

Apex Minerals NL
ACN 098 612 974

PROSPECTUS

For the issue of up to 100 Shares at an issue price of \$0.50 per Share to raise up to \$50.00.

IMPORTANT NOTICE

This Prospectus has also been prepared for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 27th February 2013 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers takes any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an Application Form which accompanies this Prospectus.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus is a transaction specific prospectus for an offer to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Timetable and important dates*

| Action | Date |
|--|--------------------------------|
| Lodgment of Prospectus with ASX and ASIC | 27 th February 2013 |
| Opening Date | 27 th February 2013 |
| Closing Date | 28 th February 2013 |

*The Company reserves the right to extend the Closing Date or close the Offer early without notice.

RISK FACTORS

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to. Further risks associated with an investment in the Company are outlined in section 6.

- **Going concern risk and creditor risk:** The Directors believe that the Company will require additional funding in the short term to adequately meet the Company's existing commitments to creditors and short term working capital requirements. Further funding will be required for exploration to expand resources and reserves, making debt repayments, capital expenditure and for working capital requirements to improve production and operating costs and other working capital needs of the Company. In the event that the further funding is not obtained successfully in the short term the Company may not be able to continue as a going concern.
- **Claims, liability and litigation:** The Company has received a creditor's statutory demand from former Managing Director and CEO, Mark Ashley, for the amount of \$497,592. The Company has received a court order from the Supreme Court of Western Australia setting aside the creditor's statutory demand pending an appeal hearing scheduled for 17th June 2013.
- **Geotechnical risk:** In the first half of 2009, the Company experienced a seismic event that curtailed gold production at its operations. During the June 2011 quarter, mining from the high grade Calais, Henry V and Burgundy zones of the Wiluna mine temporarily ceased as a result of the need to undertake an upgrade of the seismic monitoring system and geotechnical modelling. Although the Company has had independent geotechnical advice completed, an upgrade of the geotechnical modelling and undertaken a number of measures to mitigate this risk.

The Company's production focus is now on the East and West Lodes where ground conditions are more favourable and where mining is relatively shallow (at 200-350 metres below surface), to reduce dependence on production from deep mining areas.

- **Title risk:** A number of tenements held by the Company are not considered to be in good standing for reasons including the failure to lodge annual expenditure reports, the outstanding submission of operations reports on expenditure, the failure to meet minimum expenditure commitments, the failure to make penalty payments imposed in relation to annual rental payments, the failure to lodge environmental reports and comply with all environmental regulatory requirements, undetermined applications for exemption from expenditure commitments and undetermined applications against forfeiture. If the outstanding matters relating to these tenements are not resolved so as to put these tenements in good standing, these tenements may be liable to forfeiture. Some of the Company's tenements have expired or have been forfeited on the basis of exemption applications having been refused. Whilst a number of its tenements are currently listed as not being in good standing, the Company does not consider these tenements to be material to its operations. The Company's material tenements, being those tenements on which its mining activities and operations are conducted, are currently in good standing.

Unless the Company obtains exemptions in relation to this expenditure, or raises additional funding by other means, the Company may be required to relinquish or forfeit some or part of these tenements.

- **Future funding risk:** There will be a need for funds by the Company in the future even if the Offer proceeds.

In addition to undertaking the Offer, as announced on 12th February 2013, the Company is undertaking a sale of the Youanmi Gold Project for A\$15 million. Subject to further due diligence and statutory approvals it is anticipated that the sale will complete on the 11th April 2013.

The Company anticipates that it will need to raise funds additional to that proposed to be raised under the Offer and the sale of the Youanmi Gold Project to meet short and medium term funding needs of the Company required for exploration to expand resources and reserves, making debt repayments, capital expenditure and for working capital requirements to improve production and operating costs and other working capital needs of the Company. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest and may adversely affect the Company's ability to generate revenue from its operations, the sale of its operations and its ability to meet anticipated or forecasted productions and recoveries.

