



Apex hits key targets in its first quarter as fully-fledged producer

Highlights

- **Production hits annual target rate of 120,000 ounces**
- **Underground mined grade increases to 6.6g/t for the quarter from 5g/t in the previous quarter due to a higher proportion of stoping tonnes**
- **Plant throughput exceeds stated capacity**
- **Steady reduction in cash costs over the quarter**

OVERVIEW

The ramp up of gold production recorded at the end of the March quarter has continued to consolidate in the June quarter with 29,000 ounces of gold produced. Plant throughput over the quarter equated to an annualised rate of 875,000 tonnes with June throughput equating to an annualised throughput rate of 925,000 tonnes.

Cash operating costs declined steadily during the quarter due to a lower cost base and increased efficiencies. Average cash costs for the three months were A\$952/oz. They fell from A\$1080 in April to A\$905 in May. They fell further in June to A\$865 on gold production of 9,000 ounces. The Company has recently advised that future cash costs would be about \$750/oz when production is running at its target rate of 10,000 ounces per month.

Production for the September quarter is expected to be about 30,000 ounces. In addition, a number of initiatives are being pursued, including the trialling of a gravity gold circuit and the implementation of opportunities to improve underground mine production.

The September quarter will also see the start of production from stoping in the Henry 5 North orebody and development in ore in the East Lode North orebody.

The plant throughput rates that have been achieved provide the opportunity for the company to pursue additional sources of mill feed from Wiluna, Wilsons and other sources.

WILUNA

Processing

Ore treated in the June quarter was 218,000 tonnes at 5.1g/t Au equating to an annualised plant throughput rate of 875,000 tonnes. Throughput increased steadily in the quarter, culminating in June throughput equating to an annualised rate of 925,000 tonnes compared with Apex's initial throughput target of 840,000 tonnes, representing an increase of 10%.

Ore treated for the quarter came from approximately equal portions of open pit and high grade underground ore. Gold produced in the June quarter was 29,000 ounces at an overall plant recovery of

81%. This reflects the early stages of steady-state production and work is underway to further improve recoveries. Gold poured for the quarter was 26,400 ounces.

Gold in circuit at the end of the quarter is estimated to be 7,800 ounces. This has increased from about 6,000 ounces in the previous quarter due to the identification of high-grade material that has built up in the BIOX reactors since the start of production. As a result of mining free gold-bearing ore zones it became apparent that some of this free gold had not reported to the cyanide leach (CIL) circuit of the plant. Sampling and assaying of sediment in the base of the BIOX reactors was undertaken and a decision was made to inspect one of the reactors at the end of the month. It was discovered that a very high grade (in excess of 1,000 g/t Au) concentrate of slurry had accumulated at the base of the reactor.

Panning of this slurry revealed fine gold particles. As a result, a pilot gravity gold circuit will be installed in August for the purpose of intercepting free gold ahead of the BIOX circuit and determining the most effective treatment route.

Gold sold was 25,600oz at an average price of \$1,167. The average AUD gold spot price for the quarter was \$1,214 per oz.

Mining

Milestones achieved during the quarter included the completion of open pit mining in East Pit, the commencement of the East Lode North decline and accessing of the first ore in the Henry 5 North orebody.

Open cut mining at East Pit was completed at the end of April and during the quarter a total of 80,000 tonnes mined at a grade of 3.5g/t Au. The East Pit open cut contains historic underground workings including some stopes and development openings which required filling. Subsequent to the quarter end, an historic stope north of the East Lode North portal site was exposed and will require filling. Precautionary drilling is being undertaken underneath the pit to confirm the extent of any additional historic workings in the vicinity.

Underground ore production for the quarter totalled 109,000t at 6.6g/t Au, up from 67,500t at 5.0 g/t Au in the March quarter. Nearly all of this ore was mined in the Calais ore zone above the 600mRL. This area has been open to mining for several years now including the hiatus during care and maintenance and as stoping in this area nears completion ground conditions have deteriorated. Geotechnical studies, modified ground support regimes and extraction sequences have been applied to some stopes to mitigate these effects. Stoping in Calais above 600mRL will near completion during the September quarter.

Development to new ore zones in Calais below 600mRL, Henry 5 and Henry 5 North commenced during the quarter (Figure 1). Ore was intersected in the Henry 5 North orebody at the end of May and the first ore drives are being driven on the 712mRL level from two accesses. Initial face sampling grades confirm the robustness of the resource in this area (Figure 3). Stoping will commence in the Henry 5 North orebody in the September quarter. The company considers that underground development and stoping productivity can be improved and opportunities to do so will be assessed in the September quarter.

