

**APEX MINERALS NL**  
(ABN 22 098 612 974)

**PROSPECTUS**

**For a fully underwritten renounceable pro rata offer of New Shares at an issue price of A\$0.04 cents each on the basis of 9 New Shares for every 2 Shares held with 1 free attaching New Option for every 10 New Shares subscribed, to raise approximately A\$108.6 million**

**LEAD MANAGER & UNDERWRITER**  
**PATERSONS SECURITIES LIMITED**  
**ABN 69 008 896 311**

**IMPORTANT NOTICE**

*This is an important document and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to the content of this Prospectus you should consult your stockbroker or other professional adviser without delay. The last date for acceptance and payment in full is 30 October 2009.*

**INVESTMENT IN THE NEW SHARES AND NEW OPTIONS OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED SPECULATIVE.**

## **IMPORTANT NOTICE**

### **Prospectus**

This Prospectus is dated 30 September 2009. A copy of this Prospectus has been lodged with ASIC on that date. ASIC takes no responsibility for the contents of this Prospectus.

No Shares or Options will be issued or allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Apex Minerals NL (**Apex** or the **Company**) will apply to ASX within 7 days of the date of this Prospectus for quotation of the New Shares and attaching New Options offered by this Prospectus. ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may quote the New Shares and attaching New Options is not to be taken in any way as an indication of the merits of the Company.

This Prospectus is a “transaction specific prospectus” for an offer of “continuously quoted securities” prepared in accordance with Section 713 of the *Corporations Act*. In preparing this Prospectus regard has been made to the fact that the Company is a disclosing entity for the purposes of the *Corporations Act* and certain matters may reasonably be expected to be known to investors and their professional advisers.

### **Disclaimer**

The information contained in this Prospectus is not investment advice. Before deciding to invest in the Company, you should read and understand the entire Prospectus and, in particular, in considering the Company’s prospects, you should consider the risk factors that could affect the Company’s performance. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks. See 'Risks' in Section 5 of this Prospectus for a discussion of certain risk factors that you should consider before deciding to invest in the Company.

Any references to past performance of the Company, is no guarantee of future performance.

### **Rights**

Eligible Shareholders should be aware that their Rights may have value. Rights granted to Eligible Shareholders are renounceable which enables Eligible Shareholders who do not wish to take up all or part of their Rights to sell them. If you do not intend to accept your Entitlement, you should consider selling your Rights. Eligible Shareholders who take no action in respect of their Rights will receive no value and their Shareholding in the Company will be diluted.

### **No Representations other than this Prospectus**

No person is authorised to give any information or to make any representation in connection with this Offer that is not contained in this Prospectus or has not been released to ASX with the authorisation of the Company.

### **Entitlement and Acceptance Forms and Shortfall Application Forms**

An Entitlement and Acceptance Form and a Shortfall Application Form accompany this Prospectus. Please refer to the instructions in Section 4 of this Prospectus regarding the acceptance of your Entitlement and making application for Shortfall Securities. Applications can only be submitted on a valid Entitlement and Acceptance Form and/or Shortfall Application Form that is attached to or accompanies this Prospectus.

## **No cooling off rights apply to this Offer**

Cooling-off rights do not apply to an investment pursuant to this Prospectus. This means that, in most circumstances, you cannot withdraw your Entitlement and Acceptance Form or Shortfall Application Form once it has been lodged.

## **Ineligible Shareholders**

This Prospectus contains an Offer only to persons (including individuals and corporate entities) with registered addresses in Australia or New Zealand (and the Shortfall Offer is not available to persons receiving the electronic version of this Prospectus in New Zealand who are not Eligible Shareholders). This Offer is not extended to, and no New Shares or New Options will be offered or issued to persons with registered addresses outside of Australia and New Zealand. The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002.

## **Prospectus availability**

This Prospectus is available in electronic form at [www.apexminerals.com.au/reports/reports-prospectus09.php](http://www.apexminerals.com.au/reports/reports-prospectus09.php). The Offer constituted by this Prospectus in electronic form is only available to persons receiving the electronic version of the Prospectus in Australia or New Zealand. No Entitlement and Acceptance Form or Shortfall Application Form will be accepted if sent in electronic form. Persons who access the electronic form of this Prospectus must ensure that they download and read the entire Prospectus. Applicants using any Shortfall Application Form attached to or included in the electronic version of this Prospectus must be resident in Australia and receive this Prospectus in Australia (or be an Eligible Shareholder resident in, and receiving this Prospectus in, New Zealand). A paper copy of this Prospectus will be provided free of charge to any person located in Australia who requests a copy prior to the Closing Date by contacting Advanced Share Registry Limited, 110 Stirling Highway, Nedlands WA 6009. Telephone: +61 8 9389 8033 Facsimile: +61 8 9389 7871 or the Company. The information on [www.apexminerals.com.au](http://www.apexminerals.com.au) does not form part of this Prospectus.

## **Definitions and glossary, financial amounts and time**

Definitions of certain terms used in this Prospectus are contained in Section 8. Unless otherwise indicated all references to currency are to Australian dollars and all references to time are to Perth, Western Australian time, unless otherwise indicated.

## IMPORTANT DATES

Event	Date
Announcement of renounceable Rights Issue	25 September 2009
Lodgement of Prospectus with ASIC and ASX	30 September 2009
Notice sent to Shareholders containing information required by Appendix 3B	2 October 2009
Entitlement Trading commences and Existing Shares quoted on an "ex basis"	6 October 2009
Record Date to determine Entitlements under the Offer	12 October 2009
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	16 October 2009
Entitlement Trading ends	23 October 2009
Closing Date for acceptances of the Offer	30 October 2009
Notice given to ASX of under subscriptions	5 November 2009
Anticipated date for allotment of New Shares and New Options	10 November 2009
Anticipated date for despatch of shareholder statements	10 November 2009
Anticipated date for commencement of trading of New Shares and New Options	11 November 2009

The above dates are indicative only and subject to change. The Directors reserve the right to vary these dates in accordance with the Underwriting Agreement, including extending the Closing Date or accepting late applications, either generally or in particular cases, without prior notice. The Directors also reserve the right not to proceed with the whole or part of the Offer any time prior to allotment. In that event, the relevant Application Money will be returned without interest.

## WHAT YOU NEED TO DO TO APPLY FOR THE NEW SHARES AND NEW OPTIONS

### Read

Read this Prospectus in full paying careful attention to the benefits and risks associated with acceptance of this Offer.

### Consider and Consult

After reading the Prospectus, consider whether the investment is suitable for you in light of your particular financial position and investment objectives. If necessary please consult with your financial or investment adviser before making an investment decision.

### Complete Entitlement and Acceptance Form

If you have decided to take up your Entitlement in full or in part, complete the Entitlement and Acceptance Form accompanying this Prospectus and lodge the form together with your Application Money by **5pm (WST) 30 October 2009**.

**If you have any queries concerning your Entitlement or what to do with this Prospectus, please contact:**

Advanced Share Registry Limited  
110 Stirling Highway  
Nedlands WA 6009  
Telephone: +61 8 9389 8033  
Facsimile: +61 8 9389 7871

**Or contact your stockbroker or professional adviser.**

## LETTER FROM THE CHAIRMAN

Dear Shareholder

On behalf of the Board of Apex Minerals NL (**Apex**), I would like to invite you to participate in a fully underwritten renounceable rights issue of approximately 2,714 million New Shares at an issue price of 4 cents per New Share to raise approximately \$108.6 million. This Prospectus outlines the details of the Issue.

The rights issue Offer entitles Eligible Shareholders on the Record Date of 12 October 2009, to subscribe for 9 New Shares for every 2 Shares held at an issue price of 4 cents per New Share with 1 free attaching New Option for every 10 New Shares subscribed. The Issue is underwritten by Patersons Securities Limited. Entitlements are renounceable and will be tradeable on the ASX and are otherwise transferable.

The rights issue Offer closes at 5.00pm (WST) on 30 October 2009.

The proceeds of the Issue will be approximately \$108.6 million (\$101.5m after issue costs). Approximately \$53 million of the proceeds will be used to repay Apex's senior secured notes, which represents all of the Company's senior secured debt. The repayment terms represents a 12 per cent discount to the notes' face value.

A further \$23 million will be spent on mine development as part of a revised operating plan that will see Apex mining at four independent underground zones over the next six months, providing for greater production diversity than having a single zone in production (as was the case until recently). Approximately \$16 million of the proceeds will be available for working capital and \$10 million will be applied to repay a short term facility.

There have been a number of issues experienced during the ramp-up phase at Wiluna that have created the need for additional funding. These issues include:

- costs, especially for capital development, have exceeded initial estimates that Apex had planned funding requirements around;
- more capital development was required upfront than initially expected;
- ramp-up at the mine and plant has taken longer than expected, causing a need for additional working capital;
- geotechnical issues as a result of the previous mine schedule has resulted in a loss of production and increased costs, therefore creating the need to diversify ore sources underground; and
- cash constraints resulted in lower preventative maintenance and therefore lower production efficiencies.

Apex is confident that the issues are being addressed through the recruitment of new management and operational personnel at Wiluna. The areas of focus have been:

- revised mine plan;
- diversity of supply of ore; and
- cost saving initiatives.

The rights issue will enable Apex to be debt-free (excluding finance leasing) and focus on the ramp-up of production to over 140,000 ounces per annum.

Please read this Prospectus carefully - before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

Yours faithfully

A handwritten signature in black ink, appearing to read "K. Robins", with a horizontal line extending to the right.

Kim Robinson

**Chairman**  
**Apex Minerals NL**

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## **1. DETAILS OF THE OFFER**

### **1.1 The Offer**

The Company is making a renounceable pro-rata offer of New Shares to Eligible Shareholders on the basis of 9 New Shares for every 2 Shares held on the Record Date with 1 free attaching New Option for every 10 New Shares subscribed for, exercisable at A\$0.06 cents per New Option, with a 3 year expiry date. The Company will issue approximately 2,714,578,367 New Shares at an Application Price of A\$0.04 cents per New Share to raise approximately A\$108.6 million (before Issue costs).

