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Apollo Minerals Limited
and its controlled entities

Interim Financial Report

For the 6 months ended
31 December 2009

The Directors present their report together with the financial report of Apollo Minerals Limited ("the Company") for the half-year ended 31 December 2009 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:

Sevag Chalabian – Non Executive Chairman, appointed 22 June 2007.
Richard Sealy – appointed 24 December 2008, resigned 30 October 2009
Wang Jianguang – appointed 7 March 2008
Anthony Ho – appointed 13 July 2009

RESULT AND REVIEW OF OPERATIONS

Overview

During the period under review, the company completed a maiden drilling programme and preliminary metallurgical testwork at its Mt Oscar tenement in the Pilbara in Western Australia; acquired an additional mineral exploration licence at Mt Oscar East; regained control of its 100% held Commonwealth Hill Iron Project in South Australia; and announced a revised combined exploration target at Mt Oscar and Mt Oscar East.

Introduction

Apollo's Mt Oscar tenements cover magnetite-rich BIF horizons of the Archaean Cleaverville Formation, which are known elsewhere in the region to host significant magnetite resources such as China Metallurgical Group Corporation's Cape Lambert Magnetite Project (Indicated and Inferred Resources of 1.56 billion tonnes grading 31.2% Fe).

The Mt Oscar Project has particular appeal due to its proximity to infrastructure. The Mt Oscar iron ore project is located 30 kilometres south of the port of Cape Lambert and Aquila's proposed multi user Anketell Point port. It is also close to existing roads, rail infrastructure and towns such as Karratha, the major regional centre.

Mt Oscar Drilling Program

The drill programme at Mt Oscar was designed to target the highest magnetic amplitudes as modelled by Southern Geoscience Consultants and to test the interpreted magnetite-rich horizons for grade and geometry of two laterally discontinuous units at depth below the near-surface oxidized banded iron formation (BIF). The drilling comprised five RC holes drilled on four approximately 200 metre-spaced sections, for a combined length of 1,440 metres.

A total of 174 five-metre composite samples were taken from successive 1 metre intervals drilled, and submitted to an independent analytical laboratory for multi-element head-grade analysis. Downhole intercepts of magnetite mineralisation ranging from 16 to 168 metres having iron (Fe) grades ranging from 31.9% to 36.9% (averaging 35.2% Fe) have been encountered within the two principal horizons targeted.

Mt Oscar Drilling Program (continued)

These horizons extend beyond Apollo's 100% exploration licence E47/1379 to the northwest into an adjacent tenement where they have been more extensively drilled and tested by Fox Resources Ltd, which reported the magnetite to be amenable to conventional treatment to produce a saleable concentrate. Apollo is confident that a similar result can be achieved on Apollo's project area given the same mineralisation extends onto Apollo's ground.

The mineralisation remains open at depth and along strike for both horizons with the deepest holes extending to a vertical depth of 300 metres.

Metallurgical Testwork

A total of 152, five-metre composite samples were submitted to an independent laboratory for Davis Tube Recovery (DTR) analysis on samples ground to 97% passing 38 micrometres. The weighted average DTR grades returned (prior to silica removal) were 58.0% Fe, 15.5% SiO_2, 0.95% alumina (Al_2O_3) and 0.04% phosphorus (P_2O_5) at a weighted average mass recovery of 42.4% (up to a maximum of 87.7%). These DTR results were from composite samples having a weighted average head grade of 35.1% Fe, 39.7% SiO_2, 2.47% Al_2O_3 and 0.05% P_2O_5.

Broad high grade cumulative magnetite horizons encountered in the drilling gave mass recoveries of up to 46.7% (from hole OSRC002 comprising 76 metres @ 35.7% Fe from 83 metres down-hole depth).

Following detailed analysis of the DTR results, specialist engineers Mineral Engineering Technical Services Pty Ltd (METS) developed a master composite having weighted average head grades of 34.7% Fe and 39.6% SiO_2 with DTR grades of 57.9% Fe and 15.5% SiO_2. This sample was used in further metallurgical test work with a view to reducing the SiO_2.

The standard silica reduction tests included staged grinding, Low Intensity Magnetic Separation (LIMS) to increase magnetic intensity, hydrosizing and reverse flotation test work. The final grind of rougher concentrate produced material 80% passing 15 micrometres in size. The first stage rougher LIMS on coarse material (<0.5mm) increased iron grade substantially from 34.6% Fe to 50.2% Fe. Simple washing (by hydrosizer) increased this still further to 55% Fe. The final cleaner LIMS produced concentrate grading 61.6% Fe and 10.9% SiO_2 which compares with a silica target of less than 7.5% usually required for blast furnace feed.

