- Selected anomalies and strike extensions to old workings tested by 32 shallow aircore drill holes for total of 1,324 metres.
- Association of anomalies with north-south corridors and locally a series of east-west quartz veins confirmed. Low order anomalies obtained in weathered profile surface but no ore grade intersections in quartz veins or host gabbros.

#### Jillawarra - Copper-Gold

- Second 600 sample soils campaign of 56 traverses returned encouraging results and reinforces targeting criteria.
- At 46-40 a 1.7 kilometre multi-element anomaly infers that low to moderate grade base metal mineralisation intersected over a strike of 150 metres by 1980's diamond drilling is more extensive.
- Multi-element anomalies also confirmed and extended at No-Name, Cork Tree and Woodlands plus new 0.8 kilometre anomaly defined at Manganese Range.
- 3,000 metre RC drilling programme proposed for late May/June.

#### Corporate

- Working capital of \$2,475,000. 38,208,755 fully paid shares on issue. 21,683,755 quoted.
- Falconbridge-Implats JV has spent \$661,000 to date at Narndee.



## Windimurra Superproject

**80% interest. Apex sole funding Windimurra Layered Complex exploration.  
Falconbridge – Implats JV funding Narndee Layered Complex exploration.**

*The 5,000 square kilometre regional scale Windimurra Superproject encompasses the Windimurra and Narndee layered intrusions. These are considered to be geologically similar to South Africa's Bushveld Complex from where a majority of the world's platinum is mined. They are being explored for platinum group elements (PGE), nickel-copper and gold mineralisation.*

### ➤ **Windimurra PGE drilling programme commenced**

**A 23 hole, 1,500 metre RC drilling programme in the south of the Windimurra Complex commenced on 25<sup>th</sup> April.**

Four traverses will test beneath soil cover for prospective rock types and for PGE anomalies in the vicinity of the Corner Well and Muleryon Hill prospects. A continuing review of the whole of the Windimurra Complex has ranked these as priority targets.

The programme is scheduled to be completed in early May and the results should be available at the end of the month.

### ➤ **Narndee PGE infill sampling underway. Diamond drilling to follow**

**The Falconbridge-Implats joint venture is in the midst of a major ground checking, rock chip sampling and 3,900 sample infill soils campaign at Narndee.**

Its primary purpose is to determine if a specific unit within the Narndee layered sequence, especially in the Milgoo area, is associated with broad geochemical anomalies obtained by a multi-faceted four month exploration programme completed last Quarter. This tested over 30 kilometres strike of the prospective Narndee layered intrusion.

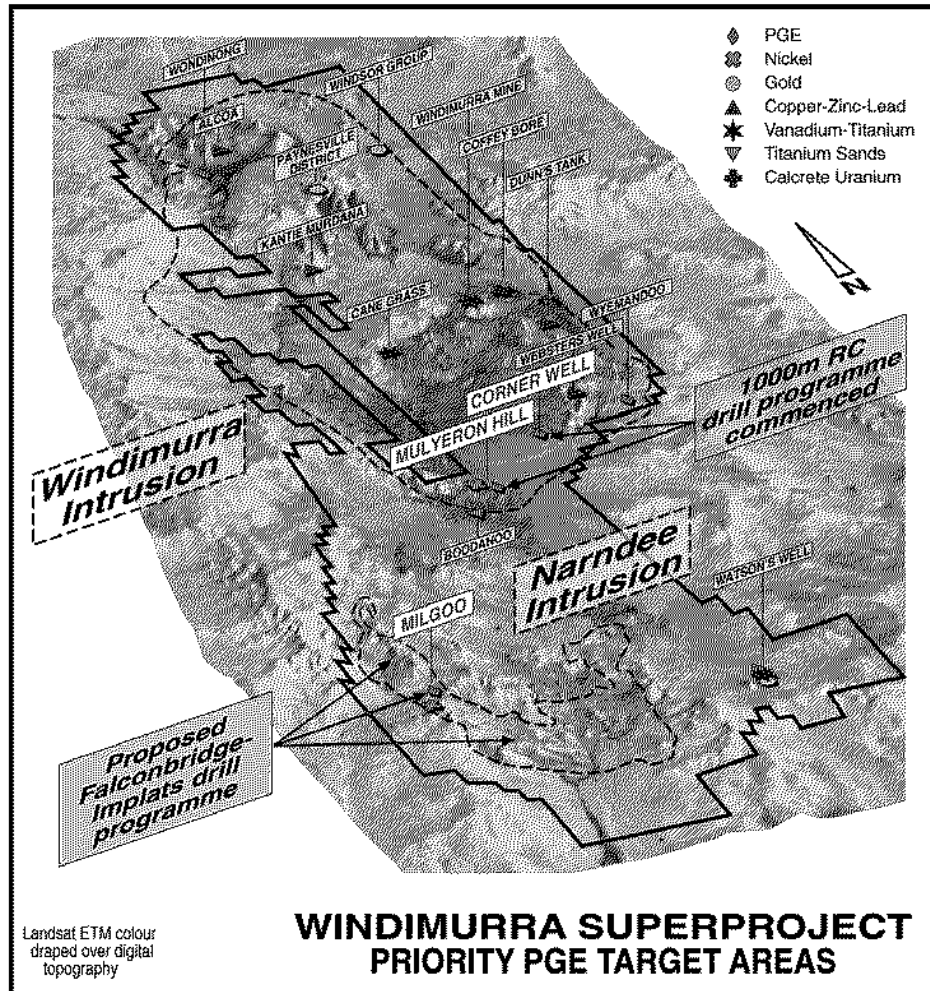
**The latest programme is a prelude to a diamond drill programme proposed to commence in mid to late June.**

