



Highlights

- **Gold produced/poured for the June quarter up 15% compared to the March quarter. Wiluna recorded its 5th consecutive monthly increase in gold production in June. (July will be higher again)**
- **Underground activities continued to improve with a 20% increase in ounces of gold mined for the quarter. Further significant improvements expected.**
- **Development of 1,600 metres for the quarter, with over 1,000 metres from operating (up 70% on last quarter).**
- **Advance Capital development effectively completed during the quarter with access and mining from 6 independent underground sources. In terms of Capital development, Wiluna has now achieved “Steady state”.**
- **Ore production from development at Golden Age commenced during the quarter.**
- **Exploration expanded with initial focus on near term production opportunities (Golden Age and Burgundy).**
- **Agreement reached with Oz Minerals - \$3 million cash settlement paid to Apex**
- **Alan King to become Chief Operating Officer (based initially at Wiluna) in early August 2010**

WILUNA

Mining

The majority of mine production for the quarter was sourced from the Calais, Henry 5 North (accessed from the Bulletin decline) and East Lode North (ELN), accessed from the East Lode Decline.

Toward the end of the June quarter, ore development was completed and stoping had commenced in the first block of the free milling high grade Golden Age deposit, with significant development completed in the second stage (upper levels) of this deposit (see figure 1).

The ELN decline remained stopped at the end of the quarter at a pre-determined point awaiting further dewatering of old voids by an in-stope pumping system and development is planned to re-commence in the September quarter.

Ore development is nearing completion on a number of levels in the Burgundy orebody and stoping will commence early in the next quarter, representing an additional underground production source. Development on ore within the Henry 5

commenced toward the end of the quarter and stoping is scheduled to commence later this quarter. This will bring the total production sources for the operation to six.

Poor loader availability, which hampered production during the quarter, was further compounded by the loss of two loading units in old open stopes during June. These two machines are however fully insured and the subject of an insurance claim in progress, and replacement machines have been hired in to maintain production levels.

Notwithstanding poor equipment availability, the total ore tonnes extracted from the mine for the quarter increased by over 53% on the previous quarter.

Mine Production

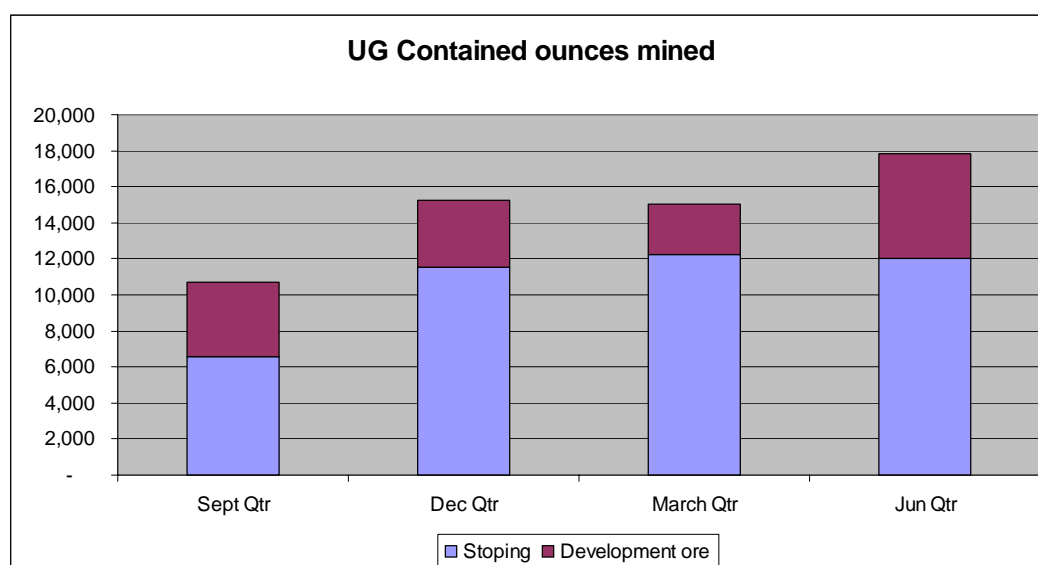
Contained gold mined increased by 20% over the previous quarter as shown in the table below.