Further mineralogical investigations, including a QEMSCAN quantitative analysis of certain products within the stages of the test work have been commissioned to optimise the grind versus Fe recovery and SiO_2 reduction metrics for the magnetite with a view to meeting normal blast furnace requirements.

Exploration Target[1&2]

Detailed forward and 3D magnetic models were generated in 2009 by independent geophysical consultants Southern Geoscience Consultants ("SGC") from airborne magnetic data flown over Apollo's Mt Oscar project

Exploration Target (continued)

area. This modelling was undertaken to obtain estimates of volume/tonnage of the highly magnetic BIF. The modelled estimates over portions of Apollo's licence (E47/1379) covering Apollo's Mt Oscar Iron Project have now been revised to take account of the positive results of the Company's recently completed drilling program, in which better than expected apparent thicknesses of magnetite-bearing BIF were encountered.

SGC has also generated twelve forward models and a 3D inversion model to estimate an exploration target using ground-based and airborne magnetic data for the BIF within the recently acquired Mt Oscar East tenement (E47/1304). Rock chip sample grades range from 31% to 47% iron were returned from outcropping BIF on this tenement.

The resulting combined exploration target for Apollo's Mt Oscar and Mt Oscar East tenements is modelled to be 350 to 650Mt magnetite-bearing BIF grading 31% to 37% iron. This modelling is based on interpretation and modelling of geophysical data, rock-chip sampling and the December 2009 RC drilling information from Mt Oscar, and geophysical data and rock-chip sampling at Mt Oscar East.

Note [1]: *Overall the modeling exercises undertaken by SGC and subsequently revised by the results of the drilling program undertaken by the company at Mt Oscar, has provided tonnage estimates for the BIFs at Mt Oscar and Mt Oscar East that are considered to be possibly accurate to +/- 25%, however they should be considered accurate to +/- 50% for planning purposes, and to be broadly indicative at best.*

Note [2]: *The estimates of exploration target sizes stated in this document should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Mt Oscar East Iron Project (100%)

During the September 2009 Quarter, Apollo agreed to purchase from Thundelarra Exploration Limited ("Thundelarra") tenement E47/1304, known as Mt Oscar East, with respect to all mineral rights.

Mt Oscar East is located 10 kilometres east of Apollo's existing Mt Oscar Project and is prospective for magnetite and haematite iron ore. Mt Oscar East has excellent infrastructure, being adjacent to the sealed North West Highway and 40 kilometres to the south east of the port of Cape Lambert.

The main Mt Oscar East BIF occurrence outcrops in two areas over a 300 metre strike length. Rock chip sampling has returned assays ranging from 31% to 46.84% Fe. The extension of the associated aeromagnetic anomaly extends for a further 4.5 kilometres of strike. Ground magnetic data recently acquired by Thundelarra has been modelled by independent consulting geophysicists to estimate that a magnetic BIF mineralisation target of approximately 100 million tonnes (Mt) is possible within this tenement.

Apollo has concluded the transaction having received native title consent and has paid $225,000 in cash for Mt Oscar East. Ground-based exploration activities including geological mapping will commence upon receiving confirmation that the licence has been transferred to Apollo, with a view to finalising plans for a drilling program.

Commonwealth Hill Iron Project (100%)

Apollo has regained control of its 100% held Commonwealth Hill Iron Project following the termination of the joint venture agreement with Western Plains Resources Limited as announced on 29 December 2009.

In 1995, the South Australian Geological Survey undertook ground magnetics surveys, drilled eight angled RC holes and one angled diamond hole and completed metallurgical testwork on the Sequoia Prospect. This is the most advanced prospect, being one of 4 known iron prospects associated with over 8 magnetic anomalies identified within the licences.