Following completion of the Offer, the Company's preference and intention is to raise any further additional funds it requires in the short and medium term through debt financing, rather than equity financing. However, the Company may also seek to raise further funds through equity financing, joint ventures, production sharing arrangements or other means. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Further, the Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company, including that granted by the Company in favour of AR Management Pty Ltd, or default under a finance lease could also result in the loss of assets.

The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in section 6 of this Prospectus before deciding whether to apply for Shares pursuant to this Prospectus.

2. CORPORATE DIRECTORY

| | |
|---|---|
| <p>Directors</p> <p>Mr Eduard Eshuys Mr Kim Robinson Mr Brice Mutton</p> <p>Company Secretary</p> <p>Mr Jeremy Robinson</p> <p>Registered Office</p> <p>Level 1, 10 Ord Street West Perth WA 6005</p> <p>Telephone: +61 8 6311 5555 Facsimile: +61 8 6311 5556</p> <p>Website</p> <p>www.apexminerals.com.au</p> | <p>Share Registry*</p> <p>Link Market Services Limited Ground Floor, 178 St Georges Terrace Perth WA 6000</p> <p>Shareholder Enquiries: 1300 554 474 Outside Australia: +61 2 8280 7111 Facsimile: +61 2 9287 0303</p> <p>ASX Code</p> <p>AXM</p> |
|---|---|

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

3. DETAILS OF THE OFFER

3.1 Offer

Pursuant to the Offer, the Company invites applications for up to 100 Shares at an issue price of \$0.50 per Share to raise up to \$50.00.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5 for further information regarding the rights and liabilities attaching to the Shares.

3.2 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

3.3 Opening and Closing Dates

The Company will accept Application Forms until 5pm WST on 28th February 2013 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

3.4 Risks of the Offer

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 6.

3.5 Minimum subscription

There is no minimum subscription for the Offer. If the Offer is fully subscribed, the Offer will raise approximately \$50.00 (before costs of the Offer). The Company will proceed to allot the Shares if a lesser amount is raised and irrespective of the amount raised. The Company intends to allot the Shares progressively as Applications are received and in any event, will allot all Shares as soon as possible after the Closing Date.

There is no provision for oversubscriptions.

3.6 Applications

If you wish to subscribe for Shares pursuant to the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. Completed Application Forms and Application Monies must be received by the Company prior to 5.00pm (WST) on the Closing Date. Cheques must be made payable to "Apex Minerals NL" and crossed "Not Negotiable". All cheques must be in Australian currency.

Application Forms should be delivered to:

Posted to:

Apex Minerals NL
Level 1, 10 Ord Street
West Perth WA 6005
Australia

Delivered to:

Apex Minerals NL
Level 1, 10 Ord Street
West Perth WA 6005
Australia

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Securities accepted by the Company. The Application Form does not need to be signed to be a binding Acceptance of Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Acceptance as valid, and how to construe, amend or complete the Application Form is final.

Applicants should note the Directors may close the Offer early without notice or extend the Closing Date in their sole discretion.

3.7 ASX quotation of Shares under the Offer

Application will be made to the ASX no later than 7 days after the date of this Prospectus for Official Quotation of the Shares issued under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus, (or such period as varied by the ASIC), the Company will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer within the time prescribed under the Corporations Act.

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

3.8 Allotment

The Directors will determine the allottees of all the Shares the subject of the Offer in their sole discretion. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for. Shares issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date.

Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed as soon as practicable after their issue.

3.9 Applicants outside Australia

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law. The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.10 Not underwritten

The Offer is not underwritten.

3.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the

ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

3.13 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary at the Company's office on +61 8 6311 5555.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Financial effect

After expenses of the Offer of approximately \$5,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$5,000) will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$50.00 less costs of preparing the Prospectus of \$5,000.

