APEX MINERALS NL

ABN 22 098 612 974

Annual Report
For the Year Ended 30 June 2012

Contents

Corporate Directory

DIRECTORS	Eduard Eshuys *Executive Chairman (appointed on 19 April 2012)* Ross Hutton *Non Executive Director (appointed on 19 April 2012)* Brice Mutton *Non Executive Director (appointed on 19 April 2012)* Kim Robinson *Non Executive Director (appointed on 19 April 2012)* Matthew Sheldrick *Non Executive Director* Mark Ashley *(resigned on 19 April 2012)* Robin Lee *(resigned on 19 April 2012)*
COMPANY SECRETARY	Michael Ilett *(appointed on 19 April 2012)* Michael Andruszkiw *(resigned on 30 April 2012)*
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AUDITORS	Crowe Horwath Perth Level 6, 256 St Georges Terrace, Perth WA 6000 Telephone: +61 8 9481 1448 Facsimile:+ 61 8 9481 0152
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Directors' Report

The Directors of Apex Minerals NL ("Apex" or the "Company") and its subsidiaries (the "Group") submit herewith the Annual Report for the financial year ended 30 June 2012. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report as follows:-

Information about the Directors

The names and particulars of the Company's Directors in office during or since the end of the financial year are as follows:

Names, qualifications, experience and special responsibilities

Mr Eduard Eshuys – Executive Chairman

BSc (University of Tasmania) FAusIMM, FAICD

Mr Eshuys, aged 67 is a geologist with several decades of exploration experience in Australia. His successes as Joseph Gutnick's exploration director are well known. In the late 1980s and early 1990s he led the teams that discovered the Plutonic, Bronzewing and Jundee gold deposits, and the Cawse nickel prospect. He has also had involvement in the Maggie Hays and Mariners nickel discoveries in the 1970's. More recently he was the Managing Director and CEO of St Barbara Limited from July 2004 to March 2009. During this time St Barbara Limited grew substantially as a gold producer. Mr Eshuys is also Executive Chairman of Drummond Gold Limited.

Mr Eshuys has been the Executive Chairman of Apex Minerals NL since 19 April 2012 with the responsibility for the corporate governance, mining, exploration activities, administration, board conduct and leadership. As Chairman he will ensure that the Company maintains a well-balanced, suitably qualified, focused and motivated management team working for the benefit of all shareholders.

Mr Ross C Hutton – Non Executive Director

B Eng (Min), MAusIMM

Mr Hutton, aged 64, is a Mining Engineer with over 40 years' experience in the minerals industry ranging from mining to project management in technical and executive management roles. He has worked in corporate and consultative roles managing activities from feasibility studies to operations both in Australia and internationally. He was appointed Non-Executive Director of Drummond Gold Limited on 5 April 2007. Mr Hutton has been a Director of Kagara Limited (in administration) since July 2003, Mungana Goldmines Limited since 15 January 2010 and Drummond Gold Ltd since April 2007.

Mr Hutton was appointed to the Board on 19 April 2012. Ross is the Chairman of the Audit and Corporate Governance Committee and member of the Remuneration Committee.

Mr Brice K Mutton – Non Executive Director

BSc (Appl Geology) UNSW, FAusIMM, MAIG, MSEG

Mr Mutton, aged 61, is a geologist with over 30 years' experience in the resources industry, from exploration to mining and corporate management. Brice gained 20 years experience in a range of positions with MIM Group Holdings. He was Chief Geologist at Hilton and Mount Isa Mines from 1988 to 1992. He was Executive Assistant to the CEO, MIM Holdings from 1992 to 1994, Deputy General Manager, MIM Petroleum Exploration 1995 to 1996 and General Manager Exploration Support MIM Exploration from 1996 to 1998. During this time he represented MIM and industry associations nationally and internationally. In between periods with MIM from 1979 to 1983 he worked on major mining and civil engineering projects in Australasia with Snowy Mountains Engineering Corporation and Golder Associates. He was Managing Director of Giants Reef Mining from 1998 to 2000. More recently he has consulted to the resources industry through Brice Mutton & Associates. Mr Mutton has been a Director of Cuesta Coal Limited since 27 September 2011 and Drummond Gold Limited since 5 April 2007.

Mr Mutton has been a Non-Executive Director of Apex Minerals NL since 19 April 2012. He is the Chairman of the Remuneration Committee and is a member of the Audit and Corporate Governance Committee.

Directors' Report (continued)

Kim Robinson – Non Executive Director

BSc (Geology)

Mr Robinson, aged 61, graduated from the University of Western Australia in 1973 with a degree in Geology and has over 35 years experience in the minerals exploration and mining industries, including 10 years as Executive Chairman of Forrestania Gold NL. During his time at Forrestania, Mr Robinson played a key role in the discovery and development of the Bounty Gold Mine, the development of the Mt McClure Gold Mine and discovery of the Maggie Hays and Emily Ann nickel sulphide deposits. Mr Robinson was also a Non-Executive Director of Jubilee Mines NL in the period leading up to the discovery and development of the Cosmos Nickel Mine.

Mr Robinson was a founding Director and shareholder of Kagara Limited (in administration) where he held the position of Executive Chairman for a period of 12 years until February 2011. During this time he oversaw the development of Kagara's North Queensland base metal operations, the listing of Mungana Goldmines Ltd on the ASX and the acquisition and development of the high grade Lounge Lizard nickel deposit in Western Australia.

Mr Robinson resigned as Chairman of Apex Minerals NL and remains as a Non-Executive Director effective 19 April 2012. He has also served as a Director of Carbon Energy Ltd. Mr Robinson is also a Director of Energia Minerals Ltd.

Matthew Sheldrick - Non-Executive Director

B COM, CA

Mr Sheldrick, aged 47, was appointed as a Non-Executive Director effective 6 May 2011. Mr Sheldrick holds a Bachelor of Commerce Degree from the University of Western Australia and is a qualified Chartered Accountant. Mr Sheldrick has over 20 years experience in the securities, finance and corporate advisory industries, with particular emphasis in the resources and energy sectors. He has founded a number of ASX listed companies, including Eureka Energy Ltd, Gawler Resources Ltd and Black Fire Minerals Ltd and has been involved in the growth of these companies by way of mergers and acquisitions. He is currently the Non-Executive Chairman of Vesuvius Minerals Ltd and is also a Non-Executive Director of WAG Ltd.

Mark Ashley – *Former Managing Director* *(Resigned on 19 April 2012)*

FCMA

Mr Ashley, aged 55, is a Fellow of the Chartered Institute of Management Accountants and has over 25 years experience in the resources industry. In 1992, Mr Ashley joined Forrestania Gold – which was subsequently acquired by LionOre Mining International Limited ("LionOre") in 1994 and was with the Company as a Board director and CEO of LionOre through its emergence as a growing international nickel producer up until 31 March 2006.

Mr Ashley was a Director of Metallica Minerals Limited (from 22 November 2006 and resigned 11 May 2009), an ASX listed Company. Mark was a Member of Council at the Curtin University of Technology and was also a member of the university's Finance Committee (from June 2006 and resigned 12th August 2008). Mr Ashley was the founding CEO of Kagara Limited (in administration) and was one of its Non-Executive Directors until resigning on 19 August 2011. Mr Ashley resigned from Apex on 19 April 2012.

Robin Lee Sing Leung – Non Executive Director *(Resigned on 19 April 2012)*

Dip Accounting, MBA, Dip Management

Mr Lee, aged 60, has over 25 years extensive experience in financial, mergers and acquisitions advisory, and banking and finance in Hong Kong, China and South Africa, much of which has been focussed on the Chinese mining industry.

Mr Lee is the Chairman of SSC Mandarin Financial Services Limited, a corporate finance advisory firm registered under the Hong Kong Securities and Futures Ordinance that provides financial advice to international companies with respect to mining industry acquisitions in China. In this capacity, Mr Lee has been active in several restructuring and financing projects relating to the gold and other mining industries in the People's Republic of China ("PRC") and has assisted several PRC enterprises in listing on the Hong Kong and Singapore stock exchanges. Prior to founding the SSC Mandarin Group, Robin was the General Manager of Nedcor Asia Limited ("Nedcor"), a Hong Kong restricted licensed bank whose parent company is one of the three largest commercial banks in South Africa. While at Nedcor, Mr Lee played a leading role for a prominent PRC corporation in its then largest overseas acquisition of a chrome mine in South Africa. He also served as Chief Representative of Nedcor's Chinese banking affiliate where he established a business network in China and South Africa and assisted mining companies in identifying acquisition targets and business opportunities in China and South Africa. Mr Lee resigned from Apex on 19 April 2012.

Company Secretary

Mr Michael J Ilett

BBus (Accy), GradDipAdvAcctg, GradDipCorpGov, MBA, ACIS, CPA, CA

Mr Ilett, aged 46, is a Chartered Accountant and a member of Chartered Institute of Company Secretaries in Australia. In 2003 Mr Ilett was awarded the MBA Medallion from the Queensland University of Technology and in 2004 was awarded the J S Goffage Prize from Chartered Secretaries Australia Limited. Mr Ilett has over 20 years' commercial experience and was the former Company Secretary and Chief Financial Officer for Gold Aura Limited and Union Resources Limited. He has provided a key role in the listing of exploration companies on the ASX, capital raisings, corporate governance, administration and the dual listing of an Australian public company on the Alternative Investment Market (AIM). Mr Ilett was appointed as Company Secretary of Apex Minerals from 19 April 2012 and is also the Company Secretary and Chief Financial Officer of Drummond Gold Limited.

Mr Andruszkiw was the Company secretary between 15 June 2011 and 30 April 2012.

Share options granted to directors and senior management

During and since the end of the financial year an aggregate 28,248,957 share options were granted to the following directors and other key management personnel of the Company and its controlled entities as part of their remuneration.

Directors and senior management	Number of options granted	Holding Entity	Number of ordinary shares under option
E Eshuys	15,160,000 (1)	Apex Minerals NL	15,160,000
R C Hutton	2,000,000	Apex Minerals NL	2,000,000
B K Mutton	2,000,000	Apex Minerals NL	2,000,000
K Robinson	2,088,957	Apex Minerals NL	2,088,957
M Sheldrick	2,000,000	Apex Minerals NL	2,000,000
G Viska	1,500,000	Apex Minerals NL	1,500,000
C Doust	1,500,000	Apex Minerals NL	1,500,000
M Ilett	2,000,000	Apex Minerals NL	2,000,000

(1) 6,000,000 options were granted as remuneration during the financial year ended 30 June 2012.

Principal Activities

The principal activity of the Group during the financial year was mining and production of gold and exploration of mineral resources.

Results

The consolidated loss for the Group for the year after income tax was $51.186m (2011: consolidated profit of $20.247 m).

Review of Operations

During the financial year ended 30 June 2012, Apex continued with its mining and gold production activities at the Wiluna mine site (See Table 1). Mining activities from the Bulletin decline at the Calais, Burgundy, and Henry V ore bodies were recommenced in December 2011, after significant work around the seismic monitoring system and other geotechnical work was completed.

During the year a new power station management contractor was appointed and they have overseen the installation of additional diesel generators which has established sufficient and reliable power to the entire operation and avoided the need to power share between the mine and the mill.

Higher maintenance standards on mining and mobile equipment have also occurred during the year which has increased the reliability and availability of this equipment, the benefits of which are expected to be seen in an improving production profile during the 2102/13 financial year.

In the second half of the financial year, a strategic decision was made to switch production focus away from the deeper Bulletin decline to the shallower East and West Lode ore bodies. It is intended that future production will be derived 65% from the East and West Lodes with the balance derived from the Bulletin decline. It is anticipated that, as the East and West Lode mining activities are at a shallower depth, (250 – 300 metres below surface) than operations in the Bulletin decline, and are accessed through a separate decline much closer to the Wiluna processing facility, then the overall cash operating costs should begin to improve. Furthermore, the more favourable ground conditions and higher grades in the East and West Lodes should also contribute to improving cash operating costs.

As at the date of this report, dewatering of the East Lode mine and the establishment of other mining infrastructure has been completed and mining operations have commenced.

During the second half of the year, an experienced team of planning and scheduling mining engineers have also been appointed and they have subsequently established rigorous day to day and longer term mine production schedules. Furthermore, experienced supervisors and operators have been added to the underground operations to deliver on production forecasts.

The second half of the financial year also saw the engagement of a new Manager Metallurgy and a Mill Operations Manager to establish improved gold recoveries and process plant availability. The forecast increase in mine production will result in better utilization of the capacity of the milling facility.

Table 1

	Sep-11 Qtr	Dec-11 Qtr	Mar-12 Qtr	Jun-12 Qtr
Total Production (Tonnes)	110,721	98,418	78,347	85,094
Average Grade	4.2	3.5	3.6	3.9
Contained Ounces Mined	15,017	11,263	9,167	10,705

Corporate Overview and Changes in State of Affairs

A wide range of corporate initiatives have been undertaken during the financial year in order to stabilise the Company's financial position and to strengthen the Wiluna operations. These include:

- In March 2012, the Company established a short term debt funding facility of $4 million with AMNL Financing Pty Ltd, an entity associated with Mr Andrew Forrest and The Metal Group Pty Ltd;
- In April 2012, an underwritten rights issue to raise $22.2m (before costs), was completed;
- Concurrently with the April rights issue, a new Board and Management team were appointed to the Company, led by Mr Eshuys as Executive Chairman;
- In April 2012, a strategic agreement was also reached with The Metal Group Pty Ltd, whereby it will provide Apex with strategic advice in relation to future investment, marketing, financing and corporate activities; and
- During May 2012, the company also negotiated the sale of its non core Wilsons Gold Project to Panoramic Resources Ltd for $8m in cash.

Subsequent Events

On 24 July 2012 the Company raised $2.74 million through the issue of 24,909,091 fully paid ordinary shares issued at $0.11 per share from institutional and sophisticated investors.

On 24 July 2012 the Company issued 1,000,000 fully paid ordinary shares to Azure Capital Investments Pty Ltd for capital raising assistance. Further details of this share issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 54,832,900 unlisted options exercisable at $0.30 on or before 24 July 2015 to The Metal Group Pty Ltd, for nil consideration. Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 9,160,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust (a company related to Mr Eshuys). Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 2,000,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Ross Hutton and Jean Hutton as trustees for the R&M Superannuation Fund (a entity related to Mr Hutton). Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 2,000,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund (a entity related to Mr Mutton). Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 2,000,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Mr Robinson. Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 2,000,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Mr Sheldrick. Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 35,180,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Drummond Gold Limited. Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 7,000,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to senior management of the Company. Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 25 September 2012, the Group lodged a Rights Issue Prospectus to raise up to $8.86m, which is partially conditionally underwritten to the extent of $6m. The Rights Issue Underwriting Agreement is subject to a number of conditions, which if not met, could impact the ability of the Group to raise the minimum $6m required under the Prospectus. These conditions are outlined in the Prospectus lodged with the ASX.

On 26 September 2012 the Company issued 28,000,000 fully paid ordinary shares at an issue price of 9 cents per Share to raise $2.52 million from institutional and sophisticated investors.

On 26 September 2012 the Company issued 1,245,454 shares to Azure Capital Investments Pty Ltd for nil consideration, for acting as corporate advisor to the Company, for placement of 24,909,091 shares to sophisticated and institutional investors on 23 July 2012.

The Group executed a Term Sheet with a specialist risk advisory company during September 2012 for the provision of a Hedging Gold Loan Facility of up to $10m. The provision of this Facility is however subject to a further review and analysis by the specialist risk advisory company of the Group's debt carrying capacity.

On 2 October 2012, the Company refinanced the $4m borrowings from AMNL Financing Pty Ltd which were due to be repaid on 22 September 2012. The borrowings were refinanced with AR Management Co Pty Ltd. The terms of the arrangement is that the facility amount is $4,000,000 with interest payable at 20% per annum. The loan is to be repaid within 180 Days from the date of funding. In addition, the Company will issue 5,500,000 options exercisable at 25 cents each, at anytime within 3 years from the date of issue. The issue of the options will be subject to an EGM of the Company at a future date.

Other than the above there were no significant changes in the state of affairs of the Group during the financial year, not otherwise disclosed in the attached financial report.

Future Developments

The Group will continue to mine for gold, develop, explore and assess its mineral projects and will also consider new projects that could provide growth for shareholders.

Further information on the likely developments and expected results of operations of the Group have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulations

The Group's operations are subject to significant environmental regulations under both Commonwealth and State legislation in relation to its mineral exploration activities. At the date of this report the Group is not aware of any breach of those environmental requirements. The group's projects operate under granted Environmental Authorities issued under the Environmental Protection Act 1986 and the Mining Act 1978 in Western Australia (Department of Mines and Petroleum).

Dividends

No dividends have been paid during the year and the Directors have not recommended that any dividend be paid.

Directors' Report (continued)

Directors' Interests

The relevant interest of each Director in the shares and options over such instruments issued by the Companies within the Group and other related bodies corporate, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(I) of the Corporations Act 2001, at the date of this report are as follows:

	Apex Minerals NL		
	Fully Paid Shares	**Options**	**Warrants**
E Eshuys	Nil	15,160,000[1]	Nil
B Mutton	Nil	2,000,000[2]	Nil
R Hutton	Nil	2,000,000[2]	Nil
K Robinson	1,022,187	2,088,957[3]	252,893[4]
M Sheldrick	Nil	2,000,000[2]	Nil

1 A total of 15,160,000 unlisted options has been issued to Mr Eshuys are held by his nominee Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust. The options comprise of 1,500,000 unlisted options exercisable at 30 cents each on or before 18 April 2015, 1,500,000 unlisted options exercisable at 45 cents each on or before 18 April 2015, 750,000 unlisted Options exercisable at 60 cents each on or before 18 April 2015, 2,250,000 unlisted Options exercisable at 80 cents each on or before 18 April 2015 and 9,160,000 unlisted Options exercisable at 30 cents each on or before 24 July 2015.

2 These options are exercisable at 30 cents each on or before 24 July 2015

3 Options comprise of 88,957 listed options exercisable at $6 each on or before 9 November 2012 and 2,000,000 unlisted options exercisable at 30 cents each on or before 24 July 2015.

4. Expiry date of 18 February 2014 and an exercise price of $3.50

For details of options issued to Directors and key executives, please refer to the Remuneration Report.

Meetings of Directors

The following table sets out the number of Board Meetings the Company's Directors held during the year ended 30 June 2012. There were a total of 13 Director Board Meetings held during the year:

Director	Number Eligible to Attend	Number Attended
E Eshuys[1]	6	6
R Hutton[1]	6	6
B Mutton[1]	6	6
K Robinson	13	13
M Sheldrick	13	13
M Ashley[2]	7	7
R Lee[2]	7	6

1 Mr Eshuys, Mr Hutton and Mr Mutton were appointed to the Board on 19 April 2012. There were six meetings held between this date and the end of the reporting period.

2 Mr Ashley and Mr Lee resigned on 19 April 2012. There were seven meetings held between 1 July 2011 and 19 April 2012.

Audit and Corporate Governance Committee Meetings

The following table sets out the number of Audit Committee Meetings that the Company's Directors held during the year ended 30 June 2012.