Commonwealth Hill Iron Project (100%) (continued)

While the drilling at Sequioa was insufficient for the estimation of a JORC compliant resource estimate, it confirmed that the magnetite mineralisation comprises several steeply dipping laterally discontinuous magnetite-BIF layers from 2 to 50 metres wide, and extends below a weathering surface of around 45 metres. The metallurgical testwork undertaken by Amdel Limited Mineral Processing Services on these drill samples reported concentrate grades averaging 70.3% Fe, 3.7% silicon dioxide (SiO_2), 0.29% aluminium oxide (Al_2O_3) and less than 0.01% phosphorus pentoxide (P_2O_5) with 88% Fe recovery from a head grade of 37.2% Fe, 41% SiO_2, 1.36% Al_2O_3 and 0.18% P_2O_5. The final grind produced material of which 80% was less than 63 microns.

The Ibis Prospect, which also falls within the company's tenements, was described by an independent consulting geologist in 2007 as being a larger target than any in the area; other than the deeply weathered layered ultramafic intrusion causing the Wirrida combined magnetic/gravity anomaly. Float mapping at Ibis confirmed the presence of near-surface magnetite-rich metasediments similar to those observed at Sequoia.

Consequently, the company is integrating the results from recent target generative work with considerable earlier exploration data covering the Commonwealth Hill tenements located in north-western South Australia, with a view to commissioning resource definition drilling at Sequoia and discovery drilling on eight remaining geophysical anomalies (including Ibis). These programs will be undertaken with a view to ultimately defining sufficient resources and reserves from one or more sources to support a stand-alone magnetite treatment plant capable of producing saleable-grade concentrates for export.

With this background, the loss after income tax for the period amounted to $3,243,013 (December 2008, Loss $5,011,750). Shareholders' Equity is $12,048,438 (30 June 2009: $12,216,006). Cash or cash equivalents at 31 December 2009 totalled $1.6 million. The Company currently has $1.5 million on deposit.

The Company has made the following announcements since the close of the financial period:

- 28 January 2010 – Commonwealth Hill Iron Project Update
- 29 January 2010 – Appendix 5B Quarterly Cash Flow Report
- 29 January 2010 – Quarterly Activities Report
- 10 February 2010 - Met Tests Generate 60% Plus Iron Concentrate at Mt Oscar
- 10 February 2010 – Second Loyalty Option Issue
- 17 February 2010 – Appendix 3B
- 18 February 2010 – Trading Halt

- 18 February 2010 – Apollo Minerals Presentation February 2010
- 22 February 2010 – Voluntary Suspension from Official Quotation
- 23 February 2010 - Exploration Target Defined for Apollo`s Mt Oscar Project
- 23 February 2010 – Reinstatement to Official Quotation
- 23 February 2010 – Private Placement and Closing of Second Loyalty Option Issue
- 23 February 2010 - Appendix 3B

Capital Raising

Subsequent to the period end the Company undertook a capital raising, issuing 7,885,000 shares to raise $1,182,750 before costs.

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.

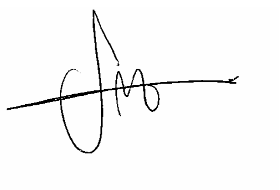
DIVIDENDS

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 7 and forms part of the directors' report for the half-year ended 31 December 2009.

Signed in accordance with a resolution of the Directors



Sevag Chalabian
Non-Executive Chairman
Dated at Sydney
15 March 2010

RSM! Bird Cameron Partners
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Apollo Minerals Limited, for the half year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

C J Hume
Partner

Sydney, NSW
Dated: 15th March 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	2009 $	2008 $
CONTINUING OPERATIONS		
Revenue	43,393	224,482
Administration expenses	(202,804)	(120,945)
Consultants – corporate, management and geological	(559,582)	(2,167,504)
Directors fees	(73,602)	(78,750)
Compliance and regulatory expenses	(67,084)	(39,751)
Management fees	(225,600)	(150,000)
Legal fees	(9,901)	(96,428)
Provision for diminution of investment	-	(52,750)
Share-based payments to consultants	(2,061,224)	(1,733,431)
Share-based payments to directors	(99,460)	(764,284)
Share options forfeited	167,333	-
Exploration expenses written off	(45,697)	-
Travel	(108,785)	(32,209)
(LOSS) BEFORE INCOME TAX	(3,243,013)	(5,011,570)
Income tax	-	-
(LOSS) FOR THE PERIOD	(3,243,013)	(5,011,570)
TOTAL COMPREHENSIVEINCOME/(LOSS) FOR THE PERIOD	(3,243,013)	(5,011,570)
Basic and diluted loss per share	(3.00) cents	(5.33) cents

