

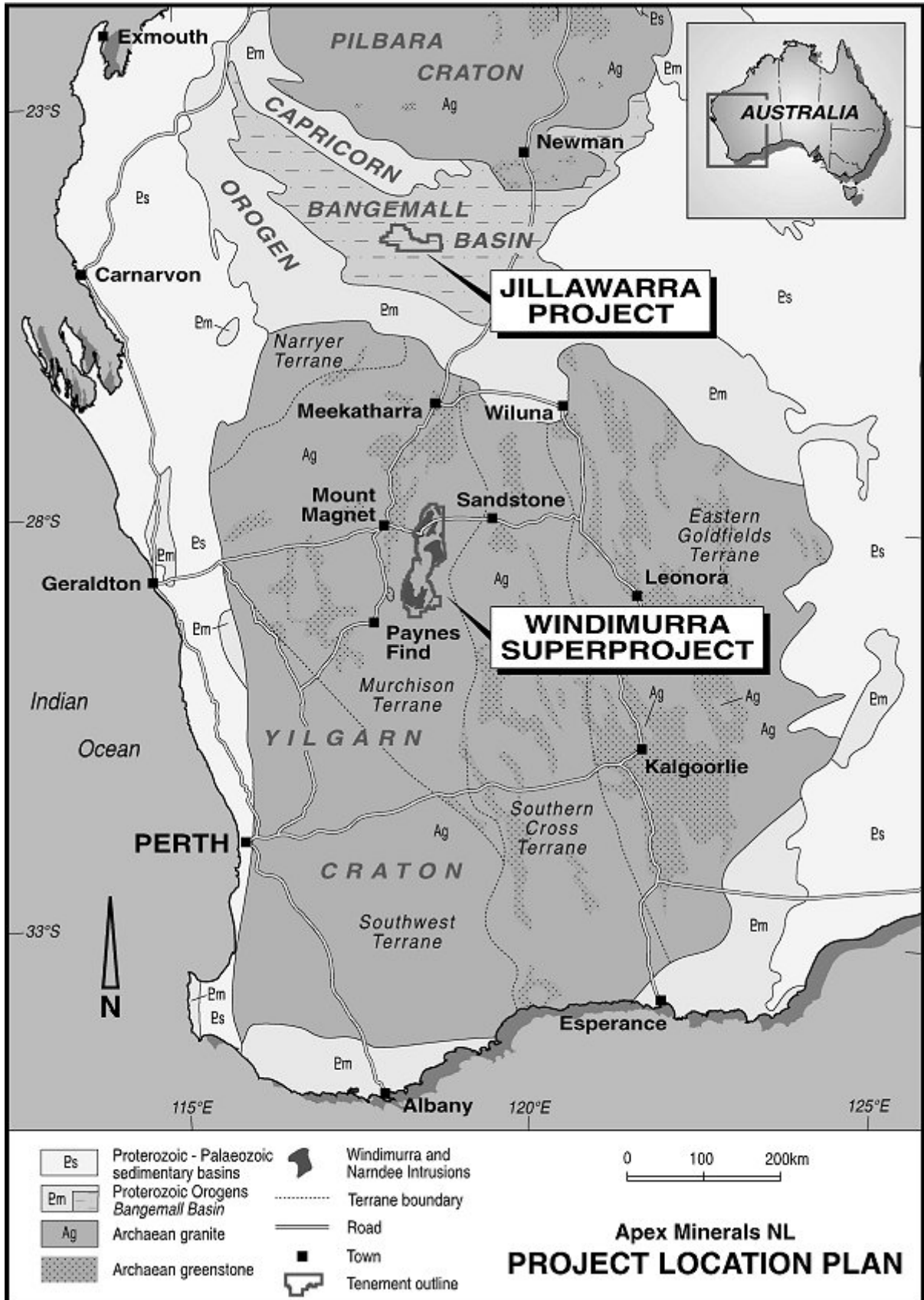


APEX MINERALS NL

ACN 098 612 974

ANNUAL REPORT

2002



CORPORATE DIRECTORY

DIRECTORS	Stephen Stone - Executive Chairman Philip Pullinger - Non Executive Director Stephen Lowe - Non Executive Director
COMPANY SECRETARY	Graham Douglas Anderson
TECHNICAL CONSULTANT	Mark Gareth Creasy
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ASX CODE	AXM
ACN	098 612 974
WEB	www.apexminerals.com



EXECUTIVE CHAIRMAN'S REVIEW

Dear Shareholder

Apex has got off to a flying start in its first year of operation.