*Falconbridge is one of the world's largest nickel miners and most respected PGM explorers. It has made a minimum two year commitment to explore the Narndee layered intrusion. It may earn an initial 56% interest by spending A\$4.0 million over 5 years and can increase this to 64% in specific areas where it completes a bankable feasibility study. Falconbridge also holds a 4% stake in Apex. Apex retains the right to any minerals other than PGE, nickel and copper at Narndee.*

*Impala Platinum Holdings Limited ('Implats') is the world's second largest producer of platinum. It has joined forces with Falconbridge (Australia) Limited to explore the Narndee layered intrusion. The entry of Implats arises through a strategic alliance it has with Falconbridge to explore for and develop high quality PGM projects worldwide. Under that deal Implats may earn in stages up to half of any equity that Falconbridge has secured in a project.*

### ➤ **Paynesville gold follow-up soils programme completed**

The 300 square kilometre Paynesville mining district in the northern part of the Windimurra project contains numerous widespread shallow historical gold workings in areas of very limited rock exposure. It is being explored for near surface, high grade open pitable gold mineralisation.

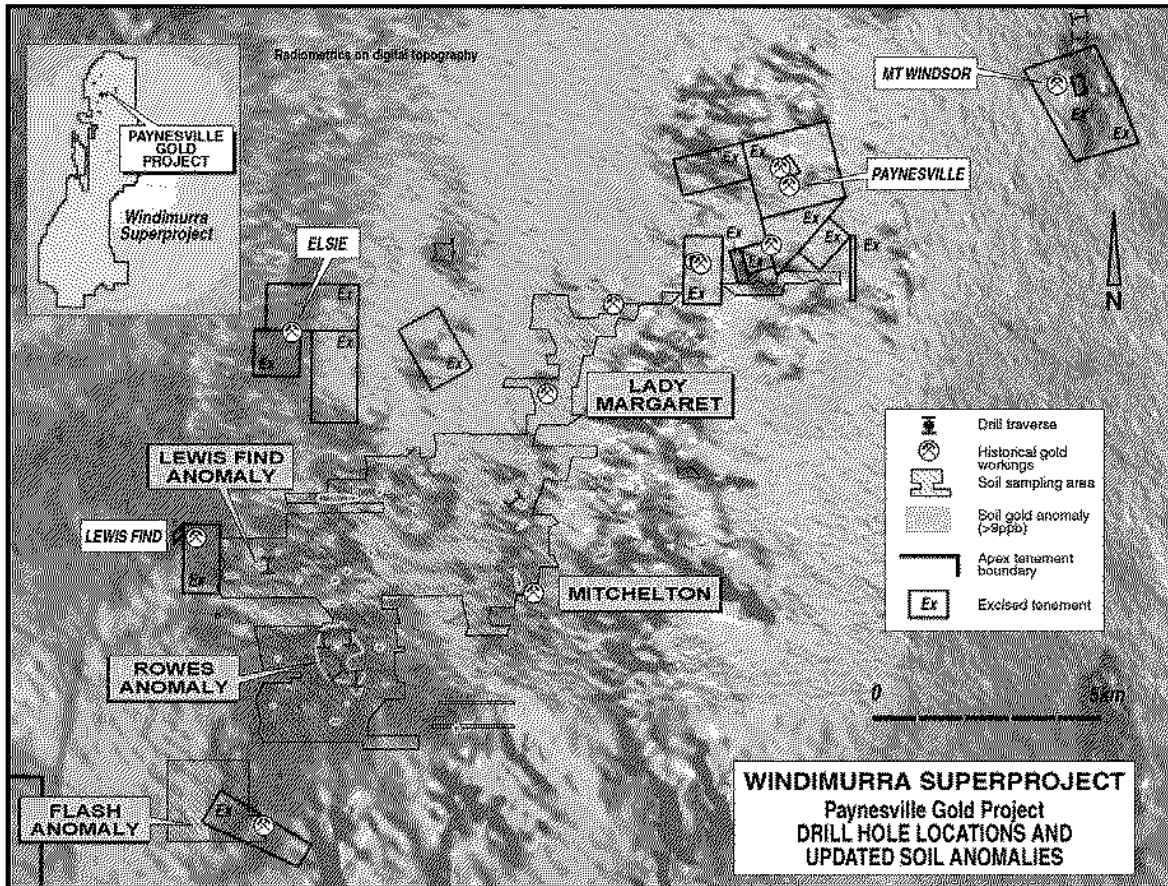


High resolution aeromagnetic data commissioned by Apex has confirmed an association between many workings and a series of sub-parallel north-south structural trends. Away from the workings these prospective trends are largely obscured by shallow to moderate depth in-situ or transported soil cover. Field inspection of the workings has shown that many are locally associated with east-west trending quartz veins.

In late February an additional 1,000 soil samples were collected to extend and infill a 2,000 soil sample survey completed late last year. Overall, these programmes have provided comprehensive and consistent coverage over a combined area of approximately 53 square kilometres of in-situ soil cover. A dozen or more broad low order gold anomalies generally coincident with the north-south trends have been identified and many more single point anomalies.