4.3 Effect on Capital Structure

The effect of the Offer on the capital structure of the Company, assuming all Shares offered under the Prospectus are issued, is set out below.

| | Shares | Options |
|--|--------------------|--------------------|
| Securities currently on issue | 301,725,258 | 137,011,750 |
| Securities offered pursuant to the Offer | 100 | 0 |
| Total securities on issue after completion of the Offer | 301,725,358 | 137,011.050 |

Notes:

1. This does not include the 1,800,000 warrants with an exercise price of \$3.50
2. This includes the following Options:

| Amount | Ex Price | Expiry |
|----------------|----------|--|
| 114,172,900.00 | \$ 0.30 | 24-Jul-15 |
| 5,500,000.00 | \$ 0.25 | 26-Mar-15 |
| 150,000.00 | \$ 2.00 | Subject to terms of a deed of settlement, whereby expiry occurs when the company makes the final payment under the deed. |
| 3,750,000.00 | \$ 0.30 | 18-Apr-15 |
| 3,500,000.00 | \$ 0.45 | 18-Apr-15 |
| 2,750,000.00 | \$ 0.60 | 18-Apr-15 |
| 6,000,000.00 | \$ 0.80 | 18-Apr-17 |
| 1,000,000.00 | \$ 0.44 | 18-Apr-15 |
| 140,500.00 | \$ 5.00 | 8-Apr-13 |
| 3,350.00 | \$130.00 | 11-May-13 |
| 36,000.00 | \$ 4.50 | 27-Oct-13 |
| 4,000.00 | \$ 4.50 | 4-Dec-13 |
| 2,800.00 | \$ 45.00 | 9-Feb-14 |
| 2,200.00 | \$ 30.00 | 21-Jun-14 |

4.4 Details of substantial holders

Based on publicly available information as at 25th February 2013 those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below. These shareholders are unrelated to the Company.

| Shareholder | Shares | % |
|-----------------------------------|------------|-------|
| M&G Investment Management Limited | 55,654,166 | 18.44 |
| Interstate investments Pty Ltd | 24,945,405 | 8.27 |
| UOB Kay Hian Private Limited | 23,897,003 | 7.82 |

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

5.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

5.3 Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

5.4 Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may

determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

5.5 Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

5.6 Future Increase in Capital

The allotment and issue of any new shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue shares as they shall, in their absolute discretion, determine.

5.7 Variation of Rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus should be considered speculative.

Potential Applicants should consider the specific and general risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company Specific Risks

(a) **Going concern risk and creditor risk:**

Going concern risk and creditor risk: The Directors believe that the Company will require additional funding in the short term to adequately meet the Company's existing commitments to creditors and short term working capital requirements. Further funding will be required for exploration to expand resources and reserves, making debt repayments, capital expenditure and for working capital requirements to improve production and operating costs and other working capital needs of the Company. In the event that the further funding is not obtained successfully in the short term the Company may not be able to continue as a going concern.

(b) **Claims, liability and litigation:**

The Company has received a creditor's statutory demand from former Managing Director and CEO, Mark Ashley, for the amount of \$497,592. The Company has received a court order from the Supreme Court of Western Australia setting aside the creditor's statutory demand pending an appeal hearing scheduled for 17th June 2013.

(c) **Geotechnical risk:**

In the first half of 2009, the Company experienced a seismic event that curtailed gold production at its operations. During the June 2011 quarter, mining from the high grade Calais, Henry V and Burgundy zones of the Wiluna mine temporarily ceased as a result of the need to undertake an upgrade of the seismic monitoring system and geotechnical modelling. Although the Company has had independent geotechnical advice completed, an upgrade of the geotechnical modelling and undertaken a number of measures to mitigate this risk.

The Company's production focus is now on the East and West Lodes where ground conditions are more favourable and where mining is relatively shallow (at 200-350 metres below surface), to reduce dependence on production from deep mining areas.

(d) **Title risk:**

A number of tenements held by the Company are not considered to be in good standing for reasons including the failure to lodge annual expenditure reports, the outstanding submission of operations reports on expenditure, the failure to meet minimum expenditure commitments, the failure to make penalty payments imposed in relation to annual rental payments, the failure to lodge environmental reports and comply with all environmental regulatory requirements, undetermined applications for exemption from expenditure commitments and undetermined applications against forfeiture. If the outstanding matters

relating to these tenements are not resolved so as to put these tenements in good standing, these tenements may be liable to forfeiture. Some of the Company's tenements have expired or have been forfeited on the basis of exemption applications having been refused. Whilst a number of its tenements are currently listed as not being in good standing, the Company does not consider these tenements to be material to its operations. The Company's material tenements, being those tenements on which its mining activities and operations are conducted, are currently in good standing.