It was incorporated on 31st October 2001 and in the following months acquired various rights and interests providing it with, or the ability to earn, an 80% equity interest in mineral licences and licence applications. These comprise two Western Australia flagship exploration projects:

- The 5,000 square kilometre **Windimurra Superproject** encompasses the world-class Windimurra and Narndee layered intrusions and is being explored for platinum, nickel-copper and gold mineralisation.
- The 1,470 square kilometre **Jillawarra** project is being explored for large-scale polymetallic base metal deposits including possible Olympic Dam style iron-oxide copper-gold mineralisation.

To fund exploration on these projects the Company successfully raised \$4.0 million, before expenses, through an oversubscribed Offer to the public of 20,000,000 new shares at a price of 20 cents each. Apex listed on ASX on June 7th this year. It now has a fully paid issued capital of 38,208,755 shares of which over 50% are owned by the public, 30% and 11% by co-founders Mark Creasy and myself respectively and 4% by joint venture partner Falconbridge Limited ('Falconbridge')

The Company has been structured to provide shareholders with a high leverage to success. In addition, founders and executive management hold part-paid shares where benefits arise to holders only if the Company achieves and maintains pre-determined increases in its share price and/or major discovery performance hurdles.

Active Exploration Programmes Underway

Immediately after listing Apex scaled up its exploration activities with the prime objective being to delineate a number of priority drill targets at each project within the first six months.

A 280 square kilometre detailed ground-based gravity survey was completed at Jillawarra in July and a 21,500 line kilometre high resolution aeromagnetic and radiometric survey has just been completed over the Windimurra intrusion. These surveys are major undertakings by any company's standards and will provide extremely useful backdrops upon which to evaluate all other data.

Valuable Aeromagnetic Data Collected At Windimurra

Apex is the first company to have consolidated most of the ground containing the prospective Windimurra and Narndee layered intrusions. These are considered to be geologically similar to South Africa's Bushveld Complex from where a majority of the world's platinum is mined. Previous explorers at Windimurra were constrained by fragmented ownership, lack of outcropping rocks and narrow geological targeting models.

Exploration over the Narndee intrusion is being funded by joint venture partner Falconbridge, one of the world's largest miners and refiners of nickel. It has made a minimum two year commitment to the project and may earn in stages up to a 64% interest in the Narndee licences by spending up to \$4.0 million over five years and financing one or more bankable feasibility studies. It has already completed a 17,000 line kilometre high resolution airborne magnetic and radiometric survey over Narndee and is presently undertaking a field mapping and sampling programme.

Confirmation of the international status and prospectivity of the Windimurra Superproject for platinum group metals was obtained when shortly after the listing of Apex, Falconbridge was joined at Narndee by the world's second largest platinum producer Impala Platinum Holdings Limited

('Implats'). The entry of Implats arises through a strategic alliance it has with Falconbridge to explore for and develop high-quality platinum group metals projects worldwide. Under the deal, Implats can earn in stages up to half of any equity that Falconbridge has secured in a project.

The two magnetic surveys will for the first time provide complete and consistent high resolution coverage of the Windimurra Superproject. Data was collected from a flight height of 35 metres along flight lines at either a 100 metre or 200 metre spacing. This will replace data collected by the government at a 180 metre flight height and 1,600 metre line spacing. A more detailed interpretation of the internal structure and layered stratigraphy of the two complexes can now be made. This will be invaluable in pursuing prospective geological units beneath the soil and laterite cover that obscures over 80% of the project area.

The Windimurra Superproject lies within a region containing a number of established gold mining operations. Structural features within the Superproject appear to be related to structures associated with several of these gold operations. Workings and prospects around the historical Paynesville and Mt Windsor centres are providing an early focus for gold exploration by Apex.

Apex is currently reviewing and extracting into a geographical information system useful data from over 100 historical reports. This is being combined with several other datasets and the fully processed high resolution aeromagnetic and radiometric data when available. Targets will then be delineated and ranked for validation in the field in the next few months. Drilling of selected targets is then planned.

New Insights Into Geology at Jillawarra

Apex has now compiled an enormous amount of useful drilling, geochemical sampling and mapping data generated over the past 30 years by previous explorers of its Jillawarra project. This information has a replacement value of many millions of dollars and provides an excellent platform for Apex's own work.

A review of the regional geology and structure using existing datasets and only recently made available satellite imagery has also been completed. This has provided new insights into the broad geology and mineralising mechanisms most likely to have been operating in the region and further affirmation of Apex's expectations for the Jillawarra project.