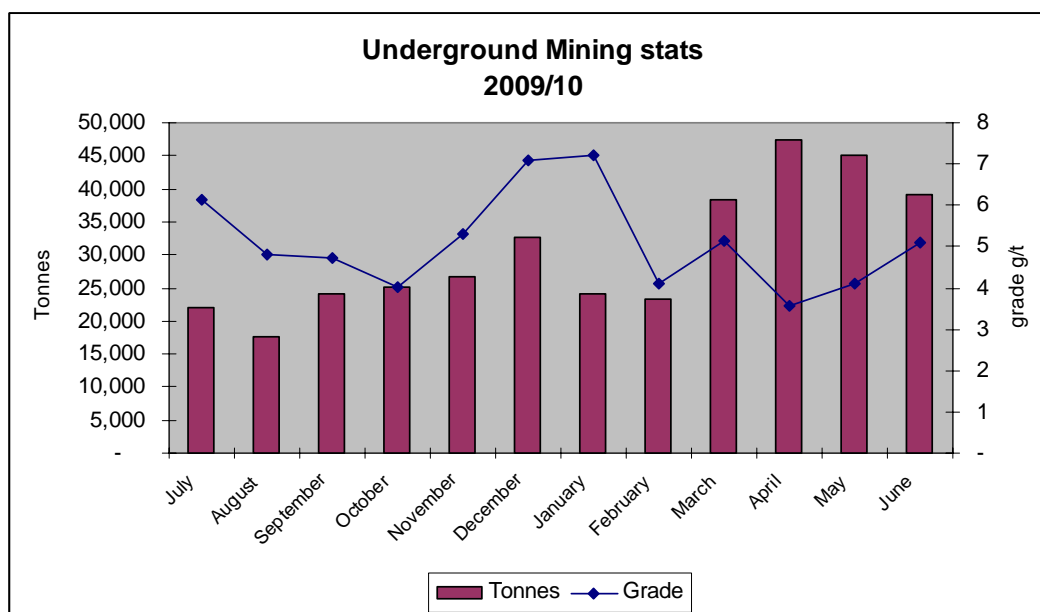
Table 1 – Underground Ore Mining

	Sep-09 QTR	Dec-09 QTR	Mar-10 QTR	Jun-10 QTR	2009/10 FY
Stope tonnes	34,824	57,127	63,835	84,690	240,476
Development Tonnes	28,840	27,141	21,930	46,949	124,860
Total Tonnes	63,664	84,268	85,765	131,639	365,336
Stope Grade	5.84	6.27	5.96	4.43	5.48
Development grade	4.51	4.24	3.95	3.83	4.10
Average grade	5.24	5.62	5.44	4.21	5.00
Contained ounces mined	10,728	15,215	15,014	17,833	58,791

This production profile is shown graphically below and highlights continued improvement in contained gold mined from underground.