Unless the Company obtains exemptions in relation to this expenditure, or raises additional funding by other means, the Company may be required to relinquish or forfeit some or part of these tenements.

(e) **Future funding risk:**

There will be a need for funds by the Company in the future even if the Offer proceeds.

In addition to undertaking the Offer, as announced on 12th February 2013, the Company is undertaking a sale of the Youanmi Gold Project for A\$15 million. Subject to further due diligence and statutory approvals it is anticipated that the sale will conclude on the 11th April 2013

The Company anticipates that it will need to raise funds additional to that proposed to be raised under the Offer and the sale of the Youanmi Gold Project to meet short and medium term funding needs of the Company required for exploration to expand resources and reserves, making debt repayments, capital expenditure and for working capital requirements to improve production and operating costs and other working capital needs of the Company. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest and may adversely affect the Company's ability to generate revenue from its operations, the sale of its operations and its ability to meet anticipated or forecasted productions and recoveries.

Following completion of the Offer, the Company's preference and intention is to raise any further additional funds it requires in the short and medium term through debt financing, rather than equity financing. However, the Company may also seek to raise further funds through equity financing, joint ventures, production sharing arrangements or other means. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Further, the Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company, including that granted by the Company in favour of AR Management Pty Ltd, or default under a finance lease could also result in the loss of assets.

The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual

obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.

(f) **Operating costs:**

Operating costs are estimated based on the interpretation of geological data, feasibility studies, anticipated climatic conditions and other factors. Any of the following events, among the other events and uncertainties described in this Prospectus, could affect the ultimate accuracy of such estimates and result in an increase in actual operating costs incurred:

- (i) unanticipated changes in grade and tonnage of ore to be mined and processed;
- (ii) incorrect data on which engineering assumptions are made;
- (iii) equipment delays;
- (iv) labour negotiations;
- (v) changes in government regulation (including regulations regarding prices, costs of consumables, royalties, duties, taxes, permitting and restrictions on production quotas on exploration of minerals); and
- (vi) title claims.

The Company's Wiluna Project is currently a high cost operation and any material increase in the operating cost of the operation or reduction in the gold price may adversely impact the cash flows of the Company.

(g) **Fluctuations in the price of gold:**

Changes in the market price of gold will affect the profitability of the Company's operations and its financial condition. The Company's revenues, profitability and viability depend on the market price of gold produced from the Company's mines. The market price of gold is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand for precious metals, expectations with respect to the rate of inflation, interest rates, currency exchange rates, the demand for jewellery and industrial products containing metals, gold production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, speculators and producers of gold and other metals in response to any of the above factors, and global and regional political and economic factors.

A decline in the market price of gold below the Company's production costs for any sustained period would have a material adverse impact on the profit, cash flow and results of operations of the Company's projects and anticipated future operations. Such a decline also could have a material adverse impact on the ability of the Company to finance the exploration and development of its existing and future mineral projects. A decline in the market price of gold may also require the Company to write-down its material reserves which would have a material adverse effect on the value of the Company's securities. Further, if revenue from gold sales declines, the Company may experience liquidity difficulties. The Company will also have to assess the economic impact of any sustained lower gold prices on recoverability and therefore, on cut-off grades and the level of its mineral reserves and resources.

(h) **Production estimates:**

The Company may not achieve its production estimates. The failure of the Company to

achieve its production estimates could have a material adverse effect on any or all of its future cash flows, profitability, results of operations and financial conditions. The realisation of production estimates is dependent on, among other things, the accuracy of mineral reserve and resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions (including hydrology), the physical characteristics of ores, the presence or absence of particular metallurgical characteristics, and the accuracy of the estimated rates and costs of mining, ore haulage and processing.