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Issued Capital $	Accumulated Losses $	Share Based Payments Reserve $	Options Reserve $	Total Equity $
Balance at 1 July 2008	9,529,800	(3,063,329)	-	175,219	6,641,690
Loss for the period	-	(5,011,570)	-	-	(5,011,570)
Total comprehensive loss for the period	-	(5,011,570)	-	-	(5,011,570)
Share base payments	4,320,000	-	1,188,105	5,145,262	10,653,367
Transaction costs from issue of shares	(39,761)	-	-	-	(39,761)
Balance at 31 Dec 2008	**13,810,039**	**(8,074,899)**	**1,188,105**	**5,320,481**	**12,243,726**
Balance at 1 July 2009	14,890,039	(11,773,885)	2,376,210	6,723,642	12,216,006
Loss for the period	-	(3,243,013)	-	-	(3,243,013)
Total comprehensive loss for the period	-	(3,243,013)	-	-	(3,243,013)
Share issue	1,685,579	-	-	-	1,685,579
Transaction costs from issue of shares	(603,485)	-	-	-	(603,485)
Loyalty options exercised	235,388	--	-	(235,388)	-
Directors option expense	-	-	-	99,460	99,460
Consultant share based payments	-	-	1,188,105	-	1,188,105
Consultants option expense	-	-	-	873,119	873,119
Forfeited options	-	-	-	(167,333)	(167,333)
Balance at 31 Dec 2009	**16,207,521**	**(15,016,898)**	**3,564,315**	**7,293,500**	**12,048,438**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	31-DEC-2009 $	30-JUN-2009 $
CURRENT ASSETS		
Cash and cash equivalents	1,584,019	2,677,277
Trade and other receivables	115,859	41,826
Financial assets	31,250	31,250
TOTAL CURRENT ASSETS	1,731,128	2,750,353
NON-CURRENT ASSETS		
Fixed assets	2,175	-
Other non-current assets	32,000	-
Exploration and evaluation expenditure	11,333,015	10,563,677
TOTAL NON-CURRENT ASSETS	11,367,190	10,563,677
TOTAL ASSETS	13,098,318	13,314,030
CURRENT LIABILITIES		
Trade and other payables	1,049,880	1,098,024
TOTAL CURRENT LIABILITIES	1,049,880	1,098,024
TOTAL LIABILITIES	1,049,880	1,098,024
NET ASSETS	12,048,438	12,216,006
EQUITY		
Issued capital	16,207,521	14,890,039
Reserves	10,857,815	9,099,852
Retained losses	(15,016,898)	(11,773,885)
TOTAL EQUITY	12,048,438	12,216,006

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

	2009 $	2008 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,415,233)	(2,672,380)
Interest received	43,393	224,482
NET CASH USED IN OPERATING ACTIVITIES	(1,371,840)	(2,447,898)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed assets	(2,175)	-
Payment for security deposit	(32,000)	-
Payments for exploration expenditure	(769,337)	(461,328)
NET CASH USED IN INVESTING ACTIVITIES	(803,512)	(461,328)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,685,579	237,889
Costs of issue of shares	(603,485)	(39,761)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,082,094	198,128
Net decrease in cash held	(1,093,258)	(2,711,098)
Cash at the beginning of the financial period	2,677,277	7,516,918
CASH AT THE END OF THE FINANCIAL PERIOD	1,584,019	4,805,820

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

Apollo Minerals Limited ('the Company' or 'parent') is a company domiciled in Australia. This interim financial report includes the consolidated financial statements of Apollo Minerals Limited and controlled entities ('Consolidated Group' or 'Group'). The interim financial report for the Group is for the six months ended 31 December 2009.

The condensed interim financial statements were approved by the Board of Directors on 15 March 2010.

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*, Australian Accounting Standard AASB 134: *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

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 2009. 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 in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The accounting policies adopted in the preparation of this financial report are, unless otherwise stated, consistent with those presented in the most recent annual financial report.

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 liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity recorded an operating loss of $3,243,013, and had net cash outflows from operating activities of $1,371,840 for the half year ended 31 December 2009. These factors indicate significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors acknowledge that, as in prior accounting periods, to continue the exploration and development of the consolidated entity's mineral exploration projects, the budgeted cash outflows from operating and investing activities for the 30 June 2010 financial year, will necessitate further capital raisings. In the event that the consolidated entity is unable to continue as going concern (due to an inability to raise future funding requirements), it may be required to realise its assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise as a result of cessation or curtailment of normal business operations.