After completion of the East Pit open cut, a portal was established to access the East Lode North orebody and the first decline cut taken at the end of May. This decline has advanced 130m and will also provide an underground platform for infill and extensional drilling into highly prospective mineralisation on East Lode beneath the East Pit open cut adjacent to old workings (Figure 2).

Figure 1: Long projection of the Calais area showing current development in the Henry 5 North orebody.

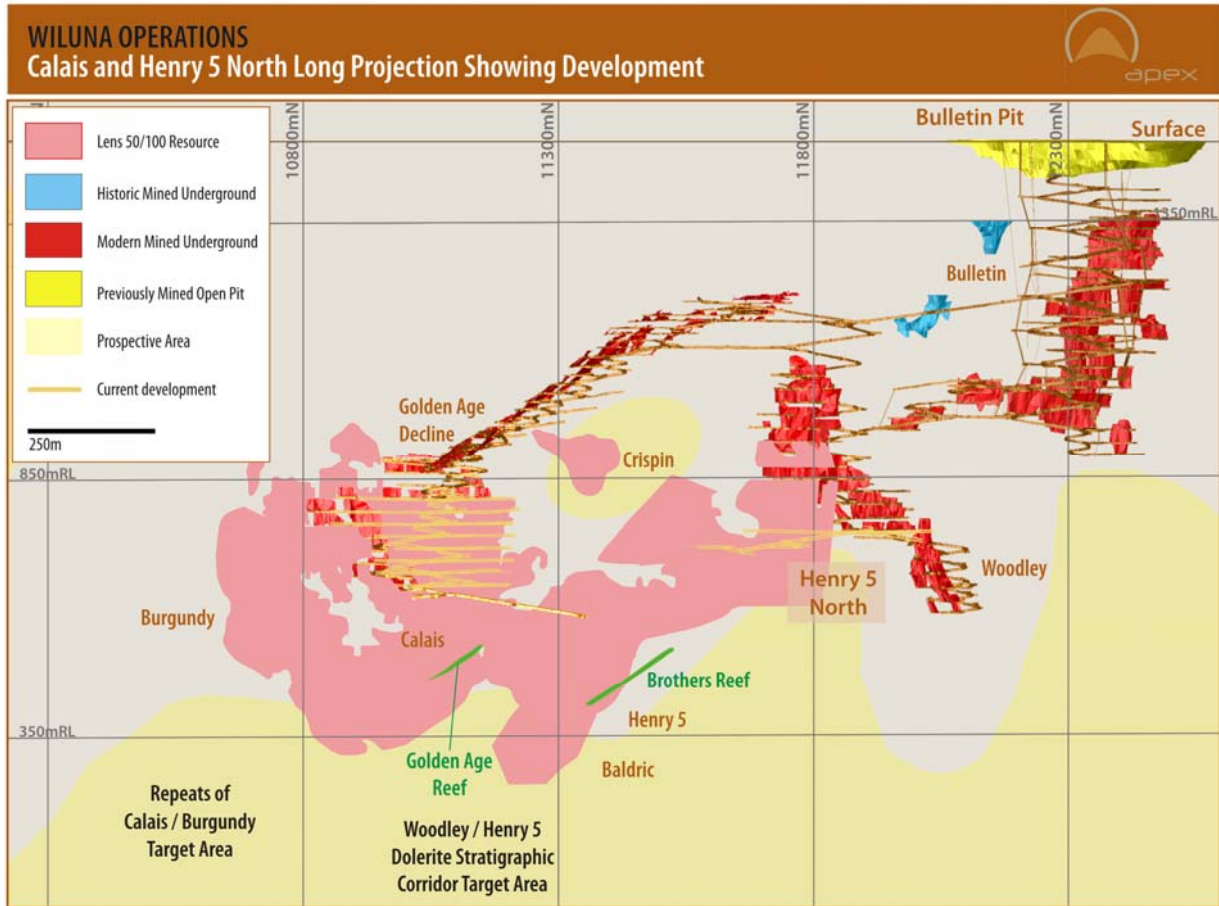
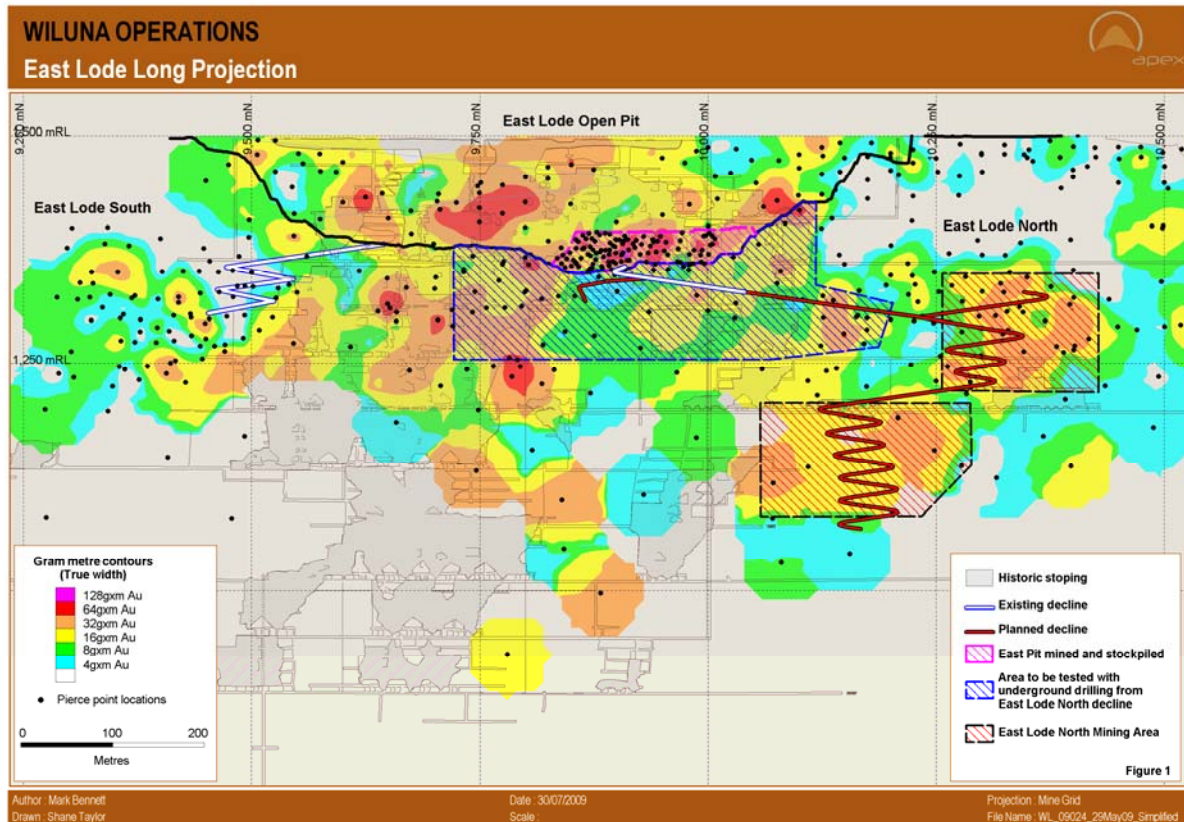


