

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

For the quarterly period ended: **June 30, 2010**

Commission Identification Number: **40621** 3. BIR Tax Identification No. **000-284-138**

Exact Name of Registrant as specified in its charter: **APEX MINING CO., INC.**

Province, country or other jurisdiction of incorporation or organization : **PHILIPPINES**

Industry Classification Code : (SEC Use Only)

Address of registrant's principal office: **U1704 17th Flr, Prestige Tower Cond., F. Ortigas Jr. Road, Ortigas Center, Pasig City**

Postal Code: **1605**

Telephone number, including area code: Tel # **706-2805** Fax # **706-2804**

Former name, former address and former fiscal year, if changed since last report. **NA**

Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares if Common Stock Outstanding or amount of Debt Outstanding
CLASS A	458,981,818
CLASS B	295,731,885

Are any or all registrant's securities listed on the Phil. Stock Exchange?

Yes No Phil. Stock Exchange - listed 759,531,841 million shares (P1.00) par value

Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past 90 days

Yes No

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Please see attached Unaudited Financial Statements for the period ended June 30, 2010.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Mine Operations

Development during the 2nd quarter of 2010 in the Maligaya area consisted of completion of the ore drive at Masara vein at level 545 and continuing L530 Masara vein ore drive. Primary development focused on bringing down the ramp no.1 from Level 530 to L515. Horizontal crosscut to access the Bonanza vein at this level, and the attendant infrastructure development for the settling sumps and dewatering system were being developed simultaneously. Other priority infrastructure development was to extend the completed L530 Masarita drainage drive towards ramp no. 2 position to integrate the drainage system for ramp no.2 for gravity drainage that would eventually eliminate the costly pumping up to Level 590 portal.

Similarly in the Malumon area, ore drifting at Sandy vein continued in Levels 830 and 815. The east limit of the ore drive at L845 was reached and prepared the area for stoping while continuing at L815 ore drive. Primary development includes the development of an incline ramp from L870 to surface to block reserve above L870 of the Sandy vein.

The main decline from L815 to L800 was completed and the crosscut to intercept the sandy vein at this level is being developed. The decline to access the Maria Inez further south of the Sandy vein that was started in the first quarter was temporarily stopped pending further confirmation by exploration drilling and metallurgical testing of the Maria Inez vein if it proves economical to extract and process at the mill.

A total of 1,289 meters of development were achieved in the 2nd quarter of 2010 compared to the budget of 1,956 meters. Fifty-three percent (53%) of the development advances of 686 meters were in waste development and 46% or 603 meters were advanced in the ore drives.

Ore production during the period amounted to 53,926tons with an average grade of 5.5g/t Au or an average of 17,975tons per month or 592 tpd. Seventy-two percent (72%) of these came from the stope ore production from both Bonanza vein and Sandy vein and the remaining twenty-eight percent aggregated from the ore drives. The increased stope production in the 2nd quarter compared to 1st quarter was a result of the successful implementation of Long hole stoping in the relatively competent Masara vein.

Below is the comparative table showing the distribution of the development meters advanced and ore produced 2nd quarter 2010 against the budget:

COMPARATIVE TABLE

PARAMETERS	ACTUAL (APRIL - JUNE 2010)	BUDGET (APRIL - JUNE 2010)
Development, m		
On Vein Drives	603	988
Waste development	686	968
TOTAL	1,289	1,956
Ore Production, t		
Stope Ore	39,025@5.6 Au g/t	19,357 @ 6.5 Au g/t
Dev't ore	14,901@5.3 Au g/t	23,374 @ 6.0 Au g/t

Geology

Exploration activities includes drilling on surface and underground, trenching in Malumon area, and soil sampling in Mapula-Kurayao-Sagaysagay. Review of existing veins within the tenement is also started to give way to a more detailed study on the second half of the year.

Underground drilling concentrated on Masarita and Maligaya areas where a total of 171.60 meters for eight (8) short holes were drilled to test the extension of Masarita, Fern and Masara veins. A total of 43 sludge samples were collected and assayed from the campaign. Results from the last Masarita horizontal hole (UGMST-10-03) were encouraging giving a 14.50-m stretch at 4.043 gpt Au. Grades in the identified length ranges from 1.695 gpt Au to 9.846 gpt Au.

The probe holes in Masara that aimed to test old workings by Samico suggests that it is indeed mined out. Grades ranges from 0.800 gpt Au to 6.433 gpt Au. Fern vein hole gave a 11.97 gpt Au at 6.70 to 7.70 m from the collar interpreted to be the Fern Vein.

Surface drilling resumed on the last half of June designed to test the extension of the Bonanza Vein to the northwest. By the end of the quarter, drillhole BNZ-10-01 bottomed at 128.40 meters. Target depth is 180meters. No samples were sent to the lab but a skarn mineralization was already identified from 45m to 60m stretch.

Mechanized trenching was also done in the Malumon area to test the possibility of open pitting the Sandy vein and its split, and the Maria Inez vein. A total 541 tonnes at 2.97 gpt Au of incidental ore was extracted from the trenching and are currently stockpiled on the COS.