The directors regularly monitor the consolidated entity's cash position and on an on-going basis, consider a range of strategic initiatives to ensure that adequate funding continues to be available. The financial report has been prepared on a going concern basis after taking into consideration the following matters:

- The consolidated entity has been successful in raising capital during the period (per note 5). Subsequent to year end the consolidated entity plans to issue a prospectus to raise $5,000,000. The consolidated entity has the ability to continue to raise additional funds on a timely basis, pursuant to the Corporations Act 2001;
- The ability of the consolidated entity to further scale back certain parts of its activities that are non essential so as to conserve cash; and
- The consolidated entity retains the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets.

The financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities which might be necessary if the consolidated entity was not to continue as going concern.

(B) CHANGE IN ACCOUNTING POLICY

The company has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

(i) Presentation of financial statements
The company has applied the revised AASB 101Presentation of Financial Statements (2007) from 1 January 2009. The revision of this standard now requires the company to present all non-owner changes to equity ('comprehensive income') in the statement of comprehensive income. The company has presented the income statement and non-owner changes in equity in one statement of comprehensive income. All owner changes in equity are presented separately in the statement of changes in equity. The presentation requirements have been applied for the entire reporting period and comparative information has been re-presented to also comply with the revised AASB 101.
(ii) Business combinations and consolidation procedures
Revised AASB 3 Business Combinations and AASB 127 Consolidated and Separate Financial Statements apply prospectively from 1 July 2009. Changes introduced by these standards which are expected to affect the company, include the following:
• Costs incurred that relate to the business combination are expensed instead of comprising part of the goodwill acquired on consolidation
• Any non-controlling interest (previously known as minority interest) in an acquiree is measured at either fair value or as the non-controlling interest's proportionate share of net identifiable assets of the acquiree.
• The acquirer is prohibited from recognising contingent liabilities of the acquiree at acquisition date that do not meet the definition of a liability.
• Consideration for the acquisition, including contingent consideration, must be measured at fair value at acquisition date. Subsequent changes in the fair value of contingent consideration payable are not regarded as measurement period
adjustments but are rather recognised in accordance with other Australian Accounting Standards as appropriate.
• The proportionate interest in losses attributable to non-controlling interests is assigned to non-controlling interests irrespective of whether this results in a deficit balance. Previously, losses causing a deficit to non-controlling interests were allocated to the parent entity.
• Where control of a subsidiary is lost, the balance of the remaining investment account shall be remeasured to fair value at the date that control is lost.

(C) 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.

2. EARNINGS PER SHARE

The calculation of basic earnings and diluted earnings per share at 31 December 2009 was based on the loss attributable to shareholders of the parent company of $3,243,013 (2008: Loss $5,011,570) and the weighted average number of ordinary shares outstanding during the half year ended 31 December 2009 of 108,601,009 (2008: 93,959,640), calculated as follows:

	2009 Cents	2008 Cents
Basic and diluted loss per share	(3.00)	(5.33)

3. FINANCIAL ASSETS

	31 DEC 2009 $	30 JUNE 2009 $
Current		
Investments in available-for-sale listed securities at fair value	31,250	31,250
TOTAL INVESTMENTS	31,250	31,250

Investments in available-for-sale listed securities:

The valuation of investments in available for sale listed securities is based upon the last quoted sale price on the Australian Securities Exchange at 31 December 2009.

4. INTANGIBLE EXPLORATION AND EVALUATION EXPENDITURE

		31 DEC 2009 $	30 JUNE 2009 $
Exploration and evaluation phase costs carried forward at valuation:	**(b)**	11,333,015	10,563,677

(a) Exploration expenditure

Exploration expenditure carried forward at 31 December 2009 represents the Group's interest in the Mt Oscar Magnetite Project located in the Pilbara region of Western Australia and the Commonwealth Hill project located in the Gawler Craton region of South Australia.