There was one Audit and Corporate Governance Committee Meeting held during the year.

Directors' Report (continued)

Director	Number Eligible to Attend	Number Attended
M Ashley[1]	1	1
K Robinson[2]	1	1
R Lee[1]	1	Nil
M Sheldrick	1	1
B Mutton[3]	Nil	Nil
R Hutton[3]	Nil	Nil

[1] Mr Ashley and Mr Lee resigned as directors on 19 April 2012.

[2] Mr Robinson resigned from the Audit and Corporate Governance Committee on 23 May 2012.

[3] Mr Hutton and Mr Mutton were appointed to the Audit and Corporate Governance Committee on 23 May 2012.

Remuneration Committee Meetings

There was a total of one Remuneration Committee Meeting held during the year.

Director	Number Eligible to Attend	Number Attended
R Hutton[1]	1	1
B Mutton[1]	1	1
M Sheldrick	1	1
K Robinson	Nil	Nil
M Ashley	Nil	Nil
R Lee	Nil	Nil

[1] Mr Hutton and Mr Mutton were appointed to the Remuneration Committee on 23 May 2012.

Remuneration Report - Audited

Details of Key Management Personnel of the Group:

- E Eshuys – Executive Chairman (appointed 19 April 2012)
- R Hutton – Non Executive Director (appointed 19 April 2012)
- B Mutton – Non Executive Director (appointed 19 April 2012)
- K Robinson – Resigned as Chairman and appointed as Non Executive Director on 19 April 2012
- M Sheldrick – Non Executive Director (appointed 6 May 2011)
- G Viska – General Manager Commercial (appointed 19 April 2012)
- C Doust – General Manager Wiluna (appointed 28 March 2012)
- M Ilett – Company Secretary (appointed 19 April 2012)
- M Andruszkiw – Company Secretary (appointed 15 June 2011 and resigned 30 April 2012)
- M Ashley – Managing Director (resigned 19 April 2012)
- R Lee Sing Leung – Non Executive Director (resigned 19 April 2012)
- R Glossop – Chief Financial Officer (resigned 8 July 2011)
- A King – Chief Operating Officer (resigned 25 August 2011)
- D Desjardins – Commercial Executive (resigned 21 July 2011)
- W Dix – Exploration Manager (resigned 30 June 2010, but continued as contractor)

Directors' Report (continued)

Directors' and Executives Emoluments

Remuneration and other key terms of employment of executives, including executive Directors, are reviewed periodically by the Board having regard to performance, relevant comparative information and, where necessary, independent expert advice. Remuneration packages which can include bonuses are set at levels that are intended to attract and retain executives capable of managing the Group's operations.

Bonuses are paid at the discretion of the Board and the Remuneration Committee and currently are not directly linked to any key performance indicators.

The terms of engagement and remuneration of Executive Directors is reviewed periodically by the Board, with recommendations being made by Non Executive Directors. Where the remuneration of a particular Executive Director is to be considered, the Director concerned does not participate in the discussion or decision-making.

The policy of the Group is to pay remuneration to the Directors and senior executives in a combination of cash and options and these amounts are in line with employment market conditions relevant in the mining industry. Minor amounts of employee fringe benefits in the form of employee meals and entertainment are provided as a part of the executives' way of conducting business.

The Group's performance, and hence that of its Directors and executives, is measured in terms of:

(i) Company share price growth;

(ii) Capital raised;

(iii) Operational performance including occupational health and safety standards; and

(iv) Exploration carried out.

Fixed Compensation

Fixed compensation consists of base compensation (which is calculated on total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually by the Board with consideration given to individual and overall Group performance. A senior executive's compensation is also reviewed on promotion.

Performance Linked Compensation

Performance linked compensation includes both short-term and long-term incentives, and is designed to reward key management personnel for meeting or exceeding financial and personal objectives. The short-term incentive ('STI') is a bonus provided in the form of cash while the long-term incentive ('LTI') is provided as options.

Short-Term Incentive Bonus

The Board may occasionally offer separate short-term incentives to key management personnel to ensure that key employees remain outcome-oriented. Incentives are set based on defined performance targets, usually on a project-based scenario. Using such targets ensures bonuses are only paid when value has been created for shareholders and when results are consistent with the strategic plans of the Group. Bonuses paid to the Executive Chairman are at the discretion of the Board. The Executive Chairman was neither entitled to nor paid a bonus during the year.

Long-Term Incentive

The Group provides long-term incentives to Directors, executives and employees in the form of share options in the Company. These incentives are designed to align the interests of shareholders, Directors, executives and employees. Issues can be made by shareholder resolution or under the Group's Employee Share Options Plan ('ESOP'). Under the ESOP, executives and other employees may be invited by the Board to subscribe for share options in the Company. Once approved by the Board, the options are issued in the name of the participants but are subject to a restriction on exercise for periods of up to three years (from date of issue) reflecting the period of service to be provided to the Company.

Directors' Report (continued)

Consequences of Performance of Shareholders Wealth

In consideration of the Group's performance and benefits for shareholder wealth, the remuneration committee have regard to the following indices in respect of the current financial year and the previous five financial years:

	2012	**2011**	**2010**	**2009**	**2008**
Profit / (Loss) attributable to members of the Group (in $'000)	(51,186)	20,247	(115,776)	(133,595)	(60,406)
Share price at start of year dollars per share	0.007	0.02	0.16	0.58	0.89
Share price at end of year in dollars per share	0.11	0.007	0.02	0.16	0.58
Dividends	-	-	-	-	-
Basic earnings / (loss per share) in cents	(66.1)	0.49	(4.97)	(31.41)	(19.01)
Fully diluted earnings / (loss per share) in cents	(66.1)	0.49	(4.97)	(31.41)	(19.01)

Directors' Report (continued)

The emoluments of each Director and Key Management Personnel were as follows:

Directors	Short Term Employee Benefits						Post Employment Benefits		Share Based Payments	
	Salary and Directors Fee $	Consul-tancy Fee $	Bonus $	Annual Leave Paid [2] $	Non-Monetary Benefits $	Car Allow-ance $	Super-annuation $	Term-ination Benefit $	Options $[6]	Total $
E Eshuys[2]										
2012	88,846	-	-	-	-	-	3,943	-	254,404[1]	347,193
2011	-	-	-	-	-	-	-	-	-	-
R Hutton[2]										
2012	13,361	-	-	-	-	-	1,202	-	-	14,563
2011	-	-	-	-	-	-	-	-	-	-
B Mutton[2]										
2012	13,361	-	-	-	-	-	1,202	-	-	14,563
2011	-		-	-	-	-	-	-	-	-
K Robinson[3]										
2012	48,969	-	-	-	-	-	4,407	-		53,376
2011	45,000	-	-	-	-	-	4,050	-	-	49,050
M Sheldrick[3]										
2012	65,000	-	-	-	-	-	5,850	-	-	70,850
2011	9,916	-	-	-	-	-	893	-	-	10,809
R Lee[2]										
2012	43,333	-	-	-	-	-	-	-	-	43,333
2011	65,000	-	-	-	-	-	-	-	-	65,000
M Ashley[2]										
2012	577,750	-	-	-	-	16,030	11,813	1,272,000[4]	-	1,877,593
2011	634,444	-	-	-	27,797	-	58,500	-	-	720,741
Total										
2012	**850,620**	**-**	**-**	**-**	**-**	**16,030**	**28,417**	**1,272,000**	**254,404**	**2,421,471**
2011	**754,360**	**-**	**-**	**-**	**27,797**	**-**	**63,443**	**-**	**-**	**845,600**
Key Executives										
G Viska										
2012	-	82,500	-	-	-	-		-	-	82,500
2011	-	-	-	-	-		-	-	-	-
C Doust										
2012	-	120,480	-	-	-	-	-	-	-	120,480
2011	-	-	-	-	-	-	-	-	-	-
M Ilett										
2012	-	34,774	-	-	-	-	-	-	-	34,774
2011	-	-	-	-	-	-	-	-	-	-
M Andruszkiw[5]										
2012	-	54,632	-	-	-	-	-	-	-	54,632
2011	-	68,612	-	-	-	-	-	-	-	68,612
A King[7]										
2012	112,499	-	-	-	-	7,401	3,943	-	-	123,843
2011	407,885	-	12,000	-	27,134	-	40,500	-	89,078	576,597
R Glossop [5,7]										
2012	-	-	-	-	-	-	-	-	-	-
2011	417,229	-	-	-	-		37,551	-	44,540	499,320
D Desjardins[5,7]										
2012	41,093	-	-	-	-	-	3,698	-	-	44,791
2011	283,990	-	6,249	-	-	-	15,199	-	26,724	332,162
W Dix										
2012	-	-	-	-	-	-	-	-	-	
2011	37,600	-	-	-	-	-	-	-	-	37,600
Total										
2012	**153,592**	**292,386**	**-**	**-**	**-**	**7,401**	**7,641**	**-**	**-**	**461,020**
2011	**1,146,704**	**68,612**	**18,249**	**-**	**27,134**	**-**	**93,250**	**-**	**160,342**	**1,514,291**

1 The employee benefit expense recorded for the 6,000,000 options (on a post consolidated basis) issued to Mr Eshuys received through his nominee Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust pursuant approval at the General Meeting of Shareholders held on 11 April 2012.

2 Mr Eshuys, Mr Hutton and Mr Mutton were appointed on 19 April 2012. Mr Ashley and Mr Lee resigned on 19 April 2012.

[3] Mr Robinson received an increase in directors' fees to $65,000 with effect from 19 April 2012. Mr Robinson is owed $20,969 in directors' fees relating to the financial year ending 30 June 2012. Mr Sheldrick is owed $24,556 in directors' fees relating to the financial year ending 30 June 2012. Mr Lee is owed $8,700 in directors' fees relating to the financial year ending 30 June 2012.

[4.] The termination payment of $1,272,000 to Mr Ashley consists of an eligible termination payment of $720,000, accrued annual leave payment of $79,000, additional annual leave payable for time in lieu (Rostered Days off) $233,000, and unpaid salary of $240,000 for the period from 1 December through to close of entitlement offer in April 2012. The Company has received a statutory demand from Mr Ashley for non payment of the outstanding portion of the termination payment of $497,592 (net of tax). The amount payable by the Company is in dispute and is subject to court proceedings, which at the date of this report, have yet to commence.

[5] M Andruszkiw resigned on 30 April 2012, R Glossop resigned on 8 July 2011, A King resigned on 25 August 2011 and D Desjardins resigned on 21 July 2011

[6] The fair value of the options is calculated at the date of grant using the Black-Scholes pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised in this reporting period. Included in share based payments is the reversal of amounts recognised as remuneration in prior years as a result of option entitlements being forfeited during that year. The option entitlements were forfeited as a result of service vesting requirements not being achieved. In some instances this caused remuneration to be negative.

[7] Key executives A King, R Glossop and D Desjardins were all issued options during the prior reporting period as part of the options granted on 19 November 2010.

The proportion of options issued to total remuneration for Key Management Personnel is as follows:

	2012	2011
	Value of options as a proportion of remuneration %	**Value of options as a proportion of remuneration (100% performance related) %**
E Eshuys	**73**	**-**
A King	**-**	**15**
R Glossop	**-**	**9**
D Desjardins	**-**	**8**

Employment Benefits

The details of the current executive employment contracts are as follows:

Mr Eduard Eshuys

The Executive Chairman, Mr Eshuys' employment contract commenced on 19 April, 2012. The key terms of the agreement and conditions of his employment are as follows:-

- Annual remuneration of package of $450,000 per annum, plus superannuation in accordance with the minimum requirements under the relevant legislation.
- The Company may terminate the contract (with reason) by giving not less than one month written notice and 12 months written notice (without reason). The Company may dispose with the written notice period and immediately terminate employment by making a payment equal to the salary payable for the relevant period of notice and all other benefits that are rightly due.
- The Executive may at his sole discretion terminate the Employment by giving three months written notice to the Company.
- The receipt of 6,000,000 options (on a post consolidation basis) in the Company in consideration of his appointment to the Company.

Mr Ross C Hutton

The Company has entered into an agreement with Mr Hutton pursuant to which Mr Hutton has agreed to act in the capacity as a Non-Executive Director of the Company commencing on 19 April 2012. The key terms of the agreement are as follows:-

- Mr Hutton is paid a base Director's fee of $65,000 per annum including superannuation of 9%. Mr Hutton is not entitled to any severance payment, termination payment or notice of termination, annual leave, sick leave, long service leave or any benefit or entitlement associated with the employment (to the extent permitted by law). Apex does not have a set period of tenure for Directors, however the performance of the Board and individual Directors is reviewed by the Board.
- Termination is either by resignation or removal from the Board by the shareholders. However the appointment will be terminated immediately if, for any reason the Director becomes disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company. The appointment is at all times subject to the Constitution of Apex, the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange

Mr Brice K Mutton

The Company has entered into an agreement with Mr Mutton pursuant to which Mr Mutton has agreed to act in the capacity as a Non-Executive Director of the Company commencing on 19 April 2012. The key terms of the agreement are as follows:-

- Mr Mutton is paid a base Director's fee of $65,000 per annum including superannuation of 9%. Mr Mutton is not entitled to any severance payment, termination payment or notice of termination, annual leave, sick leave, long service leave or any benefit or entitlement associated with the employment (to the extent permitted by law). Apex does not have a set period of tenure for Directors, however the performance of the Board and individual Directors is reviewed the Board.
- Termination is either by resignation or removal from the Board by the shareholders. However the appointment will be terminated immediately if, for any reason the Director becomes disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company. The appointment is at all times subject to the Constitution of Apex, the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange

Mr Kim Robinson

Mr Robinson resigned as Chairman and remained as a Non Executive Director on 19 April 2012. The key terms of his agreement are as follows:-

- Mr Robinson is paid a base Director's fee of $65,000 per annum including superannuation of 9%. Mr Robinson is not entitled to any severance payment, termination payment or notice of termination, annual leave, sick leave, long service leave or any benefit or entitlement associated with the employment (to the extent permitted by law). Apex does not have a set period of tenure for Directors, however the performance of the Board and individual Directors is reviewed annually by the Board.
- Termination is either by resignation or removal from the Board by the shareholders. However the appointment will be terminated immediately if, for any reason the Director becomes disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company. The appointment is at all times subject to the Constitution of Apex, the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange.

Mr Matthew Sheldrick

Mr Sheldrick commenced as a Non Executive Director on 6 May 2011. The key terms of his agreement are as follows:-

- Mr Sheldrick is paid a base Director's fee of $65,000 per annum including superannuation of 9%. Mr Sheldrick is not entitled to any severance payment, termination payment or notice of termination, annual leave, sick leave, long service leave or any benefit or entitlement associated with the employment (to the extent permitted by law). Apex does not have a set period of tenure for Directors, however the performance of the Board and individual Directors is reviewed annually by the Board.
- Termination is either by resignation or removal from the Board by the shareholders. However the appointment will be terminated immediately if, for any reason the Director becomes disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company. The appointment is at all

times subject to the Constitution of Apex, the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange.

Mr George Viska

The Company has an arrangement with Mr Viska pursuant to which Mr Viska is to provide certain consultancy services to the Company and act in the role of General Manager Commercial. The key terms of the agreement are as follows:-

- Consulting fee : $1,500 per nine hour day (exclusive of GST)
- Term of the Agreement: Casual
- Termination: The Company may at any time, in its absolute discretion terminate the arrangement by giving one (1) days notice. In the event that the arrangement is cancelled by the Company (provided that the Consultant is not in default), the Consultant shall be entitled to payment for services performed until the termination date.

Mr Corey Doust

On 1 April 2012, the Company entered into an agreement with Entech Pty Ltd pursuant to which Mr Doust is to provide certain consultancy services to the Company and be appointed as General Manager Wiluna. The key terms of the agreement are as follows:-

- Consulting fee: $2,100 per 12 hour day (exclusive of GST).
- Term of the Agreement: One (1) year after which the services may be extended by agreement by both parties.
- Termination: The Company, may at any time, in its absolute discretion terminate the Contract by giving 30 days written notice. In the event that the Contract is cancelled by the Company (provided that the Contractor is not in default), the Contractor shall be entitled to payment for services performed up until the Termination Date.

Mr Michael J Ilett

The Company has entered into an agreement with Kaus Australis Pty Ltd commencing on 19 April 2012 pursuant to which Mr Ilett has agreed to provide certain consultancy services to the Company and be appointed as the Company Secretary. The key terms of the agreement are as follows:-

- Kaus Australis Pty Ltd will be paid a total fee of $65,000 per annum (exclusive of GST) payable monthly for the provision of up to 30 hours per month in any calendar month.
- Additional fees at an hourly rate of $175 per hour (exclusive of GST) will be levied for any additional hours worked above 30 hours in any month.
- Outgoings: Provision to reimburse Kaus Australis Pty Ltd for all reasonable and necessary expenses incurred by it or Mr Ilett in the performance of the services under the agreement;
- The Board may terminate the Company Secretary at any time

Non-Executive Directors' Remuneration

In accordance with current corporate governance practices, the structure for the remuneration of non-executive directors and senior executives is separate and distinct. Shareholders approve the maximum fees payable to non-executive directors, with the current approved limit being $300,000 per annum. The non-executive directors receive $65,000 per annum. Non-executive directors are entitled to statutory superannuation benefits (except overseas non-executive directors). The Board approves any consultancy arrangements for non-executive directors who provide services outside of and in addition to their duties as non-executive directors.

Share Based Payments

The Group has a share option scheme for executives and employees of the Group. Each employee share option converts into one ordinary share of Apex Minerals NL on exercise. No amounts are paid or payable by the recipient on receipt of the options. The options carry neither rights to dividends or voting rights. Options may be exercised at any time from the close of vesting to the date of their expiry.

Share-based payments granted as compensation during the financial year

Further to approval at the General Meeting of Shareholders held on 11 April 2012, Mr Eshuys received through his nominee Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust 6,000,000 options (on a post consolidated basis) in consideration of his appointment as Executive Chairman.

Directors' Report (continued)

Details of the 6,000,000 options granted to Mr Eshuys on 11 April 2012 are as follows:-

Options series	Number of share options (i)	Exercisable	Expiration date	Exercise price $	Fair value at grant date $	Employee benefit expense
Series 1	1,500,000	On grant	18 April 2015	30 cents	$120,000	$120,000
Series 2	1,500,000	On grant	18 April 2015	45 cents	$90,000	$90,000
Series 3	750,000	On grant	18 April 2015	60 cents	$37,500	$37,500
Series 4	2,250,000	1 July 2014	18 April 2015 the options will vest if and only if the Company produces at least 100,000 ounces of gold at a cash cost (as reported in the Company's Annual Financial Report) of less that A$1,100 per ounce in financial year 2013-14	80 cents	$157,500	$6,904
Total					**$405,000**	**$254,404**

(i) The Company completed a 100:1 consolidation on 24 April 2012. The options are shown on a post consolidated basis.

