



REPORT ON ACTIVITIES FOR THE QUARTER ENDED 30th JUNE 2004

SUMMARY

China

Copper Mountain Joint Venture

- The first three holes have confirmed that the targeted sulphide system extends for at least three kilometres east of high-grade copper mineralisation being mined on a lease excised from the centre of the project area.
- All holes intersected mineralisation with the second hole returning over 38 metres of sulphides comprising mainly pyrite with minor secondary (copper containing) chalcopyrite. Assay results are not yet available.
- The focus will now shift to the western area of the project where geophysics has returned two strong TEM anomalies of similar magnitude to orientation lines over the excised mine.

Greenstone Mountain Joint Venture

- The first diamond hole was stopped at 270 metres. The geophysical anomaly being targeted may not yet have been fully tested. The project geology and planned four hole programme are being reviewed before drilling recommences.

New China Opportunities

- Apex is assessing and screening a steady stream of new opportunities in China and is expecting to increase its China interests in the near term.

Western Australia

Narndee Nickel Joint Venture

- WMC Resources Ltd has completed a ground gravity survey and commenced a soil geochemistry survey. It will now embark on a follow-up TEM geophysical survey.

Windimurra-Narndee Nickel review

- Farm-in partners are being sought for several specific and conceptual targets for nickel sulphides identified by a recently completed regional prospectivity review.

Apex Minerals NL

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China

Copper Mountain

Three diamond drill holes have been completed in a programme to test for eastern extensions to copper mineralisation being mined to a depth of 300 metres on a small lease excised from the centre of the Copper Mountain joint venture's 40 square kilometre project area.

All holes were designed to intersect fresh mineralisation below a persistent horizon of surface alteration and copper anomalism along strike from the mine.

The holes were also positioned to test the strongest, albeit relatively low to modest order, geophysical (TEM conductivity) anomalies obtained in a recently completed 14 line kilometre survey.

Assays results are not available yet but all holes intersected at about the predicted depths trace to modest levels of sulphides comprising mainly pyrite with secondary, copper containing, chalcopyrite.

- The first hole, ZK62-1 (EOH 172 metres), was drilled some 3.0 kilometres east of the mine into a structurally complex zone in the nose of a local shallow dipping anticline. It provided useful stratigraphic and structural information for the positioning of the next hole and also intersected trace levels of sulphides.
- The second hole, ZK70-1 (EOH 237m), was drilled 200 metres to the north of ZK62-1 and intersected from 129.55 metres depth, 38.70 metres of dominantly pyritic mineralisation with secondary chalcopyrite.
- The third hole, ZK2-1 (EOH 151 metres), was drilled 2.2 kilometres east of the mine on a moderately strong TEM anomaly. It intersected from 72.10 metres depth some 5.65 metres of sulphides.

The focus will now shift to the western part of the joint venture area where a recently completed TEM survey has returned two strong anomalies. These anomalies are of the same order of magnitude as those obtained by orientation lines across the known mine mineralisation. This is very encouraging.

Infill lines are in progress and, subject to results, it is intended to drill one or two more diamond holes.

Greenstone Mountain

One diamond hole, 4GMD-1 (EOH 270 metres), has been completed at the Greenstone Mountain joint venture nickel-copper-cobalt project. Drilling initially encountered difficult ground conditions and subsequent equipment failures slowed progress.

The purpose of this first hole was to test a strong, east-west trending dipole-dipole IP anomaly coincident with TEM and gravity anomalies along strike from ultramafics on an excised lease that contains nickel, copper, cobalt and zinc mineralisation.

The hole was expected to enter ultramafics at a relatively shallow depth but was suspended at 270 metres having remained entirely in sedimentary units. Minor sulphides were observed in core and a 10.00 metre section has been sent for assay. Several narrow carbonaceous units were also intersected over the last 100 metres. It is debatable whether or not the geophysical target has been adequately tested.

The overall geology and mineralisation model being used at Greenstone Mountain is being reviewed before the planned four-hole programme is recommenced.

New China Opportunities

Apex is assessing and screening a steady stream of new opportunities in China and is expecting to increase its China project interests in the near term.

Western Australia

WMC Limited – Narndee Nickel Joint Venture

The Narndee Nickel Joint Venture between WMC Resources Ltd (WMC) and Apex is exploring five exploration licences for nickel sulphides in the vicinity of the Narndee layered intrusion. It has recently completed a ground gravity survey and commenced a soil geochemistry survey. It will then embark on a follow-up TEM geophysical survey.

Following a one year minimum \$150,000 evaluation, WMC may earn an initial 70% for a minimum expenditure of \$3,000,000 and completion of a pre-feasibility study. Apex and existing partners Mark Creasy / Windimurra Resources Pty Ltd can then individually elect to contribute pro-rata to their respective 15% interests, dilute or convert to a gross production royalty.

Bunting Windimurra-Narndee Nickel Report

A review and assessment by consultant John Bunting of the nickel prospectivity of the remainder of the 5,000 square kilometre Windimurra-Narndee project has been completed.

This study utilised Apex's high-resolution magnetics of the region, its new geochemical coverage and its comprehensive GIS-database of previously uncompiled historical exploration reports.



This data, including information generated by the recently disbanded Apex-Falconbridge-Implats joint venture (which focused entirely on platinum), has generated a number of specific and conceptual nickel targets that Apex is now seeking to farm-out.

Jillawarra Iron-Oxide Copper-Gold Project

A joint venture partner is being sought and other options are being considered to facilitate the drill testing of targets generated by Apex for iron-oxide associated copper-gold mineralisation.

Corporate

Apex had cash reserves of \$620,000 at 30th June.

It has on issue 38,208,755 fully paid shares plus 20,348,750 performance linked 20 cent shares part-paid to 0.001 cents each.

A handwritten signature in black ink, appearing to read "Stephen Stone".

Stephen Stone
Executive Chairman
Mobile 0418 804 564

Unless otherwise indicated, technical information contained in this report is based on information compiled by a competent person who is a corporate member of the Australasian Institute of Mining and Metallurgy. The competent person is Mr Stephen Stone who is Executive Chairman. Whilst the expectations expressed in any forward looking statements in this report are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may for several reasons differ materially from those stated.