
APEX MINERALS NL

ACN 098 612 974

NOTICE OF GENERAL MEETING

TIME: 10.00am

DATE: 11 April 2012

PLACE: Gershwins PDS
Hyatt Regency Perth
99 Adelaide Terrace
Perth WA 6000

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.

CONTENTS PAGE

Business of the Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	6
Glossary	14
Schedule 1 – Terms and Conditions of Related Party Options	16
Schedule 2 – Valuation of Related Party Options	19
Schedule 3 - Terms and Conditions of Azure Capital Investments Pty Ltd Options	20
Schedule 4 – Terms and Conditions of Drummond Gold Limited Options	22

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 10.00am on 11 April 2012 at:

Gershwins PDS
Hyatt Regency Perth
99 Adelaide Terrace
Perth WA 6000

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 4.00pm (WST) on 9 April 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 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 10:00am (Perth time) on 9 April 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 – 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, approval is given to allot and issue 600,000,000 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:

- (e) 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.

2. RESOLUTION 2 – ISSUE OF OPTIONS 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 100,000,000 Options 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.

3. RESOLUTION 3 – 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, approval is given to allot and issue up to 1,000,000,000 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.

4. RESOLUTION 4 – CONSOLIDATION OF CAPITAL

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

“That, subject to the passing of all other Resolutions, pursuant to section 254H of the Corporations Act, Article 8.1(b) of the Constitution and for all other purposes, the issued capital of the Company be consolidated on the basis that every one hundred (100) shares be consolidated into one (1) share with effect on 1 May 2012, and where this consolidation results in a fraction of a share being held by a shareholder (as the case may be), the Directors be authorised to round that fraction up to the nearest whole share.”

DATED: 7 March 2012

BY ORDER OF THE BOARD



**KIM ROBINSON
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 – ISSUE OF OPTIONS TO EDUARD ESHUYS

1.1 General

The Company has agreed, subject to obtaining shareholder approval, to allot and issue a total of 600,000,000 Options (**Related Party Options**) to Mr Eduard Eshuys (or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust) (**Related Party**) 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 Mr Eduard Eshuys is a related party of the Company by virtue of being a proposed Director.

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 Party.

1.2 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 party is Mr Eduard Eshuys or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust. Mr Eduard Eshuys is a related party by virtue of being a proposed Director, and his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust, is a related party by virtue of being an entity controlled by Mr Eshuys;
- (b) Mr Eduard Eshuys has agreed to be appointed to the Board subject and conditional upon:
 - (i) each of Resolutions 1, 2 and 3 being passed; and

- (ii) the Company closing the Entitlement Offer and raising a minimum of \$20,000,000 under the Entitlement Offer.

Subject to Resolution 1 being passed, Mr Eduard Eshuys (or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust) will only be granted Related Party Options upon Mr Eduard Eshuys' appointment to the Board becoming effective, occurring upon satisfaction of the above conditions.

- (c) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Party is 600,000,000 Related Party Options;
- (d) the Related Party Options will be granted to the Related Party 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 are set out in Schedule 1;
- (g) the value of the Related Party Options and the pricing methodology is set out in Schedule 2;
- (h) the Related Party has no relevant interests in securities of the Company;
- (i) subject to the appointment of the Mr Eduard Eshuys as a Director, the proposed remuneration and emoluments from the Company to the Related Party for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Eduard Eshuys	\$450,000 per annum (excluding superannuation)	Nil

- (j) if the Related Party Options granted to the Related Party are exercised, a total of 600,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 5,550,243,713 to 6,150,243,713 on a pre-Consolidation basis and from 55,502,437 to 61,502,437 on a post-Consolidation basis (assuming that no other Options or Warrants are exercised), with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 9.75% (on a pre-Consolidation basis) and by an aggregate of 9.75% (on a post-Consolidation basis).

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.

- (k) 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	1.6 cents	8 March 2011
Lowest	0.4 cents	3 January 2012 9 January 2012
Last	0.6 cents	31 January 2012

The primary purpose of the grant of the Related Party Options to the Related Party is to provide a performance linked incentive component in the remuneration package for the Related Party to motivate and reward his performance in his role as a Director;

- (l) Mark Ashley recommends that Shareholders vote in favour of Resolution 1 for the following reasons;
- (i) the grant of Related Party Options to the Related Party will align the interests of the Related Party 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 Party; 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;
- (m) Kim Robinson recommends that Shareholders vote in favour of Resolution 1 for the reasons set out in subparagraphs (l)(i) to (l)(iii) above;
- (n) Robin Lee Sing Leung recommends that Shareholders vote in favour of Resolution 1 for the reasons set out in subparagraphs (l)(i) to (l)(iii) above;
- (o) Matthew Sheldrick recommends that Shareholders vote in favour of Resolution 1 for the reasons set out in subparagraphs (l)(i) to (l)(iii) above;
- (p) in forming their recommendations, each Director considered the experience of the Related Party, the value of the Related Party Options set out in Schedule 2, 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 prices, vesting conditions and expiry dates of those Related Party Options. None of the Directors making a recommendation have an interest in the outcome of Resolution 1; and
- (q) 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 Resolution 1.