In the latest programme a maximum value of 150ppb gold was obtained close to the Mitchelton workings. A broad anomalous zone of between 10 to 40 ppb gold was delineated north and south of Rowses and isolated anomalies were recorded east of Lewis find.

Samples were collected on a 100 x 100 metre grid or a 50 x 50 metre grid in areas of infill. All samples were analysed using a 0.5kg bulk cyanide leach method with a 0.01 ppb gold detection limit.



### ➤ Paynesville reconnaissance drilling programme completed

A 1,324 metre, 32 angled hole aircore and RC drilling programme was completed in early April to investigate inferred extensions to gold workings at Mt Windsor and several of the soil anomalies at Paynesville. The drilling was also designed to provide a better understanding of the relationship between the surface anomalies and the weathering profile.

The programme was preceded by a Native Title clearance survey undertaken pursuant to a Contract for Services between Apex and the Badimia Group. No sites of significance were identified where Apex planned to drill.

- At **Mt Windsor**, 13 angled holes (3WMA001- 13) along three traverses for a total of 485 metres were drilled through transported soils to test over a strike of 500 metres for the northern extension of the quartz vein hosted Mt. Windsor gold workings. These are associated with a prominent flexure in a regional scale shear zone. The extensions were inferred from detailed aeromagnetic and aerial photo interpretations. All traverses intersected the targeted quartz veins at 10 to 20 metres depth but no ore grade gold mineralisation was intersected. Structural work to determine controls for the localisation of gold mineralisation within the quartz veins is required before additional drilling can be considered.
- At **Lewis East**, a single north-south traverse of 4 holes (3WMA014-017) for a total of 204 metres tested a 58ppb gold surface anomaly. The drill holes intersected an open ended 30 ppb gold anomaly adjacent to a sheared gabbro and unmineralised east-west quartz vein.



