



**ASX RELEASE** | 31 JANUARY 2017 | ASX:AON

## **DECEMBER 2016 QUARTERLY REPORT**

Apollo Minerals Limited (“Apollo Minerals” or “Company”) is pleased to present its quarterly report for the period ending 31 December 2016.

### **Highlights:**

- At the Orpheus JV Project in the Fraser Range, a review and assessment of existing geological and geophysical data within the northern tenement (E28/2403) was completed. Two high priority target areas were identified for follow-up.
- Experienced mining executive Mr Robert Behets was appointed a Non-Executive Director of the Company in October 2016;
- As at 31 December 2016, Apollo Minerals had cash on hand of approximately \$4.75 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

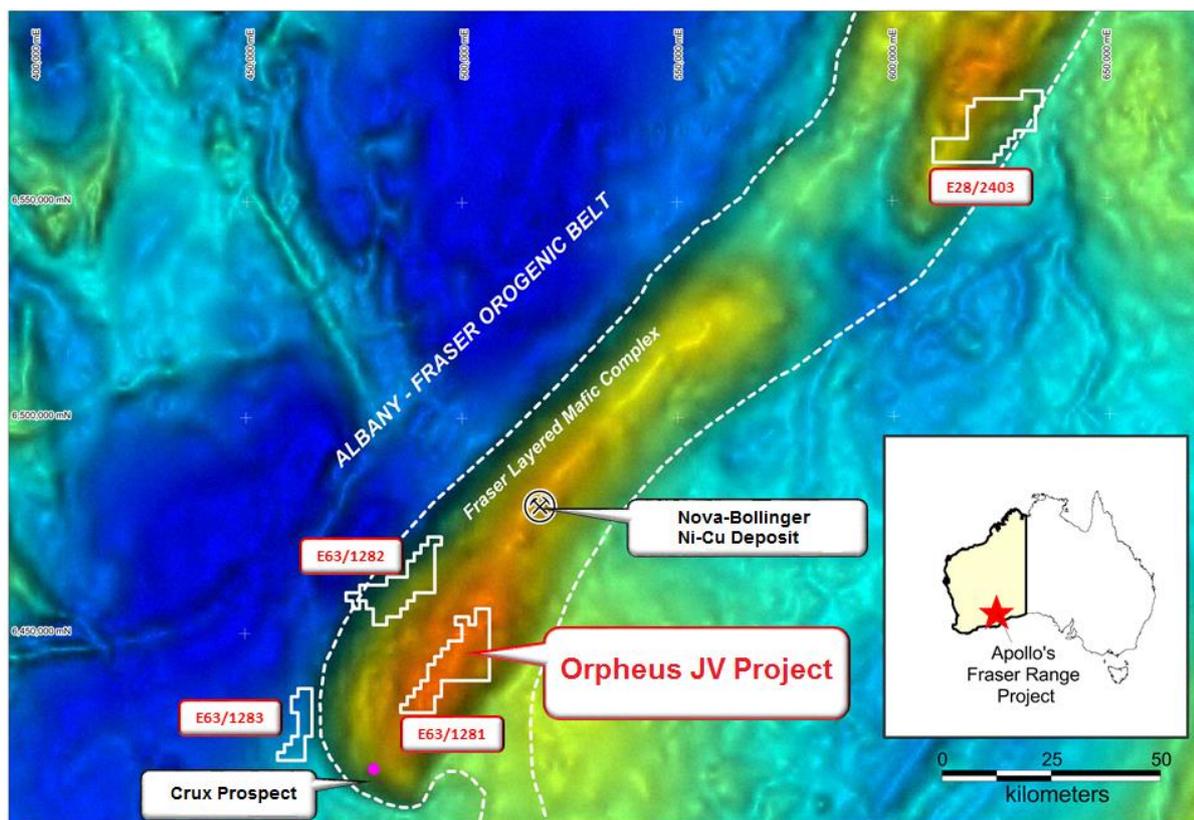
Clint McGhie – Company Secretary  
Tel: +61 8 9322 6322

## 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 600km<sup>2</sup> 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.