### **1.2 Closing Date**

The Closing Date for acceptance of your Entitlement is 5.00 pm WST on 30 October 2009. The Company reserves the right, subject to the *Corporations Act*, the Listing Rules and the terms of the Underwriting Agreement, to close the Offer early, to extend the last date for receipt of Entitlement and Acceptance Forms, or to delay or withdraw the Offer at any time without prior notice, in which case all Application Monies for New Shares which have not been issued will be refunded (without interest) as soon as practicable.

### **1.3 Purpose of the Issue**

The Company expects to raise approximately A\$108.6 million (before Issue costs) and will use the proceeds as set out in Section 2.1.

### **1.4 Entitlement**

Eligible Shareholders at the close of business on the Record Date, will be entitled to acquire 9 New Shares for every 2 Shares held at an Application Price of A\$0.04 cents per New Share.

Applicants will also receive 1 free New Option for every 10 New Shares subscribed for under this Prospectus. The New Options will expire 3 years from their date of issue and have an exercise price of A\$0.06 cents per New Option.

An Entitlement and Acceptance Form setting out your Entitlement to New Shares and New Options accompanies this Prospectus.

Entitlements are renounceable, which means that Eligible Shareholders who do not wish to take up all or part of their Entitlement may choose to sell or transfer their Entitlements on the ASX or any other means. Information on how Entitlements may be sold or transferred is set out in Section 4 of this Prospectus. If you do not take up all your Entitlements, or dispose of your Entitlements by the Closing Date, the Offer to you will lapse and your Shareholding will be diluted.

Entitlements not accepted by the Closing Date will revert to the Underwriter.

### **1.5 Shortfall Offer**

Applicants may apply for any New Shares and attaching New Options which may be available from a Shortfall arising under the Offer. This Shortfall Offer is a separate offer under this Prospectus and to apply, Applicants should complete the Shortfall Application Form attached to this Prospectus. Acceptance of Shortfall Applications is in the complete discretion of the Underwriter or, should the Underwriting be terminated for any reason, the Company. Accordingly, there is no guarantee that an Application for Shortfall Securities will be successful either in whole or in part. Shortfall Securities will be issued on the same terms and conditions as the New Shares and New Options.



## **1.6 Actions Required by Eligible Shareholders**

A detailed explanation of the actions required by Eligible Shareholders is set out in Section 4.

In summary, you may either:

- (a) apply for all of your Entitlement to New Shares and New Options (refer to 4.1.1);
- (b) apply for additional New Shares and New Options by lodging the Shortfall Application Forms (refer to 4.1.2);
- (c) sell all or part of your Entitlement to New Shares and New Options on ASX (refer to 4.1.3)
- (d) apply for part of your Entitlement and sell the balance on ASX (refer to 4.1.4);
- (e) apply for part of your Entitlement and allow the balance to lapse (refer to 4.1.5);
- (f) transfer all or part of your Entitlement to another person other than on ASX with or without subscribing for the balance (refer to 4.1.6); or
- (g) not apply for any of your Entitlement and allow it to lapse (refer to 4.1.7).

If you wish to accept this Offer, your acceptance must be made on the Entitlement and Acceptance Form accompanying this Prospectus or, in the case of an application for Shortfall Securities, the Shortfall Application Form attached to this Prospectus.

Acceptance of a completed Entitlement and Acceptance Form and/or a Shortfall Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares and New Options accepted by the Company. Neither the Entitlement and Acceptance Form nor the Shortfall Application Form needs to be signed to be a binding contract.

## **1.7 Allotment and Application Money**

All Application Monies are payable in full on return of the Entitlement and Acceptance Form and/or Shortfall Application Form.

New Shares and New Options will be issued only after all Application Money has been received and ASX has granted permission for the New Shares and New Options to be quoted. It is expected that New Shares and New Options will be allotted and CHESSE statements despatched on 10 November 2009 and normal trading of the Shares on ASX is expected to commence on 11 November 2009.

All Application Money received before New Shares and New Options are allotted will be held in a special purpose account. After any Application Money is refunded (if required) and New Shares and New Options are allotted to Applicants, the balance of funds in the account plus any accrued interest will be received by the Company.

If the New Shares and New Options are not quoted by ASX within 3 months after the date of this Prospectus, the Company will refund all Application Money in full (without interest).

## **1.8 Underwriting of the Offer**

The Offer is fully underwritten by the Underwriter, Patersons Securities Limited. This means that the Underwriter will take up any New Shares and New Options not taken up by the Eligible

Shareholders. A summary of the Underwriting Agreement (including the circumstances in which the agreement may be terminated) is set out in Section 6.7.1.

The total number of underwritten New Shares is 2,714,578,367 being the total number of New Shares that could be issued under the Offer based on the total number of Shares on issue as at the date of execution of the Underwriting Agreement (25 September 2009). Accordingly, the number of underwritten New Shares does not include any New Shares that may be available to Optionholders who have exercised, or will exercise, their Options between the date of the Underwriting Agreement and the Record Date. The Underwriting Agreement also does not cover any adjustments which may be made due to rounding of Entitlements.

As at the date of this Prospectus, 603,239,637 Shares are on issue and 19,125,000 partly paid shares paid to \$0.0001 cents. There are currently 32,086,000 unlisted Options on issue (refer to paragraph 2.3). Additionally, there are 121 warrants on issue which are convertible into 44,992,640 Shares. Existing partly paid shareholders, warrant holders and Optionholders will not be entitled to participate in this Offer without first exercising their securities or paying up any unpaid amount.

## **1.9 Shortfall**

A Shortfall may arise from Eligible Shareholders not taking up all New Shares and attaching New Options offered pursuant to this Prospectus.

Any New Shares not taken up by Eligible Shareholders will be taken up by the Underwriter, up to a maximum of 2,714,578,367 New Shares. Applicants may apply to take up part of the Shortfall by applying for Shortfall Securities by completing and lodging with the Company the Shortfall Application Form. There is no obligation on the Company or the Underwriter to accept any part or all of a Shortfall Application.

## **1.10 Treatment of Residents outside Australia and New Zealand**

The Company is of the view that it is unreasonable to make this Offer to Shareholders whose registered address, as at the Record Date, is outside of Australia and New Zealand (**Ineligible Shareholders**), having regard to the number of Shareholders in such places, the number and value of New Shares that could be offered in such places and the cost of complying with the legal and regulatory requirements of those other jurisdictions. Accordingly, in accordance with the ASX Listing Rules and the Corporations Act, Entitlement and Acceptance Forms will not be sent to Ineligible Shareholders. The prospectus is being sent to them for information only.

This Offer is not extended to, and no New Shares or New Options are offered or will be issued to, persons with registered addresses outside of Australia or New Zealand. Shareholders with a registered address in Australia or New Zealand who hold Shares on the Record Date on behalf of persons who are not resident in Australia or New Zealand are responsible for ensuring that taking up New Shares and New Options under this Offer does not breach securities law in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of such laws.

This Offer is being conducted in accordance with the laws in force in Australia and the Listing Rules. The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

Recipients of this Prospectus may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia and New Zealand (other than to Eligible Shareholders).

#### **1.11 Nominee to sell Entitlements of Ineligible Shareholders**

The Company has appointed Patersons Securities Limited (**Nominee**), on normal commercial terms (including the payment of a fee calculated as 1.5% of the gross value of securities sold), as nominee to sell the Ineligible Shareholders' Entitlements. The Nominee will only sell the Ineligible Shareholders' Entitlements if there is a viable market for the Entitlements. Any such sale will be at a price and in a manner that the Nominee will determine in its absolute discretion. The ability to sell the Ineligible Shareholders' Entitlements and the price obtained will be dependant, amongst other things, on market conditions. The proceeds of sale (in Australian Dollars) will be distributed to the Ineligible Shareholders for whose benefit the Entitlements have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale and the costs of distributing the proceeds).

There is no guarantee that the Nominee will be able to sell the Ineligible Shareholders' Entitlements on the ASX and the Ineligible Shareholders may receive no value for their Entitlements. Neither the Company nor the Nominee take any responsibility for the outcome of the sale of the Ineligible Shareholders' Entitlements or the failure to sell such Entitlements. If there is no viable market for the Ineligible Shareholders' Entitlements their Entitlements will be allowed to lapse and become part of the Shortfall.

#### **1.12 Quotation and Issue of New Shares and New Options**

No New Shares or New Options will be issued pursuant to this Prospectus until permission is granted by ASX for quotation of the New Shares and New Options during the relevant time periods set out in the *Corporations Act*. The Company will apply to ASX within 7 days after the date of this Prospectus for the New Shares and New Options to be granted quotation.

The fact that ASX may grant official quotation of the New Shares or New Options is not to be taken in any way as an indication of the merits of the Company, the New Shares or the New Options now offered for subscription.

#### **1.13 Rights attaching to New Shares and New Options**

The New Shares issued under this Prospectus will rank equally in all respects with the existing Shares. A summary of the important rights attaching to Shares as set out in the Company's Constitution are contained in Section 6.3 of this Prospectus. A summary of the rights attaching to the New Options are contained in Section 6.4 of this Prospectus.

#### **1.14 Risk Factors**

Applicants should appreciate that there are risks associated with any stock market investment, including an investment in the Company. There are general and specific risks which relate directly to the Company's business and are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. These risks may affect the future operating and financial performance of the Company and the value of an investment in the Company. These risk factors are discussed in more detail in Section 5 of this Prospectus.

#### **1.15 Minimum Subscription**

The Offer is not conditional and there is no minimum subscription.

## **1.16 Enquiries**

If you have any questions concerning your Entitlement, please contact Advanced Share Registry Limited on (08) 9389 8033 or contact your stockbroker or professional adviser.

## 2. PURPOSE AND EFFECT OF THE ISSUE

### 2.1 Purpose of the Issue and Use of Proceeds

The proceeds from the Issue will be applied to reduce the level of the Company's gearing by the buy back of all senior secured debt and to provide working capital and funding for production and expansion plans at the Company's Wilson and Wiluna operations.