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

2. RESOLUTION 2 – ISSUE OF OPTIONS TO AZURE CAPITAL INVESTMENTS PTY LTD

2.1 General

Resolution 2 seeks shareholder approval for the allotment and issue of 100,000,000 Options 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 2 is to allow the Directors to issue the Options 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.

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 Azure Placement:

- (a) the maximum number of Options to be issued is 100,000,000;
- (b) the grant of Options to Azure Capital Investments Pty Ltd (as nominee of Azure Capital Limited) under the Azure Placement is subject to and conditional upon the Company closing the Entitlement Offer and raising \$20,000,000 under the Entitlement Offer;
- (c) 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;
- (d) the Options will be issued for nil cash consideration in satisfaction of services provided by Azure Capital Limited as lead manager to the Entitlement Offer;
- (e) the Options 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;
- (f) the Options will be issued on the terms and conditions set out in Schedule 3; and
- (g) no funds will be raised from the Azure Placement as the Options are being issued in consideration for services provided by Azure Capital Limited as lead manager to the Entitlement Offer.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO DRUMMOND GOLD LIMITED

3.1 General

Resolution 3 seeks shareholder approval for the allotment and issue of 1,000,000,000 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**).

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 3 will be to allow the Directors 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.

3.2 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 1,000,000,000;
- (b) Mr Eduard Eshuys has agreed to be appointed to the Board subject and conditional upon:
 - (i) each of Resolutions 1, 2 and 3 being passed; and
 - (ii) the Company closing the Entitlement Offer and raising a minimum of \$20,000,000 under the Entitlement Offer.

Drummond Gold Limited will only be granted Options under the Drummond Gold Placement upon Mr Eduard Eshuys' appointment to the Board becoming effective, occurring upon satisfaction of the above conditions;

- (c) 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;
- (d) the Options will be issued for nil cash consideration in satisfaction of services provided by Drummond Gold Limited in facilitating the appointment of a new executive management team to the Company;
- (e) the Options will be allotted and issued to Drummond Gold Limited, who is not a related party of the Company;
- (f) the Options will be issued on the terms and conditions set out in Schedule 4; and
- (g) no funds will be raised from the Drummond Gold Placement as the Options are being issued in consideration for services provided by Drummond Gold Limited in facilitating the appointment of a new executive management team to the Company.

4. RESOLUTION 4 – CONSOLIDATION OF CAPITAL

Shareholders should note that the Options the subject of Resolutions 1, 2 and 3 have been stated on a pre-Consolidation basis, and, if Resolution 4 is passed, will be effected by the Consolidation proposed in this Resolution 4.

4.1 Background

The Directors are seeking Shareholder approval to consolidate the number of shares on issue in the capital of the Company on a one (1) for one hundred (100) basis (**Consolidation**). Resolution 4 is subject to the passing of all other Resolutions. Section 254H of the Corporations Act provides that a company may, by a resolution passed in a general meeting of shareholders, convert all or any of its shares into a larger or smaller number of shares. ASX Listing Rule 7.22.1 also requires that the number of Options on issue be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

If Resolution 4 is passed, the number of Shares on issue will be reduced from 5,550,243,713 to approximately 55,502,437. The number of Options currently on issue will be reduced from 727,671,833 to approximately 7,276,718 and the exercise prices of the Options will be increased by a multiple of 100. The number of warrants the Company currently has on issue will be reduced from 180,000,000 to approximately 1,800,000 and the exercise prices of the warrants will be increased by a multiple of 100. The number of partly paid shares the Company currently has on issue will be reduced from 19,125,000 to approximately 191,250 and the amount unpaid on the partly paid shares will be increased by a multiple of 100.

The Directors have nominated for the Consolidation to take effect on 1 May 2012. As from such date, all holding statements for Shares, Options and partly paid shares and all certificates for warrants will cease to have any effect, except as evidence of entitlement to a certain number of post-consolidation Shares, Options, partly paid shares and warrants. After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders, Optionholders and holders of partly paid shares, and for new certificates to be issued to warrant holders.