A total of $254,404has been recorded as an employee benefit expense in the Statement of Comprehensive Income for the year ended 30 June 2012 for the 6,000,000 options issued to Mr Eshuys (on a post consolidated basis). The employee benefit expense of $254,404 comprises of the fair value of Option Series 1, 2 and 3 and an amount of $6,904 for Option Series 4 calculated on a pro-rata basis for the total number of days from the grant date until 30 June 2012 as a proportion of the total number of days from grant date until the entitlement date of 1 July 2014.

The 6,000,000 options issued to Mr Eshuys for nil consideration had a fair value of $405,000 at issue date.

The following grants of share-based payment compensation to directors and senior management relate to the current financial year:

		During the financial year				% of compensation for the year consisting of options
Name	**Option Series**	**No. granted**	**No. vested**	**% of grant vested**	**% of grant forfeited**	
Mr Eshuys	Series 1	1,500,000	1,500,000	100%	0%	35
Mr Eshuys	Series 2	1,500,000	1,500,000	100%	0%	26
Mr Eshuys	Series 3	750,000	750,000	100%	0%	11
Mr Eshuys	Series 4	2,250,000	-	0%	0%	2
Total		**6,000,000**	**3,750,000**			**73**

The 6,000,000 options issued to Mr Eshuys represent 73% of the total remuneration for the year. The option based payments to Mr Eshuys during the year totalled $254,404 which represents 73% of the total remuneration received by Mr Eshuys during the financial year.

The Non Executive Directors and the other members of the senior management did not receive any share-based payments or bonuses during the year. During the year, no directors or senior management exercised options that were granted to them as part of their compensation.

Directors' Report (continued)

As at and subsequent to 30 June 2012 the following options were on issue to Directors and Executives as part of their remuneration:

	Number of Options as at 30 June 2012	Number of Options Issued Post 30 June 2012	Number of Options Lapsed Post 30 June 2012	Total
Director				
E Eshuys	6,000,000	9,160,000	-	15,160,000
R Hutton	-	2,000,000	-	2,000,000
B Mutton	-	2,000,000	-	2,000,000
K Robinson	88,957	2,000,000	-	2,088,957
M Sheldrick	-	2,000,000	-	2,000,000
Key Executives				
G Viska	-	1,500,000	-	1,500,000
C Doust	-	1,500,000	-	1,500,000
M Ilett	-	2,000,000	-	2,000,000

Options Outstanding

There are 6,786,903 quoted options and 137,215,700 unquoted options outstanding as at the date of this report.

Number of Options	Exercise Price ($)	Expiry Date
Quoted		
6,786,903	6.00	11 November 2012
Unquoted		
114,172,900	0.30	24 July 2015
150,000	2.00	30 June 2013
3,750,000	0.30	18 April 2015
3,500,000	0.45	18 April 2015
2,750,000	0.60	18 April 2015
6,000,000	0.80	18 April 2017
5,500,000	0.25	26 March 2015
150,000	0.4375	18 April 2015
1,000,000	2.00	13 September 2012
1,000	130.00	11 November 2012
155,500	5.00	8 April 2013
3,700	130.00	11 May 2013
10,000	70.00	18 July 2013
20,000	5.00	28 October 2013
39,000	4.50	27 October 2013
8,000	4.50	4 December 2013
3,400	45.00	9 February 2014
2,200	30.00	21 June 2014

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any other related body corporate or in the interest issue of any other registered scheme.

Directors' Insurance

During the year, the Company has paid a premium in respect of a contract insuring the Directors and senior officers of the Company (as named above) against liabilities incurred to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company during the financial year indemnified a number of senior officers of the Group. The Company has not otherwise, during or since the financial year end, indemnified or agreed to indemnify an auditor of the Company or any related body corporate against a liability incurred as such an auditor.

Auditor's Independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 76.

Directors' Report (continued)

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 29 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Rounding off

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated

The Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors

Eduard Eshuys
Executive Chairman
Perth, 8 October 2012

Corporate Governance Statement

The Board of Directors of Apex Minerals NL ("the Company") is responsible for establishing the Corporate Governance framework of the Group having regard to the ASX Corporate Governance Council ("CGC") Second Edition of Corporate Governance Principles and Recommendations and published guidelines relating to the eight core Corporate Governance principles (the Principles) and recommendations. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders.

The following table summarises the Company's compliance with the CGC recommendations and states whether the Company has complied with each recommendation. Where the Company considered it was not appropriate to comply with a particular recommendation the reasons are set out in the notes relating to the relevant Principle referred to in the table.

Recommendation	Comply Yes/No	Refer Page No.
Principle 1 – Lay solid foundations for management and oversight		20
1.1: Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	
1.2: Companies should disclose the process for evaluating the performance of senior executives.	Yes	
1.3: Companies should provide the information including departure from recommendations and whether performance appraisals took place and in accordance with the process disclosed.	Yes	
Principle 2 – Structure the board to add value		21
2.1: A majority of the board should be independent directors.	Yes	
2.2: The chair should be an independent director.	No	
2.3: The roles of chair and chief executive officer should not be exercised by the same individual.	No	
2.4: The board should establish a nomination committee.	Yes	
2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	Yes	
2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2.	Yes	
Principle 3 – Promote ethical and responsible decision-making		22
3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes Yes Yes	
3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to asses annually both the objectives and progress in achieving them.	Yes	
3.3: Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Yes	
3.4 Companies should disclose in each annual report the proportion of women employees in the whole organization, women in senior executive positions and women on the board.	Yes	
3.5 Companies should provide an explanation of any departures from Recommendations 3.1 to 3.5 in the corporate governance statement in the annual report.	Yes	

Corporate Governance Statement (continued)

Recommendation	Comply Yes/No	Refer Page No.
Principle 4 – Safeguard integrity in financial reporting		23
4.1: The board should establish an audit committee.	Yes	
4.2: The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	 Yes Yes Yes Yes	
4.3: The audit committee should have a formal charter	Yes	
4.4: Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes	
Principle 5 – Make timely and balanced disclosure		23
5.1: Companies should establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	
5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes	
Principle 6 – Respect the rights of shareholders		23
6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	
6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.	Yes	
Principle 7 – Recognise and manage risk		
7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	23
7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes	
7.3: The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	
7.4: Companies should provide the information indicated in the Guide to reporting on Principle 7.	Yes	
Principle 8 – Remunerate fairly and responsibly		24
8.1: The board should establish a remuneration committee.	Yes	

Corporate Governance Statement (continued)

Recommendation	Comply Yes/No	Refer Page No.
8.2: The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair, and • has at least three members.	 Yes Yes Yes	
8.3: The Company should clearly distinguish the structure of Non-Executive Directors' remuneration from that of executive directors and senior executives.	Yes	
8.4: Companies should provide the information indicated in the Guide to reporting on Principle 8.	Yes	

Corporate Governance Documents including the Corporate Governance Statement, Board Charter, Board Code of Conduct, Audit and Corporate Governance Committee Charter, and Remuneration and Nomination Committee Charter, Diversity Policy, Securities Trading Policy, Continuous Disclosure Policy, and Shareholder Communications Policy are publicly available and can be found in the Corporate Governance Section of the Company's website at www.apexminerals.com.au

Principle 1 – Lay solid foundations for management and oversight

The Board Charter clearly defines the respective roles and responsibilities of the Board and establishes functions that are reserved to the Board and functions delegated to senior executives. The responsibilities for the operation and administration of the Company have been delegated by the Board to the Chairman and the executive management team.

The Board has a number of responsibilities including input into the development of the Company's corporate strategy, understanding and monitoring the budget and identifying areas of material business risk and ensuring arrangements are in place to adequately manage those risks. The Company has established functions reserved to the Board and matters delegated to senior executives which are outlined in the Board Charter and other Corporate Governance documents which are publicly available on the Company's website at www.apexminerals.com.au.

Even though the Board is responsible for guiding and monitoring the Group, the Audit & Corporate Governance Committee, and Remuneration Committee provides focus on particular areas of responsibility and reports to the Board.

New directors are provided with a formal letter of appointment that sets out the terms and conditions of their appointment, any special duties attaching to their position, details of their duties, functions and responsibilities, company policies on dealing with conflicts of interest, trading securities, access to professional advice and relevant company records. The Directors are required to adhere to the Board Code of Conduct, Continuous Disclosure Policy, Securities Trading Policy and the Diversity Policy which have been made publicly available on the Company's web site. All existing directors have entered into an agreement with the Company that requires directors to provide the Company with the information in relation to their trading of securities.

There are procedures in place for directors to seek independent professional advice at the expense of the Company. Individual directors have the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings to fulfil their duties and responsibilities as directors. The engagement of an outside adviser by individual director is subject to the prior approval of the Board, which will not be unreasonably withheld.

The directors are subject to re-election by shareholders. All directors, apart from the Executive Chairman, are subject to re-election by rotation. The Company's Constitution provides that one-third of the directors retire by rotation each Annual General Meeting (AGM). Those directors who are retiring may submit themselves for re-election by shareholders, including any director appointed to fill a casual vacancy or recruited since the date of the last AGM.

The Remuneration Committee has been established to review the performance of senior management against a formalised set of qualitative performance criteria. Formal performance evaluations are completed annually after each senior manager has completed one year's service. The Remuneration Committee reports its findings from the performance evaluation to the Board. The performance criteria for evaluating senior management are aligned with objectives of the Company which have been included in the Remuneration Report section of the Directors' Report. The Remuneration Committee met after the appointment of the new management team in April 2012 and has determined that the first performance evaluations of the new management teams including the Executive Chairman, Non Executive Directors, Commercial Manager, Mine Manager and the Company Secretary will be conducted in the 2013 financial year.

Principle 2 – Structure the Board to add value

Corporate Governance Statement (continued)

The skills, expertise and experience relevant to each position of director in office at the date of the Annual Report are included in the Directors' Report. The directors are considered to be independent when they are independent of management and free from any business or relationship that could interfere with or reasonably interfere with their independent judgement.

In the context of director independence, "Materiality" is considered from both the consolidated entity and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 5% of the appropriate base amount. Qualitative factors considered in determining "Materiality" include previous employment by the Company, shares held in the Company and any previous contractual and other relationships that the director has held with the Company.

The Board Charter has defined an independent director as a director who is not a member of the management (a non-executive director) and who is not a substantial shareholder of the Company or an officer of, or otherwise associated, directly or indirectly, with the Company.

In accordance with the concept of independence outlined above, the Board has considered the independence of directors as follows:

Name of Director	Position	Independent/Non Independent	Date of Appointment
E Eshuys	Chairman	Not independent as employed in executive capacity by the Company.	19 April 2012
R Hutton	Non-executive director	Independent	19 April 2012
B Mutton	Non-executive director	Independent	19 April 2012
K Robinson	Non-executive director	Independent	18 April 2006
M Sheldrick	Non-executive director	Independent	6 May 2011

The Board consists of four Non-Executive Directors all being independent directors and one Executive Director. The four Non-Executives Directors have extensive mix of skills and experience within the exploration, mining and finance industries.

Mr Eshuys, as the Executive Chairman, is not considered to be an independent director as he acts in the role as the Chief Executive Officer. The Board believes that Mr Eshuys is the most appropriate person to lead the Board and recognises his current and past leadership, mining, commercial and exploration experience. Due to the size of the Company, its operations and the focus on the development of its mining and exploration tenements, the Board does not believe that it is warranted for the Chairman to be an independent director and the roles of the Chairman and Chief Executive Officer to be exercised by two different individuals.

The Board must ensure that any candidate applying to be a Director has the appropriate range of skills, expertise and experience that will complement the Board. The Company recognises the importance of Non-Executive Directors to add value to the Board. Any director's appointment will require the Board to consider a mix of skills including diversity, leadership, technical expertise, corporate and governance experience, interpersonal communication, management skills, exploration and mining experience, reputation, qualifications, specific requirements of the Company at the time and the additional skills that can be added by the individual to the Board. The appointment procedures are outlined in the Diversity Policy and the Remuneration Committee Charter which are publicly available on the Company's website at www.apexminerals.com.au .

The Company has formed a Remuneration Committee to assess the skills, performance and remuneration of existing directors, Board performance and set criteria for the appointment and removal of directors. The Remuneration Committee consists of three independent directors being Mr Mutton as Chairman and Mr Hutton and Mr Sheldrick as members.

The Company has developed a formal board evaluation, committee and director's performance evaluation process. The new management team was appointed in April 2012 and it is planned to complete a formal performance evaluation of the Board, its committees and directors in the 2013 financial year. The Company has developed an extensive board evaluation questionnaire and feedback procedures for individual directors and Board performance. The results of the evaluations will be considered by the Remuneration Committee with recommendations to be made to the Board.

Prior to the appointment of the new management team in April 2012 the Board and Committees reviewed their performance after each meeting by informal discussion. The Board had previously considered that a separate review of the committees was not necessary as there is common membership of the Board and committees.

The Remuneration Committee has also developed evaluations for its own performance during the reporting period in accordance with its Charter. The Charter provides details of the process for determining the composition of the Board, re-election of existing directors and the nomination of new candidates for directors.

Any Director is entitled to access independent legal, financial or other advice as they consider necessary at the reasonable expense of the Company or any matter connected with the discharge of responsibilities. Where appropriate a copy of this advice is to be made available to all other members of the Board.

The details of the skills, experience and expertise relevant to the position of director can be found in the Directors' Report. Information regarding the director's attendance at meetings of the Remuneration Committee can also be found in the Directors' Report. The term of office held by each Director at the date of this Annual Report is set out in the Directors' Report section of the Annual Report.

Principle 3 – Promote ethical and responsible decision-making

The Company endeavours to foster a culture requiring that the directors and officers act with the utmost integrity, objectivity and in compliance with the spirit of the law and Company policies.

As part of its commitment to recognising its legal obligations and the legitimate interests of stakeholders, the Company has an established Board Code of Conduct to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the practices necessary to maintain the company's integrity. In addition, the Company has a number of internal policies and operating procedures aimed at providing guidance to Directors, senior executives, management and employees on the standards of personal and corporate behaviour required of the Group's personnel. Also, the policies provide guidance to assist dealing with business issues in a manner that is consistent with the Company's responsibilities to legitimate stakeholders and the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices. A copy of the Board Code of Conduct is available on the Company's website www.apexminerals.com.au under "Corporate Governance".

The Company has established a Share Trading Policy for its Directors, senior executives and employees of the Company which is appropriate for a company whose shares are admitted to trading on the ASX. The Company has taken reasonable steps to ensure compliance with the share trading policy. Directors, officers, senior executives and certain employees are required to advise the Chairman of their intentions prior to undertaking any transaction in the Company's securities. If a Director, officer, senior executive and employee is considered to hold material non-public information, they will be precluded from making a security transaction until that information has become publicly available. The trading policy also precludes Directors and Senior Management from trading in the Company's securities during "Blackout Periods." The Share Trading Policy is publicly available in the Corporate Governance section of the Company's website at www.apexminerals.com.au

The Company had adopted a Diversity Policy and is committed to developing diversity in its workplace to assist the Company to meet its goals and objectivities by providing an environment whereby appointments, advancement and opportunities are considered on a fair and equitable basis. The Company is committed to promoting a corporate culture which embraces diversity when determining the composition of the Board, senior management and employees and considered during its recruitment and selection process.

The Company will ensure that recruitment and selection decisions are based on the principle of merit, skills and qualifications and regardless of age, gender, nationality, cultural background or any other factor not relevant to the position. Past skills and experience in the mining and exploration industries will be a key determinant in the selection process. The Diversity Policy publicly available in the Corporate Governance section of the Company's website at www.apexminerals.com.au.

The percentage of women in the whole organisation, senior management, and within the Board at the end of the financial year for initial benchmarking purposes which are reported as follows:-

Whole organisation: 9.35%

Senior Management: Nil

Board: Nil

The Board will during the 30 June 2013 financial year establish detailed measurable objectives for achieving gender diversity in accordance with the diversity policy. The Board will then review the effectiveness and relevance of these measurable objectives on an annual basis.

Corporate Governance Statement (continued)

Principle 4 – Safeguard integrity in financial reporting

The Board has established an Audit and Corporate Governance Committee to assist the Board, which responsibilities are set out in the formal charter approved by the Board, which can be found on the Company's website at www.apexminerals.com.au under "Corporate Governance".

The Audit and Corporate Governance Committee consists of three independent directors being Mr Hutton (Chairman of the Audit Committee) and Mr Mutton and Mr Sheldrick as members.

The Audit and Corporate Governance Committee members are responsible for ensuring:

- the system of internal control, which management has established, safeguards the assets of the economic entity;
- accounting records are properly maintained in accordance with statutory requirements;
- financial information provided to shareholders is accurate and reliable; and
- the external audit function is effective.

The Committee is responsible for the appointment of the external auditor and ensures that the incumbent firm (and the responsible service team) has suitable qualifications and experience to conduct an effective audit. The external audit partner will be required to rotate every five balance dates in accordance with the Corporations Act 2001. The Audit Committee through its own investigations and in consultation with its external auditors ensures that the Company has met the ASX guidelines regarding the selection, appointment of the external auditor and the rotation of external audit engagement partners.

The Committee meets to review the half-year and annual results of the Company, and to review the audit process, and those representations made by management in support of monitoring the Group's commitment to integrity in financial reporting.

Details of the members of the Audit and Corporate Governance Committee and their attendance at Committee meetings are set out in the Director's Report section of this Annual Report.

Principle 5 – Make timely and balanced disclosure

The Company's Continuous Disclosure Policy is that shareholders are informed of all major developments that impact on the Company. The Company treats its continuous disclosure obligations seriously and has a number of internal operating policies (including the Code of Conduct referred to above) that are designed to promote responsible decision-making and timely and balanced disclosure in compliance with ASX Listing Rules. The Board is ultimately responsible and accountable for ensuring compliance by senior executives, management and employees with the Company's policies and therefore requires that senior executives, management and employees have an up to date understanding of the ASX Listing Rule requirements. The Company also ensures that the Directors and senior executives obtain timely and appropriate external advice where necessary.

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities is undertaken in an efficient, competitive and informed market. There are written policies and procedures in place to ensure compliance with ASX listing rule disclosure requirements and accountability at a senior executive level for that compliance. The directors and senior management are made aware of their disclosure requirements and obligations. Details of the Continuous Disclosure Policy can be found in the Code of Conduct Policy and Ethics Policy which is publicly available on the Company's website at www.apexminerals.com.au under "Corporate Governance".

In accordance with ASX Listing Rule 4.10.17 the Directors' Report of this Annual Report contains a review of operations of the Company.

Principle 6 – Respect the rights of shareholders

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights, by promoting effective communication with shareholders and encouraging shareholder participation at annual general meetings, the Company has established a Shareholder Communications Policy which is available on the Company's website at www.apexminerals.com.au under "Corporate Governance".

Principle 7 – Recognise and manage risk

The Company has established policies for the oversight of material business risks and believes that risk management and recognition is integral to the Company meeting its objectives. The Board is responsible for reviewing the Company's policy on risk management and risk oversight. The Audit & Corporate Governance Committee also separately assesses management of the Company's risks and makes recommendations to the Board.