The proceeds of the Issue are proposed to be expended as follows:

Description of Cash Outflows	Total Amount
Buy Back of Existing Senior Secured Notes	\$53.2m
Re-payment of Short Term Notes	\$10.0m
Mine Development Capital	\$23.1m
Working Capital	\$15.2m
Transaction Costs	\$7.1m
<b>Total</b>	<b>\$108.6m</b>

### 2.2 Effect of the Issue

The principal effects of the Issue will be to:

- (a) increase the Company's cash reserves by approximately A\$45.4 million, (before taking into account the costs of the Issue);
- (b) provide the Company with additional capital for the purposes referred to in Section 2.1; and
- (c) increase the total number of issued Shares (refer to Section 2.3).

Proforma consolidated historical financial information summarising the effects of the Issue is provided in the following paragraphs.

### 2.3 Effect of the Issue on Capital Structure

The ultimate effect of the Issue on the Company's capital structure is dependent on whether Optionholders elect to exercise Options prior to the Record Date. In addition, the number of New Shares and New Options to be offered under the Offer will be subject to adjustment as a result of the rounding of individual Entitlements. Set out below, for illustrative purposes only, is the existing capital structure (as at the date of this Prospectus) together with the impact of the Issue of New Shares.

Ordinary Shares	Number
Number of Shares on issue at the date of this Prospectus	603,239,637
New Shares offered pursuant to this Prospectus	2,714,578,367
<b>Total</b>	<b>3,317,818,004</b>
<b>Partly Paid Shares</b>	19,125,000

<b>Convertible Securities</b>	
Options on issue at the date of this Prospectus (convertible into one ordinary Share each)	32,086,000
*Warrants on issue - 121 but convertible into ordinary shares of:	44,992,640
New Options offered pursuant to this Prospectus	271,457,837
New Options to be issued pursuant to Noteholder Restructuring Agreement and Subscription Agreement	85,000,000
New Options to be issued to Underwriter	322,186,755
<b>Total Shares which may be issued upon conversion of all Convertible Securities</b>	<b>755,723,232</b>

\* Each Warrant is convertible into 371,840 shares for a total of 44,992,640 shares and expires on 29 September 2013.

The terms of the existing unlisted Options issued as at the date of this Prospectus are:

<b>Number</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
1,500,000	\$0.20	3-Jul-11
7,200,000	\$0.14	20-Jul-11
250,000	\$0.30	17-Aug-11
250,000	\$0.35	14-Sep-11
300,000	\$0.20	31-May-09
500,000	\$0.35	1-Nov-11
1,000,000	\$0.35	1-Nov-11
275,000	\$0.45	30-Nov-11
300,000	\$0.45	30-Nov-11
2,825,000	\$0.65	1-Jun-12
2,600,000	\$0.65	1-Jun-12
1,525,000	\$1.00	30-Jul-12
200,000	\$1.30	15-Oct-12
200,000	\$1.30	30-Oct-12
200,000	\$1.30	11-Nov-12
50,000	\$1.60	10-Jan-13
700,000	\$1.30	27-Apr-13
1,556,000	\$1.30	11-May-13
550,000	\$1.30	19-Jun-13
1,000,000	\$0.70	18-Jul-13
50,000	\$0.50	1-Oct-13
750,000	\$0.70	1-Dec-13
2,500,000	\$0.30	29-Jan-12
2,360,000	\$0.45	9-Feb-14
3,445,000	\$0.30	21-Jun-14
<b>TOTAL:</b>		
32,086,000		

If some or all of the above Options are exercised or partly paid shares are fully paid up prior to the Record Date, the Shares issued on such exercise will be eligible to participate in the Offer.

## 2.4 Effect of the Issue on the Company's Financial Position

Set out below for illustrative purposes is the audited Condensed Consolidated Balance Sheet as at 30 June 2009 and an unaudited Proforma Condensed Consolidated Balance Sheet as at 30 June 2009 which includes the effect of the Issue.

	<b>30 June 2009 (AUDITED) A\$'000</b>	<b>30 June 2009 (PROFORMA) A\$'000</b>
<b>Assets</b>		
Cash and cash equivalents	10,320	65,680
Trade and other receivables	5,136	5,136
Inventories	15,852	15,852
Derivative assets	1,264	1,264
Assets available for sale	308	308
Assets held for sale	7,442	7,442
<b>Total current assets</b>	<b>40,322</b>	<b>95,682</b>
Other receivables	1,774	1,774
Derivative assets	2,732	2,732
Other financial assets	-	-
Property, plant and equipment	104,730	104,730
Exploration expenditure	11,753	11,753
Deferred tax assets	-	-
<b>Total non-current assets</b>	<b>120,989</b>	<b>120,989</b>
<b>Total assets</b>	<b>161,311</b>	<b>216,671</b>
<b>Liabilities</b>		
Trade and other payables	44,925	44,925
Loans and borrowings	6,750	6,750
Derivative liabilities	6,531	6,531
Provisions	1,456	1,456
Deferred Consideration	3,000	3,000
<b>Total current liabilities</b>	<b>62,662</b>	<b>62,662</b>
Trade and Other payables	9	9
Loans and borrowings	46,488	18,969
Derivative liabilities	18,069	18,069
Provision	30,033	30,033
<b>Total non-current liabilities</b>	<b>94,599</b>	<b>67,080</b>
<b>Total liabilities</b>	<b>157,261</b>	<b>129,742</b>
<b>Net assets</b>	<b>4,050</b>	<b>86,929</b>
<b>Equity</b>		
Share capital	198,226	306,826
Reserves	11,940	11,940
Retained earnings	(206,116)	(231,837)
<b>Total equity</b>	<b>4,050</b>	<b>86,929</b>

The Directors are not aware of any material item, transaction or event outside of the ordinary business of the Company that would require comment on, or adjustment to the audited financial statements as at 30 June 2009 lodged with ASX on 30 September 2009, or that would cause the information in these financial statements to be misleading or deceptive.

## **2.5 Market Price of Shares**

The highest and lowest market prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: 18.5 cents on 17 July 2009

Lowest: 4.8 cents on 28 September 2009

The volume weighted average sale price on ASX of the Company's Shares during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC was 11.5 cents.

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was 5.4 cents on 29 September 2009.



### **3. COMPANY OVERVIEW AND PROJECTS**

#### **3.1 WILUNA**

The Wiluna Gold Project is located approximately 1,000 kilometres northeast of Perth, Western Australia and comprises granted mining leases covering approximately 50 square kilometres, as well as miscellaneous licences. The operation includes a 900,000 tpa processing facility, a BIOX<sup>®</sup> bacterial oxidation plant, along with other established infrastructure owned by the Company and has access to the Goldfields Gas Pipeline.

Gold at Wiluna occurs in two main fault structures, the East Lode and West Lode, to a depth of 1,000 metres below surface. It is estimated that only 50% of the known extent of these lodes has been tested by systematic exploration drilling, with much of this carried out at very broad drill spacing. The Directors believe that significant potential exists for the delineation of additional resources resulting in an increase in the life of mine.

The Company intends to recommence a vigorous drilling program at Wiluna with the dual aim of infill drilling known resources to the indicated category and drilling around previous known intercepts to delineate additional resources.

#### **3.2 GIDGEE (INCLUDING WILSONS)**

The Gidgee Project is located approximately 640 kilometres northeast of Perth and covers 70 kilometres of strike of the Gum Creek greenstone belt. The Project is located close to existing developments and includes a 600,000tpa gold treatment plant (not in operation), a 150-man camp and has significant exploration upside.

It is planned to mine the Wilsons deposit at the rate of approximately 150,000 tpa at 7g/t and to truck this ore to Wiluna for processing, subject to a favourable review of the feasibility study completed in 2008.

#### **3.3 YOUANMI**

The Youanmi Project is located approximately 480 km northeast of Perth, Western Australia and covers 40 kilometres of strike of the Youanmi shear zone. It also has significant potential exploration upside.

The Project includes a 600,000tpa process facility (not in operation) which includes a 270,000tpa sulphide flotation plant and a BacTech bacterial oxidation treatment plant capable of treating the gold concentrate.

No production from Youanmi is envisaged as part of the current Wiluna mining and processing plan at this time.

#### **3.4 RESERVES AND RESOURCES**

The Company will, in the near future, undertake a review of its reserves and resources in accordance with its normal business practices to take account of depletion from mining, exploration drilling, gold price movements and other issues. The results of such review will be announced by the Company when available.

## 4. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

### 4.1 What Eligible Shareholders may do

The Rights Issue is renounceable. This means that if you do not wish to apply for your Entitlement of New Shares and New Options you can sell all or part of your Entitlement, subject to market demand. Your Entitlement may have value. You should carefully consider how to deal with your Entitlement (rather than allow it to lapse, in which event you will receive no value in respect of your Entitlement) and then take action in accordance with the alternatives referred to below.

The number of New Shares and New Options to which you are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Fractional entitlements will be rounded up to the nearest whole number.

#### 4.1.1 If you wish to apply for all of your Entitlement

If you wish to apply for all of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in that Form. The Entitlement and Acceptance Form sets out the number of New Shares and New Options to which you are entitled.

The duly completed Entitlement and Acceptance Form must be accompanied by a cheque or bank draft payable at an Australian bank for the appropriate Application Monies, calculated at \$0.04 cents per New Share accepted, and received by the Company by no later than 5.00pm (WST), 30 October 2009.

#### 4.1.2 If you wish to apply for Additional New Shares

If you are an Eligible Shareholder and you apply for all of your Entitlement, you may, in addition to taking up all of your Entitlement, apply for additional New Shares in a Shortfall (if a Shortfall exists following the Offer) together with attaching New Options (**Shortfall Securities**). A Shortfall will arise if the number of New Shares and New Options for which valid Entitlement and Acceptance Forms have been received as at the Closing Date (currently 30 October 2009) is less than the number of the New Shares and New Options to be issued under the Rights Issue.

There is no guarantee that there will be any Shortfall Securities available for subscription.

Eligible Shareholders wishing to apply for Shortfall Securities are required to complete the accompanying Shortfall Application Form in accordance with the instructions on that form. The duly completed form must be accompanied by a cheque or bank draft for the appropriate Application Monies, calculated at \$0.04 per additional New Share you wish to apply for, and received by the Closing Date.

