
APEX MINERALS NL

ACN 098 612 974

NOTICE OF GENERAL MEETING

TIME: 11am (WST)

DATE: 24 July 2012

PLACE: Level 1, 10 Ord Street, West Perth WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6311 5555.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the general meeting of the Shareholders to which this Notice of Meeting relates will be held at 11am (WST) on 24 July 2012 at:

Level 1, 10 Ord Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5pm (WST) on 23 July 2012.

VOTING IN PERSON

To vote in person, attend the General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

- (a) by mail to Apex Minerals NL, c/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235, Australia;
- (b) by facsimile to Link Market Services Limited on facsimile number +61 2 9287 0309;
- (c) by hand to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138; or

- (d) online by visiting www.linkmarketservices.com.au. Select 'Investor Login' and enter Apex Minerals NL or the ASX code (AXM) in the Issuer name field, your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website, so that it is received not later than 11am (WST) on 22 July 2012.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and

- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

1. **RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – AMNL FINANCING PTY LTD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 550,000,000 Options (on a pre-Consolidation basis, being 5,500,000 Options on a post-Consolidation basis) to AMNL Financing Pty Ltd (a wholly owned subsidiary of The Metal Group Pty Ltd), on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. **RESOLUTION 2 – PLACEMENT OF OPTIONS – THE METAL GROUP PTY LTD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, and subject to the passing of Resolutions 3 and 8, approval is given to allot and issue 54,832,900 Options to The Metal Group Pty Ltd, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. **RESOLUTION 3 – ISSUE OF OPTIONS TO EDUARD ESHUYS**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, and subject to the passing of Resolutions 2 and 8, approval is given to allot and issue 9,160,000 Options to Eduard Eshuys (or his nominee, Resource Surveys Pty Ltd as trustee for the

Eshuys Family Trust), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Eduard Eshuys (or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. RESOLUTION 4 – ISSUE OF OPTIONS TO ROSS HUTTON

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given to allot and issue 2,000,000 Options to Ross Hutton (or his nominees, Ross Hutton and Jean Hutton as trustees for the R&M Superannuation Fund), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Ross Hutton (or his nominees, Ross Hutton and Jean Hutton as trustees for the R & M Superannuation Fund) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and

- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO BRICE MUTTON

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, is given to allot and issue 2,000,000 Options to Brice Mutton (or his nominees, Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund), on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Brice Mutton (or his nominees, Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (i) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – ISSUE OF OPTIONS TO KIM ROBINSON

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given to allot and issue 2,000,000 Options to Kim Robinson, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Kim Robinson and any of their associates. However, the Company need not

disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – ISSUE OF OPTIONS TO MATTHEW SHELDRIK

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given to allot and issue 2,000,000 Options to Matthew Sheldrick, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Matthew Sheldrick and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 – ISSUE OF OPTIONS TO DRUMMOND GOLD LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, and subject to the passing of Resolutions 2 and 3, approval is given to allot and issue 35,180,000 Options to Drummond Gold Limited, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – ISSUE OF OPTIONS TO SENIOR CONTRACT MANAGEMENT OF THE COMPANY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given to allot and issue 7,000,000 Options to senior management of the Company, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 10 – ISSUE OF SHARES TO AZURE CAPITAL INVESTMENTS PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given to allot and issue up to 1,000,000 Shares to Azure Capital Investments Pty Ltd, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 14 June 2012

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'E. Eshuys', written over a light grey rectangular background.

**EDUARD ESHUYS
CHAIRMAN**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – AMNL FINANCING PTY LTD

1.1 General

On 26 March 2012, the Company announced it had secured \$4,000,000 in funding via a short term cash advance facility (**Facility**) from AMNL Financing Pty Ltd, a wholly owned subsidiary of The Metal Group Pty Ltd (**The Metal Group**). The Company agreed to issue 550,000,000 Options on a pre-Consolidation basis (being 5,500,000 Options on a post-Consolidation basis) to AMNL Financing Pty Ltd for the provision of such Facility, such Options being issued on 26 March 2012.