The Company is committed to the identification, monitoring and management of material business risks of its activities. The Board reviews the control systems and policies of the Company in relation to risk management on an ongoing basis and maintains a diagrammatic representation of the key operating and control systems of the company. The Board reviews key matters of material business risk management and ensures appropriate measures are in place to protect the assets of the Company. In addition, management provides specific advice or recommendations to the Board regarding the existence and status of business risks that the Company faces.

The Audit & Corporate Governance Committee's Charter includes risk management and its responsibilities are set out in the Charter available on the Company's website at www.apexminerals.com.au under "Corporate Governance". Regular monitoring of material business risks and risk management is conducted by the Committee and any material business risks are reviewed by the Board.

The Board has in place policies that aim to manage specific risks that have been identified. The Company's personnel are responsible for adhering to these policies as part of the risk management process. Further, the Board is aiming to develop an overall policy for overseeing the management of material business risks consistent with the Company's stage of development. The Board assumes ultimate responsibility for overseeing management of material business risks and satisfies itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control to manage the Company's material business risks.

The Board makes enquiries of management at each board meeting and receives assurances from the Executive Chairman in relation to financial reporting risks. In addition, the Board delegates the adequacy and content of risk reporting to management. As part of the audit processes and review throughout the year, the Board receives feedback that management has provided assurances to the auditors in relation to parts of the risk management framework. The Board has not required a formal report from management on whether the Company's material business risks are being managed effectively. However, it is the Company's intention to implement its risk management framework. However, the Board has reviewed and identified the material business risks and is continuing to improve the systems to manage these risks. The Directors receive regular reports from the mine site and corporate office as part of the process for the management of the material business.

In accordance with Recommendation 7.3 of the ASX Corporate Governance Principles and Recommendations, the Executive Chairman being the Chief Executive Officer has stated to the Board that :

- the statement given in accordance with section 295A of the Corporations Act, is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks.

It is noted that the assurance from the Executive Chairman can only be reasonable and not absolute due to the level of judgement required, the limitations of sampling and the difficulty in designing systems to detect all weaknesses in internal control procedures.

Principle 8 – Remunerate fairly and responsibly

The Company has established a Remuneration Committee. The remuneration policies are included in the Remuneration and Nomination Charter which is posted on the Company's website at www.apexminerals.com.au under "Corporate Governance". The Remuneration Committee considers the procedures, policies and key performance indicators used to measure the performance of key executives and directors. Any equity based executive remuneration may be made in accordance with thresholds approved by shareholders and be developed over time. The Remuneration Committee makes recommendations to the Board on performance and remuneration who is ultimately responsible for reviewing compensation agreements for the directors and the executive management.

The Remuneration Committee monitors and reviews the performance of the Managing Director, senior executives and management. The Remuneration Committee also has responsibility for ensuring that the Company:

- has coherent remuneration policies and practices to attract and retain executives and Directors who aim to create value for shareholders;
- observes those remuneration policies and practices; and
- fairly and responsibly reward senior executives having regard to the performance of the Company, the performance of the senior executives and general remuneration practices adopted by other publicly listed companies.

Full discussion of the Company's remunerations philosophy and framework and remuneration received by directors and executives and structure in the current financial year is contained in the Remuneration Report section of the Directors' Report. The Directors' Fees reflect the demands that are made on and the responsibilities of the Non-Executive Directors and are reviewed annually. There is no scheme to provide retirement benefits to non-executive directors, except for their entitlement to the nine (9) percent Superannuation Guarantee. Each member of the executive team has signed a formal employment contract at the time of their appointment covering matters including the rights,

Corporate Governance Statement (continued)

responsibilities and entitlements on termination. Further details of the structure of the remuneration procedures can be found in the Remuneration Committee Charter.

The Remuneration Committee consists of three independent directors being Mr Mutton as Chairman and Mr Hutton and Mr M Sheldrick as members. The Chairman of the Board is not the chairman of the Remuneration and Nomination Committee.

No employee or director of the Company is permitted to enter into transactions with securities (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded any equity-based remuneration scheme, or otherwise awarded, or which will be offered by the Company in the future.

Details of the qualifications of the members of the Remuneration Committee, number of meetings held during the year and the attendees at those meetings are found in the Directors' Report. A copy of the Remuneration Committee Charter can be found at the Company's website at www.apexminerals.com.au under the Corporate Governance Section.

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Consolidated Statement of Financial Position

As at 30 June 2012

In thousands of AUD	*Note*	Consolidated 2012	Consolidated 2011
Assets			
Cash and cash equivalents	*27a*	**752**	3
Trade and other receivables	*11*	**660**	1,120
Inventories	*12*	**9,776**	18,215
Derivative assets	*15*	**25**	97
Assets available for sale	*13*	**8**	20
Assets held for sale	*14*	**-**	14,271
Total current assets		**11,221**	**33,726**
Other receivables	*11*	**6,221**	4,626
Property, plant and equipment	*16*	**54,212**	64,984
Exploration costs	*17*	**-**	-
Total non-current assets		**60,443**	69,610
Total assets		**71,654**	103,336
Liabilities			
Trade and other payables	*18*	**17,106**	18,552
Liabilities held for sale	*14*	**-**	4,271
Loans and borrowings	*19*	**7,687**	6,901
Provisions	*20*	**1,590**	1,822
Total current liabilities		**26,383**	31,546
Loan and borrowings	*19*	**1,126**	3,179
Provisions	*20*	**23,449**	18,396
Total non-current liabilities		**24,575**	21,575
Total liabilities		**50,958**	53,121
Net assets		**20,696**	50,215
Equity			
Share capital	*21*	**341,398**	321,375
Reserves	*21*	**28,529**	26,885
Accumulated losses	*23*	**(349,231)**	(298,045)
Total equity		**20,696**	50,215

The statement of financial position is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2012

In thousands of AUD	*Note*	Consolidated 2012	2011
Revenue		**61,602**	89,271
Cost of Sales	*9*	**(98,524)**	(102,666)
Gross loss		**(36,922)**	(13,395)
Other income	*7*	**8,976**	26,679
Share based payments		**(1,596)**	(217)
Administrative expenses		**(5,946)**	(5,962)
Exploration expensed	*9*	**(347)**	(2,653)
Impairment losses	*9*	**(12,923)**	(2,610)
Other expenses		**-**	(471)
Profit / (loss) from operating activities		**(48,758)**	1,371
Finance income	*8*	**225**	28,004
Finance expenses	*8*	**(2,653)**	(9,128)
Net finance income / (expense)		**(2,428)**	18,876
Profit / (loss) before income tax		**(51,186)**	20,247
Income tax expense	*10*	**-**	-
Profit / (loss) for the year		**(51,186)**	20,247
Other comprehensive income			
Net change in fair value of available-for-sale financial assets	*21*	**(84)**	(899)
Income tax on other comprehensive income	*10*	**-**	-
Total other comprehensive income		**(84)**	(899)
Total comprehensive income / (loss) for the year		**(51,270)**	19,348
Total comprehensive income / (loss) attributable to:			
Owners of the Company		**(51,270)**	19,348
Total comprehensive income / (loss) for the year		**(51,270)**	19,348
Basic and diluted earnings / (loss) per share - in cents per share	*22*	(66.1)	0.49

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2012

In thousands of AUD	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Quoted Option Reserve	Available for Sale Reserve	Warrants	Total Equity
Balance at 1 July 2011	321,375	(298,045)	10,168	15,608	(76)	1,185	50,215
Comprehensive income / (loss) for the period							
Profit / (loss) for the year	-	(51,186)	-	-	-	-	(51,186)
Other comprehensive income							
Transfer to comprehensive income on sale of investment	-	-	-	-	-	-	-
Net change in fair value of available-for-sale assets	-	-	-	-	(84)	-	(84)
Total other comprehensive income / (loss)	-	-	-	-	(84)	-	(84)
Total comprehensive income / (loss) for the period	-	(51,186)	-	-	(84)	-	(51,270)
Transactions with owners, recorded directly in equity							
Issue of share capital	22,201	-	-	-	-	-	22,201
Capital raising costs	(2,178)	-	-	-	-	-	(2,178)
Issue of warrants during the period	-	-	-	-	-	-	-
Transfer of warrants to accumulated losses	-	-	-	-	-	-	-
Issue of share based payments	-	-	1,728	-	-	-	1,728
Total transactions with owners	20,023	-	1,728	-	-	-	21,751
Balance at 30 June 2012	**341,398**	**(349,231)**	**11,896**	**15,608**	**(160)**	**1,185**	**20,696**

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity (continued)

For the year ended 30 June 2012

In thousands of AUD	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Quoted Option Reserve	Available for Sale Reserve	Warrants	Total Equity
Balance at 1 July 2010	295,359	(321,892)	9,951	15,608	823	3,600	3,449
Comprehensive income / (loss) for the period							
Profit / (loss) for the year	-	20,247	-	-	-	-	20,247
Other comprehensive income							
Transfer to comprehensive income on sale of investment	-	-	-	-	(765)	-	(765)
Net change to fair value of available-for-sale assets	-	-	-	-	(134)	-	(134)
Total other comprehensive income / (loss)	-	-	-	-	(899)	-	(899)
Total comprehensive income / (loss) for the period	-	20,247	-	-	(899)	-	19,348
Transactions with owners, recorded directly in equity							
Issue of share capital	27,625	-	-	-	-	-	27,625
Capital raising costs	(1,609)	-	-	-	-	-	(1,609)
Issue of warrants during the period	-	-	-	-	-	1,185	1,185
Transfer of warrants to accumulated losses	-	3,600	-	-	-	(3,600)	-
Issue of share based payments	-	-	217	-	-	-	217
Total transactions with owners	**26,016**	**3,600**	**217**	**-**	**-**	**(2,415)**	**27,418**
Balance at 30 June 2011	**321,375**	**(298,045)**	**10,168**	**15,608**	**(76)**	**1,185**	**50,215**

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2012

In thousands of AUD	*Note*	Consolidated 2012	2011
Cash flows from operating activities			
Cash receipts from customers		**62,778**	90,142
Cash paid to suppliers and employees		**(76,703)**	(87,101)
Interest paid		**(1,737)**	(1,806)
Interest received		**225**	315
Payments for exploration expenditure		**-**	(2,653)
Net cash from (used in) operating activities		**(15,437)**	(1,103)
Cash flows from investing activities			
Proceeds from sale of Wilsons Deposits		**7,448**	-
Proceeds from sale of Gidgee (net of costs)		**-**	14,457
Proceeds from sale of available for sale financial assets		**-**	1,000
Proceeds from sale of calcine tailings		**-**	900
Proceeds from sale of property, plant and equipment		**-**	287
Proceeds from sale of derivative assets		**-**	570
Payments for environmental bonds		**(54)**	(1,202)
Payments for property, plant and equipment		**-**	(177)
Payments for mine properties		**(7,534)**	(14,804)
Net cash from (used in) / provided by investing activities investing activities		**(140)**	1,031
Cash flows from financing activities			
Proceeds from issue of share capital		**18,969**	27,635
Payments for capital raising costs		**(295)**	(1,609)
Payment for cash backed guarantees		**(43)**	-
Repayment of lease liability		**(6,305)**	(18,000)
Proceeds from sale of gold put options		**-**	(8,865)
Proceeds from borrowings		**4,000**	-
Net cash from (used in) provided by financing activities		**16,326**	(839)
Net increase / (decrease) in cash and cash equivalents		**749**	(911)
Cash and cash equivalents at the beginning of the financial year		**3**	914
Effect of exchange rate fluctuations on cash held		**-**	-
Adjustment to prior year closing cash balance		**-**	-
Cash and cash equivalents at the end of the financial year		**752**	3

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

Index Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

1. Reporting entity

Apex Minerals NL (the "Company") is a Company domiciled in Australia. The address of the Company's registered office is Level 1, 10 Ord Street, West Perth WA 6005. These consolidated financial statements and notes represent those of Apex Minerals NL and it's Controlled Entities (the "Consolidated Group" or "Group").

The separate financial statements of the parent entity, Apex Minerals NL, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 28 September 2012 by the Directors of the Company.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value;
- available-for-sale financial assets are measured at fair value.

The methods used to measure fair values are discussed further in Note 4.

The Group adopts the accrual basis of accounting.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of subsidiaries within the Group.

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Set out below is information about:

- critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements; and
- assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

<u>Key Estimates</u>

Units of production method
The Group applied the units of production method of amortisation of its life of mine specific assets, which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. These calculations require the use of estimates and assumptions in relation to reserve and resource, metallurgy and of future capital development requirements. Changes to these estimates and assumptions will impact the amortisation charge in the income statement and asset carrying values.

Inventories – Gold in Circuit
The measurement of contained gold in circuit requires estimates and judgements by management in relation to quantity and grade. The techniques used to estimate these factors include assaying, dipping and extrapolation across samples. In addition estimates are required in relation to density factors, specific gravity factors and volumes.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Key Estimates (continued)

Impairment of assets

The recoverable amount of each cash generating unit (CGU) is determined as the higher of the value in use or the fair value less costs to sell, in accordance with the Group's accounting policy. These calculations require the use of estimates. Value-in-use is generally determined as the present value of the estimated future cash flows. Present values are determined using a risk adjusted discount rate appropriate to the risks inherent in the asset.

Future cash flow estimates are based on expected production volumes, the short and long term forecasts of the Australian dollar gold price, ore reserves and operating costs. Management is required to make these estimates and assumptions, which are subject to risk and uncertainty. As a result there is a possibility that changes in circumstances will alter these projections, which could impact on the recoverable amount of the assets. In such circumstances some or all of the carrying value of the assets may be impaired, giving rise to an impairment charge in the statement of comprehensive income. The carrying amount of such assets is set out in Note 16.

Determination of mineral reserves and resources

Economically recoverable ore reserves represent the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable economic conditions. The determination of reserve impacts the asset carrying values, depreciation and amortisation rates and provisions for rehabilitation and mine closure. The Group uses the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 ("the JORC code") as a minimum standard. The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

Measurement of share based payments

The Group records charges for share based payments. For option based share based payments, management estimate certain factors used in the option pricing model. These factors include volatility, exercise date of options and options likely to be exercised. If these estimates vary the share based payment expense would have been different.

Going Concern

A key assumption underlying the preparation of the financial statements is that the Company will continue as a going concern. An entity is a going concern when it is considered to be able to pay its debts as and when they are due, and to continue in operation without any intention or necessity to liquidate or otherwise wind up its operations. A signification amount of judgement has been required in assessing whether the Company is a going concern as set out in Note 2(e).

Key Judgements

Recognition of tax losses

In accordance with the Group's accounting policies for deferred taxes (refer to Note 3(d)), a deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise those losses. Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This includes estimates and judgements about commodity prices, ore reserves, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount of estimated taxable profits and accordingly the recoverability of deferred tax assets.

Notes to the Consolidated Financial Statements (continued)

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Key Judgements (continued)

Rehabilitation and mine closure provisions

As set out in Note 3(o), the value of these provisions represents the present value of the current and future obligations to restore, decommission, and rehabilitate the Wiluna and Youanmi sites. Significant estimates and assumptions are required in determining the amount of the provision for mine rehabilitation and closure as there are many transactions and other factors that will affect the final costs. The present value of the estimated future cash flows reflects a combination of management's best estimate of the cost of performing the work required, the timing of the cash flows and the discount rate.

A change in any or a combination of, the key assumptions used to determine the provisions could have a material impact on the carrying value of the provisions (see Note 20). The provision recognises the obligations for each site and these obligations are reviewed at each reporting date and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for rehabilitation and mine closure are recognised in the statement of financial position by adjusting both the restoration and rehabilitation asset and provisions.

Leasing classification

The classification of leases to be finance or operating is based on management's review of the lease contracts entered into by the Group and in accordance with the requirements of AASB 117. For each contract, it is determined whether significant risks and rewards of ownership have transferred in the lease transaction and if so the lease is classified as a finance lease. Otherwise the lease is classified as an operating lease.

(e) Going concern

As discussed in the Directors' Report, the current economic environment is challenging and the Group has reported an operating loss after tax for the year of $51.186m. At 30 June 2012, the Group's current liabilities were in excess of its current assets by $15.162m.

The Directors consider that the outlook presents challenges in terms of sales volume and pricing as well as input costs. As detailed in the subsequent events note (Note 34), since 30 June 2012, the Group has instigated measures to secure additional finance. Note 18 also details the continued support of two of the Group's largest creditors. While the Directors have instituted measures to preserve cash and secure additional finance, these circumstances create material uncertainties over future trading results and cashflows.

Based upon the information to date, the Directors have a reasonable expectation that finance will be raised successfully, but if not the Group will need to secure alternative sources of additional funding. Should the Group be unable to raise sufficient funding through the strategies outlined in Note 34, or alternative sources, there is material uncertainty that the Group will be able to continue as a going concern. Should the Group not be able to continue as a going concern it may not be able to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts stated in this financial report.

This financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor to amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Apex Minerals NL at the end of the reporting period. A controlled entity is any entity over which Apex Minerals NL has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 33 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

(b) Revenue Recognition

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of the amount of goods and services tax ("GST") payable to the taxation authority. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

(c) Finance Income and Expense

Finance income comprises interest income on funds invested, gains on the disposal of available-for-sale financial assets, and gains on hedging instruments that are recognised in profit or loss.

Finance expenses comprise interest expenses on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss.

(d) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. No deferred tax asset is recognised in the current year.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

3. Significant Accounting Policies (continued)

(d) Income Tax (continued)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(e) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Lease Payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average price principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment (including those under finance lease) are measured at cost less accumulated depreciation / amortisation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

(ii) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3. Significant Accounting Policies (continued)

(h) Property, Plant and Equipment

(iii) Depreciation (continued)

The Group applies the units of production (UOP) method for depreciation of its life of mine specific assets such as the plant and equipment, which results in a depreciation charge proportional to the depletion of the anticipated remaining life of mine production. These calculations require the use of estimates and assumptions in relation to reserves, changes to these estimates and assumptions will impact the depreciation charge in the income statement and asset carrying values.

The UOP method is considered to most closely reflect the expected pattern of consumption of the future economic benefits embodied in the assets.

Leased assets are depreciated over the shorter of the lease term or the useful life of the asset.

All other items of property, plant and equipment are depreciated on a diminishing value basis.

The depreciation rates for the current and comparative periods are as follows:

	Method	2012	2011
Office equipment	Diminishing	22.5%	22.5%
Leasehold improvements	Diminishing	20%	20%
Office & Computer equipment [1]	Diminishing	100%	40%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

[1] Office and computer equipment fully written off during the year.

(iv) Amortisation

The Group applies the UOP method for mine properties. The amortisation charge is normally calculated using the quantity of material extracted from the mine in the period as a percentage of the total quantity of material to be extracted in current and future periods based on mineable reserves. The calculation includes consideration of appropriate estimates of the future costs to be incurred in developing the estimated economic reserve. Changes to mineable reserve are applied prospectively.

(v) Mine Properties

Mine properties represent the acquisition cost and/or accumulated exploration and evaluation expenditure in respect of areas of interest in which mining has commenced.