The following allocation policy will apply in respect of Applications for Shortfall Securities by Eligible Shareholders:

- (a) all Eligible Shareholders will receive their Entitlement to the extent to which the Offer is accepted by them; and
- (b) any Application for Shortfall Securities by an Eligible Shareholder (and Eligible Shareholders may apply for additional Shortfall Securities only if they have applied for their full Entitlement) may be accepted (in full or in part) or rejected at the absolute discretion of the Underwriter or, should the Underwriting be terminated for any reason, the Company.

Eligible Shareholders (or any other Applicants) who apply for Shortfall Securities will not be assured of receiving any Shortfall Securities applied for. The Underwriter has the right to allocate Shortfall Securities in its absolute discretion pursuant to the Underwriting Agreement.

In the event that Applications for Shortfall Securities are not accepted in part or in full, the relevant Application Monies (without interest) will be refunded by the Company.

#### **4.1.3 If you wish to sell all or part of your Entitlement on ASX**

If you wish to sell all or part of your Entitlement on ASX, complete the section headed 'Instructions to your Stockbroker' on the accompanying Entitlement and Acceptance Form and forward it to your stockbroker as soon as possible.

Trading of Rights is anticipated to commence on ASX on 6 October 2009 and is expected to cease on 23 October 2009. You must deal with any part of your Entitlement you wish to sell before close of business on 23 October 2009.

In dealing with the completed Entitlement and Acceptance Form, your stockbroker will act on your behalf. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions. Persons buying Rights on ASX will need to pay the Application Monies to take them up and apply for New Shares and New Options and should follow the directions of their stockbroker.

#### **4.1.4 If you wish to apply for part of your Entitlement and sell the balance on ASX**

If you wish to apply for part of your Entitlement and sell the balance on ASX, complete the accompanying Entitlement and Acceptance Form, including the section headed 'Instructions to your Stockbroker', in accordance with the instructions set out on that form and forward it to your stockbroker, together with your cheque or bank draft for the Application Monies for the New Shares for which you wish to apply, as soon as possible.

Your stockbroker will need to ensure that the duly completed Entitlement and Acceptance Form reaches the Company by 5.00pm (WST), 23 October 2009

Trading of Rights is anticipated to commence on ASX on 6 October 2009 and is expected to cease on 23 October 2009. You must deal with any part of your Entitlement you wish to sell before close of business on 23 October 2009.

In dealing with the completed Entitlement and Acceptance Form, your stockbroker will act on your behalf. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions. Persons buying Rights on ASX will need to pay the Application Monies to take them up and apply for New Shares and should follow the directions of their stockbroker.

#### **4.1.5 If you wish to apply for part of your Entitlement and allow the balance to lapse**

If you wish to apply for part of your Entitlement and allow the balance to lapse, complete the accompanying Entitlement and Acceptance Form in respect of the number of New Shares you wish to apply for in accordance with the instructions set out on the Entitlement and Acceptance Form.

The duly completed Entitlement and Acceptance Form must be accompanied by a cheque or bank draft for the appropriate Application Monies to ensure it is received by the Company by no later than 5.00pm (WST), 30 October 2009.

#### **4.1.6 If you wish to transfer all or part of your Entitlement to another person other than on ASX**

If you are an Eligible Shareholder, hold Shares registered on the issuer sponsored sub-register and wish to transfer all or part of your Entitlement to another person other than on ASX, send a duly completed standard renunciation form (obtainable from your stockbroker or the Share

Registry) signed by both you (as seller) and the buyer, together with your Entitlement and Acceptance Form duly completed by the transferee and the transferee's cheque or bank draft for the Application Monies to ensure it is received by the Company by no later than 5.00pm (WST), 30 October 2009.

If you are an Eligible Shareholder, hold Shares as a sponsored CHESS holding and wish to transfer all or part of your Entitlement to another person other than on ASX, contact your sponsoring participant.

Persons accepting a transfer of Rights will need to pay the Application Monies to take them up and apply for New Shares.

#### **4.1.7 Entitlements not subscribed for**

If you are an Eligible Shareholder and do not wish to apply for all or part of your Entitlement, you are not obliged to do anything. You should, however, consider renouncing (selling) your Entitlement rather than allowing it to lapse.

Any part of your Entitlement to New Shares not accepted by you will form part of the Shortfall which will be taken up by the Underwriter. You will receive no value in respect of your Entitlement from the Shortfall. It is therefore important that, if you wish to receive value in respect of your Entitlement, you take action either to accept or sell your Entitlement in accordance with the instructions above and on the back of the accompanying Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement or choose not to renounce (sell) any of your Entitlement. However, your percentage Shareholding in the Company will decrease corresponding to the extent that New Shares are issued under the Offer.

#### **4.2 Payment**

The Application Price for New Shares is payable in full on application by a payment of A\$0.04 cents per New Share. No subscription money is payable for New Options. The accompanying Entitlement and Acceptance Form must be accompanied by a cheque or bank draft for the Application Monies. Cheques or bank drafts must be drawn in Australian currency on an Australian bank and made payable to "**Apex Minerals NL**" and crossed "Not Negotiable". Applicants must not forward cash. Receipts for payment will not be issued.

You should ensure that sufficient funds are held in relevant accounts to cover the cheque. If the amount of your cheque for Application Money is not sufficient to pay for the number of New Shares you have applied for, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for or your Application may be rejected.

#### **4.3 Enquiries**

If you have any questions about your Entitlement please contact the Company's Share Registry, Advanced Share Registry Limited, the address and contact details for which are given in the Corporate Directory section located at the end of this Prospectus. Alternatively, contact your stockbroker or other professional adviser.

#### **4.4 Brokerage**

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement to New Shares.

## 5. RISKS

Activities of the Company and its controlled entities, as in any business, are subject to a number of risks and other factors, which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls but some are outside the control of the Company and cannot be mitigated.

Shareholders should consider the following summary risk factors which the Directors believe represent some of the general and specific risks that Shareholders should be aware of when evaluating the Company and deciding whether to increase their shareholding in the Company. The following risk factors are not intended to be an exhaustive list of all the risk factors to which the Company is exposed however Shareholders should carefully consider these factors in addition to the other information presented in the Prospectus.

### 5.1 Mineral Industry

#### *Joint Venture parties, contractors and agents*

The Directors of the Company are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

#### *Operational Risks*

The current and future operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including geological and geotechnical conditions, environmental hazards, technical and equipment failures, flooding and extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of consumables or parts and equipment, fire, explosions and other incidents beyond the control of the Company.

While the Company currently intends to maintain insurance within ranges of coverage consistent with exploration and mining industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

#### *Title risk*

Under mining and exploration tenements and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. Tenement holders are required to meet prescribed expenditure conditions. Failure to meet these expenditure commitments will render tenements liable to be forfeited unless a total or partial exemption is granted in accordance with relevant legislation.

Further, there is no guarantee that current or future applications, extensions or renewals of the tenements in which the Company has an interest will be granted.

Even if the Company is entitled to seek an exemption from the requirements to meet expenditure requirements, it may nevertheless be the subject of an attempt by a third party to claim a failure to satisfy expenditure conditions which may need to be resolved through litigation.

### *Commodity price volatility risk*

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for base and other metals, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

### *Native title and access risks*

Exploration and mining activities can be affected by land claim compensation and environmental considerations. The Company is subject to the *Native Title Act 1993 (Cth)* which recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

It is possible that aboriginal sacred sites found within mining tenements held by the Company may preclude exploration and mining activities and the Company may also experience delays with respect to obtaining permission from the traditional owners to explore and extract resources.

The Company must also comply with Aboriginal heritage legislation requirements and access agreements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

### *Environmental risks*

Inherent in mining and exploration operations is a real environmental risk. The legal framework governing this area is constantly developing in all jurisdictions. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, and more stringent environmental assessments of proposed projects. Environmental regulations could impact upon the viability of the Company's projects.

Mineral exploration and production can be environmentally sensitive activities which can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, if there are environmental rehabilitation conditions attached to the mining tenements of the Company, failure to meet such conditions could lead to forfeiture of these tenements. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible.

The Company minimises environmental risk by maintaining best practice environmental management in all respects of exploration and production.

## **5.2 Company Specific Risks**

### *Exploration, development, mining and processing risks*

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as the discovery and/or acquisition of mineral resources, the degree of conversion to economically recoverable ore reserves, changes to mineral resource and ore

reserve estimates as a result of the identification of new resources and reserves, the reclassification of resources and reserves, the depletion of resources and reserves by mining, increases and decreases to ore reserves as a result of changing costs and revenues, successful conclusions to feasibility studies, access to adequate capital for project development, design and construction of efficient mining and processing facilities within capital expenditure budgets, metallurgical recoveries, performance of BIOX® bacteria, securing and maintaining title to tenements, obtaining consents and approvals necessary for the conduct of exploration and mining, and access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

#### *Reliance on key personnel*

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel could have an adverse effect on the Company. There are currently no service agreements between the Company and any Director, which requires the Director to remain as a Director of the Company for any period of time.

#### *Future funding*

The Company's growth through expansion of its current business will require substantial expenditures. There can be no guarantees that the funds raised through this Prospectus will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer and existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse affect on the Company's activities

### **5.3 General Risks**

#### *Share Market*

Share market conditions may affect the price at which the Company's securities trade regardless of operating performance. Share market conditions are affected by many factors, such as:

- (a) general economic outlook;
- (b) movements in, or outlook in, interest rates and inflation rates;
- (c) currency fluctuations;
- (d) commodity prices;
- (e) changes in investor sentiment towards particular market sectors; and

(f) the demand for, and supply of, capital.

Investors should recognise that the price of the Company's securities may fall as well as rise. Many factors will affect the price of the Company's securities including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally. In addition, the commencement of, or escalation in, any war, armed conflict, hostilities between nations, civil unrest or terrorist activities may affect the price of the Company's securities.

*Economic factors*

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and securities prices can be affected by these factors, which are beyond the control of the Company and its Directors.