- At **Rowes**, 12 holes along 4 traverses for a total of 528 metres (3WMA018-029) tested an extensive 1.0 x 2.0 kilometre gold anomaly with a peak value of 254ppb gold. Two north-south traverses in the north tested to 40 metres depth outcropping east-west quartz veins but did not intersect any mineralisation. A distinct open ended gold anomaly of 30 to 100ppb between 15 and 20 metres depth is associated with the strongest soil anomaly of 254 ppb. This and several other soil anomalies require further investigation. Other drilling to the south of Rowes intersected slightly elevated gold values beneath the soil anomalies.

Four metre composite samples were collected down each hole and assayed for gold using the bulk cyanide leach method (0.5kg, 0.01ppb detection limit). Altered, sheared and/or quartz veined zones were sampled over one metre and assayed for gold and base metals after aqua regia dissolution (50g, 1ppb detection limit).

The results from this first pass, shallow depth and limited scope drilling programme need to be evaluated in the context of further structural work prior to any follow-up drilling to more comprehensively evaluate the gold potential of the region. However, gold targets at Windimurra will now be assigned a generally lower priority relative to exploration for PGE.

## **Jillawarra**

**80% interest. Apex sole funding exploration.**

*Apex is targeting large scale iron-oxide copper-gold (IOCG) Olympic Dam - Ernest Henry style mineral deposits at its 1,470 square kilometre Jillawarra project (+100 million tonnes grading +1.0% copper and +0.5 g/t gold).*

*It has undertaken a project scale ground gravity survey, reprocessed existing aeromagnetic data and is using an extensive and valuable historical exploration database to review the prospective geology of the region in the context of the IOCG model.*

*Over 30,000 metres of diamond drilling by previous explorers has confirmed mineralisation throughout the Jillawarra basin. Most of this drilling was targeted towards magnetic anomalies whereas Apex believes that its target mineralisation may not necessarily have a magnetic signature or association.*

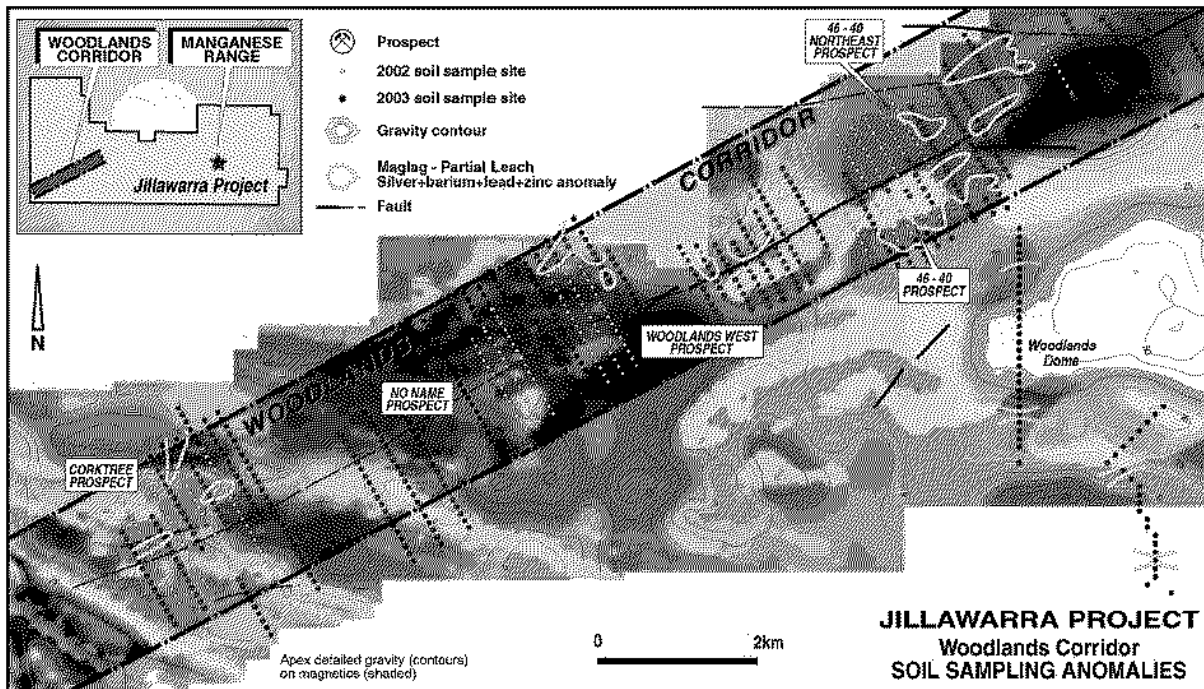
*Last Quarter a 600 sample orientation and soil sampling programme tested the Woodlands fault corridor. This is one of several major faults in the Jillawarra sub-basin that may have acted as conduits for the migration to surface of mineralising fluids and perhaps the formation of ore deposits.*