The key terms of the Facility are as follows:

- (a) **(Facility amount):** \$4,000,000;
- (b) **(Repayment date):** the principal amount must be repaid in full on or before the date that is 180 days from the funding date;
- (c) **(Interest rate):** interest is payable on the principal outstanding at a rate of 20% per annum (payable on the last day of each period of 30 days from the funding date); and
- (d) **(Security):** The Company must enter into a general security deed over all its present and after-acquired property in favour of AMNL Financing Pty Ltd by no later than 5 business days from the date of the Facility.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual issuing capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 550,000,000 Options were allotted on a pre-Consolidation basis (being 5,500,000 Options on a post-Consolidation basis);

- (b) the Options were issued for nil cash consideration but as part of the consideration to AMNL Financing Pty Ltd for the provision of the Facility outlined above;
- (c) the Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Options were allotted and issued to AMNL Financing Pty Ltd (a wholly owned subsidiary of The Metal Group Pty Ltd), who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Options were issued as part of the consideration to AMNL Financing Pty Ltd for the provision of the Facility outlined above.

2. RESOLUTION 2 - PLACEMENT OF OPTIONS – THE METAL GROUP PTY LTD

2.1 General

On 24 April 2012, the Company announced it had entered into a strategic investment agreement (**Strategic Investment Agreement**) with The Metal Group Pty Ltd (**The Metal Group**) pursuant to which The Metal Group will assist the Company with investor marketing and financing activities through the introduction of brokers, institutional investors, debt providers and equity capital providers and also provide strategic advice in relation to any potential future joint ventures, mergers and acquisitions and other corporate initiatives, to support the Company's strategy to transform into a leading mid-cap gold producer.

The Metal Group will provide such services for a period of three years. Pursuant to the Strategic Investment Agreement, the Company has agreed to issue 54,832,900 Options (equivalent to a 19.9% interest in the Company on a fully diluted basis, excluding options and warrants on issue which have with an exercise price of \$2 or more and all partly paid shares on issue) to The Metal Group for the provision of such services and to appoint a nominee of The Metal Group to the board of directors of the Company at the point The Metal Group acquires an interest of more than 5% of the issued share capital of the Company. The Company has also agreed (subject to compliance with ASX Listing Rule 6.18), that if the Company issues or agrees to issue any new securities (**New Issue**) in the three years following the execution date of the Strategic Investment Agreement, the Company must also offer (to the maximum extent permitted by law) to The Metal Group such number of securities to ensure that The Metal Group's fully diluted interest in the Company remains the same as it is immediately prior to the New Issue. The Company has agreed to seek a waiver of ASX Listing Rule 6.18 upon The Metal Group acquiring a shareholding of 5% or more in the Company. Subject to the ASX Listing Rules and all applicable laws, the Company will invite The Metal Group to participate in future capital raisings of the Company, where appropriate.

Resolution 2 seeks Shareholder approval for the allotment and issue of 54,832,900 Options in consideration for the services outlined above provided by The Metal Group (**The Metal Group Placement**). The passing of Resolution 2 is conditional on and subject to the passing of Resolutions 3 and 8.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 2 will be to allow the Company to issue the Options pursuant to The Metal Group Placement during the period of 3 months after the

Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual issuing capacity.

2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to The Metal Group Placement:

- (a) the maximum number of Options to be issued is 54,832,900;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will be issued for nil cash consideration but as part of the consideration to The Metal Group for the provision of the services outlined above;
- (d) the Options will be allotted and issued to The Metal Group, who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from The Metal Group Placement as the Options are being issued as part of the consideration to The Metal Group for the provision of the services outlined above.

3. RESOLUTIONS 3 TO 7 – ISSUE OF OPTIONS TO RELATED PARTIES

3.1 General

The Company has agreed, subject to obtaining shareholder approval, to allot and issue a total of 17,160,000 Options (**Related Party Options**) to Messrs Eduard Eshuys (or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust), Ross Hutton (or his nominees, Ross Hutton and Jean Hutton as trustees for the R & M Superannuation Fund), Brice Mutton (or his nominees, Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund), Kim Robinson and Matthew Sheldrick (**Related Parties**) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Messrs Eduard Eshuys (or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust), Ross Hutton (or his nominees, Ross Hutton and Jean Hutton as trustees for the R & M Superannuation Fund), Brice Mutton (or his nominees,

Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund), Kim Robinson and Matthew Sheldrick are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to the Related Parties.