Actual production may vary from estimates for a variety of reasons, including: the availability of certain types of ores; the actual ore mined varying from estimates of grade or tonnage; dilution and metallurgical and other characteristics (whether based on representative samples of ore or not); short-term operating factors such as the need for sequential development of ore bodies and the processing of new or adjacent ore grades from those planned; mine failures, stope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; the inability to process certain types of ores; labour shortages or strikes; lack of required labour; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environment.

Such occurrences could also result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities in addition to adversely affecting mineral production. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable forcing the Company to cease production.

(i) **Exploration, development, mining and processing risks:**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the base reserves of the Company and possible relinquishment of the tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ

from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(j) **Development risk:**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes and shortages, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(k) **Reliance on key personnel:**

The Company has engaged and has entered into agreements with key personnel and directors. The Company's success will depend to a significant extent upon those key management personnel. The loss of the services of such personnel could have an adverse effect on the Company.

(l) **Mineral resource and ore estimation risk:**

The Company's mineral resources and ore reserves are estimates only and no assurance can be given that any particular recovery level of gold ore will in fact be realised. The Company's estimates comply with the JORC Code, 2004.

An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(m) **Insurance risk:**

The Company currently maintains insurance coverage as determined appropriate by the Board and management, but no assurance can be given that the Company will continue to be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover all claims.

6.3 Mineral Industry Risks

(a) **Operational risks:**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, lack of availability of equipment and potential for equipment suppliers to remove equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

The operations may also be adversely affected by human resource issues including industrial and labour disputes, labour shortages, work stoppages and workplace and health and safety issues and accidents that may adversely affect the performance of the Company.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(b) **Environmental risks:**

The Company's projects are subject to Western Australian and Federal Australian Government regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly through its mining operations. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, and more stringent environmental assessments of proposed projects. Environmental regulations could impact upon the viability of the Company's projects. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

There are certain risks inherent to the Company's activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities and could lead to forfeiture of its tenements. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

Changes to legislative requirements including changes to income tax law introduced to reduce emissions caused by greenhouse gases may have an adverse affect on current exploration and mining operations in the future. The introduction of a carbon tax may increase the cost structure of the Company.

(c) **Metallurgy:**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(d) **Regulatory risk:**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(e) **Native title and access risks:**

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

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

Further to this, it is possible that an Indigenous Land Use Agreement (**ILUA**) may be registered against one or more of the tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

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

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(f) **Joint Venture parties, contractors and agents:**

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

6.4 General Risks

In addition to the specific risks outlined above, there are general risks associated with the Company's existing and proposed business operations and risks associated with the Offer.

The value of the Company's securities is affected by a number of general factors which are beyond the Company's or the Board's control.

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, local and international economic conditions and general investor sentiment.

(a) **Dilution:**

The Offer will result in the issue of up to approximately 100 new Shares. If you do not participate in the Offer your percentage holding in Apex (held at the Record Date) will be reduced.

(b) **Commodity price and exchange rate fluctuations:**

The revenue the Company derives through the sale of gold exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(c) **Rising energy and commodity costs:**

The Company has significant commodity (diesel) and energy (gas and electricity) requirements and it relies on being able to fulfill those requirements at a cost which does not negatively impact on its cash flows. A number of factors (particularly the strength of the US dollar) may lead to an increase in commodity and energy costs, which may materially adversely affect the earnings of the Company.

(d) **Competition risk:**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(e) **General equity market risk:**

The value of the Shares to be issued under the Offer may fluctuate. In recent times, the extent of the volatility in the price of Shares and the wider market has been significant.

Investments in equity markets are generally speculative in nature and potential investors should carefully consider this risk before making any investment in Shares.

There is no guarantee that the Shares will trade at or above the price pursuant to the Offer. Potential investors should also note that past performance of the Shares on ASX provides no guidance as to the future performance of these Shares on ASX.

Many factors will affect the price of Shares including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally. In addition, the commencement of, or escalation in, any war, armed conflict, hostilities between nations, civil unrest or terrorist activities may affect the price of Shares.