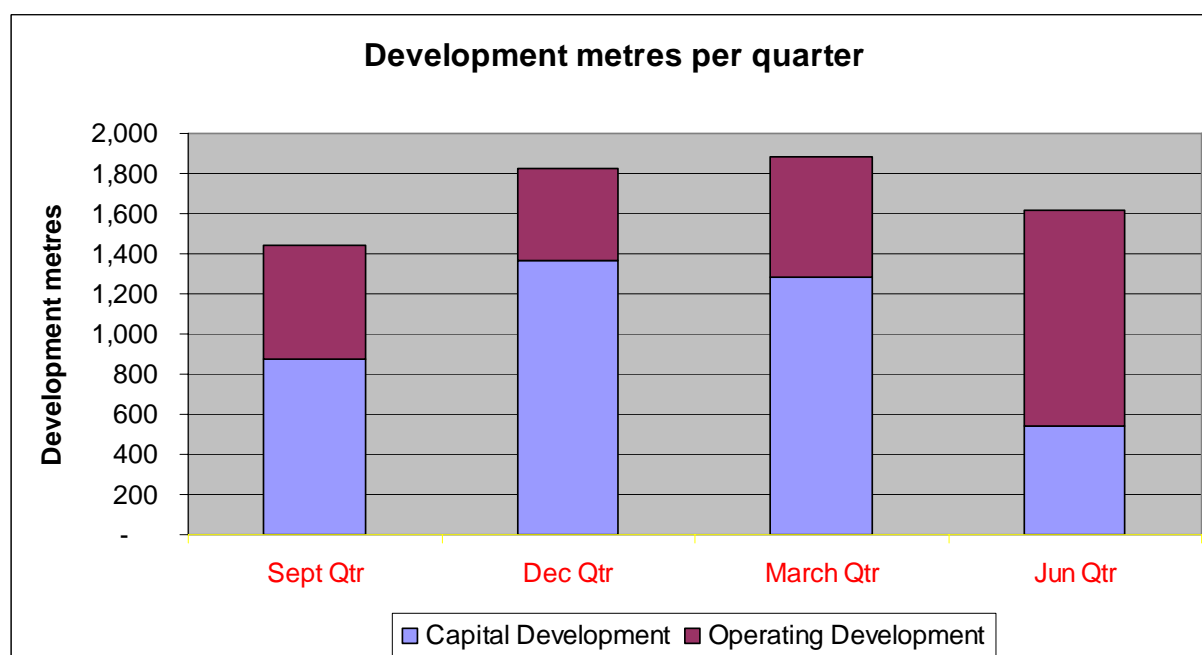
GRAPH 1



GRAPH 2

Development

Operational improvements continued during the quarter allowing the number of operational Jumbo rigs to be reduced from four to three units. Total development was 1,614 metres, a productivity increase of 14% per machine compared to the previous quarter. The development comprised 606 metres of capital advance and 1,008 metres of operating advance, in line with the current operating plan.

GRAPH 3

ROM and Developed Ore Stocks

Table 2 - ORE STOCKS

	Sep-09 QTR	Dec-09 QTR	Mar-10 QTR	Jun-10 QTR
Ore available for stoping	105,000	125,000	203,000	165,000
Broken ore awaiting haulage	-	4,000	13,200	2,300
Total underground stocks	105,000	129,000	216,200	167,300
Grade	6.74	4.90	5.10	6.67
Contained Gold	22,756	20,325	35,454	35,881
ROM Stocks	28,404	40,200	13,499	7,457
Grade	3.01	1.90	4.50	3.99
Contained Gold	2,745	2,456	1,953	957
Low Grade ROM stocks	123,000	103,933	-	-
Grade	1.93	2.10	-	-
Contained Gold	7,633	7,018	-	-

Broken and developed stocks represents the stoping material that will make up the majority of the future (near-term) mine production. This will be supplemented by concurrent ore development. The surface stocks represent the blending material that is likely to be processed in conjunction with the broken and developed stocks, depending upon milling capacity at the time.

Processing

Notwithstanding that tonnes of ore treated for the quarter was 6% lower than in the March quarter, gold recovered was up 15% (to 16,300 ounces) mainly the result of a 19% increase in higher grade underground feed treated. The average grade for the quarter was up 19%.