Ridge and spur soil sampling is being conducted at Mapula-Kurayao-Sagaysagay area. A total of 162 samples were collected along the ridge line traversing the identified Mapula and Kurayao porphyry copper deposits. Elevated copper values, >0.1 % Cu coincides on the location of the said deposits. More significant is the result of Au values which suggests that identified porphyry copper deposit is also high in gold, where grade ranges from 0.2 gpt Au to as high as 5 gpt Au.

Plans for 2nd half of 2010

Detailed geologic mapping is set to start mid next semester within the existing mining tenement. This primarily aims to update the existing geologic mapping and models and also to identify "new" veins within in the area. This is geared to find extensions of the vein current mining area and to revisit in the field the veins that were identified previously but were not included in the latest official resource declaration.

Six surface holes were initially programmed to check on the extensions of Bonanza northwest, extension of Sandy southeast, and to test the continuity at depth of Kasaraan and Sagaysagay. A total of 1,300 meters was scheduled to be drilled.

Underground drilling is also expected to commence by the second half with the arrival of the LTK accessories, which is expected to make the drilling more efficient. Ten holes were initially designed to test the continuity of the following veins: Sandy vein to the Malumon Gap, the Bibak vein and St. Vincent vein.

Soil sampling in the Sagaysagay-Kurayao area will continue prioritizing the east-west spurs.

Digitizing of data from old maps is also set to start in preparation of transferring the data in GEMS for the resource estimation.

Corporate Social Responsibility

A: ADMINISTRATION

The Company continued to provide its employees unequalled benefits during the quarter. It revised and improved its existing in-house medical benefit by increasing the maximum benefit limits for inpatient cases, removing the inner limits, and including all acknowledged children. The medicine allowance used to purchase of outside medicines, on top of the free medicines provided at the Company likewise increased to P3,000; P4,000 and P5,000 per year for its rank & file, supervisory and managerial employees respectively. Management also approved the coverage of its employees under a group-term life insurance, in lieu of its existing in-house death benefits. With all these in place, Apex employees are somehow relieved of financial burden in times of unwanted illnesses and death.

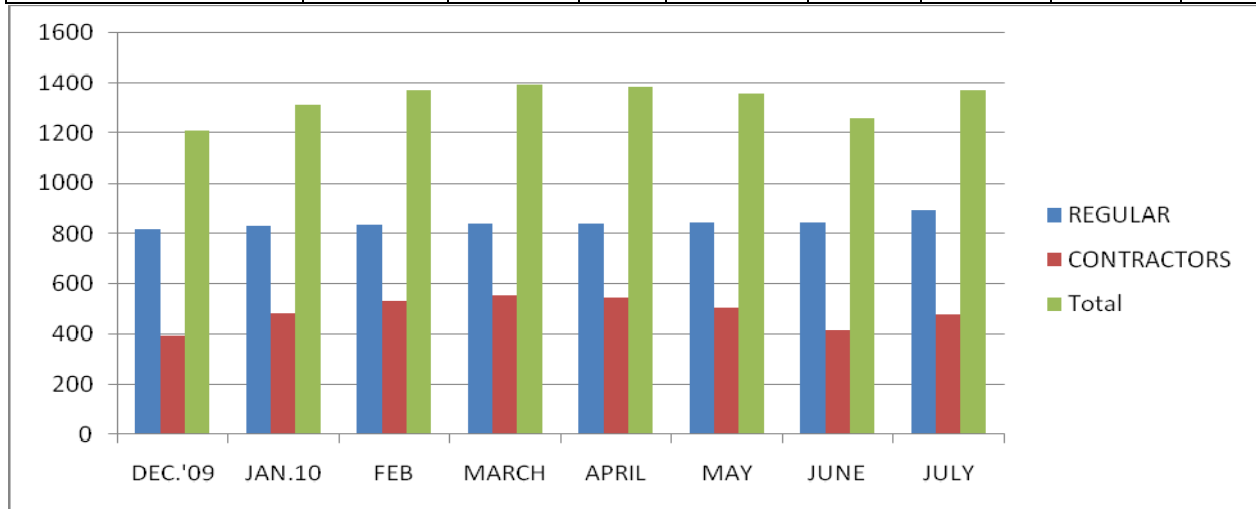
As an incentive scheme, it distributed rice bonus to its employees, both regular and contractual, for an improved production performance in May and June. An employee got as much as almost 2 cavans of rice in a month, enough to feed the family for 2 months. Such rice bonus has been converted into cash effective July 1 of the following quarter to give the employees more freedom on where to use the "fruits of their labour."

As the company moves forward to achieve its Vision, there were more technical and professional skills needed that were supplemented by the local residents, the entire and neighbouring regions and contractors.

