



ASX & MEDIA RELEASE

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APEX UNVEILS GOLD CONSOLIDATION STRATEGY WITH ACQUISITION OF THREE ADVANCED PROJECTS IN WA'S EASTERN GOLDFIELDS

ACQUISITIONS UNDERPIN REGIONAL GOLD GROWTH STRATEGY AND A MOVE TOWARDS NEAR-TERM GOLD PRODUCTION

Apex Minerals NL (ASX: AXM) today announced execution of three separate agreements in respect of acquisitions representing the initial stage of a broader regional gold consolidation strategy in Western Australia's Eastern Goldfields focusing on high grade refractory gold deposits, to rapidly elevate the Company to the status of a mid-tier Australian gold producer with significant potential for further growth.

The acquisitions include:

- **The Gidgee Gold Project**, located 640 kilometres northeast of Perth and covering 90 kilometres of strike of the Gum Creek greenstone belt, comprising a total JORC compliant **resource inventory of 490,000 ounces gold**, including the Wilsons refractory gold deposit (Current Resource: 734,000t @ 6.9g/t for 164,000oz), a 600,000 tpa gold treatment plant (currently not in operation), a 150 man camp, additional high-grade non-refractory resources close to the existing developments, and significant exploration upside. The Gidgee project is being acquired from ASX-listed Legend Mining Limited (ASX:LEG) through the issue of 34 million Apex shares, representing a purchase price equivalent to A\$11 million. Legend intends to distribute these shares in specie to its shareholders following Completion and Apex has agreed to assist in this process. The Agreement includes a further contingent payment of A\$5 million to Legend to be made upon future production by Apex from the Gidgee tenements reaching 250,000 ounces;
- **The Youanmi Gold Project**, located 480 kilometres northeast of Perth and covering 40 kilometres of strike of the Youanmi shear zone, with a **total JORC and NI 43-101 compliant resource inventory of 951,000 ounces of gold**, including the Youanmi Deeps refractory gold deposit (Indicated and Inferred resource of 2.4 million tonnes @ 8.5 g/t for 658,000 ounces of gold) plus a 600,000 tpa gold treatment plant, a 270,000tpa sulphide flotation plant and a Bactech bacterial oxidation treatment plant capable of treating the gold concentrate (currently not in operation) from TSXV-listed Goldcrest Resources Ltd for a total consideration of A\$10 million, to be satisfied by the payment of A\$5 million in cash and the issue of 14,285,714 Apex shares; and
- **The Aphrodite Gold Project**, located 65 kilometres north of Kalgoorlie and covering 51 square kilometres of the Bardoc Tectonic Zone, comprising a refractory gold deposit with a **JORC compliant Inferred Resource of 1.44 million tonnes @ 6.2 g/t for 287,000 ounces of gold as well as a significant inventory of unclassified gold mineralisation**, from Barrick (PD) Australia Limited for a total consideration of A\$7 million, to be satisfied by the payment of A\$5 million in cash and the issue of A\$2 million worth of Apex shares (the number of shares to be calculated based on the Apex share price just prior to Completion).

In summary, the total upfront consideration for the three acquisitions totals A\$28 million (A\$10 million cash and A\$18 million in Apex shares). **These acquisitions deliver to Apex total JORC Classified Resources of 1.73 million ounces of gold (see table 1), significant additional unclassified gold mineralisation, two 600,000 tpa treatment plants, a 270,000 tpa float plant, a Bactech bacterial oxidation plant, a 150 man camp and a significant prospective land position (see figure 1).**

The three transactions are subject to the approval of Apex shareholders which will be sought at a meeting to be held as soon as practical. In addition, the Gidgee and Youanmi transactions are conditional on the approval of the Legend and Goldcrest shareholders respectively.

Apex has mandated leading Sydney-based stockbroking group, Southern Cross Equities, to undertake an appropriate capital raising in order to satisfy the cash requirement of the acquisitions and provide additional working capital for the Company.

In unveiling the Company's regional gold consolidation strategy, Apex's Managing Director and CEO, Mr Mark Ashley, said that systematic analysis carried out by the Company over the past nine months had identified numerous refractory gold deposits in Western Australia's goldfields which remained undeveloped because, under their current fragmented ownership, they each lacked the critical mass to justify stand-alone operations.

