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Apollo Minerals Limited and its controlled entities

ABN 96 125 222 924

Interim Financial Report

For the half year ended 31 December 2015

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The Directors present their report together with the financial report of Apollo Minerals Limited ("the Company") for the half-year ended 31 December 2015 and the independent auditors' review report thereon.

The Directors of the Company at any time during or since the end of the half-year are:

- Richard Shemesian - Chairman
- Anthony Ho - Non-executive Director
- Eric Finlayson - Non-executive Director

Result and Review of Operations

FRASER RANGE NICKEL JV PROJECT (AON 70% : ENT 30%)

During the period Apollo completed a detailed review of its Fraser Range data set and commenced a work programme to include high powered EM surveys and drilling. A highly experienced technical advisory board was established which identified over ten priority targets across the tenements, ranking Plato and Oceanus as highly prospective. A high powered electromagnetic (EM) survey was subsequently completed at the Oceanus and Plato prospects and priority targets at Plato were selected for detailed inversion modelling which has recently been completed.

A step-out and infill soil sampling programme was carried out in November and December across the Plato, Aorta, Highway and Titan prospects (Figure 1). Due to regional bush fires in the district, completion of the programme was delayed. Samples have been evaluated initially using a portable μ XRF analyser with selected samples pending submission to the laboratory for analysis.

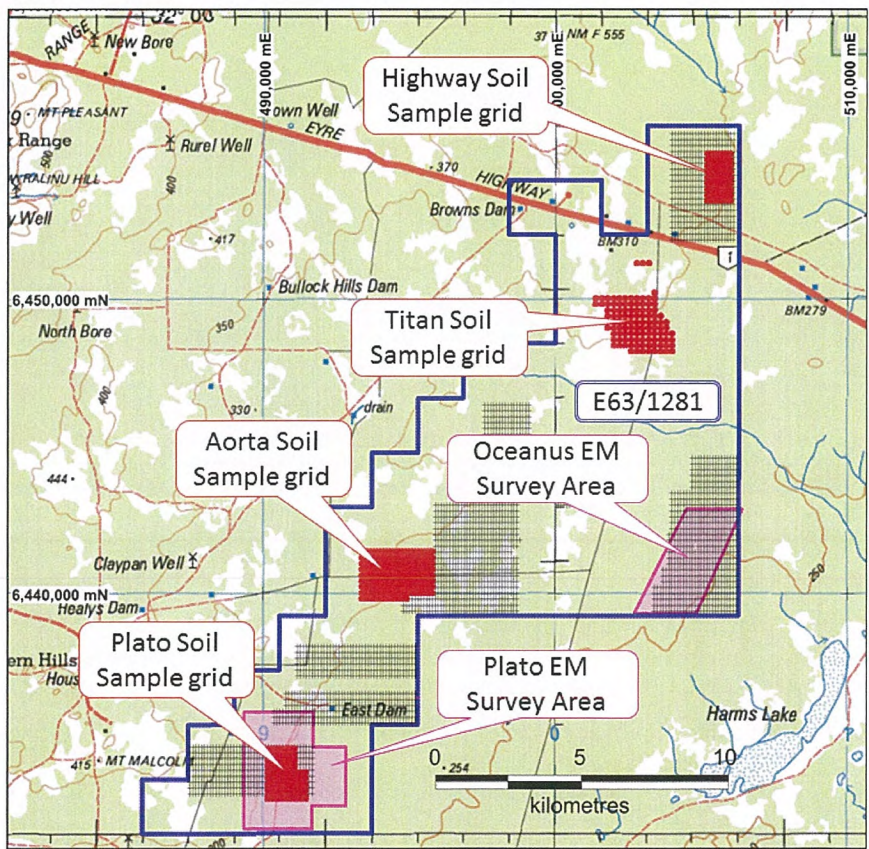


Figure 1 – Exploration plan with prospects targeted for geophysics and geochemical sampling programmes

Plato Prospect

At Plato, a high powered moving loop EM survey focused on a 12km² magnetic low where previous drilling had intersected nickel sulphides including 3m at 0.4% Ni (3,970ppm) and 0.1% Cu (1,480ppm). The magnetic low is interpreted to be a mafic-ultramafic intrusive body.

Recently finalised independent geophysical modelling of data from the moving loop electro-magnetic (MLEM) survey has identified a large basement conductor which extends to depth at the Plato prospect.

Apollo is undertaking detailed 3D modelling of the conductor together with a review of previous drilling on the Plato project which intersected nickel-bearing sulphides (3m at 0.4% Ni (3,970ppm) and 0.1% Cu (1,480ppm).

The aim of this work is to determine the potential of the conductor to host a significant nickel sulphide deposit. Results of this work will be announced when it is completed.

