



Apex Minerals N.L.

Quarterly Report
30 June 2011

Highlights

- During the quarter, focus was on identifying and unlocking excess gold in circuit, mainly from the BIOX reactors, as foreshadowed in the March quarter report and in our announcement to ASX on 14th June 2011.
- As a result, gold production for April and May had been reduced to enable this program to be undertaken but production in the second half of June saw a significant increase.
- The benefit of this work has started to be seen in increased gold pours, although with a 3-4 week residence time much of this gold (which once identified was required to be returned to the start of the process), will continue to come through the system over the coming weeks.
- Mining for the quarter totalled just over 130,000 tonnes of ore yielding just under 19,000 ounces of contained gold.
- As a result of the processing facility disruptions during the quarter, as described above, gold produced came in at just over 14,000 ounces for the quarter.
- Significant Run of Mine stocks were available at the end of the quarter enabling processing to be stepped up mid June and throughout July

WILUNA

Mining

Mine Production

Mine production activities for the quarter were undertaken in the Burgundy, Calais, Henry 5 and Henry 5 North deposits.

Development accessed the West Lode Calvert deposit (via the ELN decline) for the first time and has established access to the 1306 level.

The proposed power upgrade required to increase the dewatering of the old workings at ELN was delayed and as a result the ELN decline was suspended until dewatering facilities have been enhanced. However, development of the 1275 level continued. . .

Development continued in the Baldrick Decline during the quarter to access lower levels from the Calais and Henry 5.

Loader availability improved slightly. Hire machines brought in during the previous quarter continued to assist in minimising the impact on production levels.

Mine Production

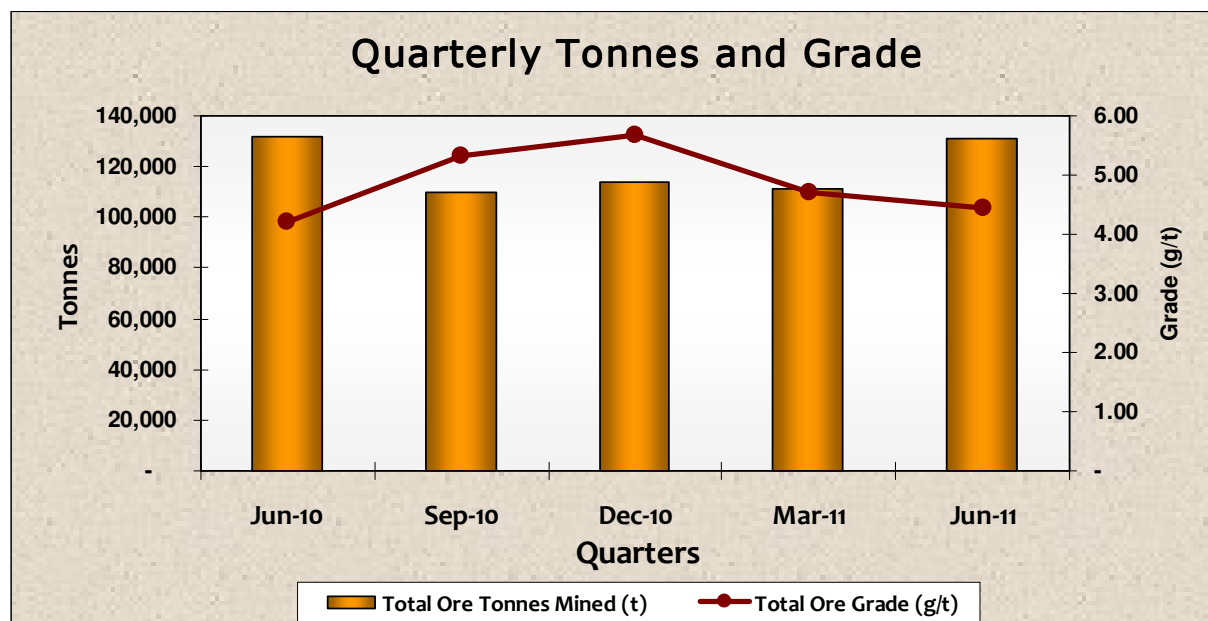
Total tonnes mined exceeded the previous three quarters, but the grade was lower. The main cause for this was continuing to mine peripheral ore bodies that if left, would have been sterilised. At the end of the quarter, several high grade stopes had commenced and the grade is expected to improve significantly.