"By taking a broad regional view of the Eastern Goldfields region - which has access to excellent infrastructure - we identified an opportunity to consolidate these projects, thus providing the critical mass to justify the construction of central processing facilities to be fed by a number of high grade gold deposits or concentrates," Mr Ashley said.

"With regard to the refractory nature of the ores, various proven refractory processing technologies are readily available and in use at operations in Australia and overseas. In addition, our acquisitions will provide us with a valuable resource of refractory and non-refractory treatment plants which can be refurbished or relocated and reassembled and upgraded to suit our specific requirements. We are also fortunate in having already assembled an experienced team of mining professionals capable of implementing our strategy," he added.

The Wilsons (Gidgee) and Youanmi gold deposits are located around 200 kilometres apart, with both ore-bodies being readily accessible, and therefore able to be developed quickly and at a low capital cost, enabling Apex to unlock their value through the implementation of significant economies of scale.

Apex's plans, subject to completion of relevant feasibility studies, contemplate the development of a central processing facility at Gidgee based on the refurbishment of the existing Gidgee Plant and relocation and upgrading of the flotation and Bactech plant from Youanmi to Gidgee. High grade ore from Youanmi underground will be trucked to supplement feed from the Wilson's deposit for the refurbished treatment facility at Gidgee for processing.

In the longer term, it is envisaged that the front end of the Youanmi plant will be relocated to Aphrodite where it will be refurbished, upgraded and integrated with a flotation plant to enable a high grade gold concentrate to be produced, suitable for trucking to the Bactech facility at Gidgee. In this regard, previous preliminary metallurgical test-work on the Aphrodite ore has indicated very high recoveries to produce a high grade gold concentrate.

Once complete, the three acquisitions - in addition to the Company's current exploration projects at Apollo Hill and the Lawler's Nickel Joint Venture - will give Apex control of over 3,700 square kilometres of ground either as Granted Tenements or Applications (an increase of over 3,200 square kilometres), representing a commanding land position in the Eastern Goldfields region.

GIDGEE TREATMENT CONCEPT

Gidgee will represent Apex's initial focus and is likely to become the Company's first regional processing hub. Under Apex's current plan, the 600,000 tpa treatment facilities at Gidgee will be refurbished and the 270,000 tpa flotation plant and related Bactech plant, currently located at Youanmi, will be relocated, upgraded and integrated into the Gidgee treatment facility which will be fed by ore from the nearby Wilsons deposit and ore trucked from the Youanmi deposit.

The Wilsons refractory gold deposit at Gidgee comprises three closely spaced sub-vertical shoots commencing at the base of three previously mined oxide open pits (see figure 2) and is expected to be capable of being developed quickly and at low capital cost by a decline from the base of the central pit following de-watering and mine rehabilitation. Initial work will include confirmatory resource drilling and detailed metallurgical test-work.

The underground resource at Youanmi (see figure 3) commences at approximately 600 metres below surface. However, decline development is already complete to this level (as a result of previous mining), facilitating rapid, low cost access following de-watering and decline refurbishment to be carried out along with confirmatory drilling and further metallurgical test-work.

The Youanmi project commenced production in the 1980's. After a number of years of open pit production at around 600,000 tpa, the project moved to underground mining in 1995 where mining of refractory ore was carried out at the rate of between 150,000 and 180,000tpa at a head grade of approximately 11.5g/t, with metallurgical recoveries of around 90%, for gold production of between 50,000 - 60,000 ounces per year. The project ceased operating in November 1997 when a gold price of just over A\$400 per ounce made the project uneconomic due to the low tonnages resulting in high unit costs of production.

Apex's strategy of trucking the high grade Youanmi ore just 200kms to Gidgee for treatment with ore from the Wilsons deposit will ensure the Gidgee processing facilities are fully utilised, thereby providing significant economies of scale. The current resource inventory for the Youanmi underground of 2.4 million tonnes @ 8.5 g/t for 658,000 ounces of gold, has been calculated using a cut off grade of 4 g/t. Apex believes that a higher cut off grade would be more appropriate and is likely to result in mining of a smaller tonnage at grades nearer to historic levels (i.e. around 11.5 g/t).

