



16 May 2016

Letter to Shareholders – Capital Raising

Dear Shareholder,

The Notice of a General Meeting of Shareholders to be held on 15 June 2016 has been mailed to Shareholders.

The meeting is to seek approval, amongst other matters, for a share placement which will raise \$1.7 million to allow the company to progress its existing exploration projects and the acceleration of project generation opportunities.

The meeting will also facilitate the appointment to the Board of two experienced mining industry personnel, Mr Ian Middlemas and Mr Mark Pearce.

Mr Middlemas has a strong track record of identifying and developing high quality resource projects. Previous successes have included Mali gold explorer Papillon Resources Limited and Tanzanian uranium focused Mantra Resources Limited which were both taken over in large transactions (Mantra A\$1.1b, and Papillon A\$600m) with significant returns to investors. Other interests include Salt Lake Potash (ASX:SO4) and Berkeley Energia Limited (ASX:BKY).

Mr Middlemas intends to participate in the \$1.7m placement and I am also seeking to invest a further \$200,000 through the placement. The above not only shows that directors are confident of the future direction of the company but in my view the most successful company's are those in which board members hold a significant number of shares in the company thereby completely aligning the board's interests with the shareholders.

With the new board team we are confident that the company will be able raise approximately \$4m placing the company in a strong financial position to develop and acquire resource assets in a market where the price of mining assets have fallen significantly. We aim to be able to buy quality assets and add value by exploration and thereby increasing the value of the assets and the company's shares.

To effect the capital raising, the Company will simplify the capital structure and undertake a share consolidation and a non-renounceable rights issue on a 1 for 1 basis to raise \$2.7 million in addition to the placement described above. This will allow existing shareholders to participate at the same price as the proposed share placement.

The Company has already received significant indications of support for this initiative. On the completion of the capital raising there will be approximately 107 million shares on issue and it is expected that there will be ample liquidity in the stock.

Apollo currently has several projects in Australia and overseas including the Fraser Range Nickel project, a project near the Independence Group's nickel mine which was acquired last year for over \$1 billion. In order to deliver returns to shareholders we will build on these assets and continue to review the best options such as joint ventures, sale or self funding exploration to extract value from these assets.

We look forward to your ongoing support and we will keep shareholders updated as we move forward with this exciting phase in our development.

Richard Shemesian
Chairman