Mine development costs are deferred until commercial production commences. At commencement of production mine development is transferred to mine properties, at which time they are amortised on a UOP basis over mineable reserves.

(vi) Gain and Losses

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within “other income” in profit or loss. When re-valued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(i) Leased Assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Group’s balance sheet.

(j) Exploration and Evaluation

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resources. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Notes to the Consolidated Financial Statements (continued)

3. Significant Accounting Policies (continued)

(j) Exploration and Evaluation (continued)

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resources. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Accounting for exploration and evaluation expenditures is assessed separately for each 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Exploration and evaluation costs are expensed in the year in which they are incurred, apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and the expenditure is expected to be recouped through sale or successful development and exploration of the area of interest.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then capitalised exploration and evaluation expenditure is reclassified as capitalised mine property and classified under property, plant and equipment on the statement of financial position.

Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment annually in accordance with AASB 6. Where an impairment indicator exists, recoverable amounts of these assets will be estimated based on either discounted cash flows from their associated cash generating units or fair value less costs to sell. The statement of comprehensive income will recognise expenses arising from excess of the carrying values of exploration and evaluation assets over the recoverable amounts of these assets.

In the event that an area of interest is abandoned or if in the Directors assess that the accumulated costs carried forward should be reduced, any reduction is written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(k) Impairment

(i) Financial Assets

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged or significant decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the profit and loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to the income statement at this point.

(ii) Non-financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there are any indications of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generate cash flows that are largely independent on other assets and groups. Impairment losses are recognised in the profit and loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value and using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. Significant Accounting Policies (continued)

(l) Assets held for Sale

Assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in the profit and loss. Gains are not recognised in excess of any cumulative impairment loss.

(m) Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of the employee's services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the profit and loss.

(o) Provision for Rehabilitation and Mine Closure

A provision for rehabilitation and mine closure is recognised in respect of the estimated cost of rehabilitation, decommissioning and restoration of the area disturbed during mining activities up to the reporting date, but not yet rehabilitated. Such activities include dismantling infrastructure, removal and treatment of waste material, and land rehabilitation, including topsoiling and revegetation of the disturbed area.

The amount recognised as a liability represents the estimated future costs discounted to present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific with the liability. The unwinding of the discount is recognised as a finance cost in the income statement.

A corresponding asset is recognised in Property, Plant and Equipment only to the extent that it is probable that future economic benefits associated with the rehabilitation, decommissioning and restoration expenditure will flow to the entity. The asset is depreciated using the units of production basis over the total estimated proven and probable reserves related to the area of interest.

At each reporting date the site restoration is re-measured to reflect any changes in discount rates and timing or amounts of the costs to be incurred. Such changes in the estimated liability are accounted for prospectively for the date of the change and are added to, or deducted from, the related asset where it is probable that future economic benefits will flow to the entity.

(p) Financial Instruments

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Notes to the Consolidated Financial Statements (continued)

3. Significant Accounting Policies (continued)

(p) Financial Instruments (continued)

Derivative financial instruments

Derivatives are recognised initially at fair value. Attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value with fair value changes recognised in profit or loss.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Loans and receivables

Loans are receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment cost.

Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented within equity in the AFS revaluation reserve. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the profit and loss.

Non-derivative financial liabilities

The Group classified non-derivative financial liabilities into the other financial liabilities category. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise loans and borrowings, bank overdrafts and trade and other payables.

(q) Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

Warrants

Warrants are classified as a financial liability if the exercise price for conversion to ordinary shares can vary based on the associated factors. Warrants are initially recognised and subsequently recorded at fair value with movements in fair value recognised in the income statement. If the exercise price no longer varies, the balance is reclassified to equity.

(r) Earnings per Share

(i) Basic earnings per Share

Basic earnings per share is determined by dividing the operating profit or loss after income tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of partly paid shares or options outstanding during the financial year.

Notes to the Consolidated Financial Statements (continued)

3. Significant Accounting Policies (continued)

(s) Share Based Payment Transactions

Equity settled transaction:

The Group provides benefits to employees (including senior executives) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently an Employee Share Option Plan (ESOP), which provides benefits to employees. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date on which they are granted.

The Group has provided share based payments to facility lenders during the prior year and the cost of these equity-settled transactions are expensed in line with the period of the facility as a finance cost.

The Group has provided share based payments to consultants during the current and prior years and the cost of these equity-settled transactions is expensed in the same way as the ESOP.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Apex Minerals NL (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The increase income statement charge or credit for a period represents the movements at cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon market conditions.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modifications that increase the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had been vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(t) Interest in Joint Ventures

The Group's share of the assets, liabilities, revenue and expenses of jointly controlled operations have been included in the appropriate line items of the consolidated financial statements. Details of the Group's interests are provided in Note 32.

The Group's interests in joint venture entities are recorded using the equity method of accounting in the consolidated financial statements.

Where the Group contributes assets to the joint venture or if the Group purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Group's share of the joint venture shall be recognised. The Group recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

Notes to the Consolidated Financial Statements (continued)

3. Significant Accounting Policies (continued)

(u) Segment Reporting

The Group determines and presents operating segments based on the information that is internally provided to the Executive Chairman, who is the Group's chief operating decision maker.

An operating segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products and services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. All operating segments' operating results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance.

(v) Adoption of new and revised Accounting Standards

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section 3(v).

(v) Adoption of new and revised Accounting Standards (continued)

Standards affecting presentation and disclosure

Amendments to AASB 7 'Financial Instruments Disclosure	The amendments (part of AASB 2010-4 'Further Amendments to Australian accounting Standards arising from the Annual Improvements Project'1) clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans.
Amendments to AASB 101 'Presentation of Financial Statements'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'1) clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
AASB 1054 'Australian Additional Disclosures' and AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project	AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. This Standard contains disclosure requirements that are in addition to IFRSs in areas such as compliance with Australian Accounting Standards, the nature of financial statements (general purpose or special purpose), audit fees, imputation (franking) credits and the reconciliation of net operating cash flow to profit (loss). AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards. The Standard deletes various Australian-specific guidance and disclosures from other Standards (Australian-specific disclosures retained are now contained in AASB 1054), and aligns the wording used to that adopted in IFRSs. The application of AASB 1054 and AASB 2011-1 in the current year has resulted in the simplification of disclosures in regards to audit fees, franking credits and capital and other expenditure commitments as well as an additional disclosure on whether the Group is a for-profit or not-for-profit entity.

Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

Notes to the Consolidated Financial Statements (continued)

3. Significant Accounting Policies (continued)

(v) Adoption of new and revised Accounting Standards (continued)

Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement'	Interpretation 114 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of AASB 119; how minimum funding requirements might affect the availability of reductions in future contributions; and when minimum funding requirements might give rise to a liability. The amendments now allow recognition of an asset in the form of prepaid minimum funding contributions. The application of the amendments to Interpretation 114 has not had material effect on the Group's consolidated financial statements.
AASB 2010-5 'Amendments to Australian Accounting Standards'	The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations. The application of AASB 2010-5 has not had any material effect on amounts reported in the Group's consolidated financial statements.
AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets	The application of AASB 2010-6 makes amendments to AASB 7 'Financial Instruments – Disclosures' to introduce additional disclosure requirements for transactions involving transfer of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred and derecognised but the transferor retains some level of continuing exposure in the asset. To date, the Group has not entered into any transfer arrangements of financial assets that are derecognised but with some level of continuing exposure in the asset. Therefore, the application of the amendments has not had any material effect on the disclosures made in the consolidated financial statements.
AASB 124 'Related Party Disclosures' (revised December 2009)	AASB 124 (revised December 2009) has been revised on the following two aspects: (a) AASB 124 (revised December 2009) has changed the definition of a related party and (b) AASB 124 (revised December 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' AASB 200911 (December 20120) 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014

Notes to the Consolidated Financial Statements (continued)

3. Significant Accounting Policies (continued)

(v) Adoption of new and revised Accounting Standards (continued)

Standards and Interpretations in issue not yet adopted (continued)

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 12 'Disclosure of Interests in Other Entities' 1	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements'(2011)	1 January 2013	30 June 2014
AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures'	1 January 2015	30 June 2016
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'		
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets	1 January 2012	30 June 2013
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013
AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013	30 June 2014
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	30 June 2014
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle	1 January 2013	30 June 2014

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Notes to the Consolidated Financial Statements (continued)

3. Significant Accounting Policies (continued)

(v) Adoption of new and revised Accounting Standards (continued)

Standards and Interpretations in issue not yet adopted (continued)

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32	1 January 2014	30 June 2015
Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) 1 January 2013 30 June 2014	1 January 2013	30 June 2014
Mandatory Effective Date of IFRS 9 and Transition Disclosures (Amendments to IFRS 9 and IFRS 7	1 January 2015	30 June 2016
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle	1 January 2013	30 June 2014

4. Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

(i) Trade and Other Receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(ii) Derivatives
The fair value of derivative options, including the gold put options and the Gold Upside Participation notes, are based on independent valuation reports using modelling with market data inputs. Fair values are determined by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

(iii) Non-Derivative Financial Liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

(iv) Share-Based Payment Transactions
The fair value of employee share options is measured using the Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(v) Investments in Equity Securities
The fair value of available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date.

Notes to the Consolidated Financial Statements (continued)

5. Financial Risk Management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk from its financial assets on the balance sheet are generally at carrying value less any provisions for doubtful debts. There is little influence of demographics on the credit risk of the Group including default risk of the industry and country.

The Group's revenue is attributable to a single customer, being the Perth Mint (a government trading enterprise) and as such the Group's exposure to credit risk is not considered significant.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group manages this risk through the following mechanisms:

- Preparing forward – looking cash flow analyses in relation to is operational, investing and financing activities;
- Monitoring undrawn credit facilities;
- Obtaining funding from a variety of sources;
- Managing credit risk related to financial assets;
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group incurs financial liabilities in order to manage market risks. All such transactions are undertaken within guidelines set by the Board of Directors.

Currency Risk

The Group has minimal foreign currency risk as a majority of the Group's transactions are in Australian dollars including gold sales revenue, which is to one Australian based customer.

Interest on loans and borrowings is denominated in the currency of the borrowings that match the cashflows generated by the underlying operations of the Group, primarily in Australian Dollars.

Interest Rate Risk

The Group are not materially exposed to interest rate risk, as a majority of its loans and borrowings are on a fixed rate profile.

5. Financial Risk Management (continued)

Gold Price

The Group is subject to Australian Dollar gold price risk on its gold production and revenue. The Group does not hedge this risk. The Group was subject to Australian Dollar gold price risk in relation to payment on Gold Upside Participation Notes ("GUP") that were previously entered into as part of a financing arrangement. The GUPs required a payment to be made where the gold price exceeds the gold price exercise price of AUD $1,110 per ounce. The GUPs have since been paid out in February 2011.

Capital Management

The Group's objectives when managing capital are to maintain a strong capital base capable of withstanding significant cash flow variability, whilst providing the flexibility to pursue its growth aspirations. The Group aims to maintain an optimal capital structure to reduce the cost of capital and maximise shareholder returns. The Capital Management process is constantly reviewed and approved by the Board.

The capital structure of the Group consists of debt, which includes borrowings, cash, cash equivalents and equity.

The Group balances it overall capital structure through the issue of new shares and options as well as the issue of new debt or redemption of existing debt.

The Group is not subject to an externally imposed capital requirements.

6. Segment Reporting

Identification of Reportable Segments

The Group has identified its operating segment (Wiluna operations) on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performances and determining the allocation of resources.

Reportable segments disclosed are based on aggregating tenements where the development and exploration interests are considered to form a single project. This is indicated by:

- Having the same ownership structure.
- Exploration being focused on the same mineral or type of mineral.
- Exploration programs targeting the tenements as a group, indicated by the use of the same exploration team, shared geological data and knowledge across the tenements.
- Shared mining economic considerations such as mineralisation, metallurgy, marketing, legal environmental, social and government factors.

Basis of accounting for purposes of reporting by operating segments.

Accounting Policies Adopted

Unless otherwise stated, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Unallocated Items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Income tax expense.
- Deferred tax asset and liabilities.
- Discontinuing operations.

Notes to the Consolidated Financial Statements (continued)

6. Segment Reporting (continued)

In thousands of AUD	Wiluna Operations	Reconciliation to Financial Statements	Total
(i) Segment performance			
Year ended 30 June 2012			
Revenue	61,602	-	61,602
Segment Result	(30,265)	(20,921)	(51,186)
Included within segment result:			
Depreciation and Amortisation	(18,195)	(126)	(18,321)
Exploration expensed	(347)	-	(347)
Year ended 30 June 2011			
Revenue	89,271	-	89,271
Segment Result	8,141	12,106	20,247
Included within segment result:			
Depreciation and Amortisation	(27,648)	(159)	(27,807)
Exploration expensed	(2,209)	(444)	(2,653)
(ii) Segment Assets			
Segment Assets as at 30 June 2012	69,232	2,422	71,654
Segment Assets as at 30 June 2011	88,052	15,284	103,336
(iii) Segment Liabilities			
Segment Liabilities as at 30 June 2012	40,167	10,791	50,958
Segment Liabilities as at 30 June 2011	46,895	6,226	53,121

All gold sales are denominated in Australian dollars and are made to the Perth Mint.

7. Other Income

	Consolidated	
In thousands of AUD	2012	2011
Gain from sale of Wilson Deposits (a)	**7,215**	-
Royalty receipt (b)	**-**	900
Sale of Tailings (b)	**580**	-
Insurance Income	**514**	-
Gain from sale of Gidgee Tenements (c)	**-**	24,969
Rent from property subleased	**188**	-
Sale of tenements	**257**	-
Sale of scrap	**202**	-
Others	**20**	-
Profit / (Loss) from sale of investments classified as available for sale	**-**	445
Gain on sale of Aphrodite Shares	**-**	196
Profit on sale of fixed assets	**-**	169
	8,976	26,679

7. Other Income (continued)

(a) The sale of the Wilsons underground deposit (Mining Lease 53/0153) to Panoramic Gold Pty Ltd was completed on 1 June 2012. The consideration was $8,000,000 before related costs.

(b) In June 2011, the Company agreed to the sale of the Wiluna calcine tailings to Intermin Resources Ltd ("Intermin"). The agreement included an immediate payment of $20,000 plus a royalty payment of $4 per tonne treated by Intermin. Intermin paid a $900,000 non-refundable amount to the Group. During June 2012 $290,000 was paid by Intermin with an additional $290,000 due on the 31st July 2012 to settle this contract.

(c) In January 2011, the Group sold its Gidgee tenements for $15,500,000 cash as disclosed in the Directors Report. Selling costs incurred in the transaction were $1,043,000. The Gidgee Tenements were classed as held for sale in the 31 December 2010 interim accounts and the carrying value at the settlement date was a liability of $10,512,000.

8. Finance Income and Expense

Recognised in Profit or Loss

	Consolidated	
In thousands of AUD	**2012**	**2011**
Finance Income		
Interest revenue	**225**	315
Fair value gain of GUP Notes [1]	**-**	18,800
Realised revaluation on extinguishment of GUP Notes	**-**	8,889
	225	28,004
Interest on guarantee	**-**	(170)
Interest on short term loans	**(101)**	(272)
Interest on obligations under finance leases	**(708)**	(1,242)
Unwinding discount rate of rehabilitation provision	**(597)**	(1,349)
Payment of GUP Notes (pre-extinguishment)	**-**	(6,095)
Metal Group loan	**(213)**	-
Atlas Copco Australia	**(305)**	-
Yandal Investments Pty Ltd	**(80)**	-
Australian Taxation Office	**(496)**	-
Office of State Revenue of Western Australia	**(153)**	-
Net finance Income and Expense	**(2,653)**	(9,128)

[1] The GUP Notes were extinguished in February 2011. The GUP Notes were re-valued as at 31 December 2010 and the unrealised gain recognised at this time was $18,800,000. The extinguishment gain represents a cash consideration paid of $18,000,000 cash plus the fair value of warrants issued totalling $1,225,000, less the carrying value of the GUP notes of $28,195,000.

9. Operating Profit / Loss

	Consolidated	
In thousands of AUD	**2012**	**2011**
Operating profit / loss before income tax has been arrived at after charging the following items:		
Depreciation and amortisation of non-current assets (including writeoffs)	**18,321**	27,807
Impairment of assets - held for sale	**12,923**	2,610
Impairment of assets - mine properties	**-**	-
Exploration expensed	**347**	2,653

Notes to the Consolidated Financial Statements (continued)

9. Operating Profit / Loss (continued)

Cost of sales of $109,094,000 (2011: $102,666,000) includes non cash items such as depreciation and amortisation, stock pile impairments, provisions and prepayments. It therefore does not represent cash costs.

10. Income Tax

Recognised in the Income Statement

	Consolidated	
In thousands of AUD	**2012**	**2011**
Current Tax		
Current year	**-**	-
Under / (Over) Provision for Prior Year	**-**	-
Deferred Tax		
Origination and reversal of temporary differences	**-**	-
Under / (Over) Provision for Prior Year	**-**	-
Total income tax expense per income statement	**-**	-
Numerical reconciliation between tax expense and pre-tax net loss		
Net profit / (loss) before tax	**(51,186)**	20,247
Income tax expense / (benefit) on above at 30%	**(15,356)**	6,074
Increase in income tax due to tax effect of:		
Non-deductible expenses	**1,079**	387
Movement in unrecognised temporary differences	**1,571**	-
Current year capital losses not recognised	**-**	172
Current year tax loss movement not recognised	**14,398**	8,145
Decrease in income tax expense due to:		
Movement in unrecognised temporary differences	**-**	(13,175)
Deductible equity raising costs	**(1,692)**	(1,603)
Income tax expense attributable to equity	**-**	-

Notes to the Consolidated Financial Statements (continued)

10. Income Tax (continued)

In thousands of AUD	Consolidated 2012	2011
Recognised Deferred Tax Assets and Liabilities		
Deferred tax assets and liabilities are attributable to the following:		
Assets:		
Accruals and Provisions	**-**	626
Investments	**-**	-
Provision for Rehabilitation	**-**	1,206
Mine Development	**1,452**	1,954
Previously expensed borrowing costs	**-**	-
Deferred Tax Assets	**1,452**	3,786
Liabilities:		
Exploration	**-**	(2,755)
Rehabilitation Assets	**(1,452)**	(1,021)
Other	**-**	(10)
Deferred Tax Liabilities	**(1,452)**	(3,786)
Unrecognised Deferred Tax Assets ("DTA")		
DTAs have not been recognised in respect of the following:		
Deductible temporary differences	**18,137**	15,663
Tax revenue losses	**86,177**	72,566
Tax capital losses	**108**	281
	104,422	88,510

Notes to the Consolidated Financial Statements (continued)

Movement in recognised temporary differences during the current period.