The effect the Entitlement Offer and the Resolutions contained within the Notice will have on the capital structure of the Company is as follows:

Shares	Pre-Consolidation (as at 22 February 2012)	Post-Consolidation
Current	5,550,243,713	55,502,437
Entitlement Offer	11,100,487,426	111,004,874
TOTAL SHARES	16,650,731,139	166,507,311
Partly paid shares	Pre-Consolidation (as at 22 February 2012)	Post-Consolidation
Current	19,125,000 (19.99 cents unpaid per share)	191,250 (\$19.99 unpaid per share)
TOTAL PARTLY PAID SHARES	19,125,000	191,250

Options	Pre-Consolidation (as at 22 February 2012)	Post-Consolidation
Listed Options ¹	678,641,833	6,786,418
Unlisted Options ²	15,000,000	150,000
Unlisted Options (issued pursuant to employee share option plan) ³	34,030,000	340,300
Placement to Mr Eduard Eshuys (or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust)	600,000,000	6,000,000
Placement to Azure Capital Investments Pty Ltd	100,000,000	1,000,000
Placement to Drummond Gold Limited	1,000,000,000	10,000,000
TOTAL OPTIONS	2,427,671,833	24,276,718
Warrants	Pre-Consolidation (as at 22 February 2012)	Post-Consolidation
Current ⁴	180,000,000	1,800,000
TOTAL WARRANTS	180,000,000	1,800,000

Notes:

1. Expiry date of 9 November 2012 and an exercise price of \$0.06 (pre-Consolidation) or \$6.00 (post-Consolidation).
2. Expires in accordance with deed of settlement with Atlas Copco Australia Pty Ltd with an exercise price of \$0.02 (pre-Consolidation) or \$2.00 (post-Consolidation).
3. The terms of the 34,030,000 unlisted Options (as at 13 January 2012) are as follows:
 - (i) 925,000 Options with an expiry date of 1 June 2012 and an exercise price of \$0.65 (pre-Consolidation) or \$65.00 (post-Consolidation);
 - (ii) 525,000 Options with an expiry date of 30 July 2012 and an exercise price of \$1.00 (pre-Consolidation) or \$100.00 (post-Consolidation);
 - (iii) 100,000 Options with an expiry date of 11 November 2012 and an exercise price of \$1.30 (pre-Consolidation) or \$130.00 (post-Consolidation);
 - (iv) 20,150,000 Options with an expiry date of 9 April 2013 and an exercise price of \$0.045 (pre-Consolidation) or \$4.50 (post-Consolidation);
 - (v) 370,000 Options with an expiry date of 11 May 2013 and an exercise price of \$1.30 (pre-Consolidation) or \$130.00 (post-Consolidation);
 - (vi) 1,000,000 Options with an expiry date of 18 July 2013 and an exercise price of \$0.70 (pre-Consolidation) or \$70.00 (post-Consolidation);
 - (vii) 5,550,000 Options with an expiry date of 27 October 2013 and an exercise price of \$0.045 (pre-Consolidation) or \$4.50 (post-Consolidation);
 - (viii) 2,000,000 Options with an expiry date of 28 October 2013 and an exercise price of \$0.05 (pre-Consolidation) or \$5.00 (post-Consolidation);
 - (ix) 2,700,000 Options with an expiry date of 4 December 2013 and an exercise price of \$0.045 (pre-Consolidation) or \$4.50 (post-Consolidation);

- (x) 420,000 Options with an expiry date of 9 February 2014 and an exercise price of \$0.45 (pre-Consolidation) or \$45.00 (post-Consolidation); and
 - (xi) 340,000 Options with an expiry date of 21 June 2014 and an exercise price of \$0.30 (pre-Consolidation) or \$30.00 (post-Consolidation).
4. Expiry date of 18 February 2014 and an exercise price of \$0.035 (pre-Consolidation) or \$3.50 (post-Consolidation).

4.2 Fractional entitlements and taxation

Not all shareholders, Option holders or warrant holders will hold that number of shares, Options or warrants which can be evenly divided by 100. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole share, Option or warrant.

It is not considered that any taxation consequences will exist for shareholders or Option or warrant holders arising from the Consolidation. However, shareholders, Option holders and warrant holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor the Directors (or the Company's advisers) accept any responsibility for the individual taxation consequences arising from the Consolidation.

