



ASX ANNOUNCEMENT

14 AUGUST 2015

APOLLO FINALISES JV AND COMMENCES DRILLING AT KANGO NORTH IRON PROJECT, WEST AFRICA

HIGHLIGHTS

- **Apollo has finalised an earn-in joint venture with a diversified middle eastern group to sole fund exploration at the Kango North Iron Project, Gabon**
- **The JV Partner may invest ~\$4M (US\$3M) to sole fund exploration and earn up to 50.1% interest in Apollo Gabon SA, the holding company of the Project**
- **The JV has commenced a drilling programme to test near surface, high grade potential of two iron-ore targets**
- **The Kango North Project area is conveniently located within 110km of Libreville, the country's capital, with well maintained access roads and in close proximity to sheltered waters, ports, national electricity grid and open access railway**
- **The maiden drill programme will evaluate two of six targets and systematic exploration will advance other targets as part of longer term multi-staged exploration strategy**
- **Activities are targeting iron ore deposits which can be beneficiated to produce >60% Fe.**

Apollo Minerals Ltd (ASX: AON) ("Apollo" or "the Company") announce it has finalised an earn-in joint venture (JV) with diversified middle eastern group to sole fund exploration at the Kango North Iron Project in Gabon located on the west coast of central Africa (see previous AON announcement dated 5 May 2014). Under terms of the JV, the Partner may earn up to 50.1% interest by funding ~\$4M (US\$3M) in exploration and development.

During the first stage of the JV, the Partner will earn a 30% interest through their commitment to sole fund the 2015 work programme totalling ~\$1M (US\$750K), and this includes a maiden diamond drilling programme.

Apollo will be free carried at no cost during exploration until the JV Partner earns a 50.1% interest or ceases funding prior to completing the earn-in.

The Kango North Iron Project covers 400km² and is situated in the Estuaire Province, located 110km by road from the Country's capital, Libreville. The Project is well positioned with easy access via well maintained roads and is sited close to the national electricity grid, shipping ports and open access railway. The close proximity of the Project area to well established infrastructure is a significant positive in evaluating the potential of the project.

2015 Work Programme

The joint venture has completed ground-based geophysical surveys to define and plan a maiden drilling programme. All site access and logistics have been finalised and drilling has now commenced.

The programme includes ~1,000m of diamond drilling at the P1 and P2 targets where previous ground magnetics surveys and rock chip sampling have identified potential DSO-grade iron ore target (Figure 1). Modelling of the geophysics, rock chip assays and mineralogical test work have already determined the potential for beneficiation-grade iron ore, including an Exploration Target¹ of 2.0 – 3.5Bt grading 30-40% Fe (see AON announcement dated 25 November 2013).

The drilling programme will test for DSO grade hematite mineralisation and conduct further mineralogical test work on the magnetite component to evaluate processing and beneficiation properties of the rock.

The Company is encouraged by the prospects of delineating an iron ore resource in close proximity to well established infrastructure. Apollo has confirmed the potential for the Project to support a near term, low cost open-cut mining scenario through preliminary studies that assessed logistics and infrastructure.

Development of the project is now being advanced by drilling to establish the quality and quantity of the iron resource. Growth towards a mining project, while conceptual in nature, is considered likely and dependent on additional drilling and further development studies.

Evaluation of several targets across the project will be conducted through a multi-staged programme with the objective of developing a small to medium sized operation capable of start up dependent upon market demand and recovery.

At completion of maiden drilling, the Company will seek to model the iron resource and evaluate the potential of the project with the remaining four untested target areas. This drilling programme is expected to continue for approximately 6 weeks with sample preparation, freight and analysis thereafter. Apollo will release results to market upon receipt of assay results.

JV Agreement

Under terms of the agreement, the JV Partner may earn up to a 50.1% equity interest in Apollo Gabon SA, a subsidiary company which holds the Kango North exploration licence. The earn-in will be completed through the sole funding of:

- a) Exploration and development of the 2015 work programme including diamond drilling to a value of US\$750,000 to earn an initial 30% interest, and
- b) The provision of a further US\$2,250,000 in exploration funding of successive campaigns.