Previous reconnaissance soil geochemical data identified highly anomalous nickel, copper and cobalt values across the Plato prospect. Apollo has completed detailed infill sampling and samples are pending submission to an accredited laboratory.

Preliminary evaluation of the soil samples using a portable pXRF analyser has confirmed highly anomalous nickel and copper within the interpreted mafic – ultramafic intrusion particularly within its western lobe (Figure 2). This area has not been previously drill tested.

Further work is being planned to include initial aircore/RAB drilling and follow-up deeper RC and cored drilling.

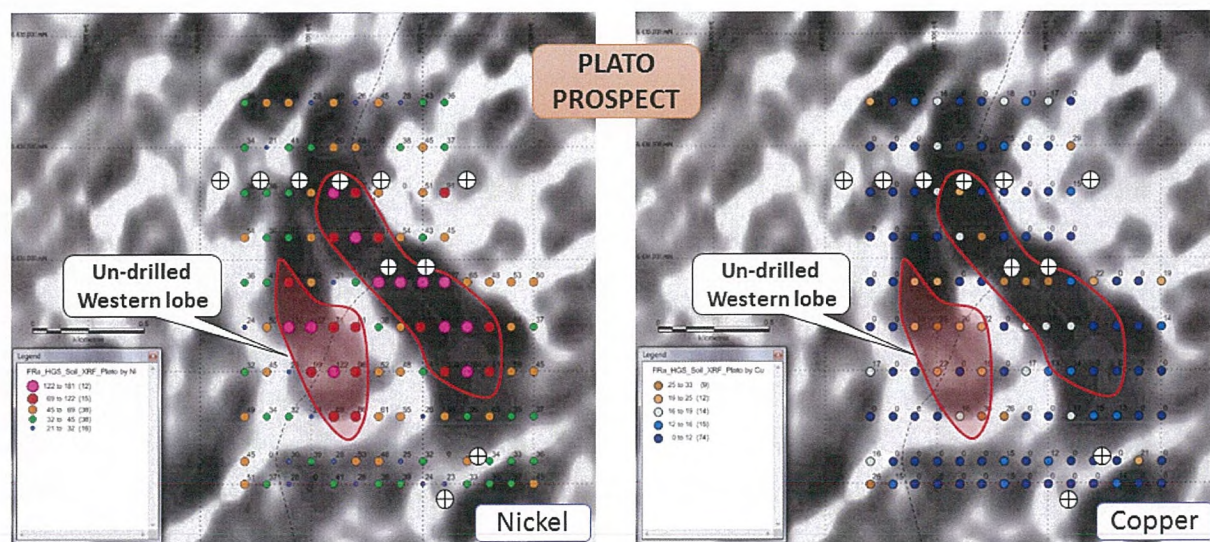


Figure 2 –xRF soil results show Ni and Cu anomalism correlating with magnetic lows and highlighting potential of the undrilled western lobe