In thousands of AUD	Balance at 1 July 2011	Under/Over	Recognised in Income	Recognised in Equity	Balance at 30 June 2012
			Consolidated		
Deferred Tax Assets					
Accruals and provisions	626	-	(626)	-	-
Investments	-	-	-	-	-
Provision for rehabilitation	1,206	-	(1,206)	-	-
Mine development	1,954	-	(502)	-	1,452
Previously expensed borrowing costs	-	-	-	-	-
Net Deferred Tax Assets	3,786	-	(2,334)	-	1,452
Deferred Tax Liabilities					
Exploration	2,755	-	(2,755)	-	-
Rehabilitation assets	1,021	-	431	-	1,452
Other	10	-	(10)	-	-
Net Deferred Tax Liability	3,786	-	(2,334)	-	1,452

Movement in recognised temporary differences during prior period.

In thousands of AUD	Balance at 1 July 2010	Under/Over	Recognised in Income	Recognised in Equity	Balance at 30 June 2011
			Consolidated		
Deferred Tax Assets					
Accruals and provisions	2,787	-	(2,161)	-	626
Investments	17	-	(17)	-	-
Provisions for rehabilitation	1,513	-	(307)	-	1,206
Mine development	343	-	1,611	-	1,954
Previously expensed borrowing costs	605	-	(605)	-	-
Net Deferred Tax Assets	5,265	-	(1,479)	-	3,786
Deferred Tax Liabilities					
Exploration	3,526	-	(771)	-	2,755
Rehabilitation assets	1,729	-	(708)	-	1,021
Unearned income	10	-	-	-	10
Net Deferred Tax Liability	5,265	-	(1,479)	-	3,786

Notes to the Consolidated Financial Statements (continued)

11. Trade and Other Receivables

In thousands of AUD	***Note***	**Consolidated 2012**	**Consolidated 2011**
Current			
Trade and other receivables		**221**	17
Accrued interest receivable		**-**	28
Prepayments		**105**	989
Other		**334**	86
		660	1,120
Non Current			
Bank guarantees	*(i)*	**6,221**	4,626
		6,221	4,626

(i) Bank guarantees are bonds / deposits in relation to the environmental bonds for the Wiluna mine sites of $2,994,000 (2011: $2,999,000), environmental bonds for Youanmi sites of $1,551,865 (2011: $1,497,638), office premises of $444,878 (2011: $397,000), credit card facility of $20,000 (2011: $20,000) gas contract of $450,000 (2011: $450,000), supplier bonds of $10,000 (2011: $10,000) and finance lease facility of $750,000 (2011: $750,000).

12. Inventories

In thousands of AUD	***Note***	**Consolidated 2012**	**Consolidated 2011**
Gold in circuit	*(i), (ii)*	**5,649**	10,847
Gold dore		**391**	848
Ore stockpiles		**328**	3,103
Stores and consumables		**5,290**	4,334
Less provision for inventory obsolecence		**(1,882)**	(917)
		9,776	18,215

(i) The methodology to measure gold in circuit within a particular part of the processing plant was reassessed during the year ended 30 June2011. This was considered a change in accounting estimate, which resulted in additional ounces being recognised of approximately 1,500 ounces in the year ended 30 June 2011.

(ii) Gold in Circuit at 30 June 2012 comprised 3,826 ounces (2011 – 8,524 ounces).

13. Assets Available for Sale

In thousands of AUD	**Consolidated 2012**	**Consolidated 2011**
Current Assets		
Investments in listed entities - available for sale	**8**	20
	8	20

Notes to the Consolidated Financial Statements (continued)

14. Assets and Liabilities Held for Sale

During the year, the Group was in the process of marketing the sale of its Youanmi Project ("Youanmi") including assets and related liabilities of Youanmi. However, the Group has been unsuccessful to date in attracting a sale. On this basis, the Directors have determined to fully impair mine properties and exploration assets at 30 June 2012. Environmental Bonds have subsequently been reclassified as Non Current Receivables and the Rehabilitaion Provision relating to the mine site has been reclassified as a Non Current Provision.

	Consolidated	
In thousands of AUD	**2012**	**2011**
Current Assets		
Mine properties	**-**	3,630
Environmental Bonds	**-**	1,498
Exploration	**-**	9,143
	-	14,271
Current Liabilities		
Trade payables	**-**	130
Provisions	**-**	4,141
	-	4,271
Total Net Assets Held for Sale	**-**	10,000

15. Derivative Assets

	Consolidated	
In thousands of AUD	**2012**	**2011**
Current		
Options held in listed entities	**25**	97
	25	97

16. Property, Plant and Equipment

	Consolidated	
In thousands of AUD	**2012**	**2011**
Plant and Equipment		
Cost	**93,381**	93,363
Accumulated Depreciation	**(57,530)**	(45,049)
	35,851	48,314
Mine Properties		
Cost	**138,770**	131,235
Accumulated Amortisation	**(56,630)**	(51,110)
Impairment	**(64,122)**	(64,122)
	18,018	16,003
Leasehold Improvements		
Cost	**504**	505
Accumulated Depreciation	**(256)**	(202)
	248	303
Office and Computer Equipment		
Cost	**1,493**	1,496
Accumulated Depreciation	**(1,398)**	(1,132)
	95	364
Total Property, Plant and Equipment	**54,212**	64,984

Notes to the Consolidated Financial Statements (continued)

16. Property, Plant and Equipment (continued)

Reconciliation

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

	Consolidated	
In thousands of AUD	**2012**	**2011**
Plant and Equipment		
Carrying amount at beginning of period	**48,314**	60,317
Additions / (Disposals)	**18**	1,138
Write-off of equipment	**-**	(1,285)
Depreciation	**(12,481)**	(11,856)
Carrying amount at end of period	**35,851**	48,314
Mine Properties		
Carrying amount at beginning of period	**16,004**	17,532
Additions	**7,535**	14,132
Rehabilitation amortisation	**-**	(242)
Write off	**(1)**	-
Amortisation	**(5,520)**	(15,419)
Carrying amount at end of period	**18,018**	16,003
Leasehold Improvements		
Carrying amount at beginning of period	**303**	293
Additions	**-**	73
Write off	**(1)**	-
Depreciation	**(54)**	(63)
Carrying amount at end of period	**248**	303
Office and Computer Equipment		
Carrying amount at beginning of period	**363**	567
Additions	**-**	23
Write off	**(2)**	-
Depreciation	**(266)**	(226)
Carrying amount at end of period	**95**	364
Total Property, Plant and Equipment	**54,212**	64,984

Notes to the Consolidated Financial Statements (continued)

17. Exploration and Evaluation

In thousands of AUD	Consolidated 2012	2011
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phase	-	-
	-	-
Exploration and Evaluation Phase		
Carrying amount at beginning of period	-	-
Expenditure incurred during the year	347	2,653
Exploration expenditure expensed as incurred	**(347)**	(2,653)
Transferred to assets held for sale	-	-
Balance at end of year	-	-

There are no amounts carried forward at the balance date because the Group has the current policy to expense all exploration and evaluation expenditure.

18. Trade and Other Payables

In thousands of AUD	Consolidated 2012	2011
Trade payables and accrued expenses (i), (ii)	**17,106**	18,552
	17,106	18,552

(i) The amounts shown above include an amount of $5,045,700 payable to Atlas Copco. This facility is unsecured and if scheduled payments are met under the terms of the Deed of Settlement the Company will be entitled to a credit note of $1,650,000 on payment of the final instalment in June 2013. At the date of this report, the Group has adhered to its repayment schedule with Atlas Copco.

(ii) Amounts outstanding to another creditor of the Group totalling $2.1m at 30 June 2012, is subject to deferred payment terms. As at the date of this report, the Group has complied with the agreed repayment schedule.

The Group's exposure to liquidity risk related to trade and other payables is disclosed in Note 28.

19. Loans and Borrowings

In thousands of AUD	Consolidated 2012	2011
Current		
Finance leases (a)	**3,687**	6,901
Short term loan (b)	**4,000**	-
	7,687	6,901
Non Current		
Finance leases (a)	**1,126**	3,179
	1,126	3,179
Payable - minimum lease payments:		
No later than one year	**4,140**	7,551
Later than one year but not later than five years	**1,332**	3,386
Later than five years	**-**	-
Less future finance charges	**(659)**	(857)
	4,813	10,080

19. Loans and Borrowings (continued)

(a) Finance leases relate to plant and equipment purchased for the term of five years which commenced in 2008. The Group has options to purchase the equipment at the conclusion of the lease agreements. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

(b) The short term loan relates to a facility from AMNL Financing Pty Ltd. The repayment of the principal amount is due 180 days from the funding date of 26 March 2012.

20. Provisions

Employee Benefits

		Consolidated	
In thousands of AUD	***Note***	**2012**	**2011**
Current			
Employee Benefits			
Provision for annual leave		**1,590**	1,822
		1,590	1,822
Non Current			
Rehabilitation Provision			
Balance at beginning of year		**18,396**	28,854
Reassessment of provision		**-**	(482)
Removal of provision from the sale of Gidgee		**-**	(11,225)
Transfer from 'Assets Held for Sale'		**4,456**	-
Unwinding of discount and effect of changes in discount rate		**597**	1,249
Transfer of provision to be held for sale of liability		**-**	-
Balance at end of year		**23,449**	18,396

The provision for the restoration and rehabilitation of the mine sites operated by the Group represents the present value of the best estimate of the future sacrifice of economic benefits that will be required. Transfer from 'Assets held for Sale' represents the rehabilitation provision on Goldcrest Mine site ($2,072,917) and Youanmi Mine site ($2,382,817).

21. Capital and Reserves

	Consolidated	
	2012 Number	**2011 Number**
Issued Capital		
Number of fully paid ordinary shares (1)	**166,509,044**	5,550,243,713

(1) During the year the shares were consolidated on a 1:100 basis.

Share Capital

The Company has also issued share options (see Note 31).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group.

Notes to the Consolidated Financial Statements (continued)

21. Capital and Reserves (continued)

	Number of Shares			
	2012	**2011**	**2012 $'000**	**2011 $'000**
Balance at beginning of the year	**5,550,243,713**	3,317,819,909	**321,375**	295,359
Share issues during the period:				
Rights Issue @ 0.2 cents per share	**11,100,487,426**	-	**22,201**	-
Ordinary shares issued at 2 cents per share	**-**	250,000,000	**-**	5,000
Shares issued on options exercised at 6 cents per share	**-**	6	**-**	-
Rights Issue @ 1 cent per share	**-**	1,632,422,608	**-**	16,325
Shares issued at 1.8 cents per share	**-**	350,000,000	**-**	6,300
Shares issued on options exercised at 6 cents per share	**-**	1,190	**-**	-
Cost of issues	**-**	-	**(2,178)**	(1,609)
Adjustment for share consolidation (1:100)	**(16,484,222,095)**	-	**-**	-
Balance at year end (post consolidation)	**166,509,044**	5,550,243,713	**341,398**	321,375

(i) 16,650,731,139 shares were consolidated on a 1:100 basis as at 7 May 2012, leaving 166,509,044 shares on hand at 30 June 2012.

Available for Sale Asset Reserve

The available for sale revaluation reserve is in relation to the available for sale assets held within the Group. When a re-valued financial asset is sold, that portion of the reserve which relates to that financial asset, is effectively realised and is then recognised in the income statement. Where a re-valued financial asset is impaired, that portion of the reserve which relates to that financial asset is recognised in the income statement.

Share Based Payments Reserve

The share based payment reserve is used to recognise the fair value of share based payments issued to employees, consultants and financiers.

Quoted Option Reserve

The quoted option reserve represents the value attributable to listed options pursuant to capital raisings conducted by the Company.

Warrants Reserve

The warrants reserve records the fair value of warrants used as part of the consideration of the GUP extinguishment in the prior financial period.

Notes to the Consolidated Financial Statements (continued)

22. Earnings / (Loss) per Share

Basic Earnings / (Loss) per Share

The calculation of basic loss per share at 30 June 2012 was based on the loss attributable to ordinary shareholders of $51,186,000 (2011: profit of $20,247,000) and a weighted average number of ordinary shares outstanding of 77,399,290* (2011: 4,127,163,000**), calculated as follows:

Profit attributable to Ordinary Shareholders	**Consolidated**	
In thousands of AUD	**2012**	**2011**
Net profit / (loss) for the period	**(51,186)**	20,247

Weighted average number of Ordinary Shares

	Consolidated	
	2012	**2011**
Weighted average number of ordinary shares used in the calculation of Basic and Diluted EPS.	**77,399,290***	4,127,163,000**

* Calculated on a post consolidated basis.

** Calculated on a pre-consolidated basis.

Earnings / (Loss) per share – cents per share	**(66.1)**	0.49

Diluted earnings per share is the same as basic earnings per share as it does not result in an inferior position, as the potential ordinary shares on issue are not dilutive.

23. Accumulated Losses

		Consolidated	
In thousands of AUD	***Note***	**2012**	**2011**
Accumulated losses at beginning of year		(298,045)	(321,892)
Net profit / (loss)		(51,186)	20,247
Transfer from warrants reserve		-	3,600
Accumulated losses at end of year		**(349,231)**	(298,045)

24. Parent Entity Disclosures

As at, and throughout, the financial year ending 30 June 2012 the parent company of the consolidated entity was Apex Minerals NL.

Result of the Parent Entity	**Consolidated**	
In thousands of AUD	**2012**	**2011**
Profit / (Loss) for the period	**(7,659)**	14,866
Other comprehensive income:	**(12)**	-
Total comprehensive income for the period	**(7,671)**	14,866
Financial position of the Parent Entity at Year End		
Current assets	**57**	118
Total assets	**66,346**	48,374
Current liabilities	**6,264**	2,363
Total liabilities	**6,264**	2,363
Total equity of the Parent Entity comprising of:		
Share capital	**341,398**	321,375
Reserves	**28,649**	26,934
Accumulated losses	**(309,965)**	(302,298)
Total Equity	**60,082**	46,011

Parent Entity Contingencies and Commitments

The parent entity has cash backed bonds required to guarantee supplier payments, which were included in trade and other receivables note (see Note 11). At 30 June 2012 there are no other guarantees of performance of a subsidiary in existence. There are no commitments at the parent level.

25. Capital and Other Commitments

(i) Exploration Commitments

In order to maintain current rights of tenure to explore tenements, the Group is required to perform minimum expenditure of $1,401,240 over the next financial year (2011: $1,598,080). The reduction in the expenditure commitments is due to the sale of the Wilson tenements and the expiration of some Snowpeak prospecting tenements.

Exploration expenditure commitments for subsequent years are contingent upon future exploration results. Obligations are subject to change upon expiry of the exploration leases or when application for a mining licence is made and has not been provided for in the consolidated financial statements.

(ii) Operating Leases

Operating leases relate to head office premises and various items of office equipment. The head office premises lease term period is 1 September 2008 to 31 August 2013.

Non-cancellable operating lease rentals are payable as follows:

Notes to the Consolidated Financial Statements (continued)

25. Capital and Other Commitments (continued

In thousands of AUD	Consolidated 2012	2011
Less than one year	**565**	392
Between one and five years	**96**	65
Later than five years	**-**	-
	661	457

26. Contingent Liabilities

There are no material contingent liabilities as at 30 June 2012.

27a. Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

In thousands of AUD	Consolidated 2012	2011
Bank balances	**752**	3
Cash and cash equivalents	**752**	3

27b. Reconciliation of Cash Flows from Operating Activities

In thousands of AUD	Consolidated 2012	2011
Cash Flows from Operating Activities		
Profit / (Loss) for the period	**(51,186)**	20,247
Adjustment for:		
Depreciation	**18,321**	27,807
Share based payments	**1,596**	217
Inventory provisions	**967**	-
Gain on sale of Wilsons Deposits	**(7,448)**	-
Gain on sale of Gidgee	**-**	(24,969)
Gain on GUP extinguishment	**-**	(21,594)
Impairment of assets	**12,923**	2,610
Removal of royalty income	**-**	(900)
Gain of AFS financial asset	**-**	(445)
Gain on sale of Aphrodite shares	**-**	(196)
Profit on sale of fixed assets	**-**	(169)
Doubtful Debts provision	**6**	-
Non cash net finance expense	**597**	1,349
Operating profit / (loss) before changes in working capital	**(24,224)**	3,957
(Increase) / decrease in inventories	**8,440**	(3,272)
(Increase) / decrease in trade and other receivables - current	**460**	5,215
(Increase) / decrease in other receivables - non current	**(43)**	1,413
Increase / (decrease) in trade and other payables	**162**	(8,311)
Increase / (decrease) in current provisions	**(232)**	(105)
Net Cash from Operating Activities	**(15,437)**	(1,103)

Notes to the Consolidated Financial Statements (continued)

27c. Non Cash Transactions

During the financial year, the Group entered into the following non-cash investing activities which are not reflected in the consolidated statement of cash flows:-

(i) The issue of 1,250,000 shares to Drummond Gold Limited at an issue price of 20 cents per share (on a post consolidated basis) in lieu of consulting fees totalling $250,000.

(ii) The issue of 1,250,000 shares, as part of Rights Issue, to Shelay Investments Pty Ltd, a company in which former director Mr Ashley was interested, at an issue price of 20 cents per share ($250,000) in lieu of amount owing to Mr Ashley on his cessation of services with the Company.

(iii) The issue of 1,000,000 options (on a post consolidated basis) to Azure Capital Investments Pty Ltd in lieu of capital raising fees. Further details are contained in the Notice of General Meeting for the meeting held on 11 April 2012.

(iv) The issue of 6,000,000 unquoted options (on a post consolidated basis) to Mr Eshuys received through his nominee Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust for nil cash consideration. Further details are contained in the Notice of General Meeting for the meeting held on 11 April 2012.

(v) The issue of 8,141,250 shares, as part of Rights Issue, to various trade creditors, at an issue price of 20 cents per share ($1,628,250) in full and final settlement of amount owing to them.

(vi) The issue of 10,000,000 unquoted options (on a post consolidated basis) to Drummond Gold Limited for nil cash consideration. Further details are contained in the Notice of General Meeting for the meeting held on 11 April 2012.

(vii) Trade and other payables offset of $2,128,250 against share capital issued pursuant to the $22.2m rights issue in April / May 2012.