EMPLOYEE HEADCOUNT PER MONTH: (December, 2009 to July 2010)

A. BY EMPLOYMENT CATEGORY

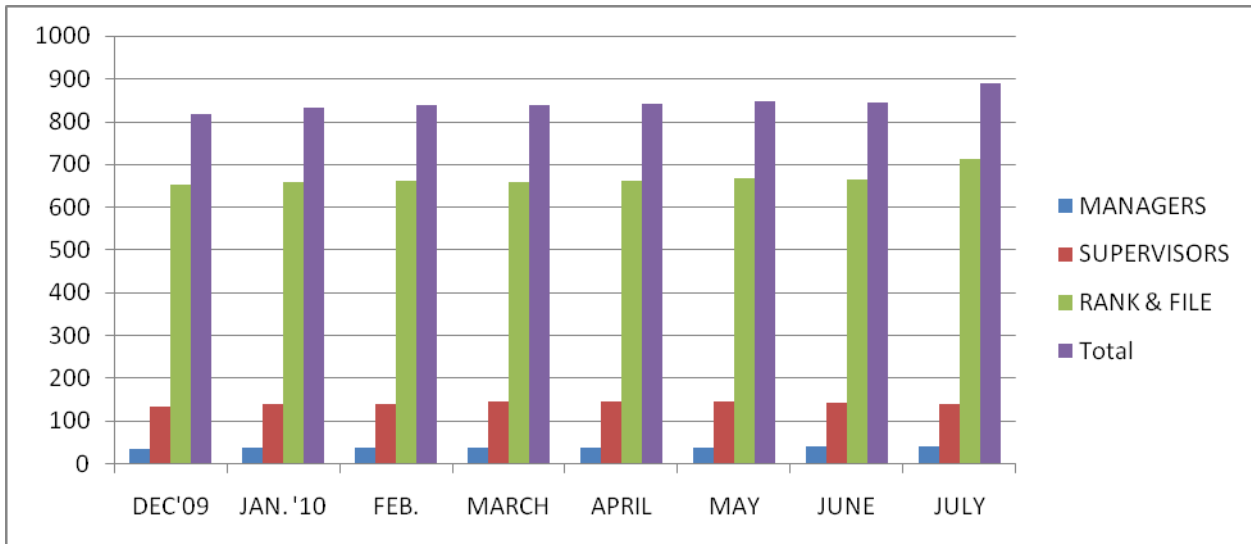
	DEC.'09	JAN.10	FEB	MARCH	APRIL	MAY	JUNE	JULY
REGULAR	816	832	837	839	840	847	844	890
CONTRACTORS	390	481	534	551	541	506	417	477
Total	1206	1313	1371	1390	1381	1353	1261	1367



Note: See attached list of contractors

B. BY JOB CATEGORY (regular employees)

	DEC'09	JAN. '10	FEB.	MARCH	APRIL	MAY	JUNE	JULY
MANAGERS	32	36	37	37	37	37	38	40
SUPERVISORS	132	137	138	145	143	144	142	139
RANK & FILE	652	659	662	657	660	666	664	711
Total	816	832	837	839	840	847	844	890



B: Environmental Management

Apex Mining Co., Inc. fully supported the government program on reforestation. For the 2nd quarter of CY-2010 the Central Nursery of the company has produced 42,952 seedlings of various tree plantation species, fruit trees, bamboo, etc. and planted about 3.12 hectares in open and denuded areas with corresponding 1,722 seedlings planted within the mine site.

The company provided 5,116 seedlings assistance as part of the upland development program of the DENR, LGU and to the adjacent Barangays. The company maintained the rehabilitation of the two (2) Adopted Mangrove Projects at Barangay Bucana, Maco and Barangay Bongabong, Pantukan, Compostela Valley in support to the environmental protection at the coastal area.

Facilities for environmental mitigating measures such as tailing ponds and silt ponds are being closely monitored regularly as well as with spillways and canals within the mine site. Rehabilitation measures and repairs are being done to maintain the tailings ponds' stability, tailings pipeline and the spillways' capability. Clearing is done whenever necessary to prevent clogging of drainages in the site and siltation of water channels. Regular repair and maintenance of access roads within the mine industrial areas is also being done.

The Environmental Department of APEX conducted regular in-house environmental quality monitoring to attain the standards set by DENR such as, the air and water quality and hazardous waste and quarterly monitoring conducted by the Multi-partite Monitoring Team (MMT) to ensure a safe environment.

Likewise, the group also conducted Information, Education and Communication Campaign for the concerned communities to provide the people information about the company and its activities in the area with emphasis on environmental protection and enhancement program.

C: Community Relations

Apex Mining Company Incorporated thru the Community Relations (COMREL) Department continue its commitment in developing its host and neighboring communities by the ongoing implementation of the Annual Social Development Management Plan (ASDMP) 2010 categorized into five major program/projects.

1. The Health and Sanitation Programs covering medical assistance. Projects that fall into this category are: botica ng barangay, blood letting activity, operation "tuli", pre natal check up and hauling of domestic waste from the host communities.