3.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related parties are Messrs Eduard Eshuys (or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust, who is a related party by virtue of being controlled by Mr Eshuys), Ross Hutton (or his nominees, Ross Hutton and Jean Hutton as trustees for the R & M Superannuation Fund), Brice Mutton (or his nominees, Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund), Kim Robinson and Matthew Sheldrick and they are related parties by virtue of being Directors;
- (b) the passing of Resolution 3 is conditional on and subject to the passing of Resolutions 2 and 8;
- (c) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 9,160,000 Related Party Options to Eduard Eshuys (or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust);
 - (ii) 2,000,000 Related Party Options to Ross Hutton (or his nominees, Ross Hutton and Jean Hutton as trustees for the R & M Superannuation Fund);
 - (iii) 2,000,000 Related Party Options to Brice Mutton (or his nominees, Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund);
 - (iv) 2,000,000 Related Party Options to Kim Robinson; and
 - (v) 2,000,000 Related Party Options to Matthew Sheldrick;
- (d) the Related Party Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;

- (e) the Related Party Options will be granted for nil cash consideration. Accordingly no funds will be raised;
- (f) the terms and conditions of the Related Party Options to be issued to Eduard Eshuys (or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust) are set out in Schedule 2 and the terms of the Related Party Options to be issued to Messrs Ross Hutton (or his nominees, Ross Hutton and Jean Hutton as trustees for the R & M Superannuation Fund), Brice Mutton (or his nominees, Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund), Kim Robinson and Matthew Sheldrick are set out in Schedule 3;
- (g) the value of the Related Party Options and the pricing methodology is set out in Schedule 4. The Company considers that the number and terms of the Related Party Options to be issued to each respective Related Party is appropriate because the Related Parties provide the Company with a new corporate and operations management team with experience in the mining, exploration and securities industries to assist with establishing the Company as a sustainable Australian gold producer.
- (h) The Company's management team is lead by the Executive Chairman, Mr Eduard Eshuys who has had over 42 years experience in the resources industry. Mr Brice Mutton and Mr Ross Hutton have also been appointed non-executive Directors. Mr Mutton is a geologist with over 30 years' experience in the resources industry ranging from exploration to mining and corporate management. Mr Hutton has over 40 years experience in the minerals industry ranging from mining to project management in technical and executive management roles. Mr Sheldrick has spent over 10 years in the securities industry advising domestic and international clients on Australian equities.
- (i) the relevant interests of the Related Parties in securities of the Company are set out below;

Related Party	Shares	Options	Warrants
Eduard Eshuys	nil	6,000,000 ¹	nil
Ross Hutton	nil	nil	nil
Brice Mutton	nil	nil	nil
Kim Robinson	1,022,187	91,957 ²	252,893 ³
Matthew Sheldrick	nil	nil	nil

¹ 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 and 2,250,000 unlisted Options exercisable at 80 cents each on or before 18 April 2015.

² 3,000 unlisted Options exercisable at \$65 and 88,957 listed Options exercisable at \$6 each on or before 9 November 2012.

³ Expiry date of 18 February 2014 and an exercise price of \$30.00.

- (j) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the agreed remuneration and emoluments contracted to be payable over the current financial year (in each case excluding 9% superannuation) is set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Eduard Eshuys (1)	\$450,000	nil
Ross Hutton (1)	\$65,000	nil
Brice Mutton (1)	\$65,000	nil
Kim Robinson	\$65,000	\$45,000
Matthew Sheldrick	\$65,000	\$9,916

(1) Each of these Directors were appointed with effect from 19 April 2012.