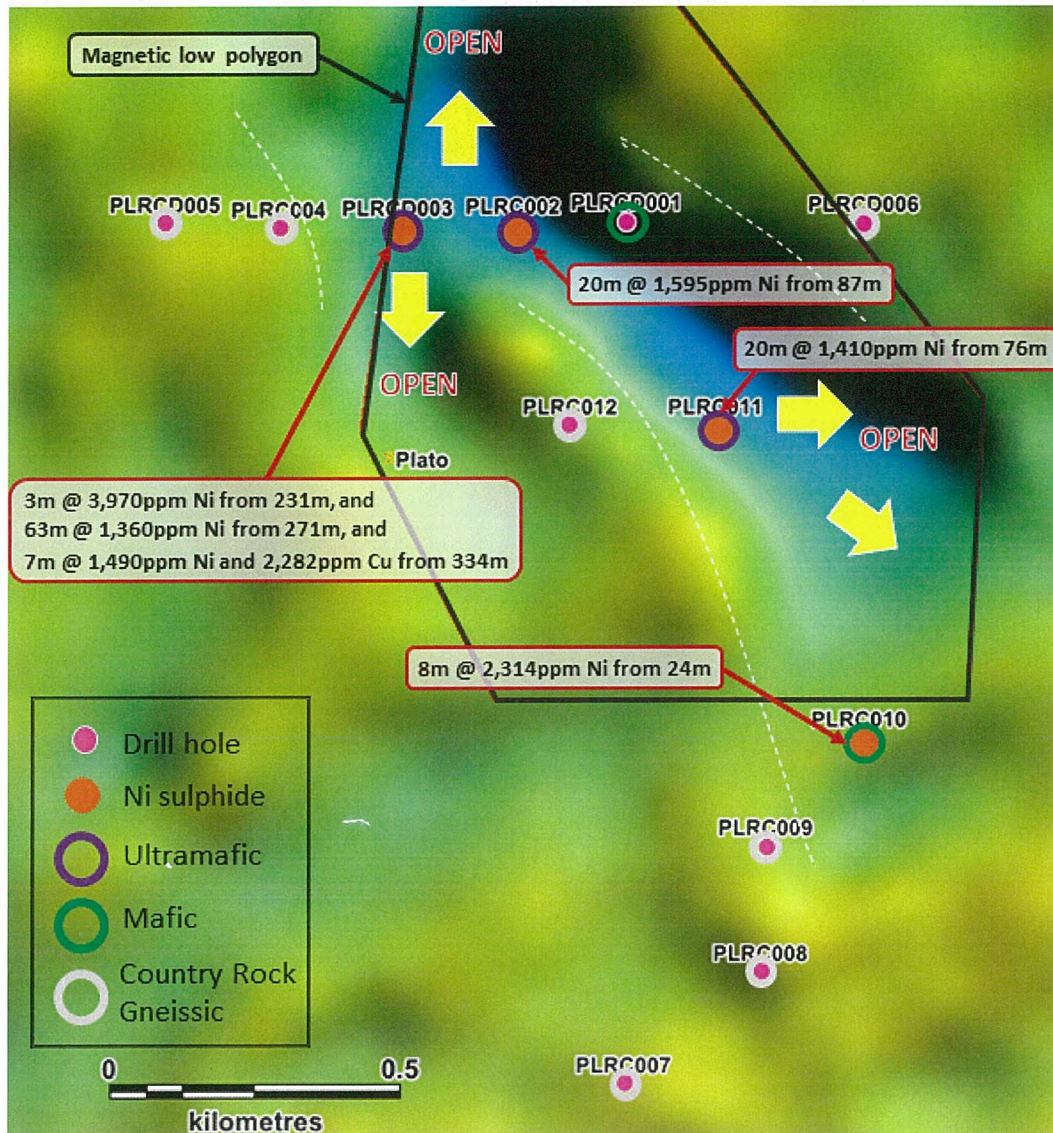


Figure 3 – Magnetic low target at Plato prospect showing previous nickel in drill intersections, and geochemical vectors where further exploration is warranted

TITAN BASE & PRECIOUS METALS PROJECT

The Titan Base & Precious Metals project area situated in the Gawler Craton of South Australia includes 100% held tenements and contiguous farm-in joint ventures on the Mars Aurora Tank and Eaglehawk JV projects.