*Change in policies and legislation*

Any material adverse changes in relevant government policies or legislation of Western Australia or the Commonwealth may affect the viability and profitability of the Company.



## **6. ADDITIONAL INFORMATION**

### **6.1 Nature of the Prospectus**

This Prospectus is a prospectus to which special content rules under section 713 of the *Corporations Act* apply. Section 713 allows the issue of a more concise prospectus in relation to offers of securities in a class that has been continuously quoted by ASX for the 3 months prior to the date of the prospectus. Apart from certain formal matters, a continuous disclosure prospectus need only contain information relating to the terms and conditions of the offer, the effect of the offer on the body and the rights and liabilities attaching to the securities offered and the underlying securities. Other general information is not required to be included by a disclosing entity as the periodic reporting and continuous disclosure requirements applicable to disclosing entities mean that all of this information should have previously been released to the market via ASX.

This Prospectus relates to the issue of the New Shares and New Options referred to in this Prospectus, including those issued pursuant to the Rights Issue Offer, the Shortfall Offer, the issue of the Underwriter Options, the issue of New Options to be issued in accordance with the Noteholders Restructuring Agreement and the Subscription Agreement and to any sub underwriter.

### **6.2 ASX listing**

Application will be made within 7 days of the date of this Prospectus for the New Shares and New Options to be quoted by ASX.

If such an application is not made within these 7 days, or quotation of the New Shares and New Options is not granted by ASX within 3 months of the date of this Prospectus, then all Application Monies received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

The Company participates in CHESS and will despatch holding statements in lieu of Share and Option certificates that set out the number of New Shares and New Options issued to each successful Applicant under this Prospectus.

It is the responsibility of Applicants to determine their allocation before trading in the New Shares and New Options. Applicants who sell New Shares or New Options before they receive their statement do so at their own risk.

### **6.3 Rights attaching to New Shares**

The Company is incorporated in Australia and is subject to the Australian *Corporations Act*. As a company listed on ASX, the Company is also regulated by the Listing Rules.

The rights attaching to ownership of Shares (including the New Shares) are described in the Constitution and regulated by the *Corporations Act* and the Listing Rules and the general law.

The New Shares to be issued pursuant to this Prospectus will rank *pari passu* with all other Shares presently on issue. The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights attaching to all shares:

#### **(a) (Meetings and Notices)**

Each Shareholder is entitled to receive notices of meetings. The failure of a Shareholder to receive a notice of meeting does not invalidate the proceedings, or any resolution passed at, any such meeting. No business may be transacted at any meeting of Shareholders unless a quorum of Shareholders is present. Shareholders

may attend a general meeting at which the Shareholder is entitled to be present in person, by proxy, by attorney or, in the case of a Shareholder which is a body corporate, by a corporate representative.

**(b) (Voting Rights)**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company every Shareholder present in person or by a representative or attorney has one vote on a show of hands and every such Shareholder present in person or by a representative, proxy or attorney has one vote per fully paid Share on a poll.

Where there are two or more joint holders of the Shares and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of Shareholders.

**(c) (Dividend Rights)**

The Directors may, on behalf of the Company, issue, grant options over, or otherwise dispose of unissued Shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules, the *Corporations Act* and any rights for the time being attached to the Shares in special classes of shares. The Company may issue any Shares as preference shares.

**(d) (Transfer of Shares)**

Subject to the Constitution, the *Corporations Act* and the Listing Rules, shares in the Company are freely transferable.

**(e) (Future Issues)**

Subject to the Constitution, the applicable law and the Listing Rules, the Directors may allot, issue or grant options over, or otherwise deal with the unissued shares in the Company at the times and on the terms and conditions that the Directors think proper and a share may be issued with preferential, deferred, qualified or special rights, privileges or conditions or restrictions including, but not limited to, restrictions in regard to dividends, voting or return of capital as the Directors from time to time determine.

**(f) (Alteration of Constitution)**

The Constitution can only be amended by a special resolution (that is, a resolution that has been passed by at least three-quarters of the votes cast by shareholders entitled to vote on the resolution). While the Company is listed, at least 21 days written notice of the special resolution must be given.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company, at Level 1, 10 Ord Street, West Perth, Western Australia during normal business hours.

## **6.4 Rights attaching to New Options**

The New Options will entitle the holders to subscribe for fully paid ordinary shares in the Company on the following terms:

- (a) Each New Option entitles the holder (**Optionholder**) to subscribe for one fully paid ordinary share in the Company.
- (b) The exercise price of each new Option is \$0.06 (**Exercise Price**).
- (c) The New Options may be exercised at any time until the date three years from the date of issue. Each New Option may be exercised by forwarding to the Company, at its registered office, the exercise notice, duly completed, together with payment of the Exercise Price
- (d) The New Options will lapse on the date three years from the date of issue (**Expiry Date**).
- (e) The New Options are transferable, subject to any restrictions that may be imposed by ASX. An application will be made to ASX for official quotation of the New Options.
- (f) Shares will be allotted and issued pursuant to the exercise of New Options not more than 10 business days after receipt of a properly executed notice of exercise and payment of the requisite application moneys.
- (g) Shares issued upon exercise of the New Options will rank pari passu in all respects with the Company's Shares. The Company will apply for official quotation by ASX of all Shares issued upon the exercise of New Options within 3 business days after the date of allotment of those Shares.
- (h) There are no participating rights or entitlements inherent in the New Options and Optionholders will not be entitled to participate in new issues of capital offered or made to the Shareholders during the currency of the New Options. However, the Company will send a notice to each Optionholder at least 10 business days before the record date for any proposed issue of capital. This will give the Optionholders the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.
- (i) In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of the reorganisation.
- (j) The Company will, at least 20 business days before the Expiry Date, send notices to the Optionholders stating the name of the Optionholder, the number of New Options held, the number of Shares to be issued on exercise of the New Options, the exercise price, the due date for payment of the exercise price, and the consequences of non-payment

## **6.5 Indemnification of Directors**

To the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company and indemnifies every person who is or has been an officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by the person as an officer of the Company.

## **6.6 Taxation**

The Directors consider that it is not appropriate to give advice regarding the taxation consequences associated with the acquisition, or the subsequent disposal of any New Shares or New Options subscribed for under this Prospectus. The Directors recommends that all Eligible Shareholders consult their own professional tax advisers.

## 6.7 Material Contracts

### 6.7.1 Underwriting Agreement

Apex entered into an underwriting agreement on 25 September, 2009 with Patersons Securities Limited whereby Patersons, as the Underwriter, agreed to take up any New Shares, together with the attaching New Options, not taken up by the Eligible Shareholders.

The total number of underwritten New Shares is 2,714,578,367 being the total number of New Shares that could be issued under the Offer based on the total number of Shares on issue as at the date of execution of the Underwriting Agreement. The maximum Application Monies which could be required to be paid under the Underwriting Agreement is \$108,583,134. Accordingly, the number of underwritten New Shares does not include any New Shares that may be available to Optionholders who have exercised, or will exercise, their Options between the date of the Underwriting Agreement and the Record Date nor does it include any additional New Shares which may be required to be Offered because of rounding adjustments.

The Company has agreed to pay the Underwriter an underwriting fee of 5% of the underwritten amount being a fee of \$5,429,156. The Company has also agreed to pay the Underwriter a Corporate Advisory Fee of \$250,000 and grant 322,186,755 New Options (**Underwriter Options**) to the Underwriter or at its direction to be utilised in payment of sub-underwriting costs. The offer and issue of these Underwriter Options is being made in accordance with, and pursuant to, this Prospectus.

The Company must also pay and indemnify the Underwriter for all costs incurred by the Underwriter in connection with the Offer, including all legal fees, disbursements and travel and marketing costs.

The Company has given warranties, representations and indemnities to the Underwriter which are usual in an agreement of this nature.

The underwriting agreement provides that the Underwriter may terminate its obligations under the Underwriting Agreement at any time without cost or liability to the Underwriter upon the occurrence of any one or more termination events including:

- (a) (Indices fall): the All Ordinaries Index (XAO.ASX) as published by ASX is for 5 consecutive Business Days after the date of the agreement at or below 4,120 which is 12.5% below its respective level as at the close of business on the business day prior to the date of the agreement;
- (b) (Gold Price) the AUD price of gold as at 5pm Western Australia time is for 5 consecutive Business Days after the date of the agreement at or below A\$1,010.67 which is 12.5% below its price at 5pm Western Australia time on the Business Day prior to the date of the agreement being A\$1,155.05 per ounce in each case as quoted on Bloomberg ticker "goldau";
- (c) (Banking Facilities) the Company's bankers or lenders issue any demand or penalty notice that is not revoked or remedied within 48 hours by the Company in accordance with its terms or require material additional security for any existing facility,
- (d) (Note holders) the agreement made on or about 21 September 2009 between the Company and the Senior Secured Note holders is amended or terminated for any reason;
- (e) (Approvals) the Company fails to secure all necessary approvals to undertake the Rights Issue and restructure as contemplated in the Note Restructure Agreement.