2. The Sustainable livelihood program and activities cover the sustainable agriculture training, the TESDA training for industrial women's group, the establishment of income generation projects (micro finance for women and establishment of livestock dispersal) and the establishment of tribal cooperative.
3. The Infrastructure Programs cover the provision of construction materials for the construction/renovation of the religious chapels, tribal hall in Teresa and road maintenance from Mawab to Masara.
4. The Social Development and Responsive Education Program refers to summer job program for student (SPES), student transportation, alternative learning system (ALS) program for out of school youth, provision of transportation for community activities, and the provision of transportation for emergency cases in the community and some financial assistance for community activities
5. The Information Education Campaign for Mining centres on the ASDMP monthly and quarterly monitoring of the ASDMP funded programs and projects, promotion of mining industry, environmental issues and concern, and school symposium for mining and environment.

Financials

For the six months ended June 30 2010, the Company's sales amounted to P662.6 million or an increase of P306.9 million from P355.7 million for the same period last year.

Total costs and expenses incurred for June 30, 2010 and 2009 amounted P843.9 million and P534.1 million. The increase was brought about in the following expenses:

- Depreciation, depletion and amortization by P166.2million, increase due to reclassification of remaining assets held for sale by P67.8million to other assets adjusted for any depreciation expense that would have been recognized had the assets not been classified as held for sale, and by the depletion of P98.3million for this year 2010.
- Materials and supplies by P51.5million, due to increased production
- Salaries, allowances and employee benefits by P25.5million, due to increased manpower
- Rent by P47million, due to increase in sales
- Other operating expenses by P95.4million due to accruals on Surface rights, royalties, additional excise taxes, professional fees and utilities.

Rentals primarily pertain to the lease of milling facilities from Teresa, which is settled through 15% revenue share from Apex's sale of metals.

Other income (expense) included foreign exchange gains (losses) amounting to P8.4million principally arising from the translation of the foreign currency-denominated advances from Mindanao Gold Limited at P46.78:\$1 as of June 30, 2010 from P48.37:\$1 as of June 30, 2009.

In October 2009, Mindanao Gold Ltd, an entity incorporated and registered in Malaysia acquired from Crew Gold Corporation its equity share in the Company. In line with this agreement, outstanding intercompany advances to Apex from Crew Gold Corporation amounting to P727 million were transferred to Mindanao Gold Ltd.

Net loss amounted to P183.2million for the six-months ended June 30, 2010 from P199.5 million for the same period last year.

Cash as of June 30, 2010 amounted to P35.4million, compared to P16.8 million in 2009 and P 27.3million in 2008.

Accounts Receivable arising from uncollected sales of metals in June 2010 amounted to P95.3million as against P177million as of December 31, 2009. Accounts Receivable amounted to P21million in 2008.

Inventories were higher at P220.8 million compared to P194.5 million in 2009. Inventories amounted to P164.6million in 2008.

The increase in Prepayments and Other Current Assets in June 2010 was mainly due to accumulation of input taxes for the year.

Deferred exploration and development costs increased to P57.6million as of June 30, 2010 from P18.8million as at end of December 31, 2009 due to opening of another three (3) portals for the exploration activities this year

Property, plant and equipment (PPE) as of June 30 increased to P2.0billion in June 2010 from P1.9billion in 2009. The increase in 2010 was mainly due to various acquisitions of mine & mill equipments, office equipment and several constructions that are in progress.

Current liabilities as of June 30, 2010 amounted to P3.1billion as compared to P2.9billion in 2009 and P2.8 billion in 2008.

The increase in Accounts Payable and Accrued Liabilities to P153.1million from P128million in 2009 were mainly from accrual of surface rights.

Advances from shareholders and affiliates amounted to P2.9billion from P2.8billion in 2009 and P2.6billion in 2008

As discussed above, outstanding advances payable to Crew Gold Corporation amounting to P727 million were transferred to Mindanao Gold Ltd, while liabilities of P83 million to PJS Investment Corporation were written off.

As of June 30, 2010, non-current Liabilities amounted to P103.6million compared to P95.7million in 2009 and P41.9million in 2008.

Deferred Income Tax Liabilities maintained its figure of P50.4million in 2010 & 2009.

Under PAS no. 19, Accounting for Employees Benefits, the Company provided for the year Accrued Retirement Cost amounting to P30.2million compared to P22.3million in 2009.

The increase in Current Liabilities as discussed above significantly contributed to the increase in Total Liabilities to P3.2billion as compared to P3.1billion in 2009

Deficit at June 30, 2010 amounted to P2.0billion as against P1.8 billion in 2009 and P1.2 billion in 2008 and P898million in 2007.

Net cash used in operating activities amounted to P52.8million for the six-month ended June 2010 as against P35.9million for the same period in 2009.

Cash used in investing activities, principally the addition to PPE, amounted to P75.1million for the period ended June 30, 2010 vis-à-vis P33.2million last year,

Net cash provided by financing activities amounted to P75.6million for this period due to advances made by the shareholders and affiliates of the Company. For 2009 of the same period, cash provided by financing activities amounted P65.6million.

As of second quarter of 2010, total current assets of the Company amounted to P472.0 million which has a 1.73% increase than the P464.0 balance as of the beginning of the year. The increase was primarily because of the increases in cash, inventories and input taxes on purchases of goods and services. Current liabilities increased by P93.5 million from P2,983,133,691 as of the end of December 31, 2009 to P3,076,680,379 as of the end of June 30, 2010.