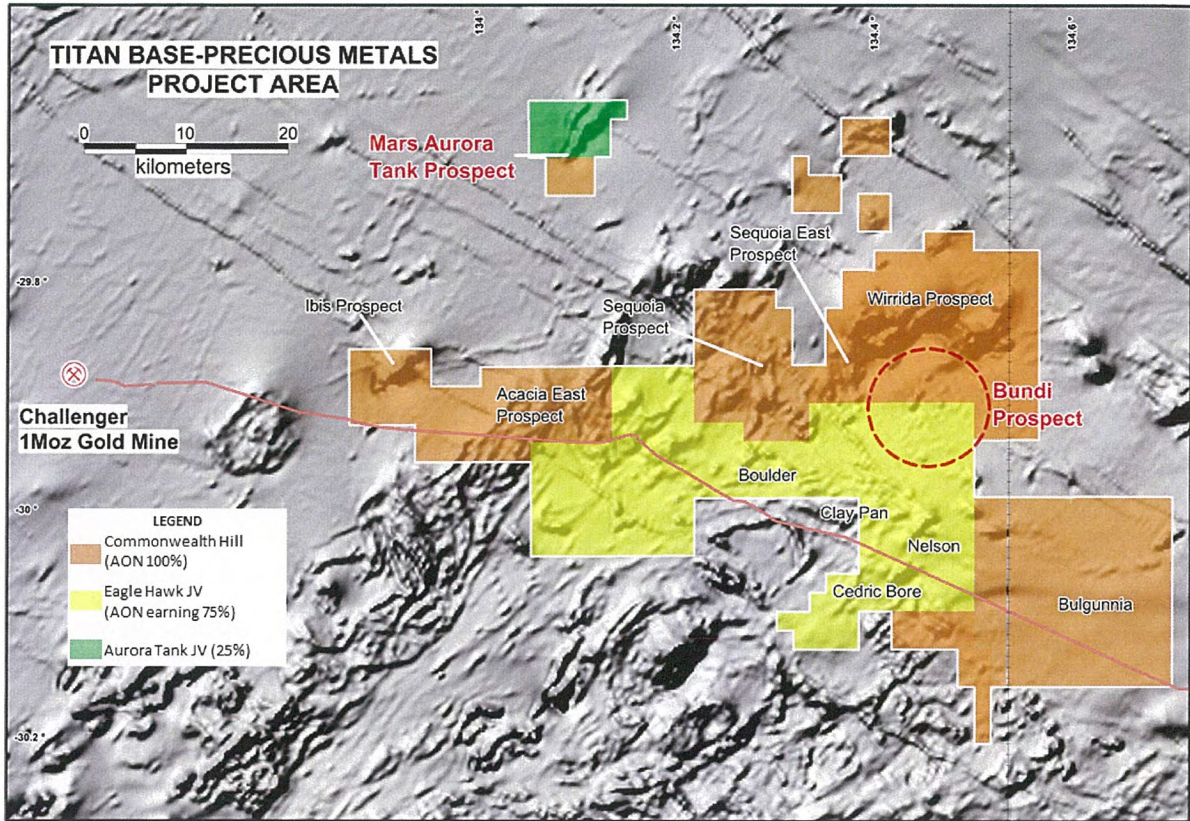


Figure 4 – Tenement plan showing the various Titan Base Precious metals project areas

Mars Aurora Tank Project

During the period independent geologist Dr Kevin Wills reviewed results from the Mars Aurora Tank drilling programme and confirmed that a new high grade gold bearing system had been identified. Dr Wills has over 40 years’ experience in mineral exploration and mining and was a founding member of the exploration team established by Dominion Mining that discovered the Challenger gold deposit located 50km to the southwest. Expert opinion by Dr Wills concluded that further drilling at Mars Aurora Tank is likely to intersect further high grade gold zones.

Significant drill thickness intervals reported by Apollo (ASX announcements dated 10 June 2015 and 21 October 2014) include:

- 4m at 5g/t Au from 16m, including 1m at 15g/t Au
- 16m at 1.0g/t Au from 20m, including 8m at 1.5g/t Au
- 16m at 0.7g/t Au from 19m and
- 12m at 0.6g/t Au from 34m.

Additional historic drill thickness intersections by previous explorers include:

- 4m at 2.0g/t Au from 112m (RCMR12)
- 20m at 0.5g/t Au from 116m, including 4m at 1.6g/t (RCAT13)
- 4m at 1.3g/t Au from 24m (MR031B)
- 4m at 1.2g/t Au from 56m (RCMR9)
- 12m at 0.3g/t Au from 100m including 4m at 0.7g/t Au (RCAT8).

(Source: Open File report ENV9291 and ENV9494 by Minotaur Gold NL)

