



31 January, 2011

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

MARKET UPDATE

The enclosed announcement is not intended to lift the voluntary suspension that is presently in place.

Mark Ashley
Managing Director
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ASX ANNOUNCEMENT

January 31, 2011

APEX SELLS GIDGEE EXPLORATION PROJECT FOR \$15.5 MILLION

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- **Sale is part of a broader strategy that will substantially strengthen Apex's cash flow and balance sheet enabling future production growth.**
 - **Full details of GUP redemption and capital raising to be released later this week.**
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Apex Minerals NL (ASX: AXM) announces that it has taken a significant step forward in its strategy to grow production and strengthen its financial position by selling its Gidgee Exploration Project in WA to Panoramic Resources for \$15.5 million cash. Panoramic will also replace environmental bonds totalling \$2 million, releasing Apex of this obligation.

The sale excludes the tenement that contains the existing Wilson's underground deposit, which will be retained by Apex.

The proceeds of the sale will form part of Apex's defined strategy to grow production and expand exploration at its Wiluna Project.

Details of the Gold Upside Participation Note ("GUP's") redemption, capital raising and an update on operational strategies and expectations will be contained in an ASX announcement expected to be released later this week, which will enable the resumption of trading in Apex shares.

The Gidgee Project was acquired by Apex from Legend Mining in 2007 for \$11 million. The acquisition was aimed at taking ownership of the Wilson's deposit, which will provide additional refractory ore for Apex's nearby Wiluna processing facility.

The transaction with Panoramic results in a significant cash injection without compromising the operating opportunity provided by the Wilson's deposit.

Gidgee covers approximately 1,200 square kms of the Gum Creek greenstone belt and is located 110km from Apex's Wiluna operation. The sale to Panoramic includes a 600,000tpa processing facility (not in operation) and a 150-man camp.

Apex and Panoramic have agreed to negotiate in good faith for Apex to have reasonable access and use of infrastructure (haul roads, camp etc) to aid the possible development of the Wilson's deposit.

Apex and Panoramic have also agreed to negotiate in good faith the commercial terms for the possible toll treatment of Gidgee ore at Apex's nearby Wiluna operation if desired by Panoramic.

Azure Capital Ltd acted as Corporate Adviser and Hardy Bowen as Legal Adviser to Apex in respect of the transaction.

A handwritten signature in black ink, appearing to read 'Mark Ashley', with a long horizontal flourish underneath.

Mark Ashley
Managing Director
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