Apex will initially target treatment of around 540,000 tpa (approx 370,000 tonnes from Wilsons and 170,000 tonnes from Youanmi) for gold production of around 130,000 ounces per year from the centralised Gidgee treatment facility planned to commence in approximately 18 - 24 months.

APHRODITE TREATMENT CONCEPT

The Aphrodite gold deposit is located 65 kilometres north of Kalgoorlie and within 5 kilometres of the sealed Goldfields Highway. It includes an Inferred Resource of 1.44 million tonnes grading 6.2g/t gold for a contained 287,000 ounces of gold, as well as a significant inventory of unclassified gold mineralisation and substantial exploration potential. The deposit comprises three known mineralised lodes, Alpha, Phi East and Phi West, each of which dip steeply and plunge to the north over a known strike length of 400 metres and a vertical extent of 400 metres, and which remain open down plunge (see figures 4, 5 and 6).

It is currently anticipated that the remaining treatment facility at Youanmi (not relocated to Gidgee) - namely the 600,000 tpa CIL plant - will be refurbished, upgraded and moved to Aphrodite where a float plant to produce a gold concentrate will be added.

The gold mineralisation at Aphrodite is sulphide hosted and refractory in nature but previous metallurgical test-work of bulk composite samples from the Inferred Resource component of the known mineralisation has shown that it can be efficiently upgraded using flotation to form a high grade concentrate which could then be economically trucked to the proposed centralised facility at Gidgee.

Subject to the outcome of further feasibility studies, it is currently expected that production from the Aphrodite facility could commence in 2 to 3 years at an initial rate of around 150,000 ounces per annum, bringing Apex's total gold production to just under 300,000 ounces per annum.

In addition to these acquisitions, Apex will continue to focus on further expanding the strategy outlined in this announcement and has a number of initiatives at various stages of advancement. Exploration programs at the Company's Apollo Hill joint venture and the Lawler's Nickel Joint Venture will also continue.



Mark Ashley

Managing Director

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The Information in this report that relates to the Gidgee Measured, Indicated and Inferred Resources is based on studies commissioned and published by Legend Mining and its consultant Mr. Spiro Carras, as quoted in Legend Mining's 2006 Annual Report.

The Information in this report that relates to the Youanmi Measured, Indicated and Inferred Resources is based on studies commissioned and published by Goldcrest Resources and its consultants Mr. John Haywood and Mr. Steve Hyland, to comply with NI 43-101 reporting standards, as disclosed on Goldcrest's website and their TSX announcement of 20th July 2006.

The Information in this report that relates to the Aphrodite Inferred Resource is based Barrick Gold's December 2005 Year End Resource Statement, and confirmed by Mr. Richard Allan of Barrick Gold.

This information has been verified by Dr. Mark Bennett and Mr. Andrew Thompson, who are both full time employees of Apex.

Dr. Bennett, Mr. Thompson, Mr. Carras, Mr. Haywood, and Mr. Hyland are Members of the Australasian Institute of Mining and Metallurgy, and Mr. Allan is Barrick's Qualified Person. All have sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr. Bennett, Mr. Thompson, Mr. Carras, Mr. Haywood, Mr. Hyland and Mr. Allan consent to the inclusion in this report of the matters based on information in the form and context in which it appears.