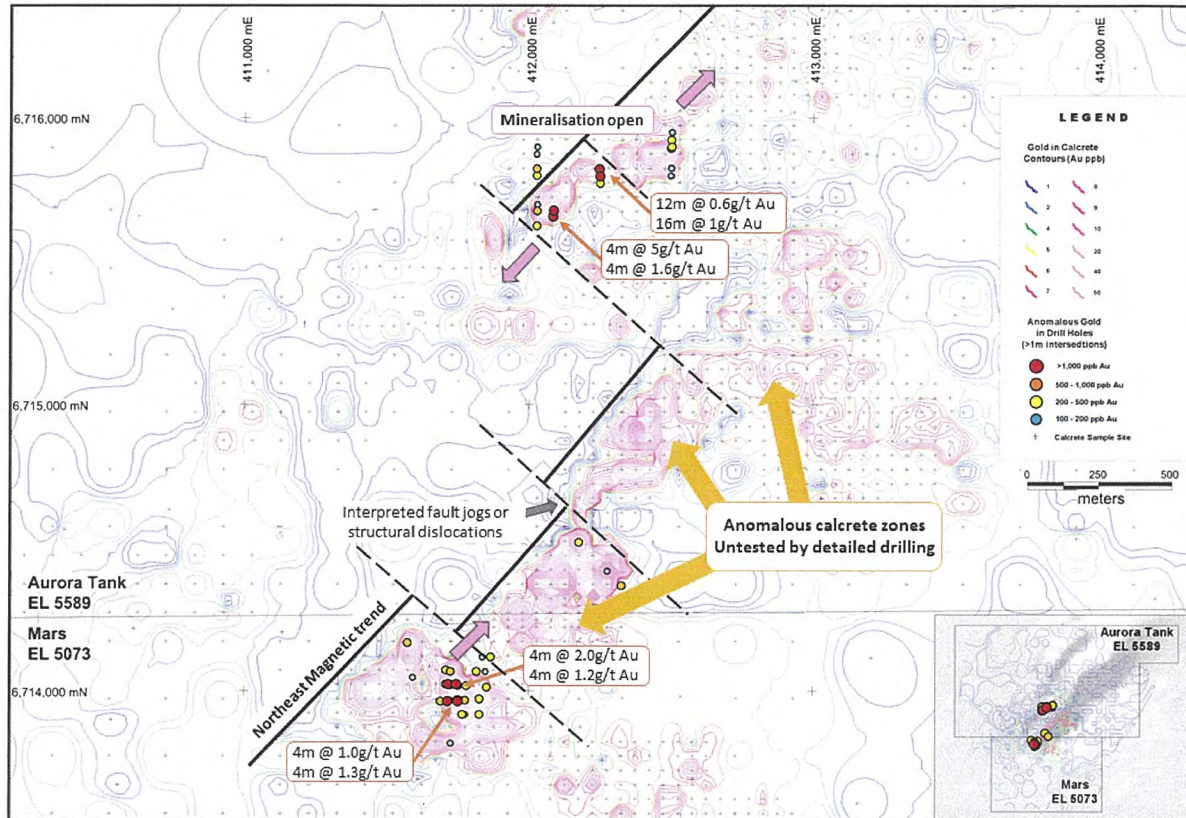


Figure 5 – Significant drill intersections with contoured surface gold in calcrete at Mars and Aurora Tank

Commonwealth Hill Project

Apollo is progressing with plans to continue exploration across the 100% held tenements and is in active discussions with a number of parties interested in joint exploration of the Titan Base- & Precious Metals Project.

The project contains a previously reported 2004 JORC code compliant iron ore resource (72Mt @ 25.9%Fe) at Sequoia (AON announcement dated 25 June 2012). The Company is not aware of any new information or data that materially affects the information included in the original market announcement.

Other targets with potential for Direct Shipment Ore (DSO) iron mineralisation have yet to be drill tested and include the Ibis Prospect where previous surface sampling has provided encouraging results.

Within the greater Titan Project area, the Eaglehawk and Commonwealth Hill tenements remain highly prospective for iron oxide copper and gold (IOCG), Challenger style gold and iron-titanium-phosphate (FTP) mineralisation.

As the value of the Commonwealth Hill project (excluding Eaglehawk and the Mars Aurora Tank project) is uncertain the Directors have determined that it should be written down to no value and have recorded a write off of \$4,564,921 in the current period.

KANGO NORTH IRON PROJECT, GABON (AON 70%)

The Kango North Iron project covers ~400km² in Gabon, on the west coast of Central Africa. The Project is located 110km by road from the country’s capital Libreville and is positioned close to well-maintained roads, the national electricity grid, shipping ports and open access railway.

Exploration on the Kango North project is continuing and is funded by Zoradox, a major international partner that is seeking to earn up to a 50.1% interest in the Project through the contribution of ~\$4m (US\$3m) in exploration. Circa A\$1m has been paid into the JV account by Zoradox and is being utilised for exploration on the project.

During the period, a maiden drilling programme completed a series of vertical holes to test airborne and ground magnetic targets, representing near surface magnetite iron mineralisation. Nine holes were completed for a total of ~550m with samples submitted to ALS laboratory in South Africa for analysis and Davis Tube Recovery (DTR) test work. Final results are pending and will be reported as received by the Company. Further drilling is planned in the 2016 dry season (mid-year).

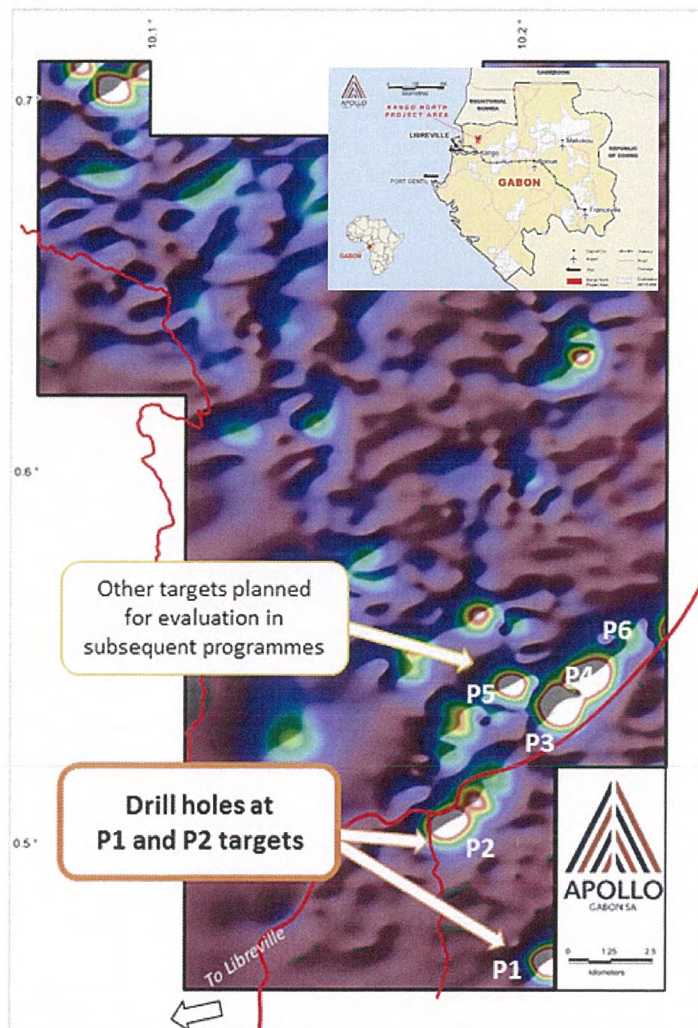


Figure 5 – Kango North project area showing initial drilling areas at P1 and P2 targets