Figure 2: East Lode North showing progress of the decline.



WILUNA OPERATIONS Henry 5 North 100 Lens - 712 Level



WL_09029_Levels_712_719.cdr

Figure 3: Henry 5 North 712mRL level showing face sampling grades in initial development.

ROM and Developed Ore Stocks

ROM stocks at the end of June were 226,000 tonnes at 3.0g/t and ore in stopes in production or already developed in Calais above 600RL and Henry 5 North totals 124,000t at 5.9g/t. The combination of ROM and underground developed stocks totals approximately 350,000 tonnes at 4.0g/t for 45,300 ounces of contained gold.

	Tonnes @ g/t Au	Gold (oz)
Developed ore		
Calais/Henry 5 North	124,000 @ 5.9	23,500
ROM Stocks		
Medium grade	97,000 @ 3.4	10,700
Low grade	73,500 @ 2.3	5,400
Starting Stocks	43,500 @ 2.9	4,100
Crushed Stocks	12,000 @ 4.1	1,600
Total ROM Stocks	226,000 @ 3.0	21,800
Total	350,000 @ 4.0	45,300

Exploration and Resource Definition

During the quarter, drilling focused largely on detailed grade control of the Henry 5 North orebody ahead of development. Exploration drilling resumed towards the end of the quarter and has defined extensions to the previously mined Woodley 130 lens, with intersections including:

- **6.58m @ 10.1g/t Au** (4.2m true width) from 126.45m in hole AWD212.
- **8.18m @ 8.6g/t Au** (6.8m true width) from 83.6m in hole AWD213A.

