



ASX RELEASE | 28 OCTOBER 2016 | ASX:AON

SEPTEMBER 2016 QUARTERLY REPORT

Apollo Minerals Limited (“Apollo Minerals” or “Company”) is pleased to present its quarterly report for the period ending 30 September 2016.

Highlights:

- Apollo Minerals completed a recapitalisation raising a total of \$5.2 million (before costs) by placement and subsequent non-renounceable entitlements issue;
- Upon completion of the placement in July 2016, Mr Ian Middlemas was appointed as Chairman of the Company and Mr Mark Pearce was appointed a Non-Executive Director. Both Mr Middlemas and Mr Pearce have extensive mining and resource expertise;
- Experienced mining executive Mr Robert Behets was appointed a Non-Executive Director of the Company in October 2016;
- At the Orpheus JV Project in the Fraser Range, the Company conducted an initial field visit to the northern tenement (E28/2403). A field visit was also completed at the Plato Prospect (E63/1281). Results from these activities are currently being assessed and will be used to assist planning of the next phase of exploration at Fraser Range; and
- As at 30 September 2016, Apollo Minerals had cash on hand of approximately \$5.12 million which places the Company in a strong financial position to continue exploration on its strategic ground holding in the Fraser Range province and to pursue new business opportunities in the resources sector both domestically and overseas.

FOR FURTHER INFORMATION CONTACT:

Robert Behets – Non-Executive Director
Tel: +61 8 9322 6322

Clint McGhie – Company Secretary
Tel: +61 8 9322 6322

Orpheus JV Project – Fraser Range

The Company has a 70% interest in the nickel, copper and gold prospective Orpheus JV Project in the Fraser Range province in south eastern Western Australia (Figure 1).

The Project area consists of four tenements covering over 600km² in the most prospective part of the world class Fraser Range exploration district, host to Independence Group’s (ASX: IGO) major Nova nickel and copper deposit. Apollo Minerals is required to sole fund all activities on the Project until completion of a Bankable Feasibility Study.

The Fraser Range province is highly prospective for nickel, copper and gold, and has attracted significant exploration since the discovery of the Nova deposit in 2012. The Project is strategically located along strike and mid-way between the Nova deposit to the northeast and Independence Group’s Crux nickel prospect to the southwest.

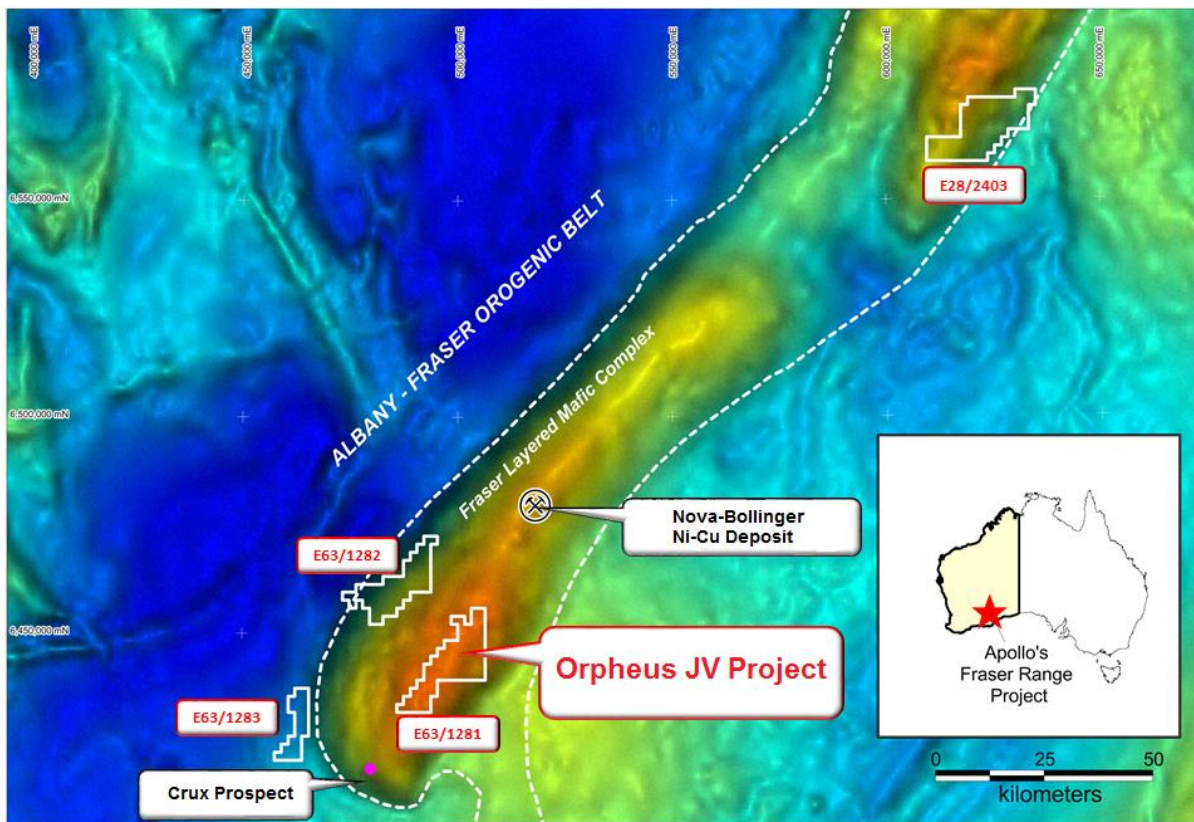


Figure 1: Tenement Plan – Orpheus JV Project, Fraser Range province

An initial field visit was undertaken to the northern tenement (E28/2403) during the quarter to assess access conditions, engage with the traditional owners, and to collect a limited number of calcrete samples over an anomalous historic sample location. The Company also engaged an experienced consultant to review and assess existing geological and geophysical data with a view to generating a geological interpretation map (1:50,000), target areas and recommendations for follow-up.