Apex has been using state-of-the-art 3D inversion software to model its recently acquired gravity and inherited magnetic data. The resulting images reveal a number of relatively shallow coincident and offset gravity and magnetic anomalies. Superimposition of historical drilling data suggests that several of these anomalies remain untested or only partially tested by previous explorers.

The new targets that are being generated by Apex along with existing prospects are now being evaluated in the context of our evolving understanding of the project's geology. We plan to commence field investigation of priority targets in the next couple of months and if warranted, will drill those targets that are most likely to meet our commercial objectives.

Annual Report Format

Your Board has decided that this first Annual Report for Apex should not be an expensive or extensive document. It is only recently preceded by a Prospectus providing comprehensive corporate, financial, legal and technical information on the Company. In addition details of material developments since the Company was admitted to ASX have been communicated to Shareholders through periodic releases to ASX and can also be found on its website at www.apexminerals.com.

Intense and Exciting Year Ahead

A small and highly competent technical team has been established at Apex. It is as eager as everyone to get the drills working on both projects and will endeavour to do this in the coming months. However, we are mindful that it is prudent to do so only when we are fully prepared.



Access to its projects has become an important issue for Apex and for all explorers in Australia. Apex has to date been able to successfully work through Native Title and Heritage Act issues and is confident that it will be able to undertake the envisaged exploration programmes on its licences.

Your Board is very pleased with the rapid progress made by Apex since its incorporation less than one year ago. It is enormously appreciative of the support obtained from Shareholders and from the many individuals and organisations that contributed to making the Apex IPO a success.

The programmes and budgets as set out in Apex's prospectus remain on track. It remains committed to its exploration and corporate goals. The next six months will be extremely intense and exciting for Apex. We hope that in next year's Annual Report, and perhaps well before then, we will be able to report successes at both of our excellent projects.

Stephen Stone
27th September 2002

DIRECTORS' REPORT

The Directors present their report on the accounts for the period from incorporation on 31 October 2001 to 30 June 2002.

Directors

The Directors are:

Stephen Stone – Executive Chairman

Stephen Stone B.Sc. (Hons) Min Geol., MAusIMM(CP), FAICD was the initiator of Apex Minerals NL and was instrumental in bringing the Company and its projects to the market. He graduated with honours in Mining Geology from the University of Cardiff and has over 25 years senior operating, management and corporate experience in the international mining and exploration industry including 13 years as chief executive of publicly listed exploration companies. Stephen is a Member of the Australasian Institute of Mining and Metallurgy and a Chartered Professional (Management) of that organisation. He is also a Fellow of the Australian Institute of Company Directors and a director of unlisted Encore Metals NL.

Philip Pullinger – Non Executive Director

Philip Pullinger is a partner in the legal firm of Pullinger Readhead Stewart and has been admitted as a Barrister and Solicitor in Western Australia for over 25 years. He practices extensively in the commercial area and has broad experience in corporate and mining law and has acted in relation to numerous acquisitions, joint ventures and other exploration and mining activities. He has been a director of a number of listed public companies.

Stephen John Lowe – Non Executive Director

Stephen John Lowe is a taxation specialist with over 13 years experience consulting to a wide range of corporate and private clients on a broad range of taxation issues including mining and international matters, GST and CGT. He has been a director of several public unlisted companies, is a Bachelor of Business, has a Post-Graduate Diploma in Advanced Taxation and is a Master of Taxation. Steve is also a member of Certified Practising Accountants and a Fellow of the Taxation Institute of Australia.

Principal Activities

The principal activities of the Company during the financial period was in the exploration of mineral resources.

Results

The loss for the year after income tax was \$354,628.

Review

An Executive Chairman's Review for the financial year and up to the date of this report is included in this document and should be read as part of the Directors' Report.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the financial year, not otherwise disclosed in the attached financial report.



Likely Developments

The Company will continue to explore and assess its mineral projects and will also consider new projects that could provide growth for shareholders.

Dividends

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

Matters Subsequent to the End of Financial Year

Other than those matters detailed in the Executive Chairman's Review, since 30 June 2002, the Directors are not aware of any matter or circumstance that has significantly or may significantly affect the operations of the Company or the results of those operations, or the state of affairs of the Company in subsequent financial years.

Directors' Interests in Shares

The interests of the Directors in shares are as follows:

	Fully Paid Shares	Partly Paid Shares
S Stone	4,155,001	8,000,000
P Pullinger	200,001	-
S Lowe	200,001	-

Meetings of Directors

There were 5 meetings of Directors held during the period ended 30 June 2002 which were attended by all Directors.