- (f) (Prospectus): the Company does not lodge the Prospectus on 30 September 2009 or the Prospectus or the Offer is withdrawn by the Company;
- (g) (Copies of Prospectus): the Company fails to provide the Underwriter with not less than 15 copies of the Prospectus in accordance with the timetable provided in the agreement and such failure is not remedied within 2 days;
- (h) (No Official Quotation): Official Quotation for the all of Rights Shares and Options has not been granted by the date for notice of shortfalls under the agreement or, having been granted, is subsequently withdrawn, withheld or qualified;
- (i) (Exposure period): before midnight on the Exposure Date (being the end of the period referred to in section 727(3) of the Corporations Act) ASIC notifies the Company of any deficiency of any kind in the Prospectus as lodged or ASIC gives any notice, whether written or oral, to the Company extending (or further extending) the Exposure Date or giving notice of its intention to so extend;
- (j) (Supplementary prospectus):
  - (i) the Underwriter forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require;
  - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter;
- (k) (Non compliance with disclosure requirements): it transpires that the Prospectus does not contain all the information required by section 713 (or sections 710, 711 and 716) of the Corporations Act;
- (l) (Misleading Prospectus): it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 (or sections 710, 711 and 716) of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (m) (Failure to Comply) the Company or any Relevant Company fails to comply with any of the following:
  - (i) a provision of its Constitution;
  - (i) any statute;
  - (ii) a requirement, order or request, made by or on behalf of ASIC or any Government Agency, or
  - (iii) any material agreement entered into by it,

which is likely to prohibit or materially restrict the business of the Company or the Offer;
- (n) (Restriction on allotment): the Company is prevented from allotting the Rights Shares and / or Options within the time required by the agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by

ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;

- (o) (Withdrawal of consent to Prospectus): any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (p) (ASIC application): an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the date for notice of shortfalls under the agreement has arrived, and that application has not been dismissed or withdrawn;
- (q) (ASIC hearing): ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act;
- (r) (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (s) (Authorisation) any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (t) (Indictable offence): a director or senior manager of a Relevant Company is charged with an indictable offence;
- (u) (Sub-underwriters): any of the Sub-Underwriters that were introduced by the Company do not comply with their respective obligations under the sub-underwriting agreements or threaten to not comply with their respective obligations under the sub-underwriting agreements;
- (v) (Judgment against a Relevant Company): a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 5 days;
- (w) (Misleading information): any material information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive and such change in the position of the Offer, Issue or affairs of the Relevant Company is materially adverse in the reasonable opinion of the Underwriter;
- (x) (Suspension of debt payments): the Company suspends payment of its debts generally;
- (y) (Event of Insolvency): an Event of Insolvency occurs in respect of a Relevant Company;
- (z) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced or threatened against any Relevant Company, other than any claims foreshadowed in the Prospectus;

- (aa) (Default): the Company is in default of any material term or condition or breach by the Company under the agreement of any terms, condition, covenant or undertaking;
- (bb) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the agreement is or becomes untrue or incorrect;
- (cc) (Contravention of Constitution or Act): a contravention by a Relevant Company of any provision of its Constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (dd) (Adverse change): an event occurs which gives rise to any materially adverse change or development in the affairs of the Company including a prospective adverse change after the date of the agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (ee) (Error in Due Diligence Results): it transpires that any of the due diligence results or any part of the verification material relating to the Issue was materially false, misleading or deceptive or that there was a material omission from them or any third party expert or adviser withdraws, materially changes or qualifies any report or advice which was relied on to form the due diligence results or is part of the verification material;
- (ff) (Significant change): a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (gg) (Public statements): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus;
- (hh) (Official Quotation qualified): official quotation for the New Shares or New Options is qualified or conditional other than as set out in the definition of "Official Quotation" in the Listing Rules;
- (ii) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (jj) (Prescribed Occurrence): a prescribed occurrence occurs (which is generally as defined in the Corporations Act);
- (kk) (Board composition): there is a change in the composition of the Board of the Company before completion without the prior written consent of the Underwriter;
- (ll) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (mm) (Timetable): there is a delay in any specified date in the Timetable which is greater than 3 Business Days;

- (nn) (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (oo) (Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (pp) (Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
- (qq) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Company;
- (rr) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

#### 6.7.2 Noteholders Restructuring Agreement

Apex has entered into a Noteholders Restructuring Agreement dated 21 September 2009 with each of the holders (**Noteholders**) of its Senior Secured Notes due 2011 (**Notes**). Mr Kim Robinson, a Director and the Chairman of the Company, is the holder of 4 Notes with a face value of \$2 million. Mr Robinson has entered into the Noteholders Restructuring Agreement and will sell those Notes and enter into sub underwriting commitments on the same terms as other Noteholders.

Under the Noteholders Restructure Agreement:

- (a) The Company agrees to purchase all Notes held by each Noteholder for a purchase price consisting of:
  - (i) \$440,000 per Note which is a discount of 12% of the \$500,000 face value of each Note; and
  - (ii) the issue of 371,900 New Options per Note (being a total of 44,999,900 New Options). The issue of New Options to Mr Robinson is conditional upon Shareholder approval. (The issue of these New Options is being made in accordance with, and pursuant to, this Prospectus. No application for such New Options will be required.)
- (b) Completion of the purchase of the Notes is to take place on completion of the Rights Issue subject to the successful completion of the Rights Issue.
- (c) Each of the Noteholders agrees to sub underwrite the Rights Issue up to an amount being 56% of the cash purchase price to be received from Apex as consideration for the purchase of the Notes. Any subscription amounts owing to Apex in relation to such sub underwriting may be set off against the amount owing by Apex for the purchase of the Notes.
- (d) The sub underwriting is on the same terms as other sub underwriters of the Issue except that the representations and warranties made by Apex to the Underwriter are repeated in favour of WWD Ruby Limited, one of the Noteholders.
- (e) The security put in place for the Notes, including the registered first fixed and floating charge, is agreed to be varied such that it will remain in place after the repurchase of



the Notes and continue to apply to the Gold Upside Participation Notes due 2018 which were issued by the Company in September 2008 (**GUP Notes**).

- (f) The security for the GUP Notes will be released on the earlier of the termination of the GUP Notes or the production by the Company of not less than 200,000 troy ounces of gold bullion in any continuous period of 18 months. If the security is released while the GUP Notes remain in place, then certain restrictions on the incurring of debt and the granting of first ranking charges apply.
- (g) Consent is granted by the Noteholders to Apex to enter into of short term financing arrangements which do not exceed \$3 million provided that these are repaid out of the bridging finance described below or the proceeds of the Rights Issue.
- (h) Consent is granted by the Noteholders to enter into bridging finance arrangements whereby Baker Steel Capital Managers LLP (**Baker Steel**) may subscribe for Notes in an amount of \$10 million. These Notes are then to be repurchased by Apex as is more particularly described below.
- (i) Consent is granted to the sale of the Aphrodite Assets by the Company.
- (j) Usual representations and warranties are made by the parties to the agreement.

#### 6.7.3 Subscription Agreement

Baker Steel Capital Managers LLP and the Company entered into a Subscription Agreement dated 25 September 2009 whereby:

- (a) Baker Steel agreed to subscribe for 20 Notes for a total subscription price of \$10 million once all relevant approvals from the existing Noteholders had been acquired and this Prospectus had been lodged in accordance with the Corporations Act.
- (b) In consideration for the subscription for the Notes, Baker Steel was also to be issued 40 million options to be issued on the same terms as the New Options. (The issue of these New Options is being made in accordance with, and pursuant to, this Prospectus. No application for such New Options shall be required.)
- (c) The Company agreed that on completion of the Rights Issue it would repurchase the Notes for their face value of \$10 million. If any amount was owing by Baker Steel in relation to a sub underwriting agreement entered into in relation to the Rights Issue this could be off set against any amount owing by the Company in relation to the repurchase of the Notes.

#### 6.7.4 Sub Underwriting

The Company understands that Mr Kim Robinson, the Chairman of the Company, has entered into sub underwriting arrangements with the Underwriter on the terms required by the Noteholders' Restructuring Agreement and also an additional priority sub underwriting arrangement on the same terms as other priority sub underwriters for an additional amount of \$450,000. In accordance with these additional sub underwriting arrangements, Mr Robinson will receive sub underwriters fees of \$18,000. These fees will be offset against monies that would otherwise be payable by the Company to Mr Robinson as consideration for the repurchase of the Senior Secured Notes held by Mr Robinson and which are the subject of repurchase by the Company pursuant to the Noteholders' Restructuring Agreement.

## 6.8 Privacy

Applicants for New Shares will provide personal information to the Company and the Share Registry. Company laws and tax laws require some of the information to be collected and kept. The Company will collect, hold and use the information provided by Applicants to process applications and to administer investments in the Company.

If the information requested in the Entitlement and Acceptance Form is not provided, the Company and the Share Registry may not be able to process the relevant Application.

The Company may disclose personal information for purposes related to Shareholders' investments to the Company's agents and service providers. The types of agents and service providers that may be provided with personal information and the circumstances in which personal information may be shared are:

- (a) the Share Registry for ongoing administration of the Shareholder register,
- (b) printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- (c) the Underwriter to confirm applications; and
- (d) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising, on the Shares and for associated actions.

The Company complies with its legal obligations under the *Privacy Act 1988 (Cth)*.

Shareholders may request access to their personal information held by (or on behalf of) the Company, and may be required to pay a reasonable charge to the Share Registry in order to access this personal information. Request for access to personal information should be made by writing to or telephoning the Share Registry as follows:

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands WA 6009  
Telephone: +61 8 9389 8033  
Facsimile: +61 8 9389 7871

## 6.9 Consents and Interests of Parties

Each of the parties referred to in this section does not make, or purport to make, any statement in this Prospectus other than as specified in this section and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name or a statement included in this Prospectus with the consent of that party as specified in this section.

Patersons Securities Limited has given, and at the time of lodgement of this Prospectus, has not withdrawn its consent to be named as Lead Manager and Underwriter to the offer of securities under this Prospectus, in the form and context in which it is named.

Patersons Securities Limited was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. Patersons Securities Limited makes no express or implied representation or warranty in relation to Apex Minerals NL, this Prospectus or the offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Patersons Securities Limited. To the maximum extent permitted by law, Patersons Securities Limited expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

Advanced Share Registry Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Advanced Share Registry Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Advanced Share Registry Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for any part of this Prospectus.

The Underwriter has agreed to act as Underwriter to the Issue and will receive fees in connection with the Entitlements Issue as described in Section 6.7.1.

Napier Legal are entitled to be paid approximately A\$60,000 (excluding GST) for advice and assistance in relation to the due diligence and other services related to the Prospectus. Napier Legal has been paid approximately A\$595,500 (excluding GST) in other fees for services to the Company in the previous 2 years.