A site visit was also completed at the Plato Prospect (E63/1281) to assess rehabilitation requirements and access conditions for future drill programs.



The results of the geophysical/geological interpretation of the northern tenement and the field visits are currently being assessed as part of a comprehensive review of all available data in order to plan the next phase of exploration for nickel, copper and gold within the Orpheus JV Project area in the Fraser Range province.

Titan Base and Precious Metals Project

The Titan Base & Precious Metals Project area is situated in the Gawler Craton of South Australia. The Company has completed a comprehensive review of the Titan Project and is discussing the divestment of various prospects. During the quarter, Apollo reached an agreement to dispose of its interest in the Mars Aurora Tank JV to its joint venture partner for \$50,000.

Kango North Iron Project (AON 70%)

The Kango North Iron Project covers an area of 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.

Apollo Minerals has an earn-in joint venture with a diversified Middle Eastern group who are required to sole fund exploration at the Project. The JV partner can earn up to a 50.1% interest in the Project through the contribution of ~\$4m (US\$3m) in exploration and development. Apollo Minerals 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. In the first stage of the JV, the partner has earned a 30% interest through their commitment to sole fund the initial 2015/2016 work program totalling ~\$1m (US\$750k), including the maiden diamond drilling program completed in 2015.

A follow-up ground based magnetic survey has recently been completed over the P2 (infill) and P3-P4-P6 prospects, along with a field geological mapping program, in order to obtain additional information. The final results of these programs, once available, will be assessed by the JV partners in determining the next phase of exploration.



Corporate

In May 2016, the Company announced that it would restructure the Board and undertake a comprehensive recapitalisation process. Following Shareholder approval and a 1 for 4 share consolidation in June 2016, a placement of 42 million shares at \$0.05 each raising \$2.1 million (before costs), followed by a 1 for 1 non-renounceable entitlements issue at \$0.05 each raising \$3.1 million (before costs) were completed during the Quarter.

Upon completion of the placement in July 2016, Mr Ian Middlemas was appointed Chairman of the Company and Mr Mark Pearce was appointed a Non-Executive Director. Previous Chairman, Mr Richard Shemesian, has remained on the Board as a Non-Executive Director, whilst Mr Eric Finlayson and Mr Guy Robertson resigned as Non-Executive Directors. Mr Robertson also resigned as Company Secretary, and was replaced by Mr Clint McGhie.

Subsequent to the end of the Quarter, Mr Robert Behets was appointed as a Non-Executive Director of the Company.

As at 30 September 2016, Apollo Minerals has cash on hand of approximately \$5.12 million which places the Company in a strong financial position to continue exploration on its strategic ground holding in the Fraser Range province, and to pursue new business opportunities in the resources sector both domestically and overseas.

COMPETENT PERSON STATEMENT

The information in this Report that relates to Exploration Results is based on information compiled by Mr Robert Behets who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Behets is a holder of shares and options in, and is a director of Apollo Minerals Limited. Mr Behets 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'. Mr Behets consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Appendix 1: Summary of Mining Tenements

As at 30 September 2016, the Company has an interest in the following projects:

Project Name	Permit Number	Percentage Interest	Status
Fraser Range, Western Australia	E63/1281	70%	Granted
	E63/1282	70%	Granted
	E28/2403	70%	Granted
	E63/1695 ⁽¹⁾	70%	Application
Commonwealth Hill, South Australia	EL4960	100%	Granted
	EL5073	100%	Granted
	EL5074	100%	Granted
Bulgunnia, South Australia	EL5587 ⁽²⁾	100%	Granted
Kango North, Gabon	G1-340 ⁽³⁾	70%	Granted

Notes:

- 1 Exploration licence E63/1695 in application pending grant by the Western Australian DMP
- 2 Exploration licence EL5587 subject to an application to relinquish.
- 3 Exploration licence G1-340 subject to earn-in by Zoradox Ltd to earn up to 50.1% interest in Apollo Gabon SA, which owns the Kango North Project.
- 4 The Company withdrew from the Mars Aurora Tank JV and disposed of its interest in exploration licence EL5589.
- 5 Exploration licence EL5438 was relinquished during the quarter.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

APOLLO MINERALS LIMITED

ABN

96 125 222 924

Quarter ended ("current quarter")

30 SEPTEMBER 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(64)	(64)
(b) development	-	-
(c) production	-	-
(d) staff costs	(41)	(41)
(e) administration and corporate costs	(113)	(113)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
- Business development	(78)	(78)
1.9 Net cash from / (used in) operating activities	(284)	(284)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	50	50
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	1	1
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	51	51

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	5,219	5,219
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(42)	(42)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	5,177	5,177

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	175	175
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(284)	(284)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	51	51
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,177	5,177

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,119	5,119

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,071	175
5.2	Call deposits	48	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,119	175

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	73
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments include director fees, consulting fees, superannuation and provision of a fully serviced office.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Not applicable

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Not applicable

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	175
9.2 Development	-
9.3 Production	-
9.4 Staff costs	60
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	
- Business development	50
9.7 Total estimated cash outflows	385

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL5589	Joint venture interest	25%	-
	EL 5438	Direct	100%	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here:

(Director/Company secretary)

Date: 28 October 2016

Print name: Clint McGhie.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.