Directors' and Executives' Emoluments

The Company's policy for determining the nature and amount of emoluments of Board members is as follows:

Remuneration of executive and non-executive Directors is reviewed annually by the Board. Remuneration packages are set at levels intended to attract and retain Directors and executives capable of managing the Company's operations and adding value to the Company.

The company has no executive officers other than the Executive Chairman. The emoluments of each Director and Officer were as follows:

	Salary	Directors' Fees	Consulting Fees	Superannuation	Non Cash Benefits	Total
	\$	\$	\$	\$	\$	\$
Director						
S Stone	-	-	12,500	-	-	12,500
P Pullinger	-	2,083	-	-	-	2,083
S Lowe	-	2,083	-	-	-	2,083
Officer						
G Anderson	-	-	14,000	-	-	14,000

Environmental Regulation

The Company's operations are subject to significant environmental regulations under both Commonwealth and State legislation in relation to its mining exploration activities. At the date of this report the Company is not aware of any breach of those environmental requirements.



Directors' Insurance

During the financial year, the Company has not paid any premium for a Directors and Officers Liability Policy.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the highest principles of corporate governance. The Company's corporate governance statement is contained in the Additional ASX Information section of this financial report.

This report is made in accordance with a resolution of the Directors.

Dated at West Perth this 27th day of September 2002.

Stephen Stone
Executive Chairman



STANTON PARTNERS

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF APEX MINERALS NL

Scope

We have audited the financial report of Apex Minerals NL (the Company) for the financial period ended 30 June 2002 as set out on pages 9 to 20. The Company's Directors are responsible for the financial report which includes the financial statements of the Company. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the Company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of the Company is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2002 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Dated at West Perth this 27th day of September 2002.

J P VAN DIEREN
Partner
STANTON PARTNERS

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes set out on pages 10 to 20, are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the Company as at 30 June 2002 and of its performance, as represented by the results of its operations and cash flows, for the period ended on that date; and
 - (b) complying with Accounting Standards and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Directors.

Dated at West Perth this 27th day of September 2002.

Stephen Stone
Executive Chairman



STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2002

	Note	2002 \$
Other revenues from ordinary activities		5,773
Marketing expenses		(100)
Occupancy expenses		(1,479)
Administrative expenses		(71,322)
Corporate Costs		<u>(287,500)</u>
(Loss) from ordinary activities before related income tax expense		(354,628)
Income tax attributable to operating loss	4	<u>-</u>
Net (Loss)		(354,628)
Total changes in equity from non-owner related transactions		<u>(354,628)</u>
Basic earnings per share (cents)	13	<u>(2.378)</u>
Diluted earnings per share (cents)	13	<u>(2.378)</u>

The accompanying notes form part of these financial statements



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2002

	Note	2002 \$
Current Assets		
Cash assets		3,386,333
Receivables	5	62,245
Other	6	6,448
Total Current Assets		<u>3,455,026</u>
Non Current Assets		
Property, plant and equipment	7	4,427
Exploration costs capitalised	8	235,326
Total Non Current Assets		<u>239,753</u>
Total Assets		<u>3,694,779</u>
Current Liabilities		
Payables	9	159,311
Total Current Liabilities		<u>159,311</u>
Net Assets		<u>3,535,468</u>
Equity		
Contributed equity	10	3,890,096
Accumulated losses	11	(354,628)
Total Equity		<u>3,535,468</u>

The accompanying notes form part of these financial statements



STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED ENDED 30 JUNE 2002

	2002 \$
Cash flows from operating activities	
Payments to suppliers and employees	(304,665)
Interest received	5,773
Net cash flows (used in) operating activities	<u>(298,892)</u>
Cash flows from investing activities	
Purchase of property, plant and equipment	(4,870)
Net cash flows from (used in) investing activities	<u>(4,870)</u>
Cash flows from financing activities	
Proceeds from issues of shares	4,000,376
Share issue expenses	(310,280)
Net cash flows from/(used in) financing activities	<u>3,690,096</u>
Net increase in cash held	3,386,334
Cash at beginning of the period	<u>-</u>
Cash at end of the period	<u><u>3,386,334</u></u>
RECONCILIATION OF OPERATING LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES	
Operating (loss) after tax	(354,628)
Shares issued to consultants	200,000
Changes in assets and liabilities	
Other	(6,448)
Receivables	(61,801)
Exploration expenditure	(235,326)
Trade and other creditors	159,311
Cash flows from operations	<u><u>(298,892)</u></u>

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of preparation

This financial report is a general purpose financial report which has been prepared on an accruals basis in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements have also been prepared in accordance with the historical cost convention and except where stated, does not take into account changing money values or fair values of non-current assets. These accounting policies have been consistently applied.