No expert, nor any firm in which such expert is partner, has or had in the past 2 years any interest in the promotion or formation of the Company nor have any amounts been paid or agreed to be paid (whether in cash, shares or otherwise) to an expert or to a firm in which an expert is a partner for services rendered by the expert in connection with the promotion of the Company other than set out below:

#### **6.10 Continuous Disclosure and Documents Available for Inspection**

The Prospectus is issued pursuant to section 713 of the *Corporations Act*. Section 713 of the *Corporations Act* enables companies to issue transaction specific prospectuses where those companies are and have been for a period of 3 months disclosing entities. The Company is a "disclosing entity" for the purposes of section 713 of the *Corporations Act*. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it prior to the Closing Date:

- (a) the 30 June 2009 annual financial report lodged with ASIC on 30 September 2009 by the Company; and
- (b) any continuous disclosure notices given by the Company after the lodgement of the Annual Report referred to in paragraph (a) above and before the lodgement of this Prospectus with the ASIC.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an office of the ASIC.

#### **6.11 Stock Exchange Releases**

There have been no ASX releases of the Company since the release of the 2009 annual financial report.

#### **6.12 Interests of Directors**

Other than as set out below or elsewhere in this Prospectus, no Director has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in;

- (a) the formation or promotion of the Company;
  - (b) any property acquired or proposed to be acquired by the Company in connection with its promotion or formation or in connection with the offer of New Shares; or
  - (c) the offer of New Shares or New Options, other than as ordinary Shareholders,
- and no amounts or benefits have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director;
- (d) to induce him or her to become, or to qualify him as a Director; or
  - (e) for services rendered by him or her in connection with the promotion or formation of the Company or the offer of new Shares.

The remuneration paid to Directors or their related entities (including any share based payment remuneration) during the past 2 financial years preceding the lodgement of this Prospectus with ASIC is set out below:

<b>Director</b>	<b>2008 TOTAL A\$</b>	<b>2009 TOTAL A\$</b>
Mark Ashley	868,077	525,444
Mark Bennett	890,245	706,748
Glenn Jardine	957,601	879,796
Kim Robinson	277,312	167,286
Steve Lowe	208,654	164,497
Todd Bennett	-	74,349

Details of the remuneration paid to Directors or their related entity in the years to 30 June 2008 and 30 June 2009 are set out in the relevant section of the Annual Report in respect of that year which has been lodged by the Company with ASX and ASIC. The Company will provide a copy of this document free of charge to any person on request before the Closing Date.

The Directors are entitled to reasonable travelling, hotel and other expenses incurred by them respectively on or about their performance of their duties as Directors. Subject to the *Corporations Act* and Listing Rules, if a Director is called upon to perform extra duties or make special exertions on behalf of the Company, the Directors may remunerate that Director which may be in addition to or in substitution for their usual Director's fee.

Directors' Share and Option holdings at the date of this Prospectus are:

<b>Director</b>	<b>Ordinary Shares</b>		<b>Options</b>
	<b>Direct</b>	<b>Indirect</b>	
M. Ashley	2,884,000	14,291,000	2,500,000
M. Bennett	-	1,477,414	2,850,000
K. Robinson	5,250,000	800,000	1,300,000
S. Lowe	-	233,696	800,000
T. Bennett	402,334	-	750,000

### 6.13 Estimated Expenses of Issue

The expenses of the Issue (exclusive of GST) are estimated to be approximately A\$7.1 million made up as follows:

<b>Expenses</b>	<b>A\$</b>
Underwriter's fees and costs	5.7m
Legal	0.1m
Printing, postage, share registry	0.1m
ASX listing fees	0.1m
Corporate consulting	1.1m
<b>Total estimated expenses</b>	<b>\$7.1m</b>

### 7. DIRECTORS' AUTHORISATION

This Prospectus is issued by Apex Minerals NL. Its issue was authorised by a resolution of the Directors and is signed by Mr Kim Robinson on behalf of all Directors. Each Director of the Company has given, and has not withdrawn, his consent to the lodgement of this Prospectus with ASIC.



**Mr Kim Robinson**  
Chairman

30 September 2009

## 8. DEFINITIONS

In this Prospectus the following terms and abbreviations have the following meanings, unless otherwise stated or unless the context otherwise requires:

**A\$** means Australian dollars.

**Annual Report** means the 30 June 2009 Annual Report of the Company as lodged with ASIC and ASX.

**Applicant** means a person who submits an Entitlement and Acceptance Form and/or a Shortfall Application Form.

**Application Money** means money received from Applicants in respect of their applications made pursuant to an Entitlement and Acceptance Form.

**Application Price** means A\$0.04 cents per New Share and \$nil per New Option.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691).

**Board** means the Directors of the Company from time to time.

**Business Day** has the same meaning ascribed to it in the Listing Rules.

**Constitution** means the constitution of the Company.

**CHESS** means the Clearing House Electronic Subregister System.

**Closing Date** means 5.00 pm WST on 30 November 2009 (subject to the right of the Directors to extend this date without notice).

**Company** or **Apex** means Apex Minerals NL (ABN 22 098 612 974).

**Corporations Act** means the *Corporations Act* 2001 (Cth).

**Directors** means the directors of the Company in office at the date of this Prospectus.

**Eligible Shareholders** means those Shareholders who have a registered address in Australia or New Zealand and who are registered as holders of Shares as at the Record Date.

**Entitlement** means the right to apply for 9 New Shares for every 2 Shares held by an Eligible Shareholder as at the Record Date together with the right to 1 free New Option for every 10 New Shares subscribed for.

**Entitlement and Acceptance Form** means the Entitlement and Acceptance Form accompanying this Prospectus that sets out the Entitlements of Shareholders to subscribe for New Shares and New Options pursuant to this Offer.

**Force Majeure** means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

**Ineligible Shareholder** means a Shareholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand.

**Issue** means the issue of New Shares and attaching New Options pursuant to this Prospectus.

**Listing Rules** means the Listing Rules of ASX.

**New Option** means an Option granted pursuant to this Prospectus exercisable at A\$0.06 cents and issued on the terms and conditions set out in this Prospectus.

**New Shares** means Shares to be issued under this Prospectus.

**Offer** means the Rights Issue Offer and the Shortfall Offer or either of them as the context may require.

**Option** means an option to subscribe for one (1) Share in the Company.

**Optionholder** means the holder of an Option.

**Prospectus** means this Prospectus.

**Record Date** means 12 October 2009.

**Rights** means the right to subscribe for 9 New Shares for every 2 Shares held together with 1 attaching free New Option for every 10 New Shares subscribed to.

**Rights Issue Offer** means the renounceable pro rata offer to Eligible Shareholders on the basis of 9 New Shares for every 2 Shares held on the Record Date at an Application Price of A\$0.04 cents together with 1 attaching New Option for every 10 New Shares subscribed for.

**Share Registry** means Advanced Share Registry Limited.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Shortfall Application Form** means the Shortfall Application Form attached to this Prospectus.

**Shortfall Offer** means the offer of Shortfall Securities made pursuant to this Prospectus.

**Shortfall Securities** means New Shares and New Options for which successful valid Applications have not been received by the Closing Date.

**Underwriter** means Patersons Securities Limited (ABN 008 896 311).

**Underwriting Agreement** means the agreement dated 25 September 2009 between the Company and the Underwriter.

## **9. CORPORATE DIRECTORY**

### **DIRECTORS**

Kim Robinson – Chairman  
Mark John Ashley – CEO & Managing Director  
Mark Anthony Bennett – Geology Director  
Stephen John Lowe – Non-Executive Director  
Todd Bennett – Non-Executive Director

### **COMPANY SECRETARY**

Anna Neuling

### **OFFICES**

#### **Registered Office**

Level 1  
10 Ord Street  
West Perth WA 6005

#### **Postal Address**

PO Box 682  
West Perth WA 6872  
Telephone: +61 8 6311 5555  
Facsimile: +61 8 6311 5556

### **WEBSITE**

[www.apexminerals.com.au](http://www.apexminerals.com.au)

**ACN :** 098 612 974

**ASX Code:** AXM

### **LEAD MANAGER & UNDERWRITER**

Patersons Securities Limited  
Level 23  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

### **SOLICITORS**

Napier Legal  
21/589 Stirling Highway  
Cottesloe WA 6011

### **AUDITORS**

KPMG  
235 St George's Terrace  
Perth WA 6000

### **SHARE REGISTRY**

Advanced Share Registry Limited  
110 Stirling Highway  
Nedlands WA 6009  
Telephone: +61 8 9389 8033  
Facsimile: +61 8 9389 7871



# APEX MINERALS NL

ABN 22 098 612 974

## SHORTFALL APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT,  
PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISOR

REGISTERED OFFICE: Level 1, 10 Ord Street, West Perth, WA 6005

SHARE REGISTRY: Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, WA 6009

THIS FORM IS ONLY TO BE USED BY APPLICANTS WHO WISH TO APPLY FOR NEW SHARES AND NEW OPTIONS UNDER THE SHORTFALL FACILITY AND FOR THE USE OF THE UNDERWRITER AND SUB-UNDERWRITERS AND FOR PERSONS ENTITLED TO APPLY FOR NEW SHARES OR NEW OPTIONS UNDER THIS PROSPECTUS.

This Shortfall Application accompanies the Prospectus relating to the renounceable rights issue of Apex Minerals NL. An application to participate in any Shortfall may be made by any Eligible Shareholder or a person who is entitled to participate under the laws of all relevant jurisdictions that apply to them. Shortfall means those New Shares not subscribed for by way of an application pursuant to the Prospectus by 5.00pm on the Closing Date. You are also entitled to 1 New Option for every 10 New Shares issued to you. Further details of the Offer are contained in the Prospectus. Further details on how to complete this form are contained in the Application Instructions. An application may also be made under this form by any person entitled to pursuant to an arrangement with the Underwriter or any sub underwriter or other person entitled to under the Prospectus.

**Acceptances and payment is due by 5.00 pm Western Standard Time on 30 October 2009.**

To the Directors  
APEX MINERALS NL

Applicant:

Name	Tax File Number	Address
App 1		
App 2		
App 3		

1. I/We the above mentioned, hereby accept and apply for the number of New Shares listed below in accordance with the Prospectus accompanying this form (or such lesser number as may be allocated by the Directors) and for 1 new Option for every 10 New Shares applied for;
2. I/We acknowledge that an application to participate in any Shortfall does not guarantee an allotment of New Shares or New Options;
3. I/We enclose my/our cheque made payable to APEX MINERALS NL, for the amount shown being payment at the rate of 4.0 cents per Share;
4. I/We hereby authorise the Directors (in consultation with the Underwriter and in compliance with the Underwriting Agreement) to complete or amend this Shortfall Application Form where necessary to correct any errors or omissions;
5. I/We agree to be bound by the Constitution of the Company.