Intangible Exploration and Evaluation Expenditure (continued)

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

	31 Dec 2009 $	31 Dec 2008 $
Opening balance	10,563,677	1,222,907
Acquisition of tenements – at cost	264,818	6,386,599
Capitalised exploration expenditure in the period	550,217	154,455
Exploration expenditures written off	(45,697)	-
Closing balance	11,333,015	7,763,961

5. SHARE CAPITAL & RESERVES

		31 DEC 2009 $	30 JUNE 2009 $
Issued capital	**(a)**	16,207,251	14,890,039
Options reserve	**(b)**	7,293,500	6,723,642
Share based payments reserve	**(c)**	3,564,315	2,376,210
		27,065,066	23,989,891

ISSUED CAPITAL DETAILS

109,897,608 (June 2009: 103,155,292) Fully paid ordinary shares:	**(a)**	16,207,251	14,890,039

(a) Movement in issued capital:

During the period 6,742,316 fully paid ordinary shares were issued to shareholders who exercised their options at 25 cents per share.

Subsequent to period end the company issued 7,885,000 shares for $1,182,500 gross of costs.

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 reserves

The company has recognised an increase in the share based payments reserve of $1,188,105 (relating to consultant expenses) and an increase in the options reserve of $569,858 as a result of:

i. Consultant option expense $873,119.
ii. Loyalty options exercised transferred to equity ($235,388)
iii. Other option expense adjustments ($67,873).

Share Capital and Reserves (continued)

(c) Outstanding Share Options

As at 31 December 2009 the company had the following share options outstanding:

	Number issued	Number listed on ASX	Exercise Price	Expiry Date
Ordinary Options	250,000	-	25 cents	15/06/2011
Ordinary Options	250,000	-	25 cents	15/09/2011
Ordinary Options	625,000	-	25 cents	30/11/2011
Ordinary Options	250,000	-	25 cents	15/12/2011
Ordinary Options	250,000	-	25 cents	15/03/2012
Ordinary Options	30,000,000	-	25 cents	01/04/2012
Ordinary Options	2,250,000	-	35 cents	30/06/2012
	33,875,000	-		

Annexure A Options	12,000,000	-	25 cents	30/06/2012
Annexure B Options	500,000	-	40 cents	30/06/2012
Annexure C Options	500,000	-	40 cents	30/06/2012
Annexure D Options	8,333,333	-	25 cents	30/06/2012
	21,333,333	-		

Subsequent to period end the company issued the Second Loyalty listed options (6,742,316) in accordance with the prospectus dated 10 February 2010. The options are exercisable at 25 cents a share before 30 November 2011. In addition the company issued 5,000,000 unlisted options to advisors exercisable at 25 cents a share before 30 June 2012.

(d) Share Based Payment Reserve

The share based payment reserve represents the charge recognised in the income statement as a result of a share based payment agreement for consulting fees in which the shares are subject to the realisation of market conditions prior to being granted.

6. SEGMENT INFORMATION

The Group's operations are in one business segment being the resources sector. The Group operates in one geographical segment being Australia. All subsidiaries in the Group operate within the same segment.

7. CONTINGENT LIABILITIES

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

8. EVENTS SUBSEQUENT TO 31 DECEMBER 2009

Other than as set out in the announcements made since 31 December 2009 (as listed in the review of operations forming part of the Directors' Report above), 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 2009.

In the opinion of the Directors of Apollo Minerals Limited:

(a) the financial statements and notes, set out on pages 6 to 16:

(i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations; and

(ii) give a true and fair view of the Company's financial position as at 31 December 2009 and of the Company's performance, for the half-year ended on that date.

(b) in the Directors' opinion 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 15 March 2010.

Signed in accordance with a resolution of the Directors.

Sevag Chalabian
Non-Executive Chairman

RSM! Bird Cameron Partners
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

APOLLO MINERALS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Apollo Minerals Limited ("the consolidated entity"), which comprises the condensed consolidated statement of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration. The consolidated entity comprises both Apollo Minerals Limited as the parent entity and the entities it controlled during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including:

– giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year 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 other 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*.

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:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1(a) 'Going Concern' in the financial report which indicates that the consolidated entity incurred a net loss of $3,243,013, and had net cash outflows from operating activities of $1,371,840 for the half year ended 31 December 2009. These conditions, along with other matters as set forth in Note 1(a) 'Going Concern', indicate the existence of material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

C J Hume
Partner

Sydney, NSW
Dated: 15th March 2010

CORPORATE DIRECTORY

DIRECTORS
Sevag Chalabian (Non-Executive Chairman)
Anthony Ho (Non-Executive Director)
Wang Jianguang (Non-Executive Director)

COMPANY SECRETARY
Guy Robertson

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SOLICITORS
DHL Phillips Fox

AUDITORS
RSM Bird Cameron Partners

BANKERS
St George Bank Limited

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