(f) **Economic factors:**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

(g) **Security holders' margin lending arrangements:**

Security holders may, from time to time, enter into margin lending arrangements for the purchase of Shares in the Company on terms and conditions not known to the Company.

The Directors are unable to predict the risk of financial failure or default by a Security holder who has entered into such an arrangement or insolvency or other managerial failure by any party who may have provided such an arrangement to the Security holder. Such an event may lead to parcels of securities being made available for sale which may impact negatively on the price of the Company's securities.

6.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Shareholders should consider that the investment in the Company is speculative and should consult

their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the securities in the Company.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of the ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to the stock market conducted by the ASX.

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

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to the ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the

registered office of the Company during normal office hours.

Details of documents lodged with the ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

| Date | Description of Announcement |
|-------------|--|
| 8 Oct 12 | Annual Financial Report |
| 9 Oct 12 | Apex Refinances \$4.0m Short Term Debt Facility |
| 10 Oct 12 | Apex Minerals NL Pro-rata Non-Renounceable Rights Issue – Despatch of Prospectus Completed |
| 10 Oct 12 | Supplementary Prospectus |
| 19 Oct 12 | Extension of Closing Date – Entitlement Offer |
| 22 Oct 12 | Second Supplementary Prospectus |
| 23 Oct 12 | Shareholder Update |
| 23 Oct 12 | UK Investor Presentation |
| 26 Oct 12 | Notice of Meeting / Proxy Form |
| 30 Oct 12 | September 2012 Quarterly Report |
| 1 Nov 12 | Resignation of Director – M Sheldrick |
| 1 Nov 12 | Appendix 3Z |
| 2 Nov 12 | Close of Entitlements Offer |
| 5 Nov 12 | Record Monthly Gold Sales and Ore Reserves Upgrade |
| 5 Nov 12 | Entitlement Offer Shortfall Notice |
| 8 Nov 12 | Application to set aside statutory demand from Mark Ashley |
| 12 Nov 12 | Appendix 3B |
| 12 Nov 12 | Appendix 3Y |
| 16 Nov 12 | Appendix 3B |
| 20 Nov 12 | Appeal to set aside the statutory demand from Mark Ashley |
| 20 Nov 12 | JORC Code Reporting |
| 22 Nov 12 | Appendix 3B |
| 27 Nov 12 | Commencement of Appeal to set aside the statutory demand from Mark Ashley |
| 27 Nov 12 | 2012 Annual General Meeting – Withdrawal of Resolution 6 |
| 28 Nov 12 | Annual General Meeting Presentation |
| 28 Nov 12 | Results of 2012 Annual General Meeting |
| 4 Dec 12 | Resignation of Director – Ross Hutton |
| 4 Dec 12 | Final Director's Interest Notice |
| 14 Dec 12 | Top 20 Shareholders |
| 14 Dec 12 | Appendix 3B |

| Date | Description of Announcement |
|-----------|---|
| 18 Dec 12 | Becoming a substantial holder |
| 19 Dec 12 | Reduction in Operating Costs |
| 24 Dec 12 | Appointment and Resignation of Company Secretary |
| 2 Jan 13 | Apex Refinances \$4.0m Short Term Debt Facility and raises additional \$400,000 |
| 3 Jan 13 | Form 604 (Vanguard Precious Metals) |
| 3 Jan 13 | Appendix 3B |
| 11 Jan 13 | Strategic Review |
| 18 Jan 13 | Form 604 (Interstate Investments Pty Ltd) |
| 25 Jan 13 | Form 604 (M&G Investment Management) |
| 31 Jan 13 | Appendix 5B – December 2012 Quarter |
| 31 Jan 13 | December 2012 Quarterly Report |
| 31 Jan 13 | Request for Trading Halt |
| 12 Feb 13 | Apex signs MoU for Sale of Youanmi Gold Project for \$15 Million |
| 12 Feb 13 | Apex enters into Agreement with Mark Creasy to investigate the economics of processing the Bogada Bore Refractory Material through Apex's Wiluna Plant. |

The ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at the ASX during normal office hours.