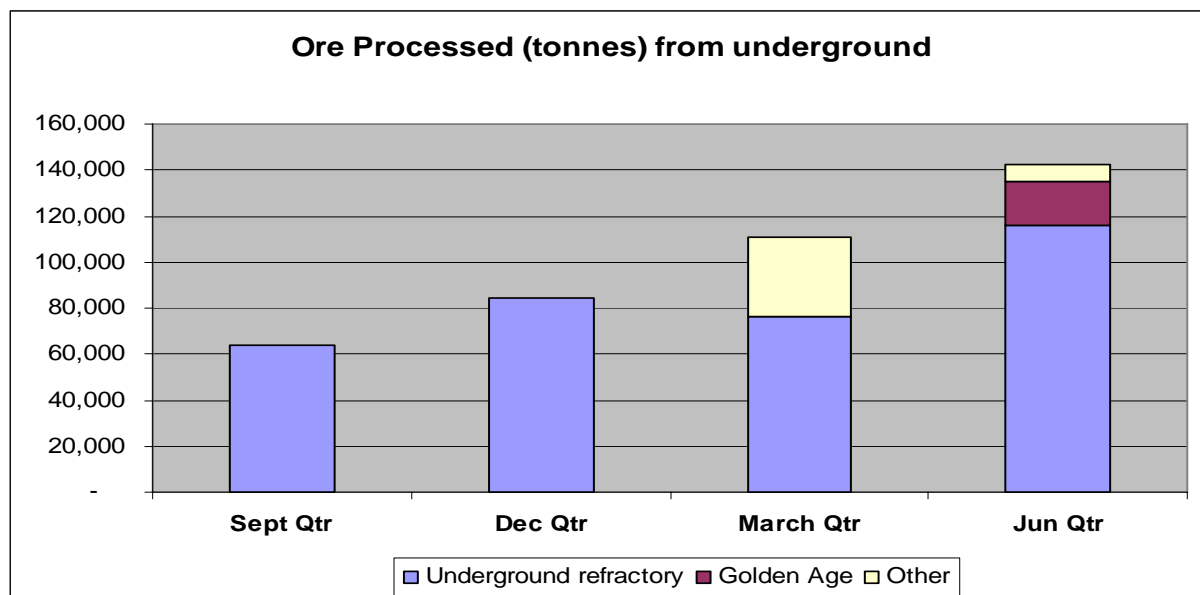
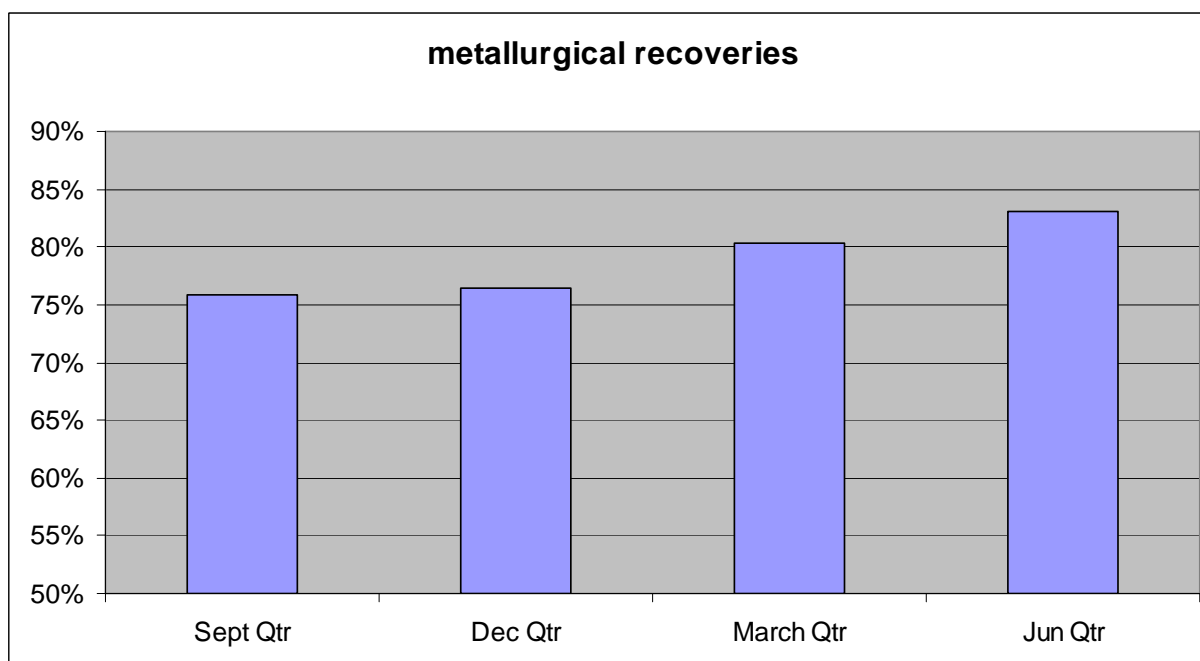
Metallurgical recoveries improved for the 4th consecutive quarter to average 83%.

Cash operating costs (including royalties) were down 7% to A\$1,374 per ounce. Significant reductions to this cash cost are expected as a number of cost initiatives are implemented coupled with further increases in gold production. Processing plant statistics are provided in the table below.