COMPETENT PERSON DECLARATION

The information in this Report that relates to Exploration Results is based on information compiled by Mr Derek Pang who is a member of the Australasian Institute of Mining and Metallurgy. Derek has over 15 years' experience in mineral exploration and 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 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'. Derek consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

EVENTS SUBSEQUENT TO REPORTING DATE

There are no other events subsequent to the end of the period that would have a material effect on the company's financial statements at 31 December 2015.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, other than the matters covered above in this report, or as set out in the accounts and notes thereto, there were no significant changes in the state of affairs of the Company that occurred during the financial period under review.

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year to the date of this report.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 10 and forms part of the directors' report for the half-year ended 31 December 2015.

Signed in accordance with a resolution of the Directors



Richard Shemesian
Chairman

Dated at Sydney
4 March 2016

APOLLO MINERALS LIMITED AND CONTROLLED ENTITIES
ABN 96 125 222 924

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
APOLLO MINERALS LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2015 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

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DREW TOWNSEND
Partner
Dated: 4 March 2016

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
		<u> </u>	<u> </u>
Revenue		-	505,822
Interest Income		5,816	23,899
Consultants – geological and management		(65,386)	(217,329)
Legal costs		(26,559)	(136,149)
Directors fees		(60,925)	(105,886)
Employee benefits expense		(58,904)	(48,238)
Compliance and regulatory expenses		(41,081)	(82,087)
Corporate, facilities fees and marketing costs		(32,493)	(91,238)
Share-based payments to consultants		(14,500)	(231,039)
Share-based payments to directors		(227,896)	-
Impairment of loan		-	(29,565)
Exploration expenditure written off		(4,564,921)	(16,954)
Travel		(58,525)	(51,242)
Other expenses		(98,715)	(78,488)
		<u> </u>	<u> </u>
(LOSS) BEFORE INCOME TAX		(5,244,089)	(558,494)
Income tax benefit		-	109,766
(LOSS) FOR THE PERIOD		<u> </u> (5,244,089)	<u> </u> (448,728)
Other comprehensive income for the period, net of income tax		-	-
		<u> </u>	<u> </u>
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD		<u> </u> (5,244,089)	<u> </u> (448,728)
Basic and diluted loss per share	2	(7.5) cents	(0.8) cents

The consolidated statement of profit or loss and other comprehensive Income is to be read in conjunction with the attached notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 1 July 2015	35,650,903	(27,381,438)	686,391	8,955,856
Other comprehensive income				
Loss for the period	-	(5,244,089)	-	(5,244,089)
Total comprehensive (loss) for the period	-	(5,244,089)	-	(5,244,089)
Transactions with owners, in their capacity as owners				
Share issue	66,750	-	-	66,750
Transfer from options based payments reserve	-	300,819	(300,819)	-
Transfer to options based payments reserve	-	-	217,896	217,896
Total transactions with owners, in their capacity as owners	66,750	300,819	(82,923)	284,646
Balance at 31 December 2015	35,717,653	(32,324,708)	603,468	3,996,413
Balance at 1 July 2014	32,614,135	(26,342,137)	471,882	6,743,880
Other comprehensive income				
Loss for the period	-	(448,728)	-	(448,728)
Other comprehensive income for the period	-	(448,728)	-	(448,728)
Total comprehensive (loss) for the period	-	(448,728)	-	(448,728)
Transactions with owners, in their capacity as owners				
Share issue	2,307,222	-	-	2,307,222
Adjustment share issue costs	(156,704)	-	-	(156,704)
Transfer from option based payments reserve	-	111,800	(111,800)	-
Transfer to share based payments reserve	-	-	231,039	231,039
Total transactions with owners, in their capacity as owners	2,150,518	111,800	119,239	2,381,557
Balance at 31 December 2014	34,764,653	(26,679,065)	591,121	8,676,709