The transaction is in line with the Company's strategy to attract large international funding partners to its projects allowing the Company to focus on development of other assets in Australia including its Fraser Range and Gawler Craton projects. The alliance with strategic funding partners has a number of advantages for Apollo shareholders, allowing the Company to be free carried and ensures project development is advanced towards production through funding by third parties.

¹ The estimates of Exploration Target sizes mentioned in this announcement should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource

Apollo has agreed to acquire the remaining 17.5% free carried minority interest in the project for an initial cash consideration of \$70,000 on completion, plus deferred consideration payable in Apollo shares and/or cash, thereby increasing Apollo's interest to 70%.

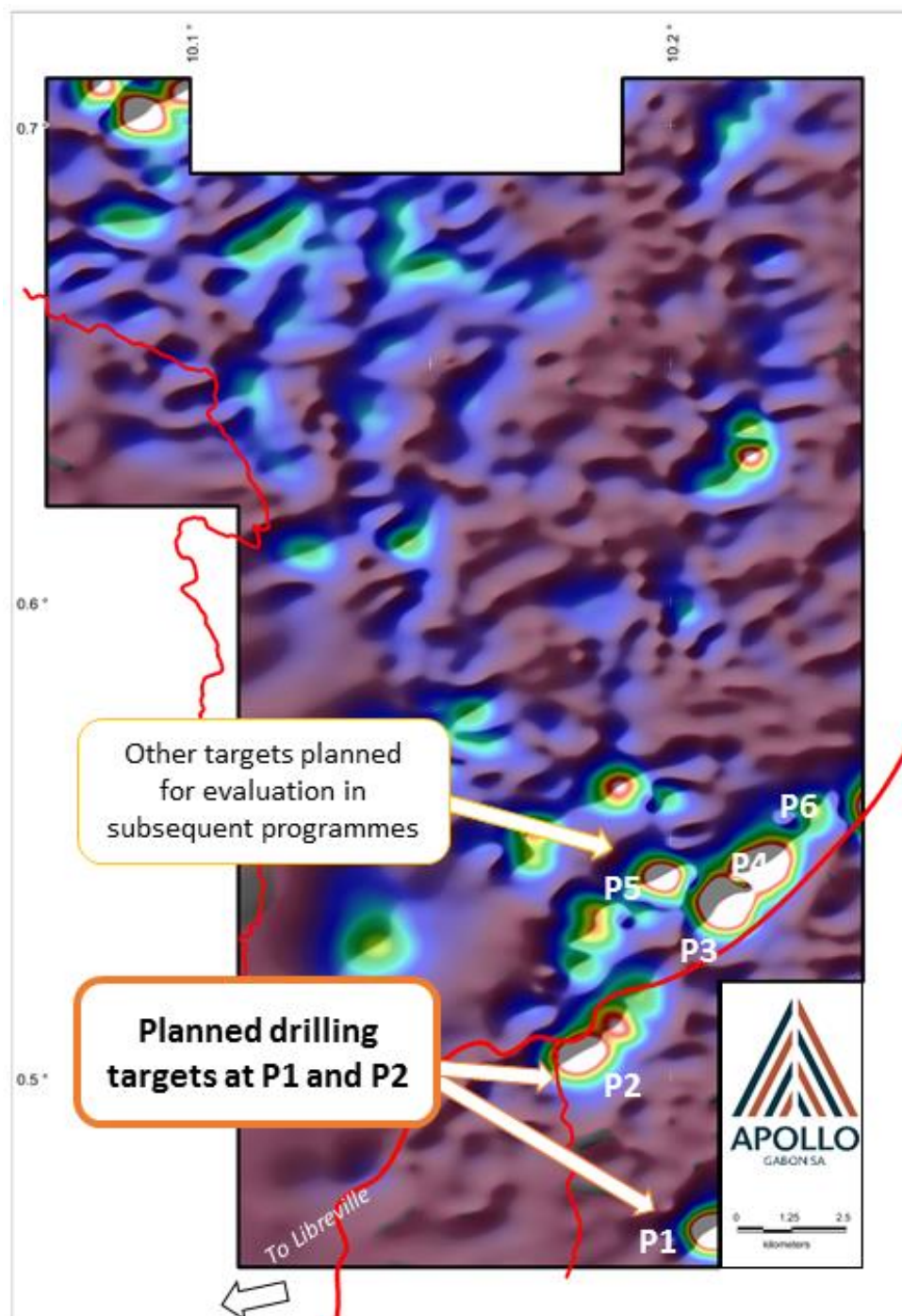


Figure 1 – Proposed drilling areas at magnetic targets P1 and P2 where maiden diamond drilling has commenced, Kango North

