



ASX ANNOUNCEMENT

24th April 2012

Andrew Forrest to back new Apex Management Team and Wiluna Turnaround Strategy

Highlights

- **Strategic investment agreement reached with The Metal Group, a privately owned investment vehicle controlled by Andrew Forrest**
 - **The Metal Group to be issued an option package to acquire up to a 19.9% fully diluted interest in Apex for an investment of up to \$17.95 million at up to a 50% premium to the recently completed rights issue**
 - **The Metal Group to provide Apex with strategic advice in relation to future investor marketing, financing and corporate activities including potential acquisitions and joint ventures**
 - **Investment agreement demonstrates The Metal Group's confidence in Apex's assets, the recently appointed management team and the significant opportunity to transform the Company into a competitive and sustainable mid cap gold producer**
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The recently appointed Board of Apex Minerals NL (**ASX: AXM**) (**Apex** or the **Company**) is pleased to announce it has entered into a strategic investment agreement (**Agreement**) with The Metal Group Pty Ltd (**The Metal Group**), a privately owned investment vehicle controlled by Andrew Forrest, as part of Apex's strategy to establish the Company as a sustainable Australian gold producer.

The Metal Group recently provided a \$4.0 million short term debt facility (**Facility**) to Apex via its special purpose vehicle, AMNL Financing Pty Ltd. Since providing the Facility to Apex, The Metal Group has subsequently undertaken further due diligence on Apex, its operations and prospects. The Agreement provides for The Metal Group to invest up to \$17.95 million in Apex through the exercise of options priced at 30 cents per share (post consolidation), representing a 50% premium to the price offered to existing shareholders in the recently completed rights issue and the exercise of 5.5 million options at an exercise price of 25 cents per share (post consolidation) held by AMNL Financing Pty Ltd.

Commenting on the Agreement, Apex Executive Chairman Mr Eduard Eshuys said:

“We are pleased to have secured the strategic and financial support of Andrew Forrest and The Metal Group as we undertake the task of restoring Wiluna’s profitability for the benefit of Apex shareholders. We believe that strategic advice about the Company’s future direction and the ability to utilise the network of the Metal Group which has achieved a strong track record of building value in the minerals industry will bring real benefits to Apex shareholders.”

AGREEMENT TERMS

For a period of three years from the date of the Agreement, The Metal Group has agreed to assist Apex with its investor marketing and financing activities through the introduction to an extensive global network of brokers, institutional investors, debt providers and equity capital providers. The Metal Group will also provide strategic advice in relation to any potential future joint ventures, mergers & acquisitions or other corporate initiatives to support the strategy to transform Apex into a leading mid cap gold producer.

In return for providing the services outlined above, Apex will issue The Metal Group (subject to shareholder approval and for nil cash consideration) approximately 55.3 million unlisted options exercisable at 30 cents per share at any time within three years of the date of issue (**Option Package**). The exercise price of the Option Package represents a 50% premium to the 20 cents per share (post consolidation) issue price of the recently completed \$22.2 million rights issue (**Rights Issue**). When combined with the exercise of 5.5 million options at 25 cents per share would provide the Company with approximately \$17.95 million in equity funding.

As consideration for the role of Drummond Gold Limited (**Drummond Gold**) and Mr Eduard Eshuys in facilitating the transaction, Apex will also seek shareholder approval for the grant of an additional approximate 35.3 million and 9.2 million unlisted options respectively to Drummond Gold Limited (**Drummond Gold**) and Mr Eduard Eshuys on the same terms as those issued to The Metal Group.

All references made to options are on a post consolidation basis. Upon issue of the options to The Metal Group, Drummond Gold and Mr Eshuys, their respective fully diluted holdings in the Company are expected to be as follows:

Holder	%
The Metal Group	19.9
Drummond Gold Limited	14.9
Eduard Eshuys	5.0

The Agreement is subject to a number of conditions including:

- The right to appoint one nominee to the Apex Board at the point The Metal Group holds greater than 5% of the Company’s ordinary fully paid shares;
- Apex to convene a General Meeting of Shareholders as soon as reasonably practical following execution of the Agreement to approve the issue of the Option Package. If unconditional approval is not secured, then The Metal Group may, by written notice to the Company, terminate the Agreement;
- Upon issue of the Option Package, the fully diluted capital structure of the Company to reflect the position presented in the table set out above; and

- If the Company issues or agrees to issue any new securities (**New Issue**) in the three years following the date on which the Company accepts the Agreement, the Company must also offer, to the maximum extent permitted by law, to The Metal Group that 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. Any such offer to The Metal Group must be on the same terms of issue as are applicable to the New Issue, except subject to the need for any shareholders approval, and where the New Issue constitutes an issue of shares upon the exercise of options already on issue prior to the announcement of the Rights Issue, the price per share offered to The Metal Group must be the 20 day VWAP as at the date of the announcement of the New Issue.

DIRECTORS AND SENIOR MANAGEMENT OPTIONS

Apex will also be seeking shareholder approval to for the issue of up to 15 million options to the Non-Executive Directors and senior management of the Company.

SHAREHOLDER MEETING

To approve the proposed issue of share options to The Metal Group, Drummond Gold, Mr Eshuys and the Directors and Senior Management, Apex will convene a general meeting of shareholders which is expected to be held during June 2012.

Further details on each of the resolutions to be put to shareholders and its effect on the current capital structure will be set out in the Notice of Meeting and accompanying Explanatory Memorandum to be sent to shareholders in advance of the general meeting of shareholders.



Mr. Eduard Eshuys
Executive Chairman