Table 1 – Underground Ore Mining Quarterly results

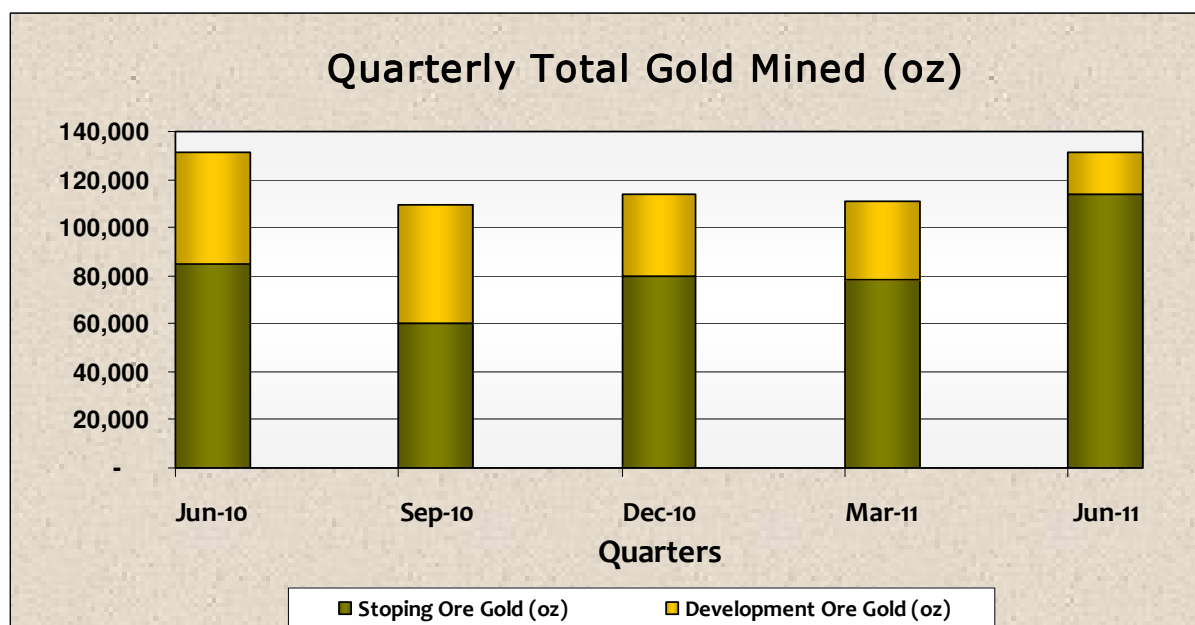
	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	YEAR 10/11
Stope tonnes	84,690	60,085	79,900	78,202	113,919	332,106
Development tonnes	46,949	49,457	33,709	32,833	17,310	133,309
Total tonnes	131,639	109,542	113,609	111,035	131,229	465,415
Stope grade	4.43	5.95	6.11	5.37	4.59	5.38
Development grade	3.83	4.58	4.64	3.08	3.48	4.08
Average grade	4.22	5.33	5.67	4.69	4.44	5.01
Contained gold mined (ounces)	17,845	18,779	20,727	16,755	18,734	74,994

This production profile is shown graphically below.

GRAPH1



GRAPH 2



ROM and Developed Ore Stocks

Table 2 –Underground Ore Stocks

As a result of increased mining and lower processing rate during the quarter, Run of Mine stocks at the end of May was 35,000 tonnes for 5,000 ounces of contained gold which together with the completion of the BIOX GIC review, enabled processing to be stepped up in the second half of June. The Run Of Mine stocks had therefore reduced by the end of June although at 25,000 tonnes (3,300 ounces), is significant and has enabled the increased throughput to continue into July.

	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Ore available for stoping	165,000	210,500	250,201	206,236	175,127
Broken ore awaiting haulage	2,300	3,500	14,814	41,860	14,050
Total underground stocks (t)	167,300	214,000	265,015	248,096	189,177
Grade (g/t)	6.67	5.93	5.49	5.57	5.11
Contained gold (ounces)	35,881	40,805	46,782	44,434	31,083
ROM Stocks (t)	7,457	5,772	9,376	5,340	24,904
Grade (g/t)	3.99	3.98	3.85	3.10	4.13
Contained gold (ounces)	957	738	1,162	533	3,307

Processing

As stated in the Highlights, the process facility was subjected to a comprehensive review, identification and subsequent unlocking of excess gold in circuit trapped mainly in the BIOX section of the plant. Approximately 2,500 ounces has been identified, although approximately half of this won't be seen in gold bars until July/August, due to the long residence time for a gold BIOX plant and the need for much of this gold trapped in the circuit to be returned to the beginning of the process plant, as it was required to be milled again as it had solidified at the bottom of the BIOX reactors.

Production for the quarter was reduced to enable the systematic clean out and inspection of each of the 7 operating reactors, one at a time. This program was largely complete by the middle of June and as a result, processing was stepped up in the second half of the month.

Notwithstanding this significant disruption to the steady state operation, gold produced for the June quarter came in at just over 14,000 ounce of gold, with June recording 6,200 ounces of gold produced.

Gold poured/sold for the quarter was just over 13,000 ounces at a cash cost averaging \$1,300 per ounce for the quarter. June's production was at a cash cost of \$1,100 per ounce.