Net cash used for operating activities for the quarter ended 2010 amounted to P60.2 million compared to last year's second quarter amounting to P11.9 million. The increase is primarily due to the increase in Prepayments, increases in Inventory and Receivables, and the increase in Accounts and Accrued Expenses Payable. Net cash used in investing activities which includes additions on Property, Plant and Equipment, Non-Current Assets and Exploration Expenditures were lower at P6,019,147 as compared to invested last year amounting to P25,979,591.

Net cash provided by financing activities also posted an increase at P43,417,963 this 2010 compared to P28,749,643 in 2009.

Material Changes for the Second Quarter of 2010 vs. December 31, 2009

Apex Mining Co., Inc.

Comparative Balance Sheets

(all in Philippine Pesos)

	as at		Change		Explanation
	30-Jun-10	31-Dec-09	Amount	%	
Current Assets					
Cash	35,440,129	16,836,351	18,603,778	110.50%	Sales collection during the 2 quarters
Receivables	95,364,718	177,053,157	(81,688,439)	-46.14%	minimal COD purchase transaction for the 2 quarters
Inventories	220,843,890	194,539,059	26,304,831	13.52%	Consignments, cable steel, purlins and other consumables
Prepayments	120,371,856	75,573,198	44,798,658	59.28%	input taxes during the quarter
Total current assets	472,020,594	464,001,765	8,018,828		
Property and Equipment - Net	421,053,407	440,581,063	(19,527,657)		
Land and Land Improvements	35,515,000	35,515,000	0		
Buildings & Structures	138,902,367	133,569,798	5,332,569	3.99%	Fine Ore Bines, Maligaya Office Construction, Boiler foundation and perimeter fencing @ Salakot
Mining Equipment	201,656,755	196,172,356	5,484,398	2.80%	acquisition of 2 units Commutador and Kempee UG drill
Mill Machineries & Equipment	544,078,126	540,954,195	3,123,931	0.58%	acquisition of 2 units crane and boiler
Dams and Diversions	306,982,635	306,982,635	0		
Roads & Bridges	89,245,799	88,597,829	647,970	0.73%	Road Development - Masarita Re-grading Charges
Transportation	4,411,248	5,332,369	(921,121)	-17.27%	W/olf Toyota Camry(DGC) & disposal of dump truck
Power Generator/Electrical Equipment	87,045,303	87,035,763	9,540	0.01%	1 Unit Induction Motor
Drilling Equipment	133,929	52,362	81,567	155.77%	Rock drills
Field Equipment (exploration)	3		3		
Heavy Mobile Equipment	387,676,220	369,427,734	18,248,486	4.94%	One (1) unit Scoop tram plus duties and taxes
Pumps & Motors	19,166,282	13,083,891	6,082,391	46.49%	purchases of slurry pumps, preventive maintenance and grinder repairs
Communication Equipment	1,347,164	241,545	1,105,619	457.73%	50%Full payment:SI-1847:radwin 2000 wireless P2P bridge
Furniture & Equipment	174,061,300	173,734,309	326,991	0.19%	Elliptical fitness cross trainer
Computer Equipment	3,839,838	693,786	3,146,052	453.46%	CISCO ports, Dell computers and accessories plus software licensing
Small tools & equipment	41,499	4	41,495	1037376.25%	Gym equipments
Mine ventilation equipment	26,806,596	25,889,930	916,667	3.54%	RR-DW-13603 - Fan axial
Property Plant & Equipment - ARO	848,559	848,559	0		
PPE in Progress	39,220,309	7,696,606	31,523,704	409.58%	contracted services and various constructions during the quarters

PPE at Cost	2,060,978,931	1,985,828,669	75,150,262		
Accumulated Depreciation	1,639,925,524	1,545,247,606	94,677,919	4.48%	depreciation for 6 months
Deferred Mine Exploration & Dev Costs	57,578,955	18,801,876	38,777,078	206.24%	Portals L720, L510 and Don Joaquin exploration activities during the quarter
Mine & Mine Properties	1,040,645,779	1,139,067,336	(98,421,556)	-8.64%	depletion for 6 months
Other Assets	39,411,995	50,766,418	(11,354,423)		
Idle Assets, net	18,822,412	37,644,823	(18,822,411)	-50.00%	heavy mine equipments used in operations were reclassified to PPE
Others	20,589,584	13,121,595	7,467,988	56.91%	Amortization during the quarters & purchase of Gemcom Software
Total Assets	2,030,710,730	2,113,218,459	(82,507,729)		
Current Liabilities	3,076,680,379	2,983,133,691	93,546,688		
Accounts Payable & Accrued Liabilities	153,121,291	128,093,885	25,027,406	19.54%	Accrual of Surface Rights
Due (to) CGC					
Due (to) Mapula	941,591,912	941,894,588	(302,676)	-0.03%	payment of Mapula audit and legal retainers' fee
Due from (to) Teresa	1,245,768,517	1,186,074,289	59,694,228	5.03%	Mill equipment rental (net of 5% remittance) during the 2 quarters
Due from (to) MGL	736,198,659	727,070,929	9,127,730	1.26%	Forex translations during the quarters
Non-Current Liabilities	103,643,697	95,703,419	7,940,278		
Deferred Tax Liability	50,397,386	50,397,386	0		
Asset Retirement Obligation	23,038,716	23,038,716	0		
Accrued Retirement Payable	30,207,595	22,267,317	7,940,278	35.66%	Retirement exp -ANC/PSL @ Jan-Jun'10
Total Liabilities	3,180,324,076	3,078,837,109	101,486,966		
Total Capital Stock	863,358,797	864,193,968	(835,171)		
Capital Stock	756,682,170	756,682,170	0		
Capital in excess of par value & Revaluation increment	4,224,410	4,224,410	0		
	102,452,217	103,287,388	(835,171)	-12367.22%	Mine Ventilation Equipment revaluation
Retained Earnings(Deficit)	(2,012,972,143)	(1,829,812,618)	(183,159,525)		
At beginning of the year	(1,829,812,618)	(1,829,812,618)	0		
For the quarter and year	(183,159,525)		(183,159,525)		additional losses for the 2 quarters
Total capital deficiency	(1,149,613,346)	(965,618,650)	(183,994,696)		
Total Liabilities and Equity	2,030,710,730	2,113,218,459	(82,507,729)		