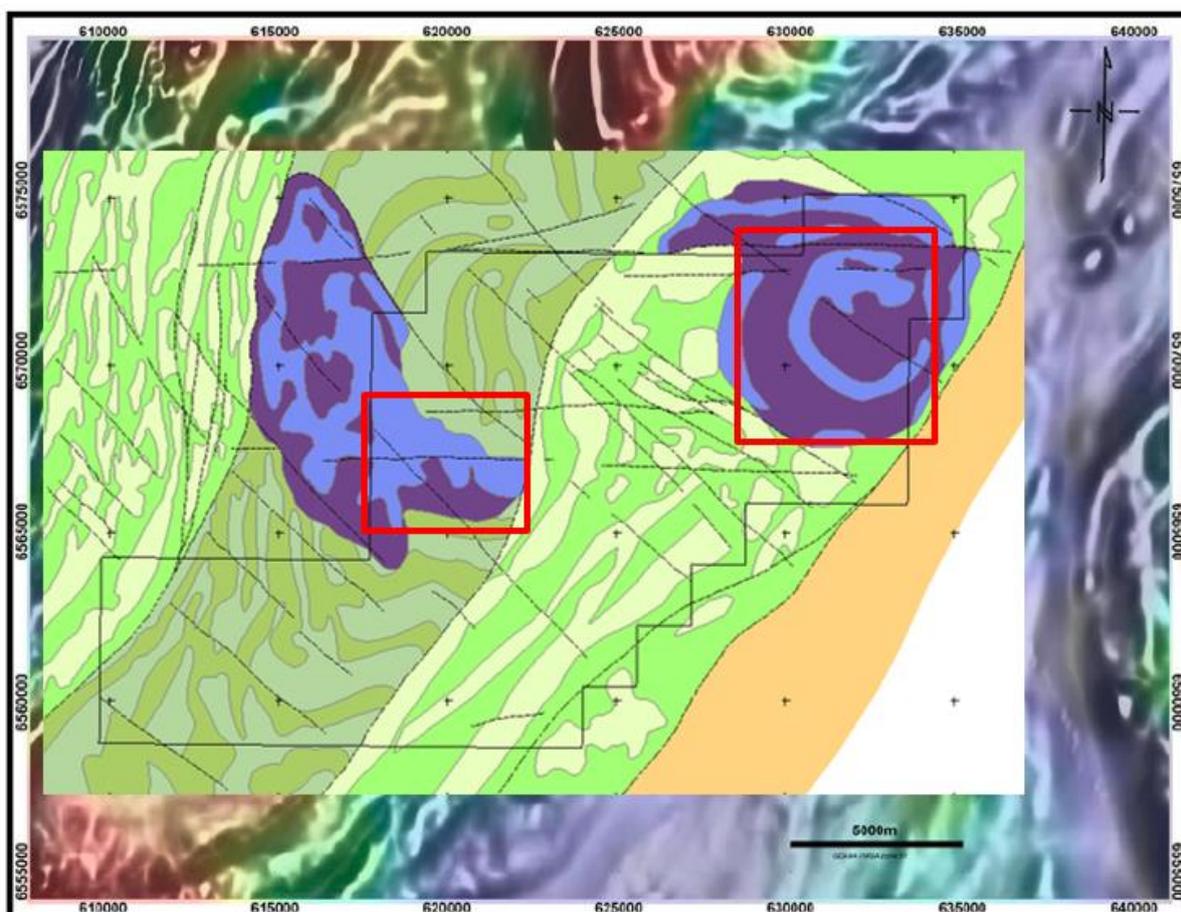
The Fraser Range province is highly prospective for nickel, copper and gold, and has attracted significant exploration since the discovery of the Nova deposit in 2012. The Project is strategically located along strike and mid-way between the Nova deposit to the northeast and Independence Group's Crux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



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

A review and assessment of existing geological and geophysical data within the northern tenement (E28/2403) has been undertaken by Barry Bourne, Principal Consultant at Terra Resources, who generated an updated geological interpretation of the lease area (1:50,000), as well as identifying target areas and recommendations for follow up.

The review identified two high priority target areas of interpreted gabbroic to ultramafic intrusives (Figure 2). These rock types have potential to host intrusive related nickel sulphide mineralisation. The recommended follow-up included the two high priority areas being covered with 500m line spacing moving loop EM.



**Figure 2: E28/2403 - Interpreted high priority areas (red squares) of potential gabbroic to ultramafic intrusives (purple and blue)**

These results will be incorporated into the ongoing 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.

### **Kango North Iron Project (AON 70%)**

The Kango North Iron Project covers an area of 400km<sup>2</sup> 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.

In April 2016, a follow-up ground based magnetic survey was completed over the P2 (infill) and P3-P4-P6 prospects by SRK Exploration Services Limited (“SRK ES”). A field geological mapping program was then undertaken by SRK ES over the P2 and P3-P4-P6 prospects in mid-2016 to provide greater geological understanding of the mineralised anomalies and to better identify targets for further iron ore exploration activities. The final report for this work program was received subsequent to the end of the quarter, with the results currently being assessed by the JV partners to determine the next phase of exploration.

## **Corporate**

Mr Robert Behets was appointed as a Non-Executive Director of the Company in October 2016.

Mr Behets is a geologist with over 28 years’ experience in the mineral exploration and mining industry in Australia and internationally. He has had extensive corporate and management experience and has been Director of a number of ASX-listed companies in the resources sector including Mantra Resources Limited (“Mantra”), Papillon Resources Limited, and Berkeley Energia Limited. Mr Behets was instrumental in the founding, growth and development of Mantra, an African-focused uranium company, through to its acquisition by ARMZ for approximately A\$1 billion in 2011. Prior to Mantra, he held various senior management positions during a long career with WMC Resources Limited.

As at 31 December 2016, Apollo Minerals has cash on hand of approximately \$4.75 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.

The Company reviewed several opportunities during the quarter, and will make announcements to the market as appropriate should an acquisition occur.