4.3 Timetable

Event	Date
Announcement of Entitlement Offer and Consolidation and lodgement of Appendix 3B	7 March 2012
Entitlement Offer prospectus lodged with ASX	7 March 2012
Notice sent to security holders	9 March 2012
“Ex” date Rights trading commences	13 March 2012
Entitlement Offer record date	19 March 2012
Despatch of Entitlement Offer prospectus to eligible Shareholders	22 March 2012
Rights trading ends	2 April 2012
General Meeting to approve Consolidation	11 April 2012
Entitlement Offer acceptances close	11 April 2012
Notification of under subscriptions to ASX (if any)	16 April 2012
Shortfall settlement date	18 April 2012
Shares issued, holding statements despatched	19 April 2012
Last day for trading in pre-Consolidated securities	23 April 2012
Commencement of deferred settlement trading in post-Consolidation securities	24 April 2012
Last date to register transfers on a pre-Consolidated basis	1 May 2012
Despatch of holding statements for Consolidated securities and announce to ASX	4 May 2012
Normal trading resumes	7 May 2012
First settlement of on-market trades conducted on a deferred settlement basis	10 May 2012

* These dates are determined based upon the current expectations of the Directors and may be changed without prior notice but subject to the Corporations Act and the ASX Listing Rules.

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).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Entitlement Offer means the proposed renounceable entitlement offer for the issue of two (2) Shares for every one (1) Share held by eligible Shareholders at an issue price of 0.2 cents per Share to raise up to approximately \$22,200,000.

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.

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 Resolution 1 with the terms and conditions set out in Schedule 1 (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 RELATED PARTY OPTIONS

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

- (a) Mr Eduard Eshuys has agreed to be appointed to the Board subject and conditional upon:
- (i) each of Resolutions 1, 2 and 3 being passed; and
 - (ii) the Company closing the Entitlement Offer and raising a minimum of \$20,000,000 under the Entitlement Offer.

Subject to Resolution 1 being passed, Mr Eduard Eshuys or his nominee, Resource Surveys Pty Ltd as trustee for the Eshuys Family Trust, will only be granted Related Party Options upon Mr Eduard Eshuys' appointment to the Board becoming effective, occurring upon satisfaction of the above conditions.

- (b) Subject to paragraph (a) and (p), each Related Party Option gives the Related Party Optionholder the right to subscribe for one Share.
- (c) The Expiry Dates, Exercise Prices and Vesting Conditions of the Related Party Options are set out in the table below:

Number	Expiry Date	Exercise Price	Vesting Conditions
150,000,000	5.00pm (WST) on the date that is 3 years from the date of issue	0.3 cents	None
150,000,000	5.00pm (WST) on the date that is 3 years from the date of issue	0.45 cents	None
75,000,000	5.00pm (WST) on the date that is 3 years from the date of issue	0.6 cents	None
225,000,000	5.00pm (WST) on the date that is 5 years from the date of issue	0.8 cents	These Related Party Options will vest if and only if the Company produces at least 100,000 ounces of gold at a cash cost (as reported in the Company's Annual Financial Report) of less than A\$1,100 per ounce in financial year 2013-14.

- (d) A Related Party Option not exercised before its Expiry Date will automatically lapse on its Expiry Date. The Related Party Options will also lapse if Mr Eduard Eshuys resigns from the Board or upon him becoming or being declared bankrupt.

- (e) Subject to paragraphs (m) and (o), the amount payable upon exercise of each Related Party Option will be the Exercise Price (as set out in the table above).
- (f) The Related Party Options held by each Related Party Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (g) A Related Party Optionholder may exercise their Related Party Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Related Party Options specifying the number of Related Party Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Related Party Options being exercised;

(Exercise Notice).

- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) 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 Related Party Options specified in the Exercise Notice.
- (j) The Related Party Options are not transferable except with the prior written consent of the board of directors of the Company.
- (k) All Shares allotted upon the exercise of Related Party Options will upon allotment rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Related Party Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Related Party Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of a Related Party Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) There are no participating rights or entitlements inherent in the Related Party Options and Related Party Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Related Party Options without exercising the Related Party 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 Related Party Optionholders the opportunity to exercise their Related Party Options prior to the date for determining entitlements to participate in any such issue.
- (o) In the event the Company proceeds with a pro rata issue (except the Entitlement Offer or a bonus issue) of securities to Shareholders after the date of issue of the Related Party Options, the Exercise Price of the

Related Party Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

- (p) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Related Party Options, the number of securities over which a Related Party Option is exercisable may be increased by the number of securities which the Related Party Optionholder would have received if the Related Party Option had been exercised before the record date for the bonus issue.