(b) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Exploration expenditure is carried forward where right of tenure of the area of interest is current and:

- (i) such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- (ii) exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Exploration expenditure which no longer satisfies the above policy is written off. In addition, a provision is raised against exploration expenditure where the Directors are of the opinion that the carried forward net costs may not be recoverable. The increase in the provision is charged against the results for the year.

Restoration costs expected to be incurred are provided for as part of exploration, evaluation, development or production phases that give rise to the need for restoration. Accordingly, these costs are recognised gradually over the life of facility as these phases occur.

(c) Depreciation of Property, Plant and Equipment

Depreciation is calculated on a reducing balance basis to write off the net cost of each item of property, plant and equipment over its expected useful life. Depreciation rates are computer equipment at 40% and other fixed assets at 20%.

(d) Cash

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from

investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

(h) Accounts Payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 60 days.

(i) Transactions Costs Arising on the Issue of Equity Instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

(j) Earnings per Share

- (i) **Basic Earnings per Share**
Basic earnings per share is determined by dividing the operating loss after income tax by the weighted average number of ordinary shares outstanding during the financial year.
- (ii) **Diluted Earnings per Share**
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of partly paid shares or options outstanding during the financial year.

(k) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature without any cash consideration are not recognised as revenues.

Interest income

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

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

(l) Financial Period

This report covers the period from incorporation of the Company on 31 October 2001 to 30 June 2002.

(m) Joint Ventures

The Company's interest in joint ventures is brought to account by including its proportionate share of the joint venture's assets, liabilities and expenses and share of its output on a line-by-line basis.



2002
\$

NOTE 2. REVENUE

Revenue from outside the Operating Activities

Interest received	5,773
Total Revenue	<u>5,773</u>

NOTE 3. OPERATING LOSS

(a) Operating loss from ordinary activities before income tax has been arrived at after charging/(crediting) the following items:

Depreciation of plant and equipment	<u>-</u>
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NOTE 4. INCOME TAX

The prima facie tax on operating (loss) is reconciled to the income tax provided in the financial statements as follows:

Prima facie tax on operating (loss) at 30%	(106,389)
Income tax benefit not brought to account	<u>106,389</u>
Income tax expense	<u>-</u>

Future income tax benefits which have not been brought to account comprise:

Income tax losses	106,389
Other timing differences	<u>69,398</u>
	<u>175,787</u>

This benefit for tax losses will only be obtained if:

- (a) the Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realized;
- (b) the Company continues to comply with the conditions for deductibility imposed by Law; and
- (c) no changes in tax legislation adversely affect the ability of the company to realise these benefits.

NOTE 5. RECEIVABLES

GST receivable	62,245
	<u>62,245</u>

NOTE 6. OTHER

Prepayments	6,448
	<u>6,448</u>



	2002
	\$
NOTE 7. PROPERTY, PLANT AND EQUIPMENT	
Plant and equipment at cost	4,427
Accumulated depreciation	-
	<u>4,427</u>
Movement during the year	
Additions	4,427
Depreciation	-
Carrying amount at end of year	<u>4,427</u>
NOTE 8. EXPLORATION EVALUATION AND DEVELOPMENT COSTS	
Exploration/evaluation at cost	<u>235,326</u>
	<u>235,326</u>
Movement during the year	
Balance at beginning of year	-
Expenditure incurred during the year	<u>235,326</u>
Balance at end of year	<u>235,326</u>
NOTE 9. PAYABLES	
Trade creditors	154,893
Accrued expenses	<u>4,418</u>
	<u>159,311</u>
NOTE 10. CONTRIBUTED EQUITY	
Issued Capital	
38,208,755 fully paid ordinary shares	3,889,893
20,348,750 shares partly paid to \$0.001	<u>203</u>
	<u>3,890,096</u>
	<u>3,890,096</u>
	\$
Movements in share capital since incorporation:	
Incorporation	0.001 5 -
Issue 6 December 2001	0.001 17,208,750 172
Issue 6 December 2001 partly paid shares	0.001 20,348,750 203
Issue 6 June 2002	20.000 20,000,000 4,000,000
Issue to consultants 8 June 2002	20.000 1,000,000 200,000
Less capital raising costs	<u>(310,280)</u>
Balance 30 June 2002	<u>3,890,096</u>