## **COMPETENT PERSON STATEMENTS**

*The information in this Report that relates to Geophysical Exploration Results for E28/2403 is based on information compiled by Mr Barry Bourne, who is employed as a Consultant to the Company through geophysical consultancy Terra Resources Pty Ltd. Mr Bourne is a fellow of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bourne consents to the inclusion in the report of matters based on information in the form and context in which it appears.*

*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 31 December 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 <sup>(1)</sup> | 70%                 | Application |
| Commonwealth Hill, South Australia | EL4960                  | 100%                | Granted     |
|                                    | EL5073                  | 100%                | Granted     |
|                                    | EL5074                  | 100%                | Granted     |
| Kango North, Gabon                 | G1-340 <sup>(3)</sup>   | 70%                 | Granted     |

### Notes:

- 1 Exploration licence E63/1695 in application pending grant by the Western Australian DMP
- 2 Exploration licence EL5587 (South Australia) was relinquished during the quarter.
- 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.

## 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")**

31 DECEMBER 2016

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                    |  |
| 1.1 Receipts from customers                               | -                                  | -  |
| 1.2 Payments for  |                                    |  |
| (a) exploration & evaluation                              | (177)                              | (241)  |
| (b) development   | -                                  | -  |
| (c) production  | -                                  | -  |
| (d) staff costs   | (33)                               | (73)   |
| (e) administration and corporate costs                    | (100)                              | (213)  |
| 1.3 Dividends received (see note 3)                       | -                                  | -  |
| 1.4 Interest received                                     | 25                                 | 37   |
| 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                                    | (68)                               | (146)  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(353)</b>                       | <b>(636)</b>                                   |

|  |   |   |
|--|---|---|
| <b>2. Cash flows from investing activities</b> |   |   |
| 2.1 Payments to acquire:                       |   |   |
| (a) property, plant and equipment              | - | - |
| (b) tenements (see item 10)                    | - | - |
| (c) investments                                | - | - |
| (d) other non-current assets                   | - | - |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 2.2   | Proceeds from the disposal of:                        |                                    |  |
|   | (a) property, plant and equipment                     | -                                  | -  |
|   | (b) tenements (see item 10)                           | -                                  | 50   |
|   | (c) investments                                       | -                                  | -  |
|   | (d) other non-current assets                          | -                                  | -  |
| 2.3   | Cash flows from loans to other entities               | -                                  | 1  |
| 2.4   | Dividends received (see note 3)                       | -                                  | -  |
| 2.5   | Other (provide details if material)                   | -                                  | -  |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>-</b>                           | <b>51</b>                                      |

|             |   |             |              |
|-------------|---|-------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |             |              |
| 3.1         | Proceeds from issues of shares  | -           | 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 | (11)        | (54)         |
| 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)   | -           | -            |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>(11)</b> | <b>5,165</b> |

|            |  |              |              |
|------------|--|--------------|--------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |              |              |
| 4.1        | Cash and cash equivalents at beginning of period                             | 5,119        | 175          |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (353)        | (636)        |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | -            | 51           |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | (11)         | 5,165        |
| 4.5        | Effect of movement in exchange rates on cash held                            | -            | -            |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>4,755</b> | <b>4,755</b> |

| 5. <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Bank balances  | 31                         | 5,071                       |
| 5.2 Call deposits  | 4,724                      | 48                          |
| 5.3 Bank overdrafts  | -                          | -                           |
| 5.4 Other (provide details)  | -                          | -                           |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>4,755</b>               | <b>5,119</b>                |

| 6. <b>Payments to directors of the entity and their associates</b>                                       | Current quarter<br>\$A'000 |
|--|----------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2                                   | 77                         |
| 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. <b>Payments to related entities of the entity and their associates</b>                                | Current quarter<br>\$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

| 8. <b>Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | Total facility amount<br>at quarter end<br>\$A'000 | Amount drawn at<br>quarter end<br>\$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

## Mining exploration entity and oil and gas exploration entity quarterly report

| <b>9. Estimated cash outflows for next quarter</b> |                                      | <b>\$A'000</b> |
|--|--------------------------------------|----------------|
| 9.1  | Exploration and evaluation           | 150            |
| 9.2  | Development                          | -              |
| 9.3  | Production                           | -              |
| 9.4  | Staff costs                          | 50             |
| 9.5  | Administration and corporate costs   | 100            |
| 9.6  | Other (provide details if material)  |                |
|  | - Business development               | 50             |
| <b>9.7</b>   | <b>Total estimated cash outflows</b> | <b>350</b>     |

| <b>10.</b> | <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                           | <b>Tenement reference and location</b> | <b>Nature of interest</b> | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|------------|---|--|---------------------------|---|-----------------------------------|
| 10.1       | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | EL 5587                                | Direct                    | 100%                                    | -                                 |
| 10.2       | Interests in mining tenements and petroleum tenements acquired or increased           |  |                           |   |                                   |

**Compliance statement**

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

Sign here: .....

(Director/Company secretary)

Date: 31 January 2017

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.