The consolidated statement of changes in equity is to be read in conjunction with the attached notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	31 December 2015	30 June 2015
Note	\$	\$
Current Assets		
Cash and cash equivalents	439,434	808,308
Trade and other receivables	91,456	757,665
Total Current Assets	<u>530,890</u>	<u>1,565,973</u>
Non-current Assets		
Exploration and evaluation expenditure	3 3,812,405	7,717,611
Total Non-current assets	<u>3,812,405</u>	<u>7,717,611</u>
Total Assets	<u>4,343,295</u>	<u>9,283,584</u>
Current Liabilities		
Trade and other payables	346,882	327,728
Total Current Liabilities	<u>346,882</u>	<u>327,728</u>
TOTAL LIABILITIES	<u>346,882</u>	<u>327,728</u>
Net Assets	<u>3,996,413</u>	<u>8,955,856</u>
Equity		
Share capital	4 35,717,653	35,650,903
Reserves	4 603,468	686,391
Accumulated losses	<u>(32,324,708)</u>	<u>(27,381,438)</u>
Total Equity	<u>3,996,413</u>	<u>8,955,856</u>

The consolidated statement of financial position is to be read in conjunction with the attached notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(481,283)	(889,650)
Interest received	5,816	20,562
	<u> </u>	<u> </u>
NET CASH USED IN OPERATING ACTIVITIES	(475,467)	(869,088)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(427,116)	(1,758,233)
Research and development tax rebate	533,710	109,766
Proceeds from sale of exploration project	-	250,000
	<u> </u>	<u> </u>
NET CASH USED IN INVESTING ACTIVITIES	106,594	(1,398,467)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	2,200,000
Costs of issue of shares	-	(156,704)
	<u> </u>	<u> </u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	2,043,296
Net (decrease) in cash held	(368,874)	(224,259)
Cash at the beginning of the financial period	<u>808,308</u>	<u>1,239,563</u>
CASH AT THE END OF THE FINANCIAL PERIOD	<u>439,434</u>	<u>1,015,305</u>

The consolidated statement of cash flows is to be read in conjunction with the attached notes to the financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The consolidated half-year financial report does not include all of the information required for a full annual financial report. The half-year financial report is to be read in conjunction with the most recent annual financial report for the year ended 30 June 2015. This report must also be read in conjunction with any public announcements made by Apollo Minerals Limited and its controlled entities during the half-year.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

(A) GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$5,244,089 and had net cash outflows from operating activities of \$475,467 for the half year ended 31 December 2015. The consolidated entity has prepared budgets and forecasts for the following 12 months, and has determined further capital is required if the company is to continue at the planned level of operations.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

1. The Company has been successful in raising capital whenever it has approached the markets in the past and the directors are confident in the ability to continue to raise additional funds on a timely basis, as and when required;
2. The consolidated entity has cash at bank at balance date of \$439,434 net working capital of \$184,008 and net assets of \$3,996,413;
3. The ability of the consolidated entity to further scale back certain parts of their activities that are non-essential so as to conserve cash;
4. The consolidated entity retains the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets;
5. The directors have reviewed the individual projects and are confident that the consolidated entity will continue to explore all its major projects; and;
6. The directors regularly monitor the Group's cash position and, on an on-going basis, consider a number of strategic initiatives to ensure that adequate funding continues to be available.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Recovery of Capitalised Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related site itself, or if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to the environmental restoration obligations) and changes to commodity prices.

(C) NEW AND REVISED STANDARDS AND AMENDMENTS THEREOF AND INTERPRETATIONS EFFECTIVE FOR THE CURRENT HALF-YEAR THAT ARE RELEVANT TO THE CONSOLIDATED ENTITY

In the half year ended 31 December 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the company and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the company and, therefore, no change is necessary to Group accounting policies.

2. EARNINGS PER SHARE

The calculation of basic earnings and diluted earnings per share at 31 December 2015 was based on the loss attributable to shareholders of \$5,244,089 (2014: Loss \$448,728) and the weighted average number of ordinary shares outstanding during the half year ended 31 December 2015 of 70,308,288 (2014: 590,411,492), calculated as follows:

	2015 Cents	2014 Cents
Basic and diluted loss per share	(7.5)	(0.8)

3. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2015 \$	30 June 2015 \$
Exploration and evaluation phase costs carried forward at valuation:	(b) 3,812,405	7,717,611

(a) Exploration expenditure

Exploration expenditure carried forward at 31 December 2015 represents primarily the Group's interest in the the Fraser Range nickel project in Western Australia, the Commonwealth Hill project located in the Gawler Craton region of South Australia and its 70% interest in the iron ore project in Gabon.