Figure 1. Location Map

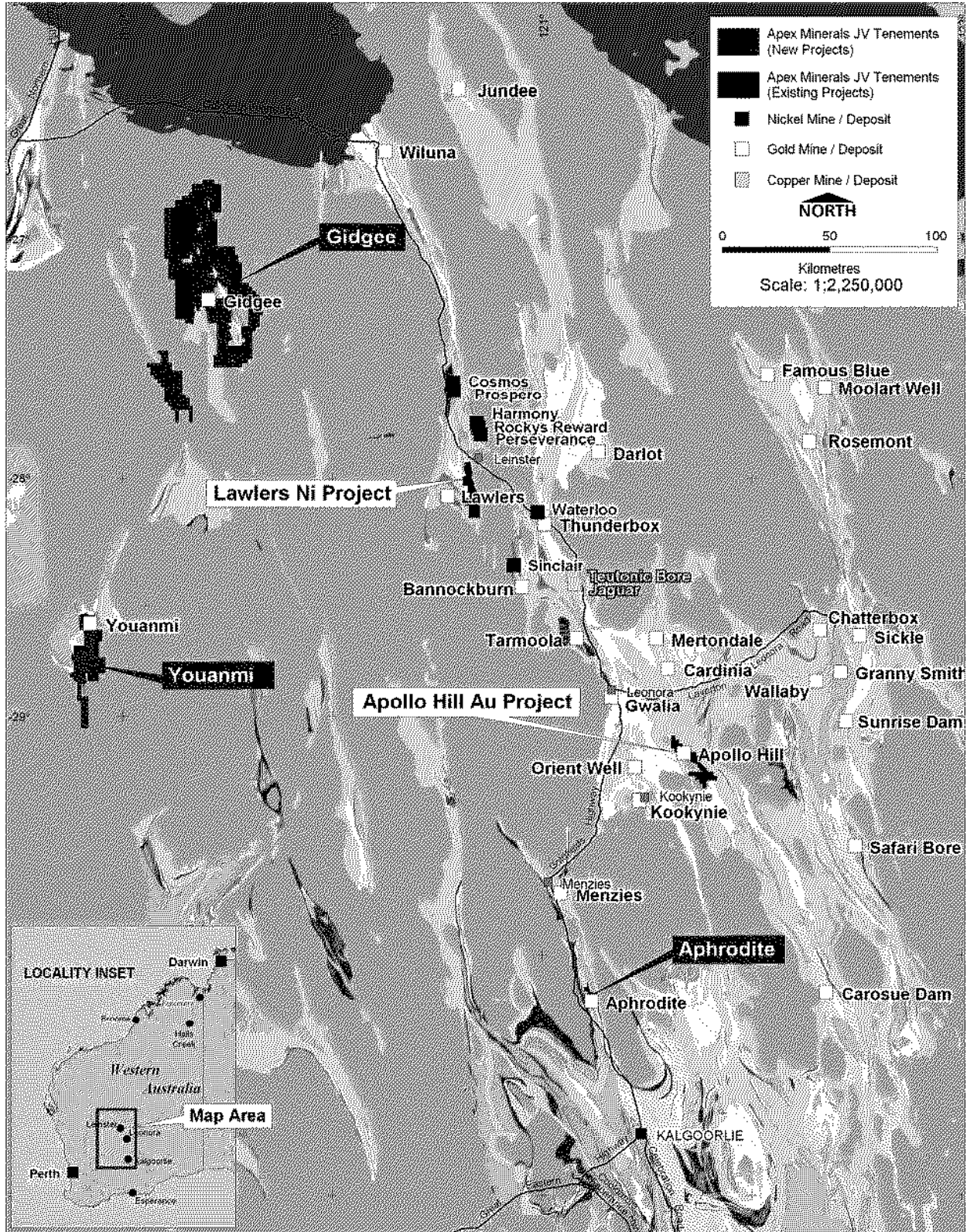


Table 1. Gold Resources Being Acquired

		Measured Resources			Indicated Resources			Inferred Resources			Total Resources		
		000's t's	g/t Au	ozs Au	000's t's	g/t Au	ozs Au	000's t's	g/t Au	ozs Au	000's t's	g/t Au	ozs Au
Aphrodite	Alpha	0	0.0	-	0	0.0	-	1,440	6.2	287,000	1,440	6.2	287,000
Gidgee	Wilson's	0	0.0	-	448	7.3	105,000	286	6.4	59,000	734	6.9	164,000
	Premium	0	0.0	-	147	12.8	61,000	14	9.0	4,000	161	12.6	65,000
	Other	27	10.4	9,000	1,108	3.4	123,000	548	7.3	129,000	1,683	4.8	261,000
	Total	27	10.4	9,000	1,703	5.3	289,000	848	7.1	192,000	2,578	5.9	490,000
Youanmi	Deep's	0	0.0	-	808	8.1	210,000	1,605	8.7	448,000	2,413	8.5	658,000
	Other	18	5.5	3,000	4,623	1.5	219,000	1,180	1.9	71,000	5,821	1.6	293,000
	Total	18	5.2	3,000	5,431	2.5	429,000	2,785	5.8	519,000	8,234	3.6	951,000
Total Refractory		0	0.0	-	1,256	7.8	315,000	3,331	7.4	794,000	4,587	7.5	1,109,000
Total non-refractory		45	8.3	12,000	5,878	2.1	403,000	1,742	3.6	204,000	7,665	2.5	619,000
Grand total		45	8.3	12,000	7,134	3.1	718,000	5,073	6.1	998,000	12,252	4.4	1,728,000