28. Financial Instruments

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure to Credit Risk

The Group's maximum exposure to credit risk at the reporting date was:

		Carrying Amount	
In thousands of AUD	***Note***	**2012**	**2011**
Cash and cash equivalents	*27a*	**752**	3
Trade and other receivables	*11*	**6,881**	5,746
Available-for-sale financial assets	*13*	**8**	20
		7,641	5,769

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

2012

In thousands of AUD	**Carrying Amount**	**Contractual Cash Flows**	**6 Months or less**	**6-12 Months**	**1-2 Years**	**2-5 Years**
Non-derivative Financial Liabilities						
Loans and borrowings	**8,813**	**(9,672)**	**(8,114)**	**(226)**	**(485)**	**(847)**
Trade and other payables	**17,106**	**(17,106)**	**-**	**-**	**-**	**-**
	25,919	**(26,778)**	**(8,114)**	**(226)**	**(485)**	**(847)**

2011

In thousands of AUD	**Carrying Amount**	**Contractual Cash Flows**	**6 Months or less**	**6-12 Months**	**1-2 Years**	**2-5 Years**
Non-derivative Financial Liabilities						
Loans and borrowings	10,080	(10,937)	(3,775)	(3,775)	(3,387)	-
Trade and other payables	18,552	(18,552)	-	-	-	-
	28,632	(29,489)	(3,775)	(3,775)	(3,387)	-

Notes to the Consolidated Financial Statements (continued)

28. Financial Instruments (continued)

Interest Rate Risk

The Group's exposure to interest rate risk for each class of financial assets and financial liabilities is set out below:

Consolidated	**2012**				**2011**			
In thousands of AUD	**Floating Interest Rate**	**Fixed Interest Rate**	**Non-interest bearing**	**Total**	**Floating Interest Rate**	**Fixed Interest Rate**	**Non-interest bearing**	**Total**
Fixed Assets								
Cash and cash equivalents	752	-	-	**752**	3	-	-	3
Trade and other receivables	-	6,776	105	**6,881**	-	4,757	989	5,746
Assets available for sale	-	-	8	**8**	-	-	20	20
	752	6,776	113	**7,641**	3	4,757	1,009	5,769
Financial Liabilities								
Trade and other payables	-	-	17,106	**17,106**	-	-	18,552	18,552
Loans and borrowings	-	8,813	-	**8,813**	-	10,080	-	10,080
	-	8,813	17,106	**25,919**	-	10,080	18,552	28,632
Net Financial Assets / (Liabilities)	**752**	**(2,037)**	**(16,993)**	**(18,278)**	**3**	**(5,323)**	**(17,543)**	**(22,863)**

28. Financial Instruments (continued)

Interest Rate Risk (continued)

Fair value Sensitivity Analysis for Fixed Rate Instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Fair Value Sensitivity Analysis for Variable Rate Instruments

The Group is not materially exposed to variable rate instruments as at 30 June 2012.

Cash Flow Sensitivity Analysis for variable Rate Instruments

The Group is not materially exposed to variable rate instruments as at 30 June 2012.

Fair Values

The fair values of the financial assets and liabilities at balance date of the Group approximate the carrying amounts in the financial statements.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quotes prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie, as prices) or indirectly (ie, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market date (unobservable inputs).

Fair Value Hierarchy	Level 1	Level 2	Level 3	Total
In thousands of AUD				
30 June 2012				
Available for sale financial assets	8	-	-	8
Derivative financial assets	25	-	-	25
	33	**-**	**-**	**33**
30 June 2011				
Available for sale financial assets	20	-	-	20
Derivative financial assets	97	-	-	97
	117	-	-	117

There have been no transfers of financial assets and liabilities between levels during the year ended 30 June 2012 or 30 June 2011.

29. Auditors' Remuneration

	Consolidated	
In AUD	**2012**	**2011**
Audit Services		
Crowe Horwath Perth		
Audit and review of financial reports	**128,300**	-
KPMG Australia		
Audit and review of financial reports	**-**	362,500
Under accrual of from past audits	**144,127**	185,000
	272,427	547,500
Non Audit Services		
Crowe Horwath Perth		
Accounting services (i)	**71,100**	
KPMG Australia		
Forensic services		35,000
	71,100	35,000

(i) Provided by Crowe Horwath Perth prior to its appointment as auditors of the Group.

30. Related Party Disclosure

(a) Key Management Personnel Compensation

The key management personnel compensation is as follows:

	Consolidated	
In AUD	**2012**	**2011**
Short-term employee benefits	**1,320,029**	1,974,244
Post-employment benefits	**1,308,058**	156,693
Share based payments [1]	**254,404**	160,342
	2,882,491	2,291,279

[1] Share based payment of $254,404 to Mr Eshuys that represents the fair value of 6,000,000 options (on a post consolidated basis) issued to Mr Eshuys received through his nominee Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust pursuant approval at the General Meeting of Shareholders held on 11 April 2012.

Information regarding individual Directors' and executives' compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report of the Director's Report

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

(b) Remuneration Options: Granted and Vested during the year

Key Management Personnel were granted options during the year.

Refer to Note 31 for granted and vested options during the year ended 30 June 2012.

Notes to the Financial Statements (continued)

30. Related Party Disclosure (continued)

(c) Shareholdings and Option Holdings of Directors and Key Executives

The shareholdings in the following table are denominated on post consolidated basis.

Fully paid Ordinary Shares	Held at 1 July 2011	Purchases	Sales	Held at Resignation	Held at 30 June 2012
(i) Directors					
E Eshuys (appointed 19 April 2012)	-	-	-	-	-
B Mutton (appointed 19 April 2012)	-	-	-	-	-
R Hutton (appointed 19 April 2012)	-	-	-	-	-
K Robinson	1,022,187	-	-	-	1,022,187
M Sheldrick	-	-	-	-	-
M Ashley (resigned 19 April 2012)	171,750	1,250,000	-	1,421,750	N/A
R Lee (resigned 19 April 2012)	-	-	-	-	N/A
(ii) Key Executives					
G Viska (appointed 19 April 2012)	-	-	-	-	-
C Doust (appointed 28 March 2012)	-	-	-	-	-
M Ilett (appointed 19 April 2012)	-	-	-	-	-
M Andruszkiw (resigned 30 April 2012)	-	-	-	-	N/A
A King (resigned 25 August 2011)	116,632	-	-	116,632	N/A
R Glossop (resigned 8 July 2011)	83,842	-	-	83,842	N/A
D Desjardins (resigned 21 July 2011)	-	-	-	-	N/A

The option holdings in the following table are denominated on post consolidated basis.

Options	Held at 1 July 2011	Purchases	Granted	Options Forfeited	Held at Termination	Held at 30 June 2012
(i) Directors						
E Eshuys (appointed 19 April 2012)	-	-	6,000,000	-	-	6,000,000
B Mutton (appointed 19 April 2012)	-	-	-	-	-	-
R Hutton (appointed 19 April 2012)	-	-	-	-	-	-
K Robinson	101,957	-	-	13,000	-	88,957
M Sheldrick	-	-	-	-	-	-
M Ashley (19 April 2012)	25,000	-	-	25,000	5,000	N/A
Robin Lee (19 April 2012)	-	-	-	-	-	-
(ii) Key Executives						
G Viska (appointed 19 April 2012)	-	-	-	-	-	-
C Doust (appointed 28 March 2012)	-	-	-	-	-	-
M Ilett (appointed 19 April 2012)	-	-	-	-	-	-
M Andruszkiw (resigned 30 April 2012)	-	-	-	-	-	-
A King (resigned 25 August 2011)	100,000	-	-	-	100,000	-
R Glossop (resigned 8 July 2011)	50,000	-	-	-	50,000	-
D Desjardins (resigned 21 July 2011)	30,000	-	-	-	30,000	-

30. Related Party Disclosure (continued)

(c) Shareholdings and Option Holdings of Directors and Key Executives (continued)

Shares in the following table are shown on a pre-consolidation basis.

Fully paid Ordinary Shares	Held at 1 July 2010	Purchases	Sales	Held at Resignation	Held at 30 June 2011
(i) Directors					
M Ashley	17,175,000	-	-	-	17,175,000
K Robinson	72,154,220	30,064,257	-	-	102,218,477
R Lee	-	-	-	-	-
M Sheldrick	-	-	-	-	-
(ii) Key Executives					
A King (resigned 25 August 2011)	-	11,663,219	-	-	11,663,219
R Glossop (resigned 8 July 2011)	-	8,384,282	-	-	8,384,282
D Desjardins (resigned 21 July 2011)	-	-	-	-	-

The option holders contained in the following table are shown on a pre-consolidation basis.

Options	Held at 1 July 2010	Purchases	Granted	Options Forfeited	Held at Termination	Held at 30 June 2011
(i) Directors						
M Ashley	2,500,000	-	-	-	-	2,500,000
K Robinson	10,195,679	-	-	-	-	10,195,679
R Lee	-	-	-	-	-	-
M Sheldrick	-	-	-	-	-	-
(ii) Key Executives						
A King (resigned 25 August 2011)	-	-	10,000,000	-	-	10,000,000
R Glossop (resigned 8 July 2011)	-	-	5,000,000	-	-	5,000,000
D Desjardins (resigned 21 July 2011)	-	-	3,000,000	-	-	3,000,000

(d) Transaction with Directors and Company Secretary prior to appointments

Excluded from the key management compensation and excluding expense reimbursements are the following:-

(i) Professional consulting fees of $44,000 (net of Goods and Services Tax) for professional work undertaken by Mr Eshuys in Apex Minerals NL prior to his appointment on 19 April 2012 which was invoiced by Drummond Gold Limited to Apex Minerals NL.

(ii) Professional consulting fees of $21,350 (net of Goods and Services Tax) for professional work undertaken by Mr Mutton in Apex Minerals NL prior to his appointment on 19 April 2012 which was invoiced by Drummond Gold Limited to Apex Minerals NL.

(iii) Interest of $5,000 was paid to Mr Robinson for short term loan provided to the Company.

(iv) Professional consulting fees of $5,250 (net of Goods and Services Tax) for professional work undertaken by Mr Ilett in Apex Minerals NL prior to his appointment on 19 April 2012 which was invoiced by Drummond Gold Limited to Apex Minerals NL.

30. Related Party Disclosure (continued)

(e) Other Transactions with Director-Related Entities

(i) The following employees / contractors are related to Directors of the Company and were paid the following amounts during the year:

- Jeremy Robinson – Nil (2011: $125,709)
- Simona Ashley (the wife of the Managing Director Mr Ashley since 11 March 2011) which was paid via Felizlavida Pty Ltd $48,864 (2011: $76,173)

(f) Transactions with Drummond Gold Limited

In April 2012, Drummond Gold Limited was paid an arrangement fee of $350,000 and was provided 10,000,000 options (on a post consolidated basis) as part of its participation in the Apex Minerals NL turnaround strategy. Drummond Gold Limited had sub-underwritten the April 2012 Apex Minerals NL Rights Issue in consideration for the arrangement fees of $350,000 which was partly ($250,000) settled through the issue of 1.25 million Apex Minerals NL Shares at an issue price of 20 cents per share (on a post consolidated basis).

During the financial year, the Drummond Gold Limited invoiced the Company for a reimbursement of costs for a total of $109,380 consisting of consulting fees for the Directors and Company Secretary of the Company (refer note 30 (c), accommodation, airfares, travel and other expenses relating to work undertaken for Apex Minerals NL.

As at 30 June 2012 a total of $135,000 was owed by Apex Minerals NL to Drummond Gold Limited.

31. Share-Based Payments

Share based payments to E Eshuys

Further to approval at the General Meeting of Shareholders held on 11 April 2012, Mr Eshuys received through his nominee Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust, 6,000,000 (on a post consolidated basis) in consideration of his appointment as Executive Chairman.

Details of the 6,000,000 options (on a post consolidated basis) granted to Mr Eshuys on 11 April 2012 are as follows:-

Options series	Number of share options	Exercisable	Expiration date	Exercise price $	Fair value at grant date $	2012 Employee benefit expense
Series 1	1,500,000	On grant	18 April 2015.	30 cents	$120,000	$120,000
Series 2	1,500,000	On grant	18 April 2015.	45 cents	$90,000	$90,000
Series 3	750,000	On grant	18 April 2015.	60 cents	$37,500	$37,500
Series 4	2,250,000	1 July 2014	8 April 2015 which will vest if and only if the Company produces at least 100,000 ounces of gold at a cash cost (as reported in the Company's Annual Financial Report) of less that A$1,100 per ounce in financial year 2013-14	80 cents	$157,500	$6,904
Total					**$405,000**	**$254,404**

Notes to the Financial Statements (continued)

31. Share-Based Payments (continued)

(i) The Company completed a 100:1 consolidation on 24 April 2012. The options are shown on a post consolidated basis.

A total of $254,404 has been recorded as an employee benefit expense in the Statement of Comprehensive Income for the year ended 30 June 2012 for the 6,000,000 options issued to Mr Eshuys (on a post consolidated basis). The employee benefit expense of $247,500 comprises of the fair value of Option Series 1, 2 and 3 and an amount of $6,904 for Option Series 4 calculated on a pro-rata basis for the total number of days from the grant date until 30 June 2012 as a proportion of the total number of days from grant date until the entitlement date of 1 July 2014.

The options have been priced using the Black Scholes option pricing model based on the following inputs to the model:

Inputs into the model	Series 1	Series 2	Series 3	Series 4
Share price at grant date	20 cents	20 cents	20 cents	20 cents
Exercise price	30 cents	45 cents	60 cents	80 cents
Expected volatility	72.4%	72.4%	72.4%	72.4%
Dividend yield	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	4.25%	4.25%	4.25%	4.25%

Employee Share Option Plan

Each share option converts into one ordinary share of Apex Minerals NL on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends or voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

There were no share based payments made under the Employee Share Option Plan during the financial year.

The following table details the employee share options (on a post consolidated basis) with the fair value at grant date (on a consolidated basis) held at the end of the current period:

Option Series	Number	Grant Date	Expiry Date	Exercise Price $	Fair Value at Grant Date $
(1) Issued 31 July 2007	5,250	31-Jul-07	30-Jul-12	100.00	72.00
(2) Issued 31 October 2007	1,000	31-Oct-07	11-Nov-12	130.00	83.00
(3) Issued 9 April 2010	149,500	09-Apr-10	8-Apr-13	5.00	2.40
(4) Issued 12 May 2008	3,700	12-May-08	11-May-13	130.00	45.00
(5) Issued 18 July 2008	10,000	18-Jul-08	18-Jul-13	70.00	44.00
(6) Issued 19 November 2010	39,000	19-Nov-10	27-Oct-13	4.50	0.90
(7) Issued 19 November 2010	20,000	19-Nov-10	28-Oct-13	5.00	0.90
(8) Issued 6 December 2010	8,000	06-Dec-10	04-Dec-13	4.50	0.90
(9) Issued 10 February 2009	3,200	10-Feb-09	09-Feb-14	45.00	18.00
(10) Issued 22 June 2009	2,200	22-Jun-09	21-Jun-14	30.00	11.00

Notes to the Financial Statements (continued)

31. Share-Based Payments (continued)

Employee Share Option Plan (continued)

The following reconciles the outstanding share options granted at the beginning and the end of the financial year:

	2012		2011	
	Number of Options (i)	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
Balance at the beginning of the financial year	7,534,153	9.50	783,597,833	0.08
Granted during the financial year	22,650,000	0.50	46,300,000	0.042
Exercised during the financial year (i)	-		-	-
Forfeited/Cancelled during the financial year (iii)	(505,400)	8.24	(76,531,000)	0.17
Balance at the end of the financial year	29,678,753	1.86	753,366,833	0.06
Exercisable at end of the financial year	23,678,753	2.12	753,366,833	0.06

(i) Options

The options in the 2012 financial year are shown on a post consolidated basis.

(ii) Exercised during the Year

None of the options were exercised during the year.

(ii) Forfeited / Cancelled during the Year

For the year ended 30 June 2012, 505,400 (2011:76,531,000) options were cancelled / forfeited due to employee resignations and terminations.

32. Interest in Joint Venture

The Group has entered into unincorporated joint ventures where the joint venturer may earn its interest in mining and exploration tenements held by the Group, as set out in the various agreements. The joint venture agreements are listed as follows.

	Percentage of Interest %	
	2012	**2011**
Apex Minerals NL - Abra Mining Farm-In and Joint Venture Agreement	**10%**	10%
Goldcrest Mines Ltd - Snowpeak Nominees, Agreement for Sale and Joint Venture for the Snowpeak Tenements WA	**80%**	80%

33. Group Entities

The parent entity of the Group is Apex Mineral NL. It currently has holdings in the following entities. All are 100% owned subsidiaries.

	Equity Holding	
	2012	**2011**
	%	**%**
Apex Xinjiang NL	**100**	100
Apex Nickel Australia Pty Ltd	**100**	100
Apex Gold Pty Ltd	**100**	100
Sonax Investments Pty Ltd	**100**	100
Apex Greenstone Mountain Pty Ltd	**100**	100
Subsidiaries of Apex Xinjang		
Apex Copper Mountain Pty Ltd	**100**	100
Subsidiaries of Apex Gold Pty Ltd		
Goldcrest Mines Pty Ltd	**100**	100
Subsidiaries of Goldcrest Mines Pty Ltd		
Youanmi Mines Pty Ltd	**100**	100

34. Subsequent Events

On 24 July 2012 the Company raised $2.74 million through the issue of 24,909,091 fully paid ordinary shares issued at $0.11 per share from institutional and sophisticated investors.

On 24 July 2012 the Company issued 1,000,000 fully paid ordinary shares to Azure Capital Investments Pty Ltd for capital raising assistance. Further details of this share issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 54,832,900 unlisted options exercisable at $0.30 on or before 24 July 2015 to The Metal Group Pty Ltd for nil consideration. Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 9,160,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust (a company related to Mr Eshuys). Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 2,000,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Ross Hutton and Jean Hutton as trustees for the R&M Superannuation Fund (a entity related to Mr Hutton). Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 2,000,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund (a entity related to Mr Mutton). Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 2,000,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Mr Robinson. Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 2,000.000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Mr Sheldrick. Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 24 July 2012 the Company issued 35,180,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to Drummond Gold Limited. Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

34. Subsequent Events (continued)

On 24 July 2012 the Company issued 7,000,000 unlisted options exercisable at $0.30 on or before 24 July 2015 for nil consideration to senior management of the Company. Further details of the option issue are set out in the Notice of General Meeting for the meeting held on 24 July 2012.

On 25 September 2012, the Group lodged a Rights Issue Prospectus to raise up to $8.86m, which is partially conditionally underwritten to the extent of $6m. The Rights Issue Underwriting Agreement is subject to a number of conditions, which if not met, could impact the ability of the Group to raise the minimum $6m required under the Prospectus. These conditions are outlined in the Prospectus lodged with the ASX.

On 26 September 2012 the Company issued 28,000,000 fully paid ordinary shares at an issue price of 9 cents per Share to raise $2.52 million from institutional and sophisticated investors.

On 26 September 2012 the Company issued 1,245,454 shares to Azure Capital Investments Pty Ltd for nil consideration, for acting as corporate advisor to the Company, for placement of 24,909,091 shares to sophisticated and institutional investors on 23 July 2012.

The Group executed a Term Sheet with a specialist risk advisory company during September 2012 for the provision of a Hedging Gold Loan Facility of up to $10m. The provision of this Facility is however subject to a further review and analysis by the specialist risk advisory company of the Group's debt carrying capacity.

On 2 October 2012, the Company refinanced the $4m borrowings from AMNL Financing Pty Ltd which were due to be repaid on 22 September 2012. The borrowings were refinanced with AR Management Co Pty Ltd. The terms of the arrangement is that the facility amount is $4,000,000 with interest payable at 20% per annum. The loan is to be repaid within 180 Days from the date of funding. In addition, the Company will issue 5,500,000 options exercisable at 25 cents each, at anytime within 3 years from the date of issue. The issue of the options will be subject to an EGM of the Company at a future date.

Other than the above there were no significant changes in the state of affairs of the Group during the financial year, not otherwise disclosed in the attached financial report.