Table 3 – Processing statistics

	Sep-09 QTR	Dec-09 QTR	Mar-10 QTR	Jun-10 QTR	2009/10 FY
Milling - Underground refractory ore	63,664	84,268	76,367	116,179	340,478
Milling - underground Golden Age	-	-	-	18,606	18,606
Milling - Other	-	-	34,520	7,266	41,786
Milling - Open Pit	155,938	118,990	41,031	-	315,960
Tonnes Milled	219,602	203,258	151,918	142,051	716,830
Average Grade	3.70	3.68	3.60	4.29	3.79
Metallurgical recovery	76%	76%	80%	83%	79%
Ounces recovered	19,844	18,369	14,109	16,307	68,629
Cash costs (A\$/Oz)	1,220	1,089	1,485	1,374	1,276

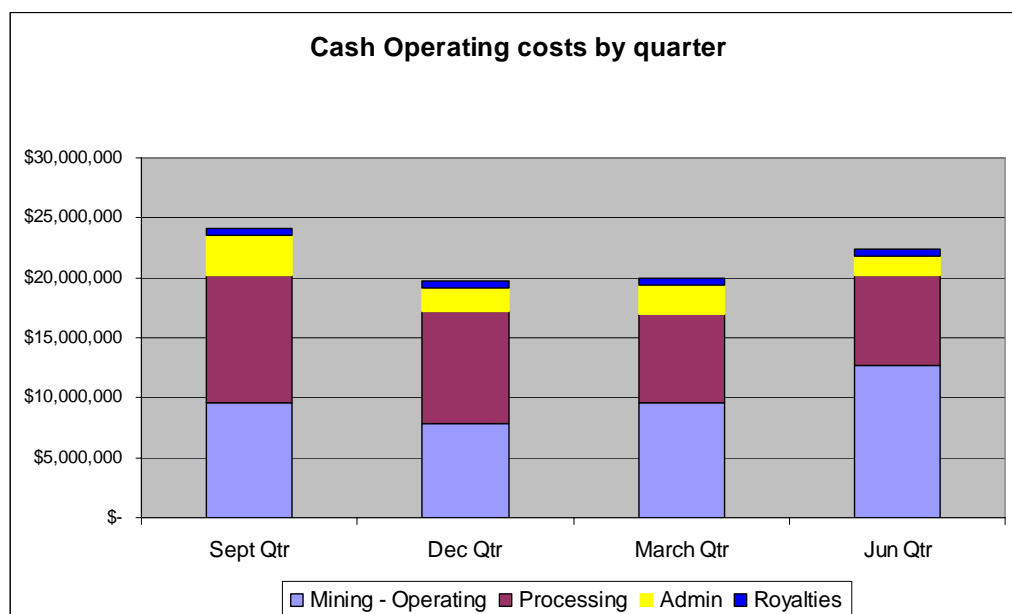
During the quarter, milling of low grade (~3g/t) development ore from Golden Age commenced with 18,600 tonnes treated and processed through the recently modified plant such that this material bypasses the BIOX circuit. Metallurgical recovery on this material was just under 90%. In addition, 7,300 tonnes of “high grade” (3.5g/t) tailings from previous mining operations were treated through the “free milling” circuit. The treatment of heap leach material in the March quarter did not carry through into the June quarter.

GRAPH 4**GRAPH 5**

Power supply was again supplemented by higher cost diesel generators throughout the entire quarter following the alternator failure late last year of one (of three) Caterpillar 3MW gas power generators. The repaired alternator is due on site in

August. An insurance claim (which has been excluded in calculating cash costs) has been lodged.

GRAPH 6



Production

Gold sold was 16, 000 ounces at A\$1,354 per ounce for a revenue of \$21.6 million. All production was sold into the spot market. Apex remains unhedged.

Exploration

The ongoing exploration program is continuing to focus on near term opportunities such as extensions of mineralisation at Golden Age which has now been confirmed over more than 200m of vertical extent.