Please note that totals are rounded for the purposes of simplicity

Figure 2. Long projection of the Wilsons deposit

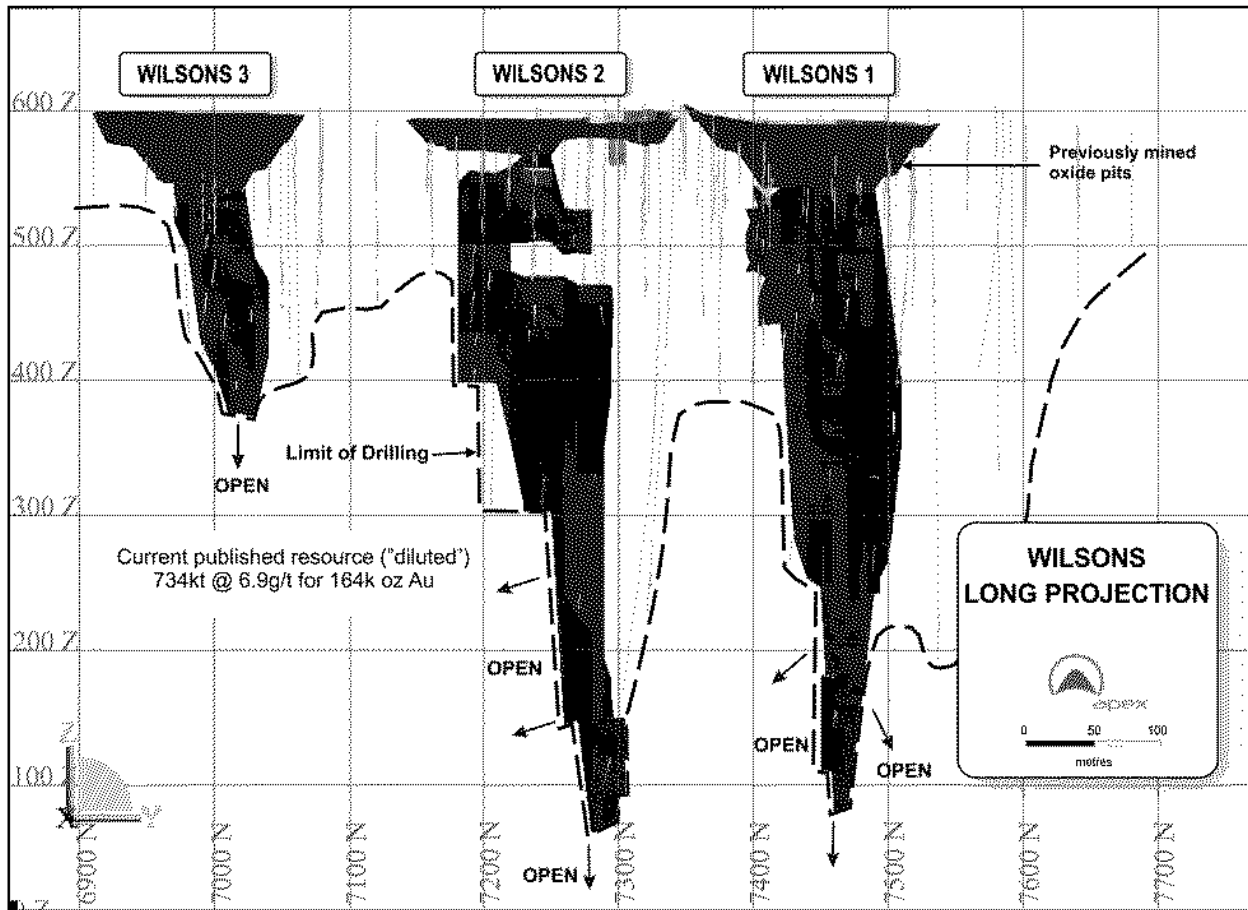


Figure 3. Long projection of the Youanmi deposit (looking east)