- (k) if the Related Party Options granted to the Related Parties are exercised, a total of 17,160,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 166,509,044 to 183,669,044 (excluding partly paid shares and assuming that no other Options are exercised and no other Shares are issued), with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 9.34%, comprising 4.98% by Eduard Eshuys, 1.09% by Ross Hutton, 1.09% by Brice Mutton, 1.09% by Kim Robinson and 1.09% by Matthew Sheldrick.
- (l) The market price for Shares during the term of the Related Party Options, and where applicable any vesting conditions, would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.
- (m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest (price was recorded pre-Consolidation)	1.3 cents	31 August 2011 and 1 & 2 September 2011
Lowest (price was recorded pre-Consolidation)	0.1 cents	13 & 14 March 2012
Last (price was recorded post-Consolidation)	14.5 cents	13 June 2012

- (n) the Board acknowledges the grant of Related Party Options to Messrs Ross Hutton (or his nominees, Ross Hutton and Jean Hutton as trustees for the R & M Superannuation Fund), Brice Mutton (or his nominees, Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund), Kim Robinson and Matthew Sheldrick is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Related Party Options to Messrs Ross Hutton (or his nominees, Ross Hutton and Jean Hutton as trustees for the R & M Superannuation Fund), Brice Mutton (or his nominees, Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund), Kim Robinson and Matthew Sheldrick reasonable in the circumstances for the reasons set out below;

- (o) the primary purpose of the grant of the Related Party Options to the Related Parties is to motivate and reward the performance of the Related Parties in their respective roles as Directors. The Board has decided to issue 9,160,000 Related Party Options to Eduard Eshuys (or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust) as the Executive Chairman for initiating the strategy to lead the recovery of the Company and its operations and for applying the knowledge gained from his past exploration success in similar geological environments. The Board has decided to issue 2,000,000 Related Party Options to each of Messrs Ross Hutton (or his nominees, Ross Hutton and Jean Hutton as trustees for the R & M Superannuation Fund), Brice Mutton (or his nominees, Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund), Kim Robinson and Matthew Sheldrick as compensation for providing their expertise within the mining, exploration and securities industry, which will assist the Company in achieving its goal of becoming a sustainable Australian gold producer.
- (p) Eduard Eshuys declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust) is to be granted Related Party Options in the Company should Resolution 3 be passed. However, in respect of Resolutions 4, 5, 6 and 7, Eduard Eshuys recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (q) Ross Hutton declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominees, Ross Hutton and Jean Hutton as trustees for the R & M Superannuation Fund) is to be granted Related Party Options in the Company should Resolution 4 be passed. However, in respect of Resolutions 3, 5, 6 and 7, Ross Hutton recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (p)(i) to (p)(iii);
- (r) Brice Mutton declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominees, Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund) is to be granted Related Party Options in the Company should Resolution 5 be passed. However, in respect of Resolutions 3, 4, 6 and 7, Brice Mutton recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (p)(i) to (p)(iii);

- (s) Kim Robinson declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 6 be passed. However, in respect of Resolutions 3, 4, 5 and 7, Kim Robinson recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (p)(i) to (p)(iii);
- (t) Matthew Sheldrick declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 7 be passed. However, in respect of Resolutions 3, 4, 5 and 6, Matthew Sheldrick recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (p)(i) to (p)(iii);
- (u) in forming their recommendations, each Director considered the experience of each other Related Party, the value of the Related Party Options set out in Schedule 4, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price, vesting conditions and expiry date of those Related Party Options; and
- (v) the Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3 to 7.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual issuing capacity pursuant to ASX Listing Rule 7.1.

4. RESOLUTION 8 – ISSUE OF OPTIONS TO DRUMMOND GOLD LIMITED

4.1 General

Resolution 8 seeks shareholder approval for the allotment and issue of 35,180,000 Options in consideration for services provided by Drummond Gold Limited in facilitating the appointment of a new executive management team to the Company (**Drummond Gold Placement**). The passing of Resolution 8 is conditional on and subject to the passing of Resolutions 2 and 3.

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

The effect of Resolution 8 will be to allow the Company to issue the Options pursuant to the Drummond Gold Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without diminishing the Company's issuing capacity under ASX Listing Rule 7.1.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Drummond Gold Placement:

- (a) the maximum number of Options to be issued is 35,180,000;

- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will be issued for nil cash consideration but as part of the consideration to Drummond Gold Limited for the provision of the services outlined above;
- (d) the Options will be allotted and issued to Drummond Gold Limited, who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the Drummond Gold Placement as the Options are being issued as part of the consideration to Drummond Gold Limited for the provision of the services outlined above.