Number of New Shares applied for	Amount Enclosed at 4.0 cents per Share

### METHOD OF ACCEPTANCE

You can apply for shares and make your payment utilising the payment options detailed overleaf.

PLEASE ENTER CHEQUE DETAILS THANKYOU	Drawer	Bank	Branch	Amount

My/Our contact numbers in the case of enquiry are:

Telephone : ( ) ..... Fax : ( ) .....

Email : .....

NOTE : Cheques should be made payable to APEX MINERALS NL, crossed NOT NEGOTIABLE and forwarded to Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, Western Australia, 6000 to arrive no later that 5.00 pm Western Standard Time on 30 October 2009.

### ISSUE CLOSES 5.00 PM WST ON 30 October 2009

ANY DECISION OF THE DIRECTORS AS TO WHETHER TO ACCEPT THIS SHORTFALL APPLICATION FORM AND HOW TO CONSTRUCT, AMEND OR COMPLETE IT, SHALL BE FINAL AND BINDING ON YOU.  
PLEASE REFER OVERLEAF FOR INSTRUCTIONS

## SHORTFALL APPLICATION FORM

The Prospectus contains information about investing in Shares and Options of the Company and it is important to read this document before applying for New Shares and New Options. An application to participate in any Shortfall may be made by an Eligible Shareholder or a person who is entitled to participate under the laws of all relevant jurisdictions that apply to them.

A person who gives another person access to this Shortfall Application Form must at the same time and by the same means, give the other person access to the Prospectus and any supplementary prospectus. While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus, and a Shortfall Application Form on request to applicants without charge. The Prospectus does not constitute an offer in any place where or to any person to whom it would not be lawful to make such an offer.

Please note that if a Shortfall Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors (in consultation with the Underwriter and in compliance with the Underwriting Agreement) as to whether to accept a Shortfall Application Form and how to construe, amend or complete it, shall be final and binding on you. A Shortfall Application Form will not be treated as having offered to subscribe for more New Shares than is indicated by the amount of the accompanying Application Monies.

Application Monies will be held in trust for applicants in a subscription account until the New Shares and New Options are issued. Any surplus Application Monies will be refunded without interest.

An application made by any person entitled to pursuant to an arrangement with the Underwriter or any sub underwriter or other person entitled to under the Prospectus shall specify the number of New Options or New Shares applied for (and shall insert this into the space for "New Shares" above and specify accordingly) and, if applicable the relevant consideration. No right to be issued New Options shall be implied by any application made by such person.

## APPLICATION INSTRUCTIONS

### Applicant

Include the full names of all applicants. Only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), company or other legal entity. At least one full given name and the surname is required for each natural person. Applications cannot be made by persons under 18 years of age.

Applications on behalf of a trust or superannuation fund should be in the name of the trustee.

### Tax file number

A tax file number (TFN) should be provided by each natural person or partnership. A company may provide a TFN or an Australian Business Number. If you are exempt from providing a TFN, please enter your exemption code. Quotation of your TFN is not compulsory.

### Address

Enter the postal address for all correspondence.

### New Shares

Enter the number of New Shares for which you are applying and the amount payable at 4.0 cents per New Share. Note that you will not be considered to have applied for more New Shares than indicated by the amount of the accompanying cheques(s). You will also be taken to have applied for 1 New Option for every 10 New Shares applied for. Fractions will be rounded up to the next whole number.

### Completion

This Shortfall Application Form does not need to be signed. Return of this Shortfall Application Form with the required application money will constitute a subscription for the number of New Shares stated on the Form together with the New Options referred to above.

### Payment Date

The Directors may alter the date by which completed Application Forms and requisite Application Monies must be received by the Company.

### Defined Terms

Words or expressions defined in the Prospectus have the same meaning when used in this Application Form unless the context requires otherwise.

### Payment Details

You can apply for shares by utilising the payment options detailed below.

By making your payment by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the Rights Entitlement offer as enclosed with this form.

Your cheque, bank draft or money order must be payable to Apex Minerals NL in Australian currency and be marked "Not Negotiable". Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided on the front of this form.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Entitlement and Acceptance Application. Cash will not be accepted. A receipt for payment will not be forwarded.

**Contact Details**

Enter the name of a contact person and telephone number on the front of this form. These details will only be used in the event that the registry has a query regarding this form.

**Lodgement of Application**

Your application must be received by Advanced Share Registry Ltd by no later than 5.00pm WST on 30 October 2009. You should allow sufficient time for this to occur. Return your Entitlement and Acceptance Form with cheque, bank draft or money order attached to:

**Apex Minerals NL**

**C/- Advanced Share Registry Ltd**

PO Box 1156, Nedlands

Western Australia 6909

Or

110 Stirling Hwy

Nedlands

Western Australia 6009

Neither Advanced Share Registry Ltd nor the Company accepts any responsibility if you lodge the Shortfall Application Form at any other address or by any other means.

**If you have any enquiries concerning this form or your entitlement, please contact Advanced Share Registry Ltd on 08 9389 8033.**

**APEX MINERALS NL  
ABN 22 098 612 974**

**ENTITLEMENT AND ACCEPTANCE FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT,  
PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISOR

REGISTERED OFFICE: Level 1, 10 Ord Street, West Perth, WA 6005  
SHARE REGISTRY: Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, WA 6009

Renounceable entitlement issue of approximately 2,714 million Shares at an issue price of 4.0 cents per Share, on the basis of 9 Shares for every 2 Shares held with 1 attaching Option for every 10 New Shares subscribed for.

**Renounceable entitlement, closing 5.00 pm Western Standard Time on 30 October 2009.**

Sub-Register	:
HIN/SRN	:
Shareholding at Record Date 5.00pm WST 12 October 2009	:
Entitlement to New Shares on a 9 for 2 basis	:
Amount payable on acceptance at 4.0 cents per New Share	:

To the Directors  
APEX MINERALS NL

- I/We the above mentioned, being registered on 12 October 2009 as the holder(s) of ordinary shares in your Company hereby accept and apply for the below mentioned securities in accordance with the enclosed Prospectus;
- I/We enclose my/our cheque made payable to APEX MINERALS NL, for the amount shown being payment at the rate of 4.0 cents per Share;
- I/We hereby authorise the Directors to complete or amend this Entitlement and Acceptance Form where necessary to correct any errors or omissions. Any decision of the Directors as to whether to accept or this Entitlement and acceptance Form and how to construe, amend or complete it, shall be final and binding;
- I/We hereby authorise you to place my/our name(s) on the registers of shareholders and option holders in respect of the number of Shares allotted to me/us and;
- I/We agree to be bound by the Constitution of the Company.

RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE SHARES  
BEING OFFERED

Shares Accepted	Amount Enclosed at 4.0 cents per Share

**METHOD OF ACCEPTANCE**

You can apply for shares and make your payment utilising the payment options detailed overleaf.

PLEASE ENTER CHEQUE DETAILS THANKYOU	Drawer	Bank	Branch	Amount

My/Our contact numbers in the case of enquiry are:

Telephone : ( ) ..... Fax : ( ) .....

Email : .....

NOTE : Cheques should be made payable to APEX MINERALS NL, crossed NOT NEGOTIABLE and forwarded to Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, Western Australia, 6000 to arrive no later that 5.00 pm Western Standard Time on 30 October 2009.

Complete this panel and sign below only if a change of address is to be registered with the Company	
New Address :	.....
Signature(s) :	..... Date : .....
Please indicate correct title: Director / Secretary .....	

**ISSUE CLOSES 5.00 PM WST ON 30 October 2009**

THE DIRECTORS RESERVE THE RIGHT TO MAKE AMENDMENTS TO THIS FORM WHERE APPROPRIATE  
PLEASE REFER OVERLEAF FOR INSTRUCTIONS

## EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Shares which you are entitled to accept.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. You may not apply for Shares in excess of your maximum entitlement.
4. The price payable on acceptance of each Share is 4.0 cents.
5. You may accept your entitlement in full by completing the Entitlement and Acceptance Form overleaf.
6. You may apply for Additional Shares at 4.0 cents per Share. Additional Shares will be issued at the discretion of the Directors (in consultation with the Underwriter and in compliance with the Underwriting Agreement). Refer to section 1.5 of the Prospectus.
7. You will also be taken to have applied 1 New Option for every 10 New Shares applied for. Fractions will be rounded up to the next whole number. Further details of the Offer are contained in the Prospectus.

## APPLICATION INSTRUCTIONS

### Payment Details

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Your cheque, bank draft or money order must be payable to Apex Minerals NL in Australian currency and be marked "Not Negotiable". Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided on the front of this form.

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### Lodgement of Application

Your application must be received by Advanced Share Registry Ltd by no later than 5.00pm WST on 30 October 2009. You should allow sufficient time for this to occur. Return your Entitlement and Acceptance Form with cheque, bank draft or money order attached to:

**Apex Minerals NL**  
**C/- Advanced Share Registry Ltd**  
PO Box 1156, Nedlands  
Western Australia 6909

Or

110 Stirling Hwy  
Nedlands  
Western Australia 6009

Neither Advanced Share Registry Ltd nor the Company accepts any responsibility if you lodge the Entitlement and Acceptance Form at any other address or by any other means.

### Privacy Statement

Personal information is collected on this form by Advanced Share Registry Ltd, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Advanced Share Registry Ltd, or you would like to correct information that is inaccurate, incorrect or out of date, please contact Advanced Share Registry Ltd. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting Advanced Share Registry Ltd. You can contact Advanced Share Registry Ltd using the details provided on the front of this form.

**If you have any enquiries concerning this form or your entitlement, please contact Advanced Share Registry Ltd on 08 9389 8033.**

**CHES holders must contact their Controlling Participant to notify a change of address**