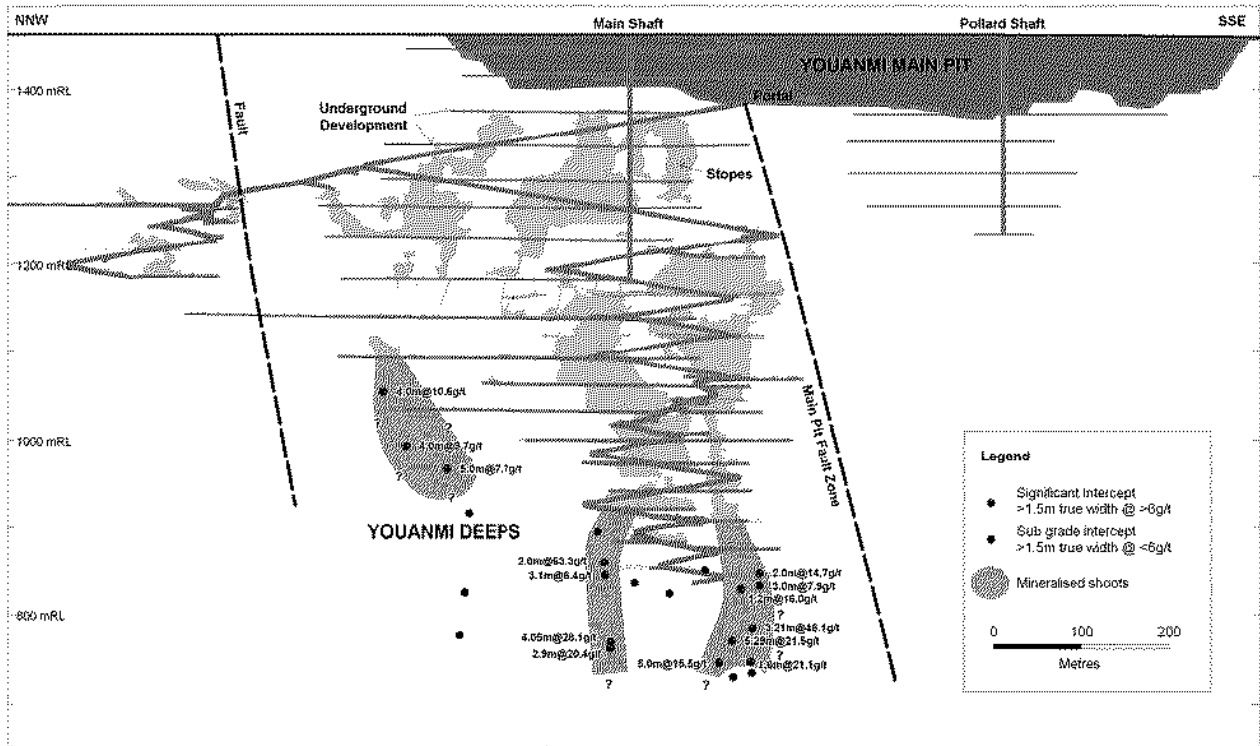
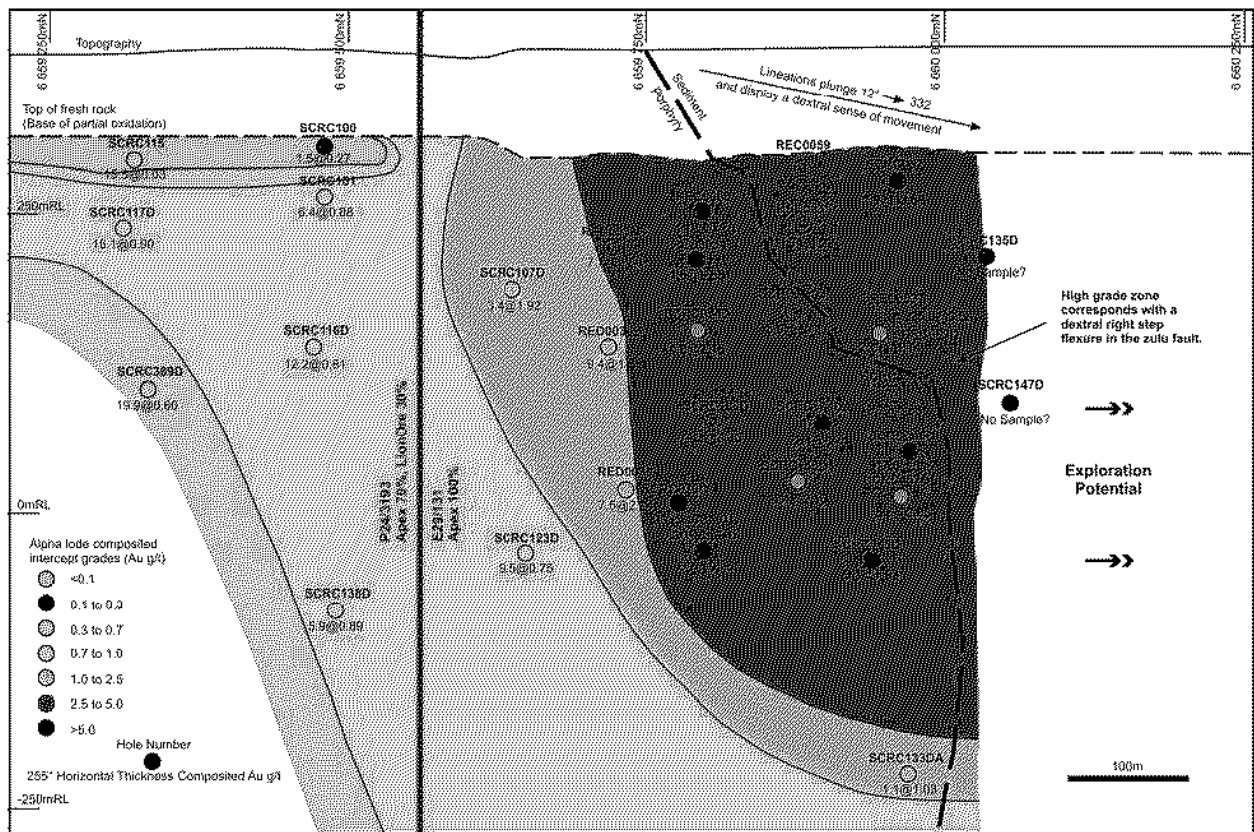