Table 3 Milling Statistics

	Jun-10 QTR	Sep-10 QTR	Dec-10 QTR	Mar-11 QTR	Jun-11 QTR	YEAR 10/11
Underground tonnes	136,690	110,586	106,195	120,266	111,300	448,347
Other tonnes	5,361	21,603	8,570	-	-	30,173
Total tonnes processed	142,051	132,189	114,765	120,266	111,300	478,520
Grade (g/t)	4.30	5.35	6.00	4.31	4.55	5.06
Contained gold (ounces)	19,629	22,735	22,159	16,654	16,293	77,841
Metallurgical recoveries	83%	85%	88%	91%	87%	87%
Gold production	16,307	19,337	19,513	15,099	14,100	68,049
Gold sold	15,987	20,062	18,879	13,621	12,800	65,362
Cash operating costs \$/oz sold	1,201	1,256	890	1,044	1,300	1,120

OTHER

Apex sold its Calcine tailings during the quarter and received \$900,000.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

APEX MINERALS NL

ABN		Quarter ended ("current quarter")
22 098 612 974		30 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors	18,101	91,024
1.2	Payments for (a) exploration and evaluation (b) development (c) production # (d) administration	(212) (3,546) (15,088) (1,161)	(3,084) (14,841) (81,102) (4,932)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	75	320
1.5	Interest and other costs of finance paid	(121)	(337)
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows #	(1,048)	(12,951)
	<i># includes payments made in respect of overdue accounts relating to costs incurred in earlier periods as outlined in the Rights Issue documentation</i>		
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (8)	- - (1,168)
1.9	Proceeds from sale of: (a) prospects (b) available for sale investments (c) other fixed assets (d) other-hedging instruments	900 - - -	16,400 1,570 116
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – costs of sale of prospects	-	-
	Net investing cash flows	892	16,918
1.13	Total operating and investing cash flows (carried forward)	(1,056)	3,967

1.13	Total operating and investing cash flows (brought forward)	(1,056)	3,967
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	27,624
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (see note)	-	2,710
1.17	Repayment of borrowings	(233)	(2,710)
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(117)	(2,855)
	Other – finance lease liability	(1,898)	(9,158)
	Other – net payments for cash backed guarantees	(1,615)	(1,545)
	Other – repayment of GUP notes	-	(18,000)
	Net financing cash flows	(3,862)	(3,933)
	Net increase (decrease) in cash held	(4,918)	34
1.20	Cash at beginning of quarter/year to date	5,866	914
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter (see note)	948	948

NOTES**1.16 is funding for annual insurance premiums****1.22 excludes cash of \$5 million that is held in guarantees and environmental bonds****Payments to directors of the entity and associates of the directors****Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	100
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	All payments to directors and associates are on normal commercial terms.	

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	0
4.2	Development	3,500
4.3	Production	16,600
4.4	Administration	1,200
	Total	22,600

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	948	5,866
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	948	5,866

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2	Interests in mining tenements acquired or increased	Nil			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference *securities				
7.2	<i>Changes during quarter</i>				
7.3	*Ordinary securities	5,550,243,713 19,125,000	5,550,243,713	N/A 20 cents	N/A 0.001 cents
7.4	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.5	Warrants	121 174,049,587	- -	1 cent 3.5 cents	1 cent 3.5 cents
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7	Options	<div>Number of Options</div> <div>Exercise Price</div> <div>Expiry Date</div> <div>Quoted</div> <div>678,641,833</div> <div>\$0.06</div> <div>11-Nov-12</div> <div>Unquoted</div> <div>1,500,000</div> <div>\$0.20</div> <div>3-Jul-11</div> <div>3,350,000</div> <div>\$0.14</div> <div>20-Jul-11</div> <div>75,000</div> <div>\$0.45</div> <div>30-Nov-11</div> <div>2,500,000</div> <div>\$0.30</div> <div>29-Jan-12</div> <div>925,000</div> <div>\$0.65</div> <div>1-Jun-12</div> <div>525,000</div> <div>\$1.00</div> <div>30-Jul-12</div> <div>100,000</div> <div>\$1.30</div> <div>11-Nov-12</div> <div>29,300,000</div> <div>\$0.045</div> <div>9-Apr-13</div> <div>370,000</div> <div>\$1.30</div> <div>11-May-13</div> <div>1,000,000</div> <div>\$0.70</div> <div>18-Jul-13</div> <div>50,000</div> <div>\$0.50</div> <div>1-Oct-13</div> <div>12,050,000</div> <div>\$0.045</div> <div>27-Oct-13</div> <div>20,000,000</div> <div>\$0.04</div> <div>28-Oct-13</div> <div>4,600,000</div> <div>\$0.045</div> <div>4-Dec-13</div> <div>520,000</div> <div>\$0.45</div> <div>9-Feb-14</div> <div>480,000</div> <div>\$0.30</div> <div>21-Jun-14</div>			
7.8	Issued during quarter	Number of Options Nil	Exercise Price	Expiry Date	
7.9	Exercised during quarter	Nil			

7.10	Expired/cancelled during quarter	Number of Options	Exercise Price	Expiry Date
		350,000	\$0.14	20-Jul-11
		500,000	\$0.65	1-Jun-12
		8,150,000	\$0.045	9-Apr-13
		36,000	\$1.30	11-May-13
		3,000,000	\$0.045	27-Oct-13
		1,650,000	\$0.045	4-Dec-13
		40,000	\$0.45	9-Feb-14
		140,000	\$0.30	21-Jun-14
7.11	Debentures (<i>totals only</i>)			
7.12	Unsecured notes (<i>totals only</i>)			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

(Director/~~Company secretary~~)

Date: 31st July 2011

Print name: Mark Ashley

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.**
The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.