Directors' Declaration

1. In the opinion of the Directors of Apex Minerals NL (the "Company"):

   (a) The financial statements and notes, as set out on pages 18 - 71, and the Remuneration Report in the Directors Report as set out on pages 8 - 14, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2012 and of its performance, for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   (b) the financial report also complies with international Financial Reporting Standards as disclosed in Note 2(a);

   (c) the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply in Australian Accounting Standards AASB 124 Related Party Disclosures, the Corporations Act 2001 and the Corporations Regulations 2001;

   (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Executive Chairman for the financial year ended 30 June 2012.

Signed in accordance with a resolution of the Directors.

Dated at Perth, this 8th Day of October 2012

Eduard Eshuys

Executive Chairman

Crowe Horwath

INDEPENDENT AUDIT REPORT TO MEMBERS OF APEX MINERALS NL

Report on the Financial Report
We have audited the accompanying financial report of Apex Minerals NL and its controlled entities, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report
The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (AIFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion
In our opinion, the financial report of Apex Minerals NL is in accordance with the Corporations Act 2001 including:

(a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Independent Auditor's Report

Emphasis of Matter
We draw attention to Note 2(e) to the financial statements which describes the material uncertainty regarding the Group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Report on the Remuneration Report
We have audited the Remuneration Report included on pages 8 to 16 of the Directors' Report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion
In our opinion the Remuneration Report for Apex Minerals NL for the year ended 30 June 2012, complies with section 300A of the Corporations Act 2001.

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, 8 October 2012

Auditor's Independence Declaration

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Apex Minerals NL and its controlled entities for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, 8 October 2012

Unaudited additional ASX and other Information

The information provided below is correct as at 14 September 2012

A Substantial Shareholders Name	Number of shares	% Share Holding
JP Morgan Nominees Australia Limited	38,229,613	19.87
UOB Kay Hian Private Limited	23,897,993	12.42
National Nominees Limited	12,325,003	6.41

* The Goldman Sachs Group inc has relevant interest in these shares by virtue of it being able to control the registered holder, HSBC Custody Nominees (Australia) Limited – GSI EDA.

B Distribution of Fully Paid Ordinary Shares	Number of shareholders	% of Issued Capital
(i) Distribution schedule of holdings		
1 – 1,000	4,219	0.48
1,001 – 5,000	1,304	1.7
5,001 – 10,000	364	1.4
10,001 – 100,000	481	7.35
100,001 and over	90	88.86
(ii) There were 5,467 holders holding less than a marketable parcel of fully paid ordinary shares.		

C. Twenty Largest Fully Paid Ordinary Shareholders

The 20 largest shareholders of ordinary shares on the Company's register as at 14 September 2012 were:

Name	Number of Shares	% of Issued Capital
JP Morgan Nominees Australia Limited	38,229,613	19.87
UOB Kay Hian Private Limited	23,897,993	12.42%
National Nominees Limited	12,325,003	6.41
Investmet Limited	9,424,037	4.90
Citicorp Nominees Pty Limited	8,673,654	4.51
HSBC Custody Nominees (Australia) Limited-GSI EDA	7,341,801	3.82
Process Wastewater Technologies Limited	6,316,894	3.28%
Dr Salim Cassim	6,309,116	3.28
Skeet Nominees Pty Ltd	5,491,720	2.85
UBS Wealth Management Australia Nominees Pty Ltd	4,015,850	2.09
Hotlake Pty Ltd	3,750,000	1.95
Azure Capital Investments Pty Ltd	2,705,281	1.41
Mr Michale George Fotios	2,500,000	1.30
Yandal Investments Pty Ltd	2,357,195	1.23
Colfax Bay Pty Ltd	2,308,446	1.20
HSBC Custody Nominees (Australia) Limited	1,987,483	1.03
Gee Nominees Pty Ltd	1,877,116	0.98
Equity Trustees Limited	1,750,000	0.91
JP Morgan Nominees Australia Limited	1,518,575	0.79
Ginga Pty Ltd	1,500,000	0.78

The percentage holding of the 20 largest shareholders of fully paid ordinary shares was 74.98.

As at 14 September 2012 the total number of shares on issue was 192,418,135.

D. Voting Rights – Ordinary Shares

Each shareholder is entitled to receive notice of and attend and vote at general meetings of the Company. At a general meeting, every shareholder present in person or by proxy, representative or attorney will have one vote on a show of hands and on a poll, one vote for each share held. Any shares which are not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid on the relevant share bears to the total issue price of the share.

E. Distribution of Listed Options	Number of Option Holders	% of Listed Options
(i) Distribution schedule of holdings		
1 – 1,000	1,382	2.76
1,001 – 5,000	139	4.86
5,001 – 10,000	38	4.48
10,001 – 100,000	59	22.72
100,001 and over	11	65.39
(ii) There were 1,614 holders holding less than a marketable parcel of Listed Options		

F. Twenty Largest Listed Option Holders

The 20 largest Listed Option Holders on the Company's register as at 14 September 2012 were:

Name	Number of Shares	% of Issued Options
NEFCO Nominees Pty Ltd	1,001,521	14.76
HSBC Custody Nominees (Australia) Limited – GSI EDA	890,144	13.12
National Nominees Limited	768,310	11.32
Paul Thomson Furniture Pty Ltd	418,548	6.17
HSBC Custody Nominees (Australia) Limited	321,214	4.73
Mr Terry Campion	315,000	4.64
Sun Hung Kai Investment Services Ltd	260,000	3.83
Sydney Equities Pty Limited	120,000	1.77
BNP Paribas Noms Pty Ltd	117,269	1.73
Blue Mountain Credit Alternatives Master Fund LP	115,719	1.71
Planmoor Investments Pty Ltd	110,000	1.62
Yandal Investments Pty Ltd	84,931	1.25
CGY Secretarial Services Pty Ltd	82,810	1.22
ABN AMRO Clearing Sydney Nominees Pty Ltd	70,131	1.03
Mr John Daniel Byrne	65,000	0.96
Mr Christian Thomas Langenheim	54,100	0.80
Mr Kim Robinson	46,856	0.69
Mr Mark Gareth Creasy	46,668	0.69
Citicorp Nominees Pty Limited	45,459	0.67
Haultrans Management Pty Limited	45,000	0.66

The percentage holding of the 20 largest Listed Option Holders was 73.36.

As at 14 September 2012 the total number of Listed Options on issue is 6,786,903.

G. Voting Rights – Option Holders

Option Holders do not have any voting rights on the options held by them.

Unaudited additional ASX and other Information (continued)

H. On-market buy-back

There is no current buy-back of the Company's shares.

I. Voluntary escrow

There are no Company securities under voluntary escrow.

Tenement Schedule as at 18 September 2012

Tenement	Holder or Applicant	Status
Youanmi		
E 57/0707	GOLDCREST MINES PTY LTD	Granted
M 57/0010	YOUANMI MINES PTY LTD	Granted
M 57/0051	YOUANMI MINES PTY LTD	Granted
M 57/0075	GOLDCREST MINES PTY LTD	Granted
M 57/0097	GOLDCREST MINES PTY LTD	Granted
M 57/0109	GOLDCREST MINES PTY LTD	Granted
M 57/0135	GOLDCREST MINES PTY LTD	Granted
M 57/0160A	GOLDCREST MINES PTY LTD	Granted
M 57/0164	GOLDCREST MINES PTY LTD	Granted
M 57/0165	GOLDCREST MINES PTY LTD	Granted
M 57/0166	GOLDCREST MINES PTY LTD	Granted
M 57/0167	GOLDCREST MINES PTY LTD	Granted
Snowpeak		
E 57/0627	GOLDCREST MINES PTY LTD	Granted
E 57/0652	GOLDCREST MINES PTY LTD	Granted
P 57/1191	GOLDCREST MINES PTY LTD	Granted
P 57/1194	GOLDCREST MINES PTY LTD	Granted
P 57/1195	GOLDCREST MINES PTY LTD	Granted
P 57/1196	GOLDCREST MINES PTY LTD	Granted
P 57/1197	GOLDCREST MINES PTY LTD	Granted
P 57/1199	GOLDCREST MINES PTY LTD	Granted
P 57/1200	GOLDCREST MINES PTY LTD	Granted
Wiluna		
G 53/0018	APEX GOLD PTY LTD	Granted
G 53/0019	APEX GOLD PTY LTD	Granted
L 53/0020	APEX GOLD PTY LTD	Granted
L 53/0021	APEX GOLD PTY LTD	Granted
L 53/0022	APEX GOLD PTY LTD	Granted
L 53/0023	APEX GOLD PTY LTD	Granted
L 53/0024	APEX GOLD PTY LTD	Granted
L 53/0032	APEX GOLD PTY LTD	Granted
L 53/0033	APEX GOLD PTY LTD	Granted
L 53/0034	APEX GOLD PTY LTD	Granted
L 53/0035	APEX GOLD PTY LTD	Granted

Unaudited additional ASX and other Information (continued)

Tenement Schedule as at 18 September 2012 (continued

Wiluna (continued)		
L 53/0036	APEX GOLD PTY LTD	Granted
L 53/0037	APEX GOLD PTY LTD	Granted
L 53/0038	APEX GOLD PTY LTD	Granted
L 53/0039	APEX GOLD PTY LTD	Granted
L 53/0040	APEX GOLD PTY LTD	Granted
L 53/0041	APEX GOLD PTY LTD	Granted
L 53/0042	APEX GOLD PTY LTD	Granted
L 53/0043	APEX GOLD PTY LTD	Granted
L 53/0044	APEX GOLD PTY LTD	Granted
L 53/0045	APEX GOLD PTY LTD	Granted
L 53/0048	APEX GOLD PTY LTD	Granted
L 53/0050	APEX GOLD PTY LTD	Granted
L 53/0062	APEX GOLD PTY LTD	Granted
L 53/0077	APEX GOLD PTY LTD	Granted
L 53/0097	APEX GOLD PTY LTD	Granted
L 53/0098	APEX GOLD PTY LTD	Granted
LW 53/0094	APEX GOLD PTY LTD	Granted
LW 53/0103	APEX GOLD PTY LTD	Granted
LW 53/0144	APEX GOLD PTY LTD	Granted
M 53/0006	APEX GOLD PTY LTD	Granted
M 53/0026	APEX GOLD PTY LTD	Granted
M 53/0027	APEX GOLD PTY LTD	Granted
M 53/0030	APEX GOLD PTY LTD	Granted
M 53/0032	APEX GOLD PTY LTD	Granted
M 53/0040	APEX GOLD PTY LTD	Granted
M 53/0043	APEX GOLD PTY LTD	Granted
M 53/0044	APEX GOLD PTY LTD	Granted
M 53/0050	APEX GOLD PTY LTD	Granted
M 53/0064	APEX GOLD PTY LTD	Granted
M 53/0069	APEX GOLD PTY LTD	Granted
M 53/0071	APEX GOLD PTY LTD	Granted
M 53/0095	APEX GOLD PTY LTD	Granted
M 53/0096	APEX GOLD PTY LTD	Granted
M 53/0173	APEX GOLD PTY LTD	Granted
M 53/0200	APEX GOLD PTY LTD	Granted
M 53/0205	APEX GOLD PTY LTD	Granted
M 53/0468	APEX GOLD PTY LTD	Granted

Unaudited additional ASX and other Information (continued)

KEY

APEX GOLD PTY LTD	Subsidiary of Apex Minerals NL
APEX – JACKSON	Wiluna Operations Ltd (98%) – James Murray Jackson (2%)
	Wiluna Operations Ltd share is being transferred to Apex Gold Pty Ltd following completion.
GOLDCREST – SNOWPEAK	Goldcrest Mines Pty Ltd (80%) – Snowpeak Nominees Pty Ltd (20%)
(i)	Subsidiary of Apex Minerals NL
E	Granted Exploration Licence or Exploration Licence Application
G	General Purpose Licence
L	Miscellaneous Licence
LW	Miscellaneous Licence for Water
M	Granted Mining Licence or Mining Licence Application
P	Granted Prospecting Licence or Prospecting Licence Application

Resource Table

Resource Table as at 30th June 2012 - WILUNA

Apex Minerals NL
Wiluna Gold Deposits
Summary Resource Grade Tonnage Report as of 30th June 2012
Ordinary Kriging Grade Estimation
Reported at a Lower Cut-off Grade of 2.0g/t Au

Resource Category	Indicated			Inferred			Total			
Lode	Tonnes (Kt)	Gold Grade (g/t)	Contained Metal (Koz)	Tonnes (Kt)	Gold Grade (g/t)	Contained Metal (Koz)	Tonnes (Kt)	Gold Grade (g/t)	Contained Metal (Koz)	Note
Henry 5	266	7.6	65	58	4.4	8	324	7.0	73	1
Baldric	183	5.7	33	153	5.9	29	336	5.8	62	1
Henry 5 North	200	5.3	34	123	3.9	15	324	4.8	50	1
Woodley 200	318	5.5	56	19	5.9	4	336	5.5	60	1
Scroop	-	-	-	185	3.1	19	185	3.1	19	1
Bulletin	1110	5.8	206	216	5.2	36	1326	5.7	242	1
Lennon	47	6.4	10	8	4.5	1	55	6.1	11	1
Henry 5 - Woodley - Bulletin Total	**2124**	**5.9**	**404**	**762**	**4.6**	**112**	**2887**	**5.6**	**516**	
Burgundy	487	6.5	102	128	6.2	26	615	6.5	128	1
Calais 50/50H	321	6.3	66	73	7.6	18	394	6.6	83	1
Calais 100/90	427	5.4	74	117	4.0	15	544	5.1	89	1
Calais 150	57	4.6	8	-	-	-	57	4.6	8	1
Burgandy - Calais Total	**1292**	**6.0**	**250**	**318**	**5.7**	**58**	**1610**	**6.0**	**309**	
ELN	452	5.6	81	649	5.0	104	1101	5.2	185	1
East Lode South	125	7.0	28	384	5.3	66	509	5.7	94	1
East Lode Main	642	5.0	104	1555	5.7	284	2197	5.5	388	1
East Lode Total	**1220**	**5.4**	**213**	**2587**	**5.5**	**453**	**3807**	**5.4**	**667**	
West Lode Main	566	4.8	87	1698	5.0	275	2264	5.0	363	1
West Lode 1	429	4.8	67	332	5.4	58	762	5.1	125	1
Calvert	168	8.1	44	225	6.9	50	394	7.4	94	1
West Lode - Calvert Total	**1164**	**5.3**	**198**	**2256**	**5.3**	**383**	**3420**	**5.3**	**581**	
Happy Jack	322	5.3	54	36	5.3	6	358	5.3	61	1
Creek Shear	846	6.2	170	403	4.5	58	1249	5.7	228	1
Creek Shear Deeps	345	5.9	65	900	4.9	141	1245	5.1	206	1
HappyJack - CreekShear Total	**1513**	**5.9**	**289**	**1339**	**4.8**	**205**	**2853**	**5.4**	**494**	
Essex	139	7.6	34	9	3.7	1	148	7.4	35	1
Lone Hand	73	5.6	13	169	7.7	42	242	7.1	55	2
North Pit	272	3.2	28	224	2.3	17	496	2.8	45	2
Wiluna Queen	69	3.8	9	125	3.4	14	194	3.6	22	2
Squib Deeps	114	3.0	11	373	5.7	68	487	5.0	79	2
Brothers Reef	35	6.9	8	13	3.3	1	48	6.0	9	1
Golden Age North	140	1.6	7	379	2.4	29	519	2.1	36	2
Total Other	**843**	**4.0**	**109**	**1291**	**4.1**	**172**	**2134**	**4.1**	**281**	
Wiluna Total	**8155**	**5.6**	**1465**	**8554**	**5.0**	**1384**	**16710**	**5.3**	**2848**	

Notes

1 - 2g/t bottom cut off used for reporting

2 - 0.5g/t bottom cut used for reporting indicated and inferred oxide material;
2g/t bottom cut off used for reporting indicated transition and fresh material

- For the sake of clarification there are no Measured Resources

Competent Person's Statement for Exploration Results and Mineral Resources Estimates

Additional information

1. Resource estimated June 2012 by Mark Savage at a 2.0g/t Au lower cut off.

2. Resource estimated June 2012 by Mark Savage at a 0.5g/t Au lower cut off. Appropriate rounding has been applied and subtotals may therefore not add up to totals. All Apex Mineral resources are inclusive of Ore Reserves.

The information in this report that relates to Exploration Results and the Mineral Resources at Wiluna is based on information compiled by Mr. Mark Savage, who is a full time employee of Apex Minerals NL.

Mr Savage is a Member of the Australasian Institute of Mining and Metallurgy, and has sufficient experience of relevance to the styles of mineralization and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Savage consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Reverse circulation (RC) drill samples are obtained by collecting meter samples via a three stage riffle or cone splitter, and diamond drill hole results are obtained from half NQ core or quarter HQ core sampled to geological boundaries where appropriate. Assay results are obtained from Intertek (formerly known as Genalysis) and ALS Chemex Laboratories in Perth. Samples are prepared using single stage pulverization of the entire sample. Gold assays are obtained using a 30g or 50g lead collection fire assay digest and atomic absorption spectrometry (AAS) analysis techniques. Multi-element analyses (arsenic, sulphur, iron, lead, zinc, bismuth, antimony and tellurium) are obtained using a four acid total digest and inductively coupled plasma optical emission spectrometry (ICP OES) analysis techniques. Full analytical quality assurance and quality control (QAQC) is achieved using a suite of certified standards, laboratory standards, field duplicates, laboratory duplicates, repeats, blanks and grind size analysis. Assays quoted in announcements may be of a preliminary nature. Assays used in resource estimates have undergone full QAQC. The spatial location of samples from surface holes is derived using a combination of surveyed grid co-ordinates and 3D differential GPS collar survey pickups, and Reflex single shot and gyroscopic down hole surveys. The spatial location of samples from underground holes is derived using surveyed rig setups and Reflex multi-shot down hole surveys. True widths are calculated using the mean dip and strike of the mineralization from 3D wireframe models and down hole surveys. Quoted drill intersections are based on situation specific criteria, which include using a lower cut-off of 1g/t or 2g/t gold and acceptable levels of internal dilution.

Mineral Resources have been estimated using standard accepted industry practices. All Resources have been estimated via Block Ordinary Kriging using 1m composite samples. Top cuts have been applied to the composites and are considered appropriate for the nature and style of mineralization in all cases. Directional grade variography was modelled for all zones based on 1m composites.

Geological and mineralization modelling has been achieved by 3D modelling of footwall and hanging wall structures. Block models have been developed for all deposits incorporating a suitable parent and sub block dimension to allow adequate volume resolution of modelled geology and mineralization. Grade interpolation (via Block Ordinary Kriging) was then undertaken using a multiple estimation pass strategy. Mineral Resources are quoted on the basis of situation specific lower cut-offs (LCOG) for underground resources and open pit resources. Where quoted, Mineral Resource and Ore Reserve tonnes and ounces are rounded to appropriate levels of precision, causing minor computational errors. Mineral Resources are classified on the basis of drill hole spacing, geological continuity and predictability, geo-statistical analysis of grade variability, sampling, analytical, spatial and density QAQC criteria and demonstrated amenability of mineralization style to proposed processing methods.