FORM 51-102F3

Material Change Report

ITEM 1. REPORTING ISSUER

Apella Resources Inc., Suite 1600 – 543 Granville Street, Vancouver, BC, V6C 1X8

ITEM 2. DATE OF MATERIAL CHANGE

July 27, 2009

ITEM 3. PRESS RELEASE

Issued and distributed through the facilities of Electronic Data Filing Inc., via Stockwatch and Standard & Poors

ITEM 4. SUMMARY OF MATERIAL CHANGE

See attached news release

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

See attached news release

ITEM 6. RELIANCE ON SUBSECTION 7.1(3) OF NATIONAL INSTRUMENT 51-102

Not applicable

ITEM 7. OMITTED INFORMATION

No information has been omitted on the basis that it is confidential information.

ITEM 8. EXECUTIVE OFFICER

Contact: Christopher B. Chu, Corporate Secretary.
Telephone: (604) 608-6168

ITEM 9. DATE OF REPORT

DATED at Vancouver, BC, this 27th day of July 2009

News Release

LAC DORE NORTH DRILLING INTERSECTS MAGNETITE MINERALIZATION AT DEPTH

Vancouver, BC – Monday July 27, 2009, 7:00 a.m. PDT

Apella Resources Inc.(TSX.V: APA); (Frankfurt Symbol: NWN) and its Board of Directors are pleased to announce that the Company has completed its initial 10 hole (993m) diamond drilling program on its wholly owned Lac Dore North Iron-Vanadium-Titanium (Fe-V-Ti) Project at Chibougamau, Quebec. Apella is pleased to report, that as anticipated the program has successfully intersected disseminated to massive magnetite mineralization in boreholes numbered 1 through 6. Apella took advantage of this first round of drilling to use boreholes numbers 7 thorough 10 to test for the extremities of the potential mineralization. This information has provided some very important detail that can now be utilized by Apella's geologists in targeting during the next phase of diamond drilling.

The core from the drill program has now been cut and logged and 255 samples including blanks have been sent to ALS-Chemex in Val d'Or for processing. Once the results of the assays have been received and interpreted by Apella's geologists the results will be released. This information, coupled with Apella's existing database will assist is establishing the next round of borehole drilling on the Lac Dore North Project.

Apella is pleased that magnetite oxide mineralization intersected at depth in this round of borehole drilling is consistent with that which had been observed at surface, and on which the company carried out its extensive channel sampling program on in 2008. Photographs of this extensive surface mineralization in and around the drill area are available for viewing on Apella's website at www.apellaresources.com .

Apella focused the majority of this round of borehole drilling under and around the area which Apella completed its highly successful stripping and channel sampling program on in the fall of 2008. This area is ideally located on the NE extension of a strong airborne magnetic anomaly which corresponds with the layered part of the Lac Doré Anorthositic Complex. Six holes of the current program, in particular; LDN-09-01, LDN-09-02, LDN-09-03, LDN-09-04, LDN-09-05 and LDN-09-06, all utilizing large sized NQ core and together totaling 576 metres have tested at depth the two large stripped areas cleared by Apella in the fall of 2008. These two large highly mineralized areas were systematically and representatively channel sampled by Apella in the fall of 2008 and the results released in Apella's news release dated October 30th, 2008. The significant Iron, Vanadium and Titanium assays received during that channel sampling encouraged Apella to proceed with the recent borehole drilling.

With regard to this recent drilling by Apella the company finds of particular interest its borehole LDN-09-01 which is collared at 75 metres NW of the first historic (pre 43-101) drill hole bored by Mackenzie Bay back in 2001 (MKB-01-01). Mackenzie Bay's 168 m long hole (MKB-01-01) was bored with an azimuth of 320 degree and intersected four mineralized zones which returned the following results:

1) 0.54 % V_2O_5, 7.97% TiO_2 and 11.69% oxide over a core length of 4.85 m;

2) 1.24% V_2O_5, 6.9% TiO_2 and 15.12% oxide over a core length of 43 m;

3) 1.31% V_2O_5, 4.64% TiO_2 and 4.59% oxide over a core length of 8.45 m and;

4) 1.40% V_2O_5, 4.41% TiO_2 and 15.95% oxide over a core length of 26.60 m.

Apella's Hole LDN-09-01, 99m long and dipping at –45 degrees, was collared on the SW end of the stripping, on line with MKB-01-01. A visual estimation of the oxide content of the intersections proves to be similar to that of Mackenzie Bay's 2001 intersection. The mineralized zones as observed on surface, are dipping vertically.

Apella's Hole LDN-09-06 was collared at 70 m in front of LDN-09-01. Apella's hole LDN-09-06 is 81 m long with a dip at –45 degrees. Its target was to intersect the mineralized zones uncovered by the northern stripping. The three holes: MKB-01-01 (pre 43-101), LDN-09-01 and LDN-09-06 forming a stratigraphic section, encountered considerable layers of semi-massive to massive magnetite-ilmenite over an horizontal distance of 162.50 m. It is significant to note that the mineralization is still open to the NW and at depth.

Four holes: LDN-09-07, LDN-09-08, LDN-09-09 and LDN-09-10 which were exploration holes distributed over a long distance of 1600 m along the mag axis, returned low oxide contents in a more gabbroic environment. It is now understood that these holes were not collared close enough to the mag axis which is displaced by NE faulting, something will be corrected for the next round of borehole drilling at Lac Dore North.

The company is now planning a follow up exploration program slated to begin as soon as the funds are allocated. In the next phase of exploration at Lac Dore North Apella plans to extend this mineralized zone. The program will consist of extensive borehole drilling as well as additional stripping and channel sampling.

The qualified person for the purposes of this news release is Dr. Christian G. Derosier, P.Geo.

Apella invites the public to visit its website at http://www.apellaresources.com or e-mail us at apella@apellaresources.com to be added to the Company's e-mail list for press releases and updates.

ON BEHALF OF THE BOARD OF DIRECTORS OF APELLA RESOURCES INC.

"Patrick D. O'Brien"

Patrick D. O'Brien – Chairman

S.E.C. Exemption 12(g)3-2(b) File No. 82-3822, Standard & Poors Listed, Dun & Bradstreet Listed

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