Top Five (5) Key Performance Indicators

The key performance indicators discussed below are not based on Generally Accepted Accounting Principles (GAAP) financial measures and are therefore not audited. Similar data may be interpreted and presented differently when compared to other entities' data.

1) Tonnes Milled and Ore Grade

Tonnage, ore grade and metal recovery determine production and sales volume. The higher the tonnage, grade of ore and recovery, the more metals are produced and sold.

The mill plant processed a total of 151,320 tonnes with a mill heads of 5.13 gpt Au and 30.34 grams per tonne silver, with average calculated metal recovery of 83.52% and 46.27% respectively for gold and silver. This is 12% lower compared to the 2008 throughput of 171,760 tonnes. Likewise, gold ounces produced fell from 21,618 oz in 2008 to 20,727 oz in 2009. The decrease in production was attributed to the flash flood incident that occurred on January 15, 2009. Mining and milling operations were intermittent since then and came to normalize only last March 9, 2009.

Gold ounces and silver ounces shipped for the year 2009 were 20,783 and 75,725 respectively.

2) Tonnes Mined and Tonnes per Day

The Maco mine production attained 148,417 tons with a grade of 5.88 Au, g/t compared to the 162,925 tons with a grade of 5.2 g/t of gold ores produced in 2008. Ore produced were sourced from the stopes and on vein development drives.

Development for 2009 achieved an aggregate total of 4,266 meters, 2171 meters and 2095 meters were on vein drifting and waste development drives respectively. The achieved development meter was lower compared to 5,993 meters attained in 2008.

The lower production and development attained in 2009 was primarily attributed to the dewatering and rehabilitation of the Maligaya and Sandy mine resulting from the flash flood that occurred last January 2009.

The average tonnes mined per day for 2009 is 459.

3) Total Production Cost Per Tonne and Operating Cost Per Ounce

The Corporation's average cash operating cost per tonne is a key performance indicator. A lower cash cost per tonne reflects an improvement in operating efficiency.

At the same cost level, higher production volume results to lower cost per tonne. The same essentially applies at the same production volume but lower operating cost.

This is also applicable to cost per ounce gold, but in addition the gold grade is also considered, as it affects metal production, as well as the exchange rate, as it affects the conversion from dollars to pesos.

In 2009, the total production cost (excluding marketing charges, rentals, excise taxes, royalties depreciation and amortization and other non-cash expenses) per tonne of ore milled was Php 5,098 from the total production cost of Php 771.5 million over ore milled of 151,320 tonnes.

Total cash operating cost for the year amounts to Php 816.5 million (including marketing charges, excise taxes and royalties) while cost per ounce to produced gold before silver revenue credits was Php 39,457 (USD 828/oz) in 2009.

After silver revenue credit, the corresponding cost per ounce was Php 37,444 (USD 786/oz) in 2009.

4) Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA)

Despite the capital deficiency, the Corporation earned a positive EBITDA during its initial year of operations in 2009.

EBITDA is an indication of the Corporation's ability to generate cash from its operations to support its working capital requirements and immediate capital expenditure requirements. Positive EBITDA represents positive cash profit from operations.

(As of December 31, 2009, the peso to dollar exchange rate was at Php 46.4211 compared to Php 48.0942 as of December 31, 2008.)

The Company has no off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities or other persons created during the first quarter of 2009.

The Company does not know any trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

The Company has no significant seasonality or cyclicity in its business operations that would have a material effect on the financial condition or results of operations.

There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents.

There are no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

There are no issuances, repurchases, and repayments of debt and equity securities this interim period.

Segment reporting is not applicable to the Company.

There are no material events subsequent to the end of the interim period that have not been reflected in the unaudited financial statements for the interim period.

There's no effect in changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discounting operations.

There are no changes in contingent liabilities or contingent assets since the last annual balance sheet.