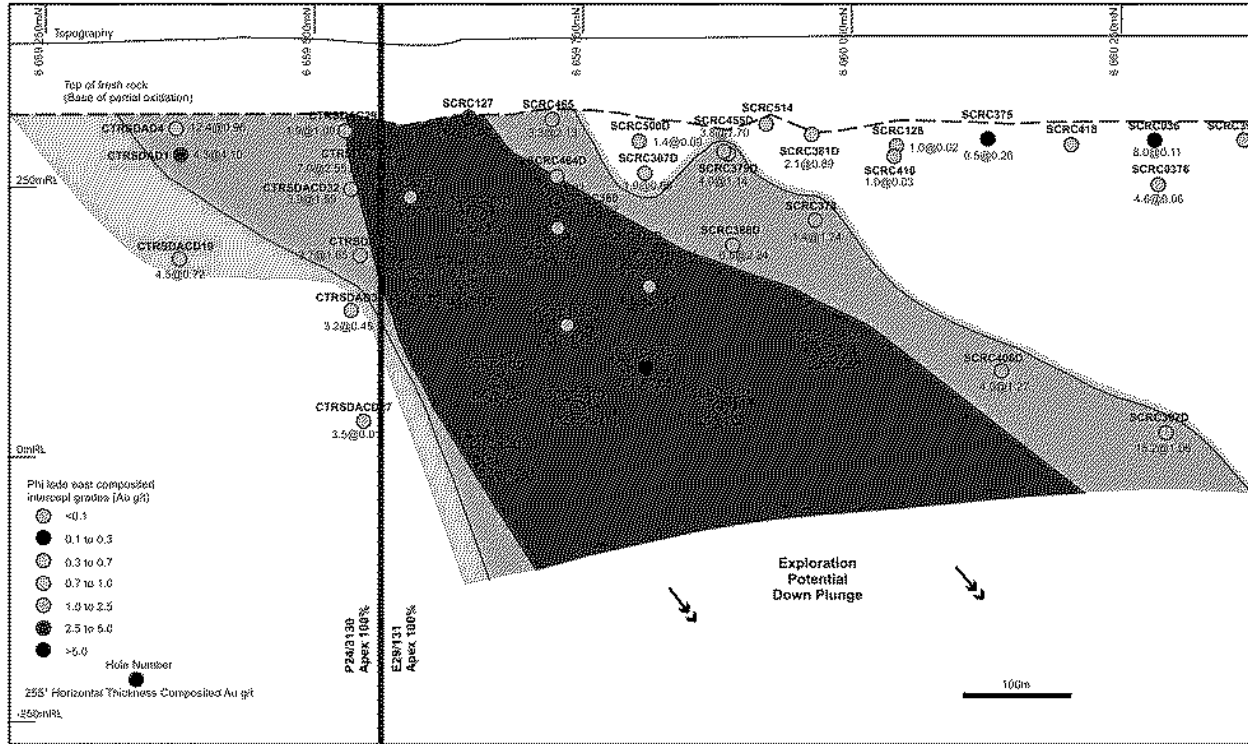