5. RESOLUTION 9 – ISSUE OF OPTIONS TO SENIOR CONTRACT MANAGEMENT OF THE COMPANY

5.1 General

Resolution 9 seeks shareholder approval for the allotment and issue of a total of 7,000,000 Options to senior contract management of the Company in consideration for services provided to the Company.

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

The effect of Resolution 9 will be to allow the Company to issue the Options to the senior contract management of the Company during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without diminishing the Company's issuing capacity under ASX Listing Rule 7.1.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided:

- (a) the maximum number of Options to be granted to the senior contract management of the Company is:
 - (i) 2,000,000 Options to Michael Ilett;
 - (ii) 1,500,000 Options to George Viska (or his nominees, George Viska and Christine Viska);
 - (iii) 2,000,000 Options to Shane McLeay (or his nominee Investmin Pty Ltd); and
 - (iv) 1,500,000 Options to Corey Doust.
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

- (c) the Options will be issued for nil cash consideration but as part of their remuneration as senior contract managers of the Company;
- (d) the Options will be allotted and issued to Messrs Michael Ilett, George Viska, Shane McLeay and Corey Doust who are not related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) no funds will be raised from the issue of Options set out above as the Options are being issued as part of the remuneration of senior contract managers of the Company.

6. RESOLUTION 10 – ISSUE OF SHARES TO AZURE CAPITAL INVESTMENTS PTY LTD

6.1 General

Resolution 10 seeks shareholder approval for the allotment and issue of 1,000,000 Shares in consideration for services provided by Azure Capital Limited (**Azure Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 10 is to allow the Directors to issue the Shares pursuant to the Azure Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without diminishing the Company's issuing capacity under ASX Listing Rule 7.1.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Azure Placement:

- (a) the maximum number of Shares to be issued is 1,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Shares will be issued for nil cash consideration but as consideration for services provided by Azure Capital Limited as corporate advisor to the Company in relation to the sale of the Wilson's underground deposit to Panoramic Resources Limited;
- (d) the Shares will be allotted and issued to Azure Capital Investments Pty Ltd (as nominee of Azure Capital Limited) who is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

- (f) no funds will be raised from the Azure Placement as the Shares are being issued in consideration for services provided by Azure Capital Limited as corporate advisor to the Company in relation to the sale of the Wilson's underground deposit to Panoramic Resources Limited.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the listing rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or

a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Apex Minerals NL (ACN 098 612 974).

Consolidation means the consolidation of the issued capital of the Company on the basis that every one hundred (100) Shares be consolidated into one (1) Share, which took effect on 1 May 2012.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Metal Group means The Metal Group Pty Ltd (ACN 088 101 428).

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Related Party Option as the context requires.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option granted pursuant to Resolutions 3 to 7 with the terms and conditions set out in Schedules 2 and 3 (as applicable).

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 - TERMS AND CONDITIONS OF OPTIONS ISSUED TO AMNL FINANCING PTY LTD

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Subject to paragraph (n), each Option gives the Optionholder the right to subscribe for one Share.
 - (b) Each Option will expire at 5.00pm (WST) on 26 March 2015 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (c) Subject to paragraphs (k) and (m), the amount payable upon exercise of each Option will be \$0.0025 (on a pre-Consolidation basis, being \$0.25 on a post-Consolidation basis) (**Exercise Price**).
 - (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - (h) The Options are not transferable except with the prior written consent of the board of directors of the Company.
 - (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
 - (j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
 - (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options

without exercising the Options. However, in the case of pro rata issues the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (m) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (n) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

SCHEDULE 2 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS TO BE ISSUED TO EDUARD ESHUYS (OR HIS NOMINEE) AND OPTIONS TO BE ISSUED TO DRUMMOND GOLD LIMITED AND THE METAL GROUP PTY LTD