Drilling commenced targeting down dip extensions of the existing Golden Age ore body and preliminary results are good including AWD0486 which intersected 2.1m TW @ 25.71 g/t Au. Further work is ongoing in this area.

Upcoming work planned for the next Quarter includes:

Extensional drilling to the South of the Burgundy ore body to delineate the 50 and 100 lens structures. This drilling will be conducted from the 626mRL level in Burgundy, the most southerly working accessed from the Bulletin decline.

Further drilling into Calvert from the underground East lode North Return airway is planned to follow up the surface drilling from the December quarter surface drilling.

Exploration drilling targeting the Woodley 80 and 130 lens to the North of Woodley and below the Bulletin South.

Corporate

As announced on 18th June, Allan King has been appointed Chief Operating Officer of the Company and will commence in early August 2010. Allan was most recently General Manager, Operations at Resolute Mining and has a distinguished record in the Australian mining industry, having held several senior positions across a diverse range of companies and commodities.

In the Investor Update announced to the market on 21 May 2010 Apex advised that it was going to assume the maintenance activities undertaken by Atlas Copco Australia Pty Ltd (Atlas Copco) at Wiluna in August 2010. This actually occurred on 7th July 2010 and is expected to result in significant cost savings for Apex.

As announced on 9th April, the Company has progressed the sale process for its Youanmi Project. The Company is currently in discussions with a shortlist of parties and it is expected that a final decision/agreement will be concluded during the current quarter.

Apex finalized an agreement with Oz Minerals regarding various claims between the companies, including the dispute originally outlined in Apex's announcement on 29th January 2009. Under the agreement, Oz Minerals recently paid Apex \$3 million in settlement of all claims. The remaining terms of the settlement between Apex and Oz are confidential.