Partly Paid Shares - Terms and Conditions

The Company has issued a total of 20,348,750 partly paid shares (paid to 0.001 cents each, uncalled capital 19.999 cents each). 16,348,750 are convertible to fully paid shares as to 25% (4,087,187) if the share price exceeds 40 cents for 90 consecutive days, 25% (4,087,187) if the share price exceeds 60 cents for 90 consecutive days, 25% (4,087,188) if the Company discovers a 500,000 ounces PGE resource and 25% (4,087,188) if the Company discovers a 1,000,000 ounce PGE resource or other resources of an equivalent value. The remaining 4,000,000 partly paid shares may be paid up in tranches of 500,000 Shares provided that the closing price on the ASX of such Shares is at or exceeds for 90 consecutive days prices of 20 cents, 25 cents, 30 cents, 35 cents, 40 cents, 45 cents, 50 cents and 55 cents respectively.

2002
\$

NOTE 11. ACCUMULATED LOSSES

Accumulated losses at beginning of year	-
Net loss	(354,628)
Accumulated losses at end of year	<u>(354,628)</u>

NOTE 12. COMMITMENTS FOR EXPENDITURE

(a) Exploration Commitments

The Company must meet the following tenement expenditure commitments to maintain them until they expire or are otherwise disposed of. These commitments are not provided for in the financial statements and are:

- not later than one year	443,720
- later than one year but not later than two years	443,720
	<u>887,440</u>

(b) Management Contracts

The Company has entered into an agreement for West One Management Pty Ltd to provide management executive services using Mr Stephen Stone. The commitments under this agreement are as follows:

- not later than one year	150,000
- later than one year but not later than two years	150,000
- later than two years but not later than five years	137,500
	<u>437,500</u>

NOTE 13. REMUNERATION OF DIRECTORS

Income paid or payable, or otherwise made available, to all Directors of the Company	<u>16,666</u>
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The numbers of Directors whose income from the Company was within the specified bands are as follows:

	2002
	Number
\$0 - \$9,999	2
\$10,000 - \$19,999	1



2002
\$

NOTE 14. EARNINGS PER SHARE

Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share 14,912,057

Diluted earnings per share has not been disclosed as it does not result in a superior position.

NOTE 15. FINANCIAL INSTRUMENTS

(a) Credit Risk Exposure

The credit risk on financial assets of the Company which have been recognised on the balance sheet is generally the carrying amount, net of any provisions for doubtful debts.

(b) Interest Rate Risk Exposure

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Company intends to hold fixed rate assets and liabilities to maturity.

	Note	Floating Interest Rate	Fixed Interest Maturing in:			non-interest bearing	Total
			1 year or less	over 1 to 5 years	more than 5 years		
Financial Assets							
Cash assets		386,333	3,000,000	-	-	-	3,386,333
Receivables	5	-	-	-	-	62,245	62,245
		<u>386,333</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>62,245</u>	<u>3,448,578</u>
Weighted average interest rate		3.5%	5.16%				
Financial Liabilities							
Payables	8	-	-	-	-	(159,311)	(159,311)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(159,311)</u>	<u>(159,311)</u>
Net financial Assets (liabilities)		<u>386,333</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>(97,066)</u>	<u>3,289,267</u>

Reconciliation of Net Financial Assets to Net Assets

Net Financial Assets as above	3,289,267
Non-financial assets and liabilities	
Other	6,448
Property, plant and equipment	4,427
Other	<u>235,326</u>
Net assets per balance sheet	<u><u>3,535,468</u></u>

(c) Net Fair Value of Financial Assets and Liabilities

The net fair value of the financial assets and liabilities are the same as their carrying amount.



2002
\$

NOTE 16. AUDITORS' REMUNERATION

Amounts received or due and receivable by the auditors:

- auditing or reviewing the financial report	4,000
- other services	7,283
	<u>11,283</u>

NOTE 17. SEGMENT INFORMATION

The Company operates in one industry and one geographical segment, namely the mining industry in Australia.

NOTE 18. RELATED PARTY INFORMATION

(i) **Directors**

The names of each person holding the office of Director of Apex Minerals NL during the financial period are:

Stephen Stone
Philip Pullinger
Stephen John Lowe

(ii) **Remuneration and Retirement Benefits**

Information on remuneration and retirement benefits of Directors is disclosed in note 13.

(iii) **Transactions of Directors and Director-Related Entities Concerning Shares or Options**

Aggregate numbers of shares of the Company acquired by Directors or their Director-related entities from the parent Company were as follows:

	2002 No
Ordinary shares	4,555,003
Partly paid shares	8,000,000

Aggregate numbers of shares of the Company held directly, indirectly or beneficially by Directors or their Director related entities:

Ordinary shares	4,555,003
Partly paid shares	8,000,000

Transactions relating to shares of the Company were on the same basis as similar transactions with other shareholders.