There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

There are no material commitments, events or uncertainties that will have a material impact on the Company's liquidity.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

PART II - OTHER INFORMATION

There are no other information for this interim period not previously reported in a report on SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

APEX MINING CO., INC.
Registrant



PEREGRINO S. RESABAL
President and CEO



RODOLFO G. BRAVO
Treasurer

Date: August 16, 2010

APEX MINING CO., INC.
BALANCE SHEET
AS AT JUNE 30, 2010

	June 30, 2010 (UNAUDITED)	December 31, 2009 (AUDITED)	December 31, 2008
ASSETS			
Current Assets			
Cash	35,440,129	16,836,351	27,304,116
Receivables	95,364,718	177,053,157	21,008,555
Inventories	220,843,890	194,539,059	164,602,468
Prepayments	120,371,856	75,573,198	216,551,613
Total current assets	472,020,594	464,001,765	429,466,751
Non-current Assets			
Property, plant and equipment, net	421,053,407	440,581,063	619,653,329
Assets Held for Sale	0	-	83,815,420
Mine & Mining properties	1,040,645,779	1,139,067,336	0
Other non-current assets	96,990,950	69,568,295	1,295,334,118
Total Non-current assets	1,558,690,136	1,649,216,694	1,998,802,867
TOTAL ASSETS	2,030,710,730	2,113,218,459	2,428,269,619
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	153,121,291	128,093,885	103,804,263
Advances from stockholders and affiliates	2,923,559,088	2,855,039,806	2,624,500,777
Due to PJS Investments Corporation	0	-	83,162,205
Total current liabilities	3,076,680,379	2,983,133,691	2,811,467,245
Non-Current Liabilities			
Deferred Tax Liability	50,397,386	50,397,386	23,331,585
Asset Retirement Obligation	23,038,716	23,038,716	6,594,561
Accrued Retirement Payable	30,207,595	22,267,317	11,931,871
	103,643,697	95,703,419	41,858,016
Total Liabilities	3,180,324,076	3,078,837,110	2,853,325,261
Stockholders' Equity			
Capital Stock	756,682,170	756,682,170	756,682,170
Capital in excess of par value	4,224,410	4,224,410	4,224,410
Revaluation surplus	102,452,217	103,287,388	54,440,362
Deficit	(2,012,972,143)	(1,829,812,619)	(1,240,402,584)
Total stockholders' Equity	(1,149,613,346)	(965,618,651)	(425,055,642)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,030,710,730	2,113,218,459	2,428,269,619

APEX MINING CO., INC.
 UNAUDITED STATEMENT OF CHANGES IN EQUITY
 AS AT JUNE 30, 2010

	Six Months Ended June 30	
	2010	2009
CAPITAL STOCK - P1 PAR VALUE	756,682,170	756,682,170
ADDITIONAL PAID-IN CAPITAL	4,224,410	4,224,410
REVALUATION INCREMENT	102,452,217	56,232,348
DEFICIT		
Beginning of period	(1,915,433,435)	(898,480,460)
Net loss for the period	(97,538,708)	(362,218,491)
End of period	(2,012,972,143)	(1,260,698,951)
TOTAL EQUITY	(1,149,613,346)	(443,560,023)

APEX MINING CO., INC.
 UNAUDITED STATEMENT OF OPERATIONS
 2ND QUARTER 2010

	Apr-June 2010	Jan-Jun 2010	Apr-June 2009	Jan-Jun 2009
Sale of Gold	336,929,165	620,833,739	195,413,059	343,165,371
Sale of Silver	21,172,847	41,754,194	7,447,595	12,530,218
Total	358,102,012	662,587,934	202,860,655	355,695,589
Cost of Sales				
Mining Cost	248,647,612	444,563,382	238,171,560	356,673,190
Milling Costs	105,843,579	193,041,031	37,149,242	67,794,636
Marketing Costs	5,634,670	7,686,775	0	0
Total	360,125,861	645,291,188	275,320,802	424,467,826
Gross Income (Loss)	(2,023,849)	17,296,746	(72,460,148)	(68,772,236)
General and Administrative Costs	110,842,972	198,631,971	52,781,900	109,611,846
INCOME (LOSS) FROM OPERATIONS	(112,866,821)	(181,335,225)	(125,242,048)	(178,384,083)
Other Income (Charges)	2,127,672	(1,824,299)	(15,955,227)	(21,167,126)
NET INCOME (LOSS) FOR THE QUARTER	(110,739,149)	(183,159,524)	(141,197,274)	(199,551,209)
LOSS PER SHARE	(0.146)	(0.242)	(0.187)	(0.264)