Figure 1 – Golden Age Drilling

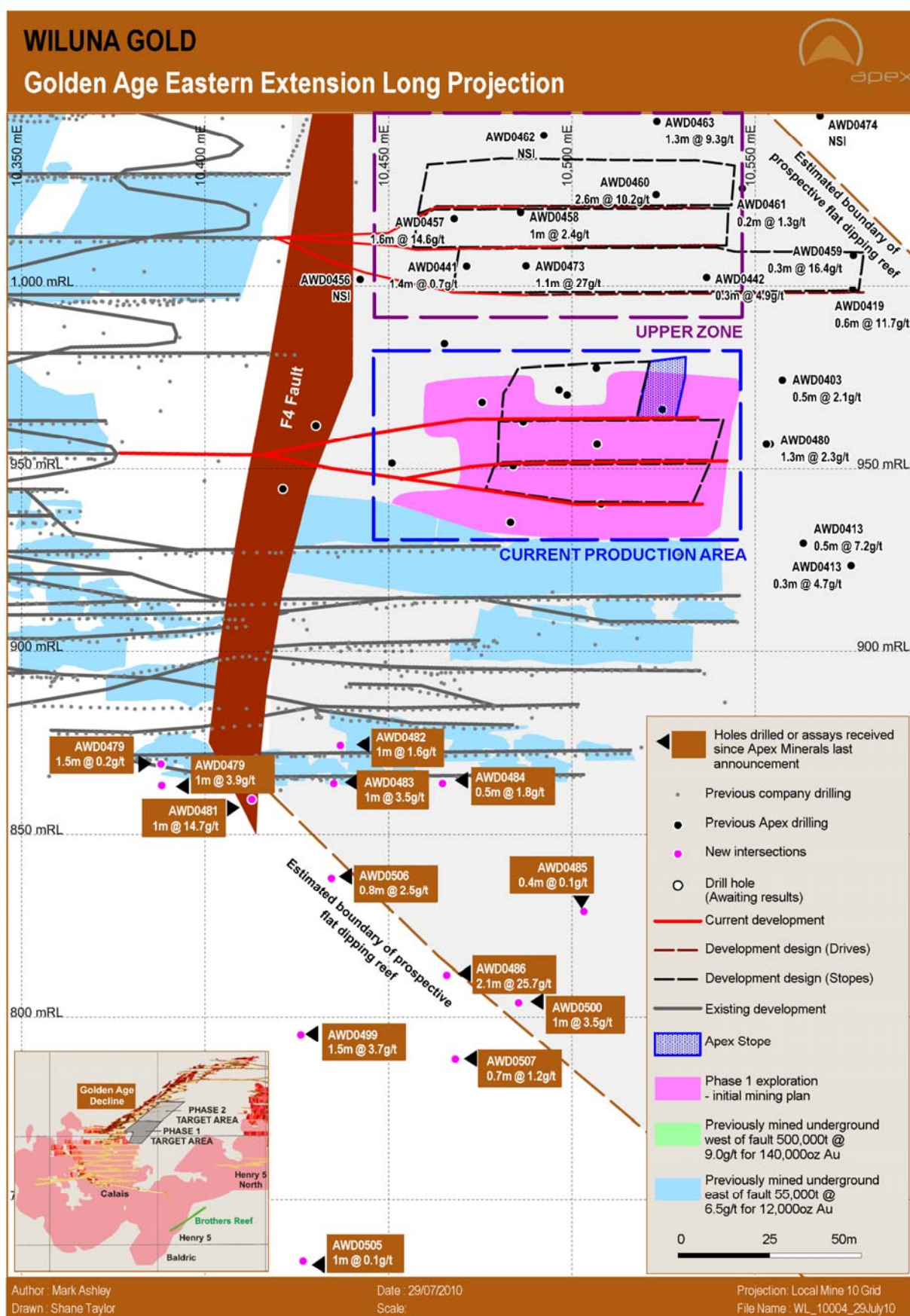


Table 5 – Significant exploration results for the quarter

HoleID	From (m)	To (m)	DH* (m)	TW* (m)	g/t	grams x metres	Prospect / Resource Area
AWD0457	89.62	94.8	5.18	1.6	14.6	23.36	Golden Age Reef
AWD0463	123.0	125.6	6.5	1.3	9.3	12.06	Golden Age Reef
AWD0460	154.6	158.6	19.4	2.6	10.2	26.44	Golden Age Reef
AWD0473	110.1	121.6	11.5	1.1	27.03	29.73	Golden Age Reef
AWD0486	101.1	107.1	7.0	2.1	25.71	53.99	Golden Age Reef Down dip

**KEY: DW = Downhole width in metres, TW = estimated true width in metres*

Yours Sincerely,



Mark Ashley
Managing Director

Competent persons statement

The information in this report that relates to Exploration is based on information compiled by Mr. [Will Dix](#) who is employed by the company under a consulting agreement. Mr. [Dix](#) is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. [Dix](#) consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Samples are assayed at Genalysis' laboratory. Samples are prepared using single stage pulverization of the entire sample. Gold assays are obtained using a 50g lead collection fire assay digest and atomic absorption spectrometry (AAS) analysis techniques. Multi-element analyses (arsenic, sulphur, iron, lead, zinc, bismuth, antimony and tellurium) are obtained using a four acid total digest and inductively coupled plasma optical emission spectrometry (ICP OES) analysis techniques. Full analytical quality assurance - quality control (QAQC) is achieved using a suite of certified standards, laboratory standards, field duplicates, laboratory duplicates, repeats, blanks and grind size analysis.

The spatial location of samples from surface holes is derived using a combination of surveyed grid co-ordinates and 3D differential GPS collar survey pickups, and Reflex single shot and gyroscopic downhole surveys. The spatial location of samples from underground holes is derived using surveyed rig setups and Reflex multi-shot downhole surveys. True widths are calculated using the mean dip and strike of the mineralization from 3D wireframe models and downhole surveys.

Drillhole intersections from Wiluna are calculated using grade gold cutoffs deemed appropriate for each situation.

The cost information contained in this report is unaudited and is potentially subject to audit adjustments from the financial year end audit process.