The announcements are also available through the Company's website www.apexminerals.com.au

7.2 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

7.3 Remuneration

The Constitution provides that the remuneration of Directors will be not more than the aggregate fixed sum initially set by the Constitution and subsequently varied by ordinary resolution of Shareholders in general meeting.

In addition, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Company paid to the Directors a total of \$49,050 the year ended 30 June 2011 and \$415,132 for the year ended 30 June 2012. These amounts are inclusive of salary, superannuation and associated benefits.

The total remuneration paid to each of the Directors in the financial year ended 30 June 2012 and the year ended 30 June 2011 is set out in the table below.

| Director | Remuneration | |
|-------------------------------|-----------------------------------|-----------------------------------|
| | Financial Year Ended 30 June 2012 | Financial Year Ended 30 June 2011 |
| Mr Eduard Eshuys ¹ | 347,193 | - |
| Mr Kim Robinson ² | 53,376 | 49,050 |
| Mr Brice Mutton ³ | 14,563 | - |

1. Appointed on 19 April 2012.
2. Resigned as Chairman and remained as a Non-Executive Director on 19 April 2012.
3. Appointed on 19 April 2012.

The total remuneration paid to the Directors for the current financial year to date is \$394,940 (inclusive of salary, superannuation and associated benefits).

7.4 Security holdings

Directors are not required under the Constitution to hold any Shares, however, Directors' relevant interests in securities of the Company at the date of this Prospectus are set out in the table below.

| Name | Shares | Options |
|----------------------------|------------------|-------------------------|
| Eduard Eshuys ¹ | Nil ³ | 15,160,000 ⁴ |
| Brice Mutton ¹ | Nil | 2,000,000 ² |
| Kim Robinson | 1,022,187 | 2,000,000 ⁵ |

Notes

- 1 Each of Mr Eduard Eshuys, and Brice Mutton is a director of Drummond. Shareholders approved the issue of 10,000,000 Options to be Drummond on the terms set out in Schedule 4 to the notice of meeting announced by the Company on 7 March 2012.
- 2 Brice Mutton (or his nominees, Brice Mutton and Gai Mutton as trustees for the Brice Mutton Superannuation Fund) was issued 2,000,000 unlisted Options exercisable at 30 cents each on or before 24 July 2015; and

- 3 EEN Nominees Pty Ltd, a company controlled by Mr Eduard Eshuys son, Mr Grant Eshuys, holds 1,670,000 Shares.
- 4 15,160,000 unlisted Options issued to Mr Eduard 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 2015.2015 and 9,160,000 unlisted Options exercisable at 30 cents each on or before 24 July 2015
- 5 Kim Robinson's Options comprise 2,000,000 unlisted Options exercisable at 30 cents each on or before 24 July 2015.

7.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

7.6 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.7 Expenses of Offer

In the event that the Offer is fully subscribed, the total expenses of the Offer are estimated to be approximately \$5,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

| | \$ |
|----------------------|--------------|
| ASIC fees | 2,137 |
| ASX fees | 1,650 |
| Miscellaneous | 1,213 |
| Total | 5,000 |

7.8 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on the ASX.

The highest, lowest and last market sale prices of the Shares on the ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC were:

| | |
|---------|--------|
| Highest | \$0.07 |
| Lowest | \$0.03 |
| Last | \$0.04 |

7.9 Electronic Prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 6311 5555 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.apexminerals.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8 DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

For and on behalf of the board

A handwritten signature in black ink, consisting of a stylized 'J' followed by a horizontal line and a short vertical stroke.

Jeremy Robinson
Company Secretary

9 DEFINITIONS

\$ means Australian dollars.

Applicant means a party who applies for Shares pursuant to the Offer.

Application Form means an application form in respect of the Offer either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX means ASX Limited (ACN 008 624 691).

ASX Listing Rules means the Listing Rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Closing Date means the date set out in Section 1 of this Prospectus (unless extended or closed earlier).

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

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company at the date of this Prospectus.

Offer means the offer pursuant to the Prospectus of 100 Shares at an issue price of \$0.50 per Share to raise \$50.00.

Official Quotation means official quotation on the ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

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.