



ASX ANNOUNCEMENT

By e-lodgement

27 October 2016

Exercise of Option over Seguela Gold Project, Cote d'Ivoire

- **A subsidiary of Newcrest Mining Limited has exercised an Option to purchase the Seguela gold project in Cote d'Ivoire**
- **Option rights held pursuant to an Agreement between Newcrest and the shareholders of an Ivorian subsidiary company 80% owned by Apollo.**
- **Exercise of Option triggers the payment of the first instalment of a total of US\$3.5M in consideration payments. Apollo to receive 80% of all payments net of local charges**
- **Apollo will retain a 1.2% net smelter return royalty ('NSR'), allowing exposure to any subsequent commercial success. Newcrest holds the right to purchase the NSR at independently appraised fair value on a decision to mine being made**
- **Fees and consideration payments will allow Apollo sustained exploration drill-testing at its 100% owned Boundiali and Korhogo projects, and to add complementary gold projects in the country**

Apollo Consolidated Limited (**ASX:AOP**, 'Apollo' or 'the Company') advises that a subsidiary of global gold producer Newcrest Mining Limited (**ASX:NCM** 'Newcrest') has exercised its Option to Purchase ('Option') over the Company's 80% owned Seguela gold project in central west Cote d'Ivoire (Figure 1). The Option was negotiated mid-2015, announced in a Heads of Agreement Dec 2015, and formalised Feb 2016.

Under the terms of the Option Newcrest held the right to fund up to two years' exploration on the property, and on decision to exercise the Option it would purchase 100% of the Seguela permit PR-252 from the existing permit holder Mont Fouimba Ressources SA ('MFR'), an Ivorian subsidiary company 80% owned by Apollo.

Option fees received by Apollo have contributed to funding the Company's drilling programs elsewhere in the country, including on the Company's 100% owned **Boundiali** permit, where reverse circulation drilling is currently in progress at the emerging **Trench Zone** gold discovery.



The Option exercise triggers the first instalment of various consideration payments totalling US\$3.5M. A final payment will be made on completion of the transfer of full and unencumbered title to the permit to Newcrest which will occur following the Cote d'Ivoire Mining Minister approving and issuing a decree effecting the transfer. The second year option fee remains payable on the anniversary of the option agreement or at completion of the transfer if that occurs first.

Apollo will retain exposure to any subsequent commercial decision on the Seguela property through a net smelter royalty. On transfer of title Newcrest will execute royalty deeds with MFR's shareholders to grant a combined 1.5% NSR royalty over the permit, with Apollo's share being 1.2%. Newcrest will retain rights to repurchase the royalties at independently appraised fair market value on a decision to mine being made.

Subject to the necessary approvals being granted, Apollo's share of pre-tax fees and consideration payments flowing to Apollo and its subsidiaries over this period is expected to be approximately A\$4.4M*, significantly adding to the Company's current cash position of around A\$3.6M as at 30 September 2016.

Apollo intends to utilise these funds to step-up exploration drill-testing at its 100% owned **Trench Zone** gold discovery at **Boundiali**, where initial RC drilling in July 2016 returned results to **14m @ 11.24g/t Au, 11m @ 9.07g/t Au, and 35m @ 2.93g/t Au EOH**, and to progress aircore drilling through the associated >7km gold-in-soil anomaly.

The Company will also carry out systematic testing of a 20km long soil anomaly on its **Korhogo** permit, and work to add complementary gold projects in Cote d'Ivoire.

**pre local tax and charges, and assuming an AUD/USD exchange rate of 0.76c*

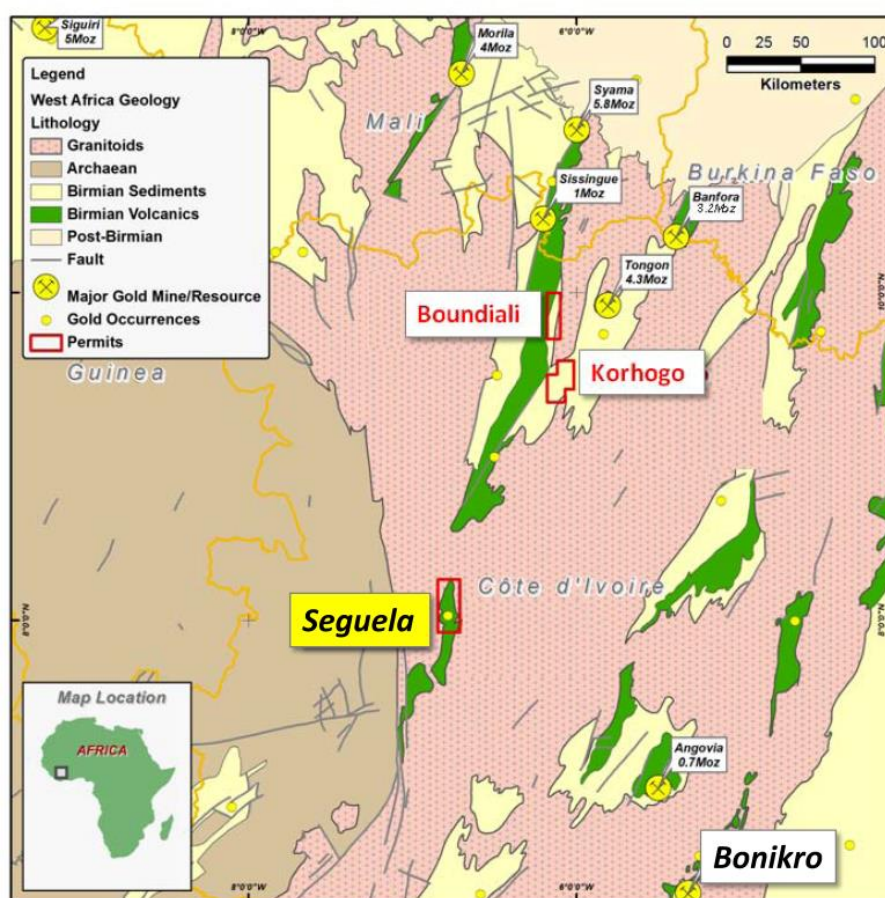


Figure 1 Location of Apollo's Permits and Newcrest's Bonikro Operation in Cote d'Ivoire

Latest presentation materials and ASX releases are available on the company website: www.apolloconsolidated.com.au

The information in this release that relates to Exploration Results, Minerals Resources or Ore Reserves, as those terms are defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve", is based on information compiled by Mr. Nick Castleden, who is a director of the Company and a Member of the Australian Institute of Geoscientists. Mr. Castleden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking 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 Reserve". Mr. Castleden consents to the inclusion of the matters based on his information in the form and context in which it appears.