*The programme returned a series of broad multi-element anomalies proximal to Apex defined gravity anomalies.*

### **➤ Successful soils campaign reinforces targeting methods**

A second 600 sample soils campaign along 56, 1.0 to 2.9 kilometre traverses was completed in March. The magnetic fraction of the soil was collected and then assayed using a partial leach digest. An orientation programme had indicated that this combination of methods appears effective in detecting buried base metal mineralisation and represents a major breakthrough in cost-effective exploration in the region.

**This programme has successfully infilled and/or extended several anomalies generated by a 600 sample survey last Quarter along the Woodlands fault corridor and it has reinforced Apex's confidence in its targeting methods and expectations for the project.**



- At the **46 – 40 Prospect** strongly anomalous copper, lead, zinc, barium and silver values distributed over 1.7 kilometres may indicate that low to moderate grade base metal mineralisation, initially intersected over a strike of 150 metres by 1980's diamond drilling, may be more extensive. This anomaly is similar in style to that obtained over the buried Abra mineralisation 9 kilometres to the east of the Jillawarra project. The drilling tested a magnetic anomaly but the anomalism now appears more closely related to a moderate to subtle gravity anomaly defined by Apex.
- At **46-40 North** two newly defined and distinct east-north-east trending gold, copper, zinc and silver anomalies associated with epithermal quartz veining broadly follow a gravity low. These suggest the possibility of a mineralised, high level hydrothermal system.
- A buried precious metal target is being postulated for the virgin **No Name – Woodlands West** prospect area following the delineation of a strongly developed 1.60 x 1.0 kilometre zone anomalous in gold, silver, arsenic and antimony values but depleted in other key elements. This zone coincides with a broad gravity high and the gold and silver broadly correlate with the trace of the Woodlands Fault.
- In the **Cork Tree** area a distinctive bulls-eye gravity high in the western portion of the sampling grid is associated with doughnut – shaped anomalies for several elements. A west-north-west trending gravity low occurring in the northern portion of the grid is also associated with strongly anomalous values with no obvious source.
- Three 1.0 to 2.9 kilometre north-south traverses over the prominent **Woodlands Dome** coincident gravity and magnetic anomalies have revealed the potential for a deep base metal target associated with barium, silver, lead, zinc and copper to the east of the area drilled in the 1980's by Amoco.



- At **Manganese Range** three 400m spaced 1.0 to 1.2 kilometre long sample traverses across a prominent undrilled east-west trending gravity high returned the peak gold, tungsten and molybdenum values for the whole programme and infer a relatively shallow target. East-west trending anomalies for several elements straddle the traverses and extend over a strike length of at least 800 metres with values up to 33 ppb gold and 811 ppm copper.

Detailed geology and geophysics is being compiled for each anomaly ahead of a 3,000 metre RC drilling programme proposed for late-May or June (subject to Native Title clearance). This will test for mineralisation down to a depth of approximately 200 metres in areas not previously drilled.

## Tenements

Three exploration licences were granted at Windimurra - Narndee during the Quarter.

## Corporate

Apex held cash reserves of \$2,475,000 at 31<sup>st</sup> March and has budgeted to spend approximately \$400,000 on exploration activities during the June 2003 Quarter.

The Falconbridge – Implats Joint Venture spent approximately \$83,000 on the Narndee project during the Quarter (\$661,000 to date).

The Company has on issue 38,208,755 fully paid shares of which 21,683,755 are quoted. It also has on issue 20,348,750 performance linked 20 cent shares part paid to 0.001 cents each.

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

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

*Unless otherwise indicated, technical information contained in this report is based on information compiled by a competent person who is a corporate member of the Australasian Institute of Mining and Metallurgy. The competent person is Mr Stephen Stone who is Executive Chairman. Whilst the expectations expressed in any forward looking statements in this report are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may for several reasons including issues of site access differ materially from those stated.*