APEX MINING CO., INC.
 UNAUDITED STATEMENT OF CASH FLOW
 2ND QUARTER 2010

	Apr-Jun 2010	Jan-Jun 2010	Apr-Jun 2009	Jan-Jun 2009
CASH FLOW FROM OPERATING ACTIVITIES				
Net loss	(110,739,149)	(183,159,524)	(141,197,274)	(199,551,209)
Depreciation, depletion & Amortization	108,335,618	193,099,475	158,631,041	193,281,391
Operating loss before changes in working capital	(2,403,531)	9,939,951	17,433,767	(6,269,818)
Increase in receivables and advances	(22,463,372)	81,688,439	3,146,628	5,505,589
Increase in Inventory	(11,356,365)	(26,304,831)	(6,552,622)	3,127,305
Increase (decrease) in accounts payable and accrued expenses	57,480,349	25,027,406	(12,945,853)	(15,199,856)
Increase in prepayments	(21,794,325)	(44,798,658)	(12,994,076)	(23,161,819)
Net cash provided by (used in) operating activities	(537,245)	45,552,307	(11,912,155)	(35,998,599)
CASH FLOW FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment	(63,860,621)	(75,150,262)	(21,669,502)	(33,219,500)
Increase in deferred mine exploration costs	(21,145,285)	(38,777,078)	2,546,591	(7,144,835)
Increase in other noncurrent assets	19,286,531	11,354,423	(6,856,680)	582,312
Net cash used in investing activities	(65,719,375)	(102,572,917)	(25,979,591)	(39,782,024)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in amounts of advances from affiliates	36,312,855	68,519,282	28,749,643	65,681,904
Increase in amounts of accrued retirement	7,940,278	7,940,278	0	0
Decrease in amounts of revaluation surplus	(835,170)	(835,170)	0	0
Net cash provided by financing activities	43,417,963	75,624,390	28,749,643	65,681,904
NET INCREASE IN CASH	(22,838,657)	18,603,779	(9,142,103)	(10,098,718)
CASH AT BEGINNING OF PERIOD	58,278,786	16,836,351	26,347,500	27,304,116
CASH AT END OF PERIOD	35,440,129	35,440,130	17,205,397	17,205,398

APEX MINING CO., INC.
Aging of Accounts Receivable
As of June 30, 2010

1) Aging of Accounts Receivable

Type of Accounts Receivable	Total	1 Month	2-3 Mos	4-6 Mos	7 Mos to 1 Year	1-3 Years	3-5 Years	5 Years Above	Past due accounts & items in litigation
a) Trade Receivables	38,598,212	38,598,212							
Less: Allow. For Doubtful Acct.									
Net Trade Receivable	38,598,212	38,598,212	-	-	-	-	-	-	-
b) Non-Trade Receivables									
1) Advances - Temp. Accom.	59,096,376	6,735,556	37,593,318	5,163,041	4,923,363	4,681,097			
Less: Allow. For Doubtful Acct.	(2,329,870)								
Net Non-Trade Receivables	56,766,506	6,735,556	37,593,318	5,163,041	4,923,363	4,681,097	0	0	0
Net Receivables (a + b)	<u>95,364,718</u>								

2) Accounts Receivable Description

Type of Receivable	Nature/Description	Collection Period
a.) Accounts Receivable	receivable from customers/government	
b) Accounts Receivable-Others	cash advance to suppliers, officers and employees/SSS Claims	

3) Normal Operating Cycle:

1 year

APEX MINING CO., INC.

NOTES TO UNAUDITED FINANCIAL STATEMENTS

June 30, 2010

1. Significant accounting policies

The accompanying unaudited financial statements as of June 30, 2010 have been prepared in accordance with generally accepted accounting principles in the Philippines under the historical cost convention, consistent with the accounting policies adopted in the Company's audited financial statements for the year ended December 31, 2009, the accompanying notes to which may also apply and can be referred to for further information on these financial statements.

2. Current Assets

1.1 Cash

Cash as at June 30, 2010 consist of cash on hand, cash equivalents and cash in banks of P35,440,129.00

1.2. Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment. as of June 30, 2010, the account includes advances to suppliers and contractors, advances to officers and employees and other receivables amounting to P95,364,718.00.

1.3. Inventories

Inventories consist parts and supplies use in on-going development of the mine. As of June 30, 2010 cost of the inventories are recognized at expense amounting to P 220,843,890.00.

1.4 Prepayments

Prepayments as at June 30, 2010 consist of input tax receivable and prepaid health and property insurance amounting to P120,371,856.00.

3. Property, Plant and Equipment

The company's property, plant and equipment at revalued amounts, except for the construction in progress which is carried at cost.

4. Other Non-Current Assets

Other non-current assets as at June 30, 2010 includes Deferred Mine Exploration and Deferred Cost amounting to P57,578,955.00 and Other assets totaling to P39,411,996.00.

6. Accounts Payable and Accrued Expenses

Accounts payable and accrued liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Company is established. These are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

7. Due to Affiliates

Shareholders and affiliates provide continuous advances to finance the Company's rehabilitation and refurbishing of the mine project and commercial activities. These advances are non-interest bearing and considered payable on demand.

Due to affiliates as at June 30, 2010 and December 31, 2009 are as follows:

	Relationship	June 30, 2010	December 31, 2009
Mindanao Gold	Shareholder	736,198,659	727,070,929
Mapula	Shareholder	941,591,912	941,894,588
Teresa	Affiliate	1,245,768,517	1,186,074,289
Total		P2,923,559,088	P2,855,039,806