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

22 098 612 974

Quarter ended ("current quarter")

30 June 2010

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	21,600	85,765
1.2	Payments for (a) exploration and evaluation	(1,382)	(6,113)
	(b) development	-	-
	(c) production	(16,785)	(85,788)
	(d) administration	(582)	(5,420)
1.3	Dividends received		-
1.4	Interest and other items of a similar nature received	195	503
1.5	Interest and other costs of finance paid	(75)	(2,239)
1.6	Income taxes paid		-
1.7	Other: Oz Minerals settlement	3,000	3,000
	Net Operating Cash Flows	5,971	(10,292)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(4,601)	(35,656)
1.9	Proceeds from sale of: (a) prospects	-	4,500
	(b) available for sale investments	544	2,043
	(c) other fixed assets	-	-
	(d) other-hedging instruments	-	3,091
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – costs of sale of prospects	-	(154)
	Net investing cash flows	(4,057)	(26,176)
1.13	Total operating and investing cash flows (carried forward)	1,914	(36,468)

1.13	Total operating and investing cash flows (brought forward)	1,914	(36,468)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	68,790
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	10,000
1.17	Repayment of borrowings	-	(32,157)
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	-	(8,141)
	Other – finance lease liability	(2,176)	(7,173)
	Other – net payments for cash backed guarantees	(57)	(4,257)
	Net financing cash flows	(2,233)	27,062
	Net increase (decrease) in cash held	(319)	(9,406)
1.20	Cash at beginning of quarter/year to date	1,233	10,320
1.21	Exchange rate adjustments to item 1.20		-
1.22	Cash at end of quarter	914*	914*

** This excludes cash of \$6 million that is held in guarantees and environmental bonds and gold bullion of \$2 million*

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	179
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil
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

During the quarter, a dispute between Oz Minerals and Apex Minerals over the contract governing the purchase of the Wiluna Mine Site was resolved. As part of the dispute resolution, Oz Minerals paid three million dollars cash and excused three million dollars in non cash items owing on plant and equipment.

- 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

Nil

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	(1,500)
4.2 Development	-
4.3 Production	(21,000)
4.4 Administration	(1,050)
Total	(23,550)

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	914	1,233
5.2 Deposits at call		-
5.3 Bank overdraft		-
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	914	1,233

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	P 57/1241 P 57/1242 P 57/1243		0% 0% 0%	100% 100% 100%

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	Changes during quarter				
7.3	*Ordinary securities				
		3,317,819,909 19,125,000	3,317,819,909	N/A 20 cents	N/A 0.001 cents
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	Warrants	121	-	\$0.01	\$0.01
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

7.7	Options	Number of Options	Exercise Price	Expiry Date
		Quoted		
		678,643,029	\$0.06	11-Nov-12
		Unquoted		
		1,500,000	\$0.20	3-Jul-11
		7,200,000	\$0.14	20-Jul-11
		250,000	\$0.30	17-Aug-11
		250,000	\$0.35	14-Sep-11
		1,500,000	\$0.35	1-Nov-11
		575,000	\$0.45	30-Nov-11
		2,500,000	\$0.30	29-Jan-12
		5,425,000	\$0.65	1-Jun-12
		1,175,000	\$1.00	30-Jul-12
		75,000	\$1.30	15-Oct-12
		200,000	\$1.30	30-Oct-12
		150,000	\$1.30	11-Nov-12
		50,000	\$1.60	10-Jan-13
		73,800,000	\$0.045	9-Apr-13
		700,000	\$1.30	27-Apr-13
		1,381,000	\$1.30	11-May-13
		550,000	\$1.30	19-Jun-13
		1,000,000	\$0.70	18-Jul-13
		50,000	\$0.50	1-Oct-13
		750,000	\$0.70	1-Dec-13
		2,040,000	\$0.45	9-Feb-14
		3,445,000	\$0.30	21-Jun-14
7.8	Issued during quarter	Number of Options Unquoted	Exercise Price	Expiry Date
		73,800,000	\$0.045	9-Apr-13
7.9	Exercised during quarter			
7.10	Expired/cancelled during quarter	Number of Options	Exercise Price	Expiry Date
		250,000	\$1.00	30-Jul-12
		100,000	\$1.30	15-Oct-12
		50,000	\$1.30	11-Nov-12
		130,000	\$1.30	11-May-13
		320,000	\$0.45	09-Feb-14
7.11	Debentures (totals only)			
7.12	Unsecured notes (totals only)			

+ 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: 30 July, 2010

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.

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