Infill drilling will continue in order to better define the extensions to the Woodley 130 lens. Hole AWD213A also intersected **4.0m @ 8.8g/t Au** (3.7m true width) further down hole from 211m in a previously undrilled part of the East Lode fault some 200m north along strike from the existing Henry 5 North development.

Drilling is also planned in undeveloped parts of the East Lode South area, where previous intersections include **6.2m @ 12.3g/t Au** (5.3m true width) from 340.8m in hole WD536 and **5.8m @ 12.5g/t Au** (3.9m true width) from 267.9m in hole WD540. The aim of this is to expand the resource at East Lode South and establish a new underground mining area in tandem with that at East Lode North.

GIDGEE (Wilsons)

No field exploration activities were undertaken during the quarter.

YOUANMI

No field exploration activities were undertaken during the quarter.

APHRODITE

No field exploration activities were undertaken during the quarter.

LAWLERS NICKEL JV

As announced on the 9th of June Apex's interest in the Lawlers Nickel JV is being divested to Croesus Mining (to be renamed Sirius Resources), subject to Croesus shareholder approval at a General Meeting to be held on 17th August.

As consideration Apex will receive reimbursement for past costs, and approximately 67 million Sirius shares and 600 million 5 year options with a strike price of 3 cents. Apex will have a 4% stake in Sirius rising to 27% on a fully diluted basis, ensuring that Apex shareholders stand to benefit from Sirius' extensive exploration program, which will also include several large exploration joint ventures with Mark Creasy. Mark Creasy, who currently controls 45% of Croesus, will see his stake cut to 20% on a fully diluted basis.

Sirius will be managed by Apex under a service agreement which will have the additional benefit of keeping overheads low and ensuring that the Group's extensive knowledge of the region is fully exploited.

CORPORATE

During the quarter the Company completed a capital raising of A\$28m as announced on the 18th of May via the placement of approximately 69.5 million shares at a price of A\$0.20 per share and a subsequent fully underwritten 2 for 15 rights issue to raise A\$26.2million (net of costs). The proceeds of the capital raising were used to meet the Company's financial obligations stemming from the slower than expected ramp up of gold production in the March 2009 Quarter at its Wiluna Gold Operations. Azure Capital acted as lead arrangers in respect of the capital raising and as underwriters to the rights issue. Issued capital now stands at 603,239,637 shares.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Ashley', with a horizontal line underneath.

Mark Ashley
Managing Director

Competent persons statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Andrew Thompson who is an employee of the company. Mr. Thompson 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. Thompson consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Reverse circulation (RC) drill samples are obtained by collecting meter samples via a three stage riffle or cone splitter, and diamond drill hole results are obtained from half NQ core or quarter HQ core sampled to geological boundaries where appropriate.

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 Wilsons and Aphrodite are calculated using a 1g/t gold cutoff and geological criteria, whereas drillhole intersections from Wiluna and Youanmi are calculated using higher grade gold cutoffs deemed appropriate for each situation.

The new Mineral Resources at Wiluna and Wilsons have been estimated using standard accepted industry practices. All resources have been estimated via Block Ordinary Kriging using 1m composite samples. Top cuts have been applied to the composites and are considered appropriate for the nature and style of mineralization in all cases. Directional grade variography was modeled for all zones based on 1m composites. Geological and mineralization modeling has been achieved by 3D modeling of footwall and hangingwall structures (a lower 2g/t Au cutoff was applied in the case of Wilsons Deposit). Block models have been developed for both deposits incorporating a suitable parent and sub block dimension to allow adequate volume resolution of modeled geology and mineralization. Grade interpolation (via Block Ordinary Kriging) was then undertaken using a multiple estimation pass strategy.

Where quoted, Mineral Resource and Ore Reserve tonnes and ounces are rounded to appropriate levels of precision, causing minor computational errors.

Mineral Resources are classified on the basis of drillhole spacing, geological continuity and predictability, geostatistical analysis of grade variability, sampling, analytical, spatial and density QAQC criteria and demonstrated amenability of mineralization style to proposed processing methods. Ore Reserve estimate has been compiled in accordance with the guidelines defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ~ The JORC Code ~ 2004 Edition" (2004 JORC Code).