(iv) Other Transactions of Directors and Director-Related Entities

During the year the Company paid taxation and business consulting fees to McKessar Tieleman, an accounting firm of which S J Lowe is a Director. During the year the Company paid legal fees to Pullinger Readhead Stewart, a legal firm of which P Pullinger is a partner.

Aggregate amounts of each of the above types of transactions with Directors and their Director-related entities were as follows:

	2002
	\$
Legal fees	49,362
Taxation and consulting fees	1,562

Amounts payable/receivable to Directors and their Director-related entities at balance date were as follows:

Legal fees	31,495
Taxation and consulting fees	-

Other transactions of Directors and Director-related entities are based on normal commercial terms and conditions.

NOTE 19. INTEREST IN JOINT VENTURES

The Company has various interests in joint ventures involved in the mining industry. The names of each joint venture and the percentage interest in each joint venture have been disclosed in the Schedule of Mining Tenements. Included in the assets and liabilities of the Company are the following items which represent the Company's interest in the assets and liabilities employed in the joint ventures.

Non Current Assets

Exploration, evaluation and development costs	<u>235,326</u>
	<u>235,326</u>

ADDITIONAL INFORMATION

DISTRIBUTION OF SHARES as at 17 September 2002

Distribution of holdings	Fully Paid Number of holders	Partly Paid Number of holders
1-1,000	4	-
1,001 – 5,000	14	-
5,001 – 10,000	81	-
10,001 – 100,000	316	-
100,001 and over	31	5
	446	5

20 LARGEST SHAREHOLDERS as at 17 September 2002

Fully Paid Shares

Holder	Shares	%
Mark Gareth Creasy	11,458,334	29.98
Stephen Stone <The Pearlstone Family A/C>	4,155,001	10.87
Bruce Legendre	1,745,833	4.57
Falconbridge (Australia) Pty Ltd	1,500,000	3.92
Zero Nominees Pty Ltd	1,407,325	3.68
RBC Global Services Australia Nominees Pty Limited	600,000	1.57
William Henry Hernstadt	450,000	1.18
Molita Grove Grazing Pty Ltd <Yelverton Family A/C>	410,000	1.07
Voermans Geological Services Pty Ltd	333,333	0.87
Distance Investments Pty Ltd	295,000	0.77
Bruce Scott Drummond	280,000	0.73
Churchill Resources NL	240,600	0.63
Vietnam Industrial Investments Limited	225,000	0.59
Ringsford Pty Ltd	225,000	0.59
William Hugh McKenzie	210,000	0.55
Stephen John Lowe	200,001	0.52
Anthony Michael Whiteford	200,000	0.52
Hudson Corporation Pty Ltd	200,000	0.52
Westservices Pty Ltd <Cole Super Fund A/C>	200,000	0.52
Exalron Pty Ltd <The Pullinger Family A/C>	200,000	0.52
	24,535,427	64.20

Partly Paid Shares

Holder	Shares	%
Mark Gareth Creasy	11,125,000	54.67
Stephen Stone	4,000,000	19.66
Stephen Stone <The Pearlstone Family A/C>	4,000,000	19.66
Bruce Legendre	1,112,500	5.47
Bernfried Wasse	111,250	0.55
	20,348,750	100.00



Substantial Shareholders

	Fully Paid Shares	%	Partly Paid Shares	%
M G Creasy	11,458,334	29.98	11,125,000	54.67
S Stone	4,155,001	10.87	8,000,000	39.32

Voting Rights

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

Statement in Relation to Listing Rules

The Board confirms that from the date of admission to ASX and 30 June 2002 the Company has used cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives.

COMPETENCE AND RESPONSIBILITY

The foregoing report where it relates to mineral resources is based on information compiled by S Stone B.Sc. (Hons) Min Geol., MAusIMM(CP), FAICD, a Director of the Company who has a minimum of five years experience in the field of activity on which he is reporting. The report accurately reflects the information compiled by him.

CORPORATE GOVERNANCE STATEMENT

The Board

The primary role of the Board is the protection and enhancement of long-term shareholder value.

It is responsible for the overall corporate governance of the entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board comprises one executive and two non-executive Directors. The names and qualifications of the Directors are set out in the Directors' Report. Remuneration of Directors and executives is reviewed and determined annually by the Board.