About Gabon

Apollo Gabon SA owns the Kango North Iron and Gold Project in the north-western Estuaire Province in Gabon. The Project is located ~70km east from the county's capital, Libreville and situated close to all infrastructure suitable to advance exploration, mine development, processing and export.

Apollo previously announced a major Exploration Target upgrade for the Project and is now focused on evaluating a DSO-grade iron ore target located in the south-east of the tenement.

The licence area is accessed by the major, partially sealed N5 road which provides a direct route from Libreville and has access to surrounding infrastructure. The Tchimbele (69MW) and Kinguele (58MW) hydroelectric dams are also located within 20km of the Project area. The Trans-Gabon Railway is situated 25km south of the Project area and runs directly to Port Owendo in Libreville. In addition, road and rail access to the Gabon Estuary also provides a suitable transport option allowing for transshipment of product to ocean-faring vessels and export markets.

Formerly a French protectorate, Gabon is considered a politically stable and democratic country amenable to development of its mining industry. A revised mining code has been adopted in January 2015 by the Department of Mines, Industry and Tourism, which was drafted to facilitate growth of the mining sector through responsible development of its natural resources and attraction of foreign investment through low royalties and tax incentives during project construction phase.

ABOUT APOLLO MINERALS

Apollo Minerals Ltd (ASX code: AON) is a minerals explorer and developer with projects focused in South Australia and Western Australia.

In Australia, Apollo has two projects in areas which host world class deposits:

1. South Australian IOCG and gold project in Gawler Craton, and
2. Western Australian nickel project in Fraser Range Province.

In South Australia, the Titan Base-Precious Metals project is situated close to existing infrastructure including the Darwin-Adelaide railway line, highway and ports. Exploration is focused on discovering a major IOCG deposit in a new frontier of the world-class Gawler Craton. This project consists of:

- Commonwealth Hill Project JV (Apollo 100% interest)
- Eaglehawk JV (Apollo earning up to 75% interest)
- Aurora Tank JV (Apollo earning up to 75% interest)

In Western Australia, Apollo acquired a 70% interest in the Orpheus JV project in the Fraser Range, Western Australia from Enterprise Metals Ltd. Under the agreement Enterprise will be free carried until Apollo delivers a Bankable Feasibility Study for a mining area. Apollo is actively seeking to discover massive Ni-Cu sulphide mineralisation within an emerging world class, nickel province.

In the Fraser Range of Western Australia, Apollo is commencing exploration to identify 'Nova style' Ni-Cu-Co deposits within the high density Fraser Zone representing the mafic-ultramafic Fraser Complex.

On the west coast of Central Africa, Apollo has a 70% equity interest in Apollo Gabon which owns the Kango North Iron and Gold Project covering ~400km² area. The Project area is well situated and close to all infrastructure suitable to advance exploration and mine development. As previously announced by Apollo (see ASX: AON dated 25/11/2013), the Project hosts an exploration target² of 2.0 – 3.5Bt grading 30-40% Fe, including a higher grade target zone of 75 – 150Mt grading 45- 60% Fe.

² The estimates of Exploration Target sizes mentioned in this announcement should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.



Kango North Project location plan in Gabon, Central Africa

ENDS

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COMPETENT PERSON DECLARATION

The information in this Report that relates to Exploration Targets is based on information compiled by Mr Derek Pang who is a member of the Australasian Institute of Mining and Metallurgy. Derek is a full time employee of Apollo Minerals Ltd. Derek has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Derek consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Exploration Target is extracted from Public Report previously released by Apollo Minerals Limited. Public reports are available to review on the ASX and Apollo websites as follows:

25 November 2013 Major Increase in Exploration Target at Kango North, Gabon