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Subject to paragraph (n), each Option gives the Optionholder the right to subscribe for one Share.
 - (b) Each Option will expire at 5.00pm (WST) on the date 3 years following the date of their issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (c) Subject to paragraphs (k) and (m), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).
 - (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - (h) The Options are not transferable except with the prior written consent of the board of directors of the Company.
 - (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
 - (j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
 - (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of

capital offered to Shareholders during the currency of the Options without exercising the Options. However, in the case of pro rata issues the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (m) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (n) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

SCHEDULE 3 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS TO BE ISSUED TO ROSS HUTTON (OR HIS NOMINEES), BRICE MUTTON (OR HIS NOMINEES), KIM ROBINSON AND MATTHEW SHELDRIK AND OPTIONS TO BE ISSUED TO SENIOR MANAGEMENT

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Subject to paragraph (n), each Option gives the Optionholder the right to subscribe for one Share.
 - (b) Each Option will expire at 5.00pm (WST) on the date 3 years following the date of their issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. Subject to paragraph (c), the Options will vest if and only if the Optionholder remains a non-executive director or a member of the senior management of the Company (as the case may be) for a period of 12 months from the date of issue of the Options.
 - (c) If a company obtains control of the Company as a result of a takeover bid or scheme of arrangement between the Company and its shareholders, the Options will vest upon such company obtaining control.
 - (d) Subject to paragraphs (k) and (m), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).
 - (e) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - (f) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - (i) The Options are not transferable except with the prior written consent of the board of directors of the Company.
 - (j) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
 - (k) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted

pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.

- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options. However, in the case of pro rata issues the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (n) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (o) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

SCHEDULE 4 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 3 to 7 have been valued by the Company.

Using the Black & Scholes Option Model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Related Party Options to Eduard Eshuys (no Vesting Conditions)

9,160,000 @ \$0.30, expiry 3 years - **\$1,295,044.65**

Assumptions for this valuation;

- Exercise price and expiry date as set out above;
- Valuation date – 23 May 2012;
- Grant date is date of shareholder approval, being 24 July 2012;
- Market price of Shares is \$0.165;
- Risk free rate – 4.0%;
- Volatility – 182.70% (volatility based on a 12 months historical closing price of the Company, period 23 May 2011 – 22 May 2012; and
- No dividends paid.

Related Party Options (with Vesting Condition)

8,000,000 @ \$0.30, expiry 3 years, subject to the vesting condition of the relevant Optionholder remaining a non-executive director or a member of the senior management of the Company (as the case may be) for a period of 12 months from the date of issue of the Options - **\$1,131,043.36**

Assumptions for this valuation:

- Exercise price and expiry date as set out above;
- Valuation date – 23 May 2012;
- Grant date is date of shareholder approval, being 24 July 2012;
- Market price of Shares is \$0.165;
- Risk free rate – 4.0%;
- Volatility – 182.70% (volatility based on a 12 months historical closing price of the Company, period 23 May 2011 – 22 May 2012);
- No dividends paid; and
- The valuation considers that the vesting condition has been met.



Apex Minerals NL
ABN 22 098 612 974

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



By mail:
Apex Minerals NL
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: 1300 554 474 **Overseas:** +61 2 8280 7111



X99999999999

SECURITYHOLDER VOTING FORM

I/We being a member(s) of Apex Minerals NL and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the General Meeting of the Company to be held at **11:00am (WST) on Tuesday, 24 July 2012, at the offices of Apex Minerals NL, Level 1, 10 Ord Street, West Perth WA** and at any adjournment or postponement of the meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of Prior Issue of Options - AMNL Financing Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Issue of Options to Kim Robinson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Placement of Options - The Metal Group Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Issue of Options to Matthew Sheldrick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Options to Eduard Eshuys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Issue of Options to Drummond Gold Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Options to Ross Hutton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Issue of Options to Senior Contract Management of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Options to Brice Mutton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Issue of Shares to Azure Capital Investments Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

IMPORTANT - VOTING EXCLUSIONS

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Item 3 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of that Item and that votes cast by him/her for that Item, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 3 and your votes will not be counted in calculating the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3.

STEP 4

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

AXM PRX202



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (WST) on Sunday, 22 July 2012**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE  www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Apex Minerals NL
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

If you would like to attend and vote at the General Meeting, please bring this form with you.
This will assist in registering your attendance.