The Board ensures the establishment of an effective internal control framework to safeguard the Company's assets, maintain proper accounting records and ensure the reliability of financial information compiled by the Company.

The Board continually reviews its processes to ensure that it is able to carry out its functions in the most effective manner. Each director has the right to seek independent professional advice at the Company's expense.

The procedures for election and retirement of directors are governed by the Constitution of the Company. Should a vacancy become available, the Board will select an appropriate candidate after consideration of the needs of shareholders and the Company. Such appointments are referred to shareholders for re-election at the next annual general meeting.

Audit Committee and External Auditors

Apex has an audit committee currently comprising all of the Directors. Otherwise, the full Board is responsible for all functions that would in larger companies require the establishment of separate committees. The nomination of external auditors is the responsibility of the Board as a whole.

Risk Management

The Board regularly monitors the operational and financial performance of the Company against budget and other key performance measures. It also reviews and receives advice on areas of operational and financial risks. Appropriate risk management strategies are developed to mitigate all identified risks of the business.

Ethical and Environmental Standards

The Board supports the highest standards of corporate governance and requires its members and the staff of the Company to act with integrity and objectivity in all matters.

The Company aims to ensure the highest standard of environmental care is achieved and that it complies with all relevant environmental legislation.

Shareholders

The Board aims to ensure that shareholders are at all times fully informed in accordance with the requirements and spirit of the ASX's continuous disclosure requirements.

The Board encourages full participation of shareholders at General Meetings to ensure a high level of accountability and identification with the Company's strategy and goals.



TENEMENT SCHEDULE

Tenement	Holder or Applicant	Status	Related Agreement
Windimurra Superproject			
E57/529 E59/1078, 1081–1085, 1096, 1111	Apex - Creasy	Applications	Apex 4: Falconbridge
E58/232, 235–237 E59/907	Windimurra	Granted	Apex 1
E58/240	Wasse	Granted	Apex 2
E58/270–274, 59/1086-1088	Apex - Creasy	Applications	Apex 4
E59/908	Voermans-Legendre-Wedgetail	Granted (Note 1)	Apex 3: Falconbridge
P57/1008, P58/1166-1181 P59/1560-1573, 1575-1576 1613-1615	Windimurra	Applications (P58/1178 Granted)	Apex 1
P58/1198-1201	Wasse	Applications	Apex 2
P59/1580, 1616-1619	Voermans-Legendre-Wedgetail	Applications (Note 2)	Apex 3: Falconbridge
Jillawarra			
E52/1413 E52/1460–62, 1488, 1575, 1576	Jillawarra Syndicate Jillawarra Syndicate	Granted Applications	Apex 5 Apex 5
P52/1013-1019	Jillawarra Syndicate	Applications	Apex 5

Key:

Apex-Creasy	Apex Minerals NL (80%) - Mark Gareth Creasy (20%)
Windimurra	Windimurra Resources Pty Ltd (100%)
Wasse	Bernfried Gunter Franz Wasse (100%)
Voermans-Legendre-Wedgetail	Voermans Geological Services Pty Ltd (15%) Bruce Legendre (15%) Wedgetail Resources Pty Ltd (70%)
Note 1	A signed transfer from F. Voermans and B. Legendre to Tyson Resources Pty Ltd to precede transfer to Apex Minerals is held by Company
Note 2	Transfer from F. Voermans to Tyson Resources Pty Ltd required to precede transfer to Apex Minerals NL
Jillawarra Syndicate	Mark Gareth Creasy 33.3% - Bruce Legendre (33.3%) - Voermans Geological Services Pty Ltd (33.3%)
E	Granted Exploration Licence or Exploration Licence Application
P	Granted Prospecting Licence or Prospecting Licence Application

Related Agreements:

Apex 1	Apex Minerals NL - Windimurra Resources Pty Ltd Farm-In and Joint Venture Agreement
Apex 2	Apex Minerals NL - Bernfried Gunter Franz Wasse Farm-In and Joint Venture Agreement
Apex 3	Apex Minerals NL - Tyson Resources Pty Ltd/ Wedgetail Resources Pty Ltd Sale and Joint Venture Agreement
Apex 4	Apex Minerals NL - Mark Gareth Creasy Deed
Apex 5	Apex Minerals NL - Mark Gareth Creasy 33.3% - Bruce Legendre (33.3%) - Voermans Geological Services Pty Ltd (33.3%) Farm-In and Joint Venture Agreement
Falconbridge	Apex Minerals NL - Falconbridge (Australia) Pty Ltd Farm-In and Joint Venture Agreement



APEX MINERALS NL

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