The information in this report that relates to Ore Reserves for Burgundy, Calais below the 500mRL, Henry Five, Henry Five North, Baldric and East Lode North is based on information compiled by Richard Flanagan, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Richard Flanagan is an employee of Richard Flanagan Mining Consultancy Pty Ltd (RFMC) and a consultant to Apex Minerals NL. Richard Flanagan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Richard Flanagan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The information in this report that relates to Ore Reserves for Calais above the 500mRL and East Pit Cutback is based on information compiled by Linton Putland, who is a Member of the Australasian Institute of Mining and Metallurgy. Linton Putland is an employee of LJ Putland & Associates and a consultant to Apex Minerals NL. Linton Putland has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Linton Putland consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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")

30th June 2009

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	29,891	29,891(i)
1.2	Payments for (a) exploration and evaluation (b) development(ii) (c) production (d) administration	(1,307) (16,332) (1,873)	(17,011) (16,332) (iii) (5,160)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	50	1,109
1.5	Interest and other costs of finance paid	(433)	(7,769)
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		9,995	(15,273)
Cash flows related to investing activities			
1.8	Payment for purchases of:(a) prospects/equity investments (b) available for sale investments (c) other fixed assets (d) other - hedging instruments	- - (28,997) -	- (850) (102,584) (13,554)
1.9	Proceeds from sale of: (a) prospects/equity investments (b) available for sale investments (c) other fixed Assets (d) other - hedging instruments	- 277 2,006 -	- 277 2,006 942
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
Net investing cash flows		(26,713)	(113,762)
1.13	Total operating and investing cash flows (carried forward)	(16,718)	(129,035)

1.13	Total operating and investing cash flows (brought forward)	(16,718)	(129,035)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	27,792 (iv)	47,485
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,000	64,501
1.17	Repayment of borrowings	(1,884)	(1,884)
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(791)	(6,361)
	Other – finance lease liability	(1,264)	(2,819)
	Other – net payments for cash backed guarantees	(710)	(475)
	Net financing cash flows	24,143	100,447
	Net increase (decrease) in cash held	7,424	(28,589)
1.20	Cash at beginning of quarter/year to date	2,896	38,909
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	10,320	10,320

- (i) The revenue prior to 1st April was netted against the other fixed assets capitalised as the gold was produced prior to the date of commercial operation.
- (ii) The \$20,465k allocated as development in the previous quarter has been reclassified to other fixed assets as it relates to mine properties and mine development which is capitalised
- (iii) The production cash outflow relates to payments for April and May costs as the June costs will be a cash outflow in July.
- (iv) \$5,757,475 in relation to the underwritten shortfall portion of the Rights issue was received on 29th June.

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	274
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

During the December 2008 quarter, Apex Minerals NL entered into forward contracts in Australian dollar gold.

- 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	1,650
4.2 Development	
Total	1,650

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	10,316	2,046
5.2 Deposits at call	4	850
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	10,320	2,896

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	M57/291	Granted	NIL	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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	555,791,374 19,125,000	555,791,374	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	69,426,556 23,521,106	69,426,556 23,521,106	20 cents 20 cents	20 cents 20 cents
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 <i>(description and conversion factor)</i>	Number of Options	Exercise Price	Expiry Date
		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
		300,000	\$0.20	31-May-09
		500,000	\$0.35	1-Nov-11
		1,000,000	\$0.35	1-Nov-11
		275,000	\$0.45	30-Nov-11
		300,000	\$0.45	30-Nov-11
		2,825,000	\$0.65	1-Jun-12
		2,600,000	\$0.65	1-Jun-12
		1,525,000	\$1.00	30-Jul-12
		200,000	\$1.30	15-Oct-12
		200,000	\$1.30	30-Oct-12
		200,000	\$1.30	11-Nov-12
		50,000	\$1.60	10-Jan-13
		700,000	\$1.30	27-Apr-13
		1,556,000	\$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
		2,500,000	\$0.30	29-Jan-12
		2,360,000	\$0.45	9-Feb-14
		3,445,000	\$0.30	21-Jun-14
7.8	Issued during quarter	Number of Options	Exercise Price	Expiry Date
		3,445,000	\$0.30	21-Jun-14
7.9	Exercised during quarter			
7.10	Expired /Cancelled during quarter	Number of Options	Exercise Price	Expiry Date
		300,000	\$1.00	30-Jul-12
		100,000	\$1.30	11-Nov-12
		245,000	\$1.30	11-May-13
7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

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:  Date: 31 July 2009
(~~Director~~/Company secretary)

Print name: Anna Neuling

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.