Figure 4. Long projection of the Alpha lode, Aphrodite deposit



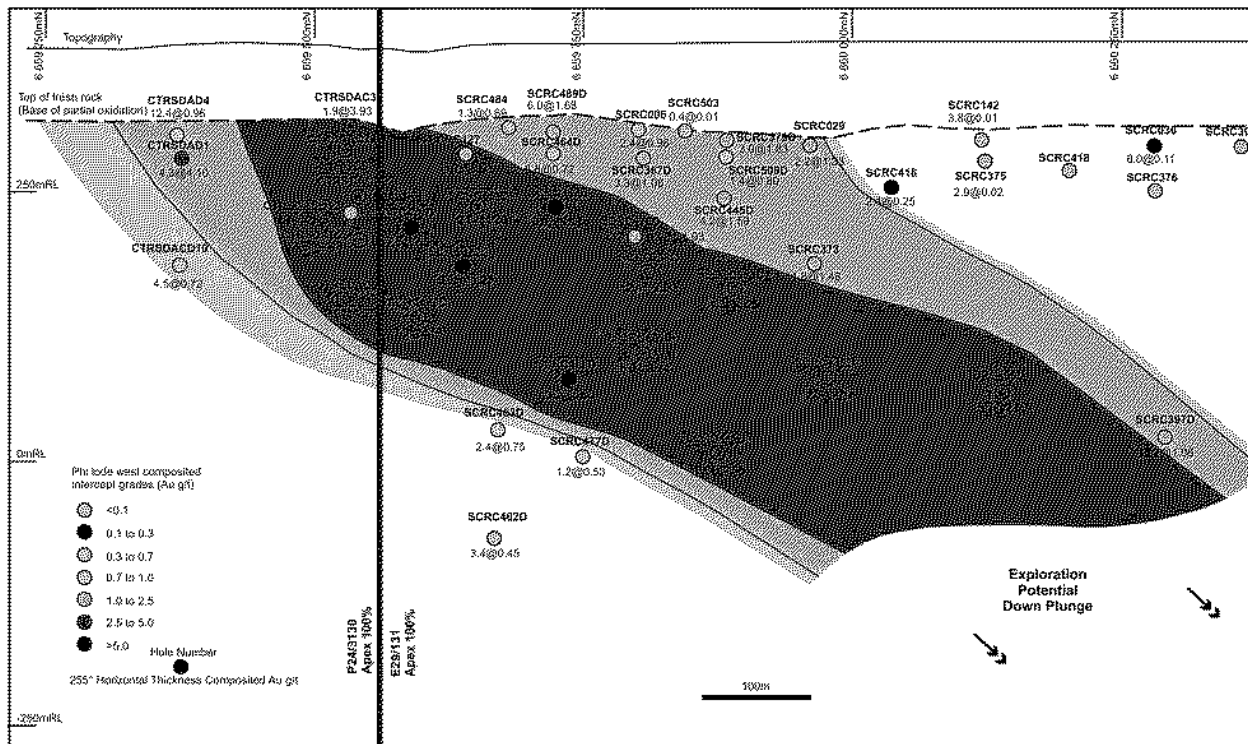
Alpha Lode Long Section

Figure 5. Long projection of the Phi East lode, Aphrodite deposit



Phi Lode East Long Section

Figure 6. Long projection of the Phi West lode, Aphrodite deposit



Phi Lode West Long Section