SCHEDULE 2 - VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Party pursuant to Resolution 1 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 (no Vesting Conditions)

Tranche 1 (150,000,000 @ 0.3 cents, expiry 3 years) - **\$756,351.40**

Tranche 2 (150,000,000 @ 0.45 cents, expiry 3 years) - **\$719,197.38**

Tranche 3 (75,000,000 @ 0.6 cents, expiry 3 years) - **\$344,705.37**

Assumptions for these valuations;

- Exercise prices and expiry dates as set out above;
- Valuation date – 22 February 2012;
- Grant date is date of shareholder approval, being 5 April 2012;
- Market price of Shares is \$0.006;
- Risk free rate – 4.5%;
- Volatility – 130.31% (Volatility based on 12 months historical Apex closing price, period 13/1/11 – 13/1/12); and
- No dividends paid.

Related Party Options (with Vesting Condition)

Tranche 4 – (225,000,000 @ 0.8 cents, expiry of 5 years, subject to vesting performance condition) - **\$1,157,964.50**

Assumptions for this valuation:

- Exercise price and expiry date as set out above;
- Valuation date – 22 February 2012;
- Grant date is date of shareholder approval, being 5 April 2012;
- Market price of Shares is \$0.006;
- Risk free rate – 4.5%;
- Volatility – 130.31% (Volatility based on 12 months historical Apex closing price, period 13/1/11 – 13/1/12);
- No dividends paid; and
- As per AASB 2, the valuation considers that the performance vesting conditions have been met.

SCHEDULE 3 - TERMS AND CONDITIONS OF AZURE CAPITAL INVESTMENTS PTY LTD OPTIONS

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

- (a) The grant of Options to Azure Capital Investments Pty Ltd (as nominee of Azure Capital Limited) under the Azure Placement is subject and conditional upon the Company closing the Entitlement Offer and raising a minimum of \$20,000,000 under the Entitlement Offer.
 - (b) Subject to paragraph (a) and (p), each Option gives the Optionholder the right to subscribe for one Share.
 - (c) Each Option will expire at 5.00pm (WST) on the date that is three years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (d) Subject to paragraphs (m) and (o), the amount payable upon exercise of each Option will be 0.4375 cents (**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 the Entitlement Offer or 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 - TERMS AND CONDITIONS OF DRUMMOND GOLD LIMITED OPTIONS

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

- (a) Mr Eduard Eshuys has agreed to be appointed to the Board subject and conditional upon:
- (i) each of Resolutions 1, 2 and 3 being passed; and
 - (ii) the Company closing the Entitlement Offer and raising a minimum of \$20,000,000 under the Entitlement Offer.

Drummond Gold Limited will only be granted Options under the Drummond Gold Placement upon Mr Eduard Eshuys' appointment to the Board becoming effective, occurring upon satisfaction of the above conditions.

- (b) Subject to paragraph (a) and (p), each Option gives the Optionholder the right to subscribe for one Share.
- (c) The Expiry Dates, Exercise Prices and Vesting Conditions of the Options are set out in the table below:

Number	Expiry Date	Exercise Price	Vesting Conditions
225,000,000	5.00pm (WST) on the date that is 3 years from the date of issue	0.3 cents	None
200,000,000	5.00pm (WST) on the date that is 3 years from the date of issue	0.45 cents	None
200,000,000	5.00pm (WST) on the date that is 3 years from the date of issue	0.6 cents	None
375,000,000	5.00pm (WST) on the date that is 5 years from the date of issue	0.8 cents	These Options will vest if and only if the Company produces at least 100,000 ounces of gold at a cash cost (as reported in the Company's Annual Financial Report) of less than A\$1,100 per ounce in financial year 2013-14.

- (d) An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) Subject to paragraphs (m) and (o), the amount payable upon exercise of each Related Party Option will be the Exercise Price (as set out in the table above).
- (f) 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.

- (g) 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).

- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) 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.
- (j) The Options are not transferable except with the prior written consent of the board of directors of the Company.
- (k) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (l) 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.
- (m) 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.
- (n) 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.
- (o) In the event the Company proceeds with a pro rata issue (except the Entitlement Offer or 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.
- (p) 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.



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 **10:00am (Perth time) on Wednesday, 11 April 2012, at Gershwin's PDS, Hyatt Regency Perth, 99 Adelaide Terrace, Perth** and at any adjournment or postponement of the meeting. If no directions are given, the Chairman of the Meeting will vote in favour of all the Resolutions in which he is entitled to vote undirected proxies.

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

	For	Against	Abstain*
Resolution 1 Issue of Options to Eduard Eshuys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Issue of Options to Azure Capital Investments Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Issue of Options to Drummond Gold Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Consolidation of Capital	<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

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 PRX201



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:

- (a) 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.
- (b) 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 **10:00am (Perth time) on Monday, 9 April 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.