(b) Movement in carrying amount of exploration and evaluation expenditure:

	31 December 2015 \$	30 June 2015 \$
Opening balance	7,717,611	6,381,641
Acquisition of Fraser Range project	-	400,000
Acquisition of additional interest in Gabon project	250,000	16,903
Expenditure in current period	409,715	1,610,209
Exploration expenditure written off	(4,564,921)	(47,500)
Research and development rebate received/receivable	-	(643,642)
Closing balance	3,812,405	7,717,611

4. SHARE CAPITAL & RESERVES

	31 December 2015 \$	30 June 2015 \$
Issued capital	(a) 35,717,653	35,650,903
Options reserve	(b) 603,468	686,391
	36,321,121	36,337,294

ISSUED CAPITAL DETAILS

71,915,576 (30 June 2015:70,155,576) fully paid ordinary shares: (a)

(a) Reconciliation of movement during the period:

	Shares	\$
Opening balance	70,155,576	35,650,903
Shares issued to service providers	1,010,000	36,750
Shares issued to Directors in lieu of fees	750,000	30,000
Closing Balance	71,915,576	35,717,653

Fully paid ordinary shares – no par value

Ordinary shares participate in dividends and are entitled to one vote per share at shareholders meetings. In the event of winding up the Company, ordinary shareholders rank after creditors and are entitled to any proceeds of liquidation in proportion to the number of shares held.

(b) Movement in option reserve

	\$
Opening balance	686,391
Share based payments directors	217,896
Expiry of options and performance rights	(300,819)
Closing Balance	603,468

(c) Outstanding Share Options

As at 31 December 2015 the company had the following share options outstanding:

	Number issued	Number listed on ASX	Exercise Price	Expiry Date
Share Options	7,054,174	-	30 cents	28/02/17
Share Options	6,712,500	-	13 cents	28/02/18
Share Options	6,000,000	-	8 cents	30/11/20
	19,766,674			

5. SEGMENT INFORMATION

The Group's operations are in the resources sector. Management reporting identifies three major projects being Fraser Range, Commonwealth Hill (SA) and Kango North (Gabon).

	Exploration - Activities Fraser Range	Exploration - Activities Commonwealth Hill	Exploration - Activities Kango North	Unallocated	Total
	\$	\$	\$	\$	\$
31 December 2015					
Segment revenue	-	-	-	5,816	5,816
Segment expenses	-	-	-	(5,249,905)	(5,249,905)
Results from operating activities	-	-	-	(5,244,089)	(5,244,089)
Segment assets	768,139	1,127,125	1,917,141	530,890	4,343,295
Segment liabilities	-	-	-	346,883	346,883

	Exploration - Activities Fraser Range	Exploration - Activities Commonwealth Hill	Exploration - Activities Kango North	Unallocated	Total
	\$	\$	\$	\$	\$
31 December 2014					
Segment revenue	-	-	-	529,721	529,721
Segment expenses	-	-	-	(978,449)	(978,449)
Results from operating activities	-	-	-	(448,728)	(448,728)
Segment assets		5,868,548	1,614,989	1,495,028	8,978,565
Segment liabilities	-	-	-	301,858	301,858

6. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

7. EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the end of the period that would have a material effect on the company's financial statements at 31 December 2015.

In the opinion of the Directors of Apollo Minerals Limited:

- (a) the financial statements and notes, set out on pages 11 to 19:
 - (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001; and
 - (ii) give a true and fair view of the Consolidated entity's financial position as at 31 December 2015 and of the Consolidated entity's performance, for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 4 March 2016.

Signed in accordance with a resolution of the Directors.



Richard Shemesian
Executive Chairman

**APOLLO MINERALS LIMITED AND CONTROLLED ENTITIES
ABN 96 125 222 924****INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
APOLLO MINERALS LIMITED****SYDNEY**Level 40
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AustraliaGPO Box 3555
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Fx: (612) 9263 2800**Report on the Interim Financial Report**

We have reviewed the accompanying half-year financial report of Apollo Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Apollo Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Apollo Minerals Limited's financial position as at 31 December 2015 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Apollo Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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APOLLO MINERALS LIMITED
ABN 96 125 222 924

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
APOLLO MINERALS LIMITED

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Apollo Minerals Limited is not in accordance with the Corporations Act 2001 including:

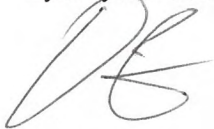
- (i) giving a true and fair view of Apollo Minerals Limited's financial position as at 31 December 2015 and of its performance for the period ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the company incurred a net loss of \$5,244,089 and had net cash outflows from operating activities of \$475,467 during the half-year ended 31 December 2015. These conditions, along with other matters as set forth in Note 1(A), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the half-year financial report.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 4 March 2016

DIRECTORS

Richard Shemesian (Executive Chairman)
Anthony Ho (Non-Executive Director)
Eric Finlayson (Non-Executive Director)

COMPANY SECRETARY

Guy Robertson

REGISTERED OFFICE

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AUDITORS

Hall Chadwick
Chartered Accountants

BANKERS

Westpac Banking Corporation

WEBSITE

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