

For personal use only



**APOLLO**

MINERALS LIMITED

**2020**

**ANNUAL REPORT**

# CONTENTS

## CONTENU

	PAGE
Directors' Report	1
Auditor's Independence Declaration	24
Consolidated Statement of Profit or Loss and Other Comprehensive Income	25
Consolidated Statement of Financial Position	26
Consolidated Statement of Changes in Equity	27
Consolidated Statement of Cash Flows	28
Notes to the Financial Statements	29
Directors' Declaration	64
Independent Auditor's Report	65
Corporate Governance	69
ASX Additional Information	70

## CORPORATE DIRECTORY

## RÉPERTOIRE D'ENTERPRISE

<b>Directors:</b>	Mr Ian Middlemas – Chairman Mr Hugo Schumann – Non-Executive Director Mr Robert Behets – Non-Executive Director Mr Ajay Kejriwal – Non-Executive Director Mr Mark Pearce – Non-Executive Director
<b>Company Secretary:</b>	Mr Dylan Browne
<b>Registered Office:</b>	Level 9, 28 The Esplanade, Perth WA 6000 Tel: +61 8 9322 6322 Fax: +61 8 9322 6558
<b>Share Register:</b>	Automatic Registry Services Level 2, 267 St Georges Terrace, Perth WA 6000 Tel: 1300 288 664
<b>Securities Exchange Listing:</b>	Australian Securities Exchange Home Branch – Perth
<b>ASX Code:</b>	AON – Fully paid ordinary shares
<b>Bankers:</b>	Australia – Australia and New Zealand Banking Group Limited
<b>Solicitors:</b>	Thomson Geer
<b>Auditor:</b>	Deloitte Touche Tohmatsu

## DIRECTORS' REPORT

The Directors of Apollo Minerals Limited present their report on the Consolidated Entity consisting of Apollo Minerals Limited (“Company” or “Apollo Minerals”) and the entities it controlled at the end of, or during, the year ended 30 June 2020 (“Consolidated Entity” or “Group”).

### OPERATING AND FINANCIAL REVIEW

Apollo Minerals is a responsible mining company focused on the exploration and development of the Kroussou zinc-lead project in western Gabon (“Kroussou Project”).

Highlights during and subsequent to the end of the year include:

- Mining Convention Agreement (the “Convention Minière”) at the Kroussou Project was approved by the Gabonese Government thereby satisfying all conditions precedent for the Earn-In Agreement
- Earn-in period for the Kroussou Project commenced, with Apollo Minerals becoming the Manager of the Project thereby determining all exploration and development programmes and other activities to advance the Project
- The Company’s initial field exploration campaign, which comprised geological mapping, rock chip and soil sampling across five Prospects, has been successful in identifying multiple new zones of mineralised outcrop and generating numerous new drill targets
- In particular, assay results from rock chip samples confirmed widespread, high grade mineralisation at surface with grades up to 24.85% combined Zn-Pb at the Niamabimbou Prospect
- Mapping at the Niamabimbou Prospect identified multiple new zones of mineralised outcrops extending over wide areas, each representing an exploration target with the potential to host significant shallow zinc-lead mineralisation
- Only four of the 18 prospects have been drill tested to date, with all four channels intersecting zinc-lead mineralisation at very shallow depths
- Exploration to date continues to validate the province-scale base metals potential of the Kroussou Project
- Positive metallurgical test work previously announced confirmed high recoveries and produced separate, high grade and high-quality concentrates with very low penalty
- A preferred drilling contractor has been selected following a competitive tendering process
- A 12,000 metre drilling campaign has been planned and will utilise a track-mounted reverse circulation (“RC”) rig, with the aim of rapidly defining shallow (open-pittable), Zn-Pb mineralisation over multiple prospects, with an initial focus on the Dikaki and Niamabimbou Prospects
- Subject to COVID-19 restrictions, the Company will continue to advance the logistics required to support the drilling program with a view to commencing drilling activities in late 2020 / early 2021 after the heavy rains of the wet season subside
- The Company continued to defend its interest in the Couflens Project in France and assess the range of options available to it in relation to the adverse Court verdict received in June 2020

For personal use only

## DIRECTORS' REPORT

(Continued)

### OPERATING AND FINANCIAL REVIEW (Continued)

#### Operations

##### KROUSSOU PROJECT OVERVIEW

The Kroussou Project consists of the Prospecting License G4-569 which covers 986.5km<sup>2</sup> in the Ngounié Province of western Gabon located approximately 220km southeast of the capital city of Libreville (Figure 1). Apollo Minerals has entered into an Earn-in Agreement (“EIA”) with Trek Metals Limited (“Trek”) to earn-in an interest of up to 80% in the Kroussou Project.

Zinc-lead mineralisation is hosted in Cretaceous sediments on the margin of the Cotier Basin within preserved channels lying on unconformable Archaean and Paleoproterozoic basement rocks (Figure 2).

Historical exploration work at the Kroussou Project identified 150 base metal occurrences along a +70km strike length of prospective geology within the project area.

The zinc-lead mineral occurrences are hosted within exposed channels that offer very shallow, near surface targets close to the basement rocks.

Only two of the 18 exposed channels were drill tested by the Bureau de Recherches Géologiques et Minières (“BRGM”) historically, with both channels containing significant base metal mineralisation.

A further two near surface targets were drilled by Trek, which also returned significant zinc-lead intervals, further validating the province scale, base metal potential of the project area.

There are multiple opportunities for the discovery of further base metal mineralisation within the remaining untested 14 channels and also further exploration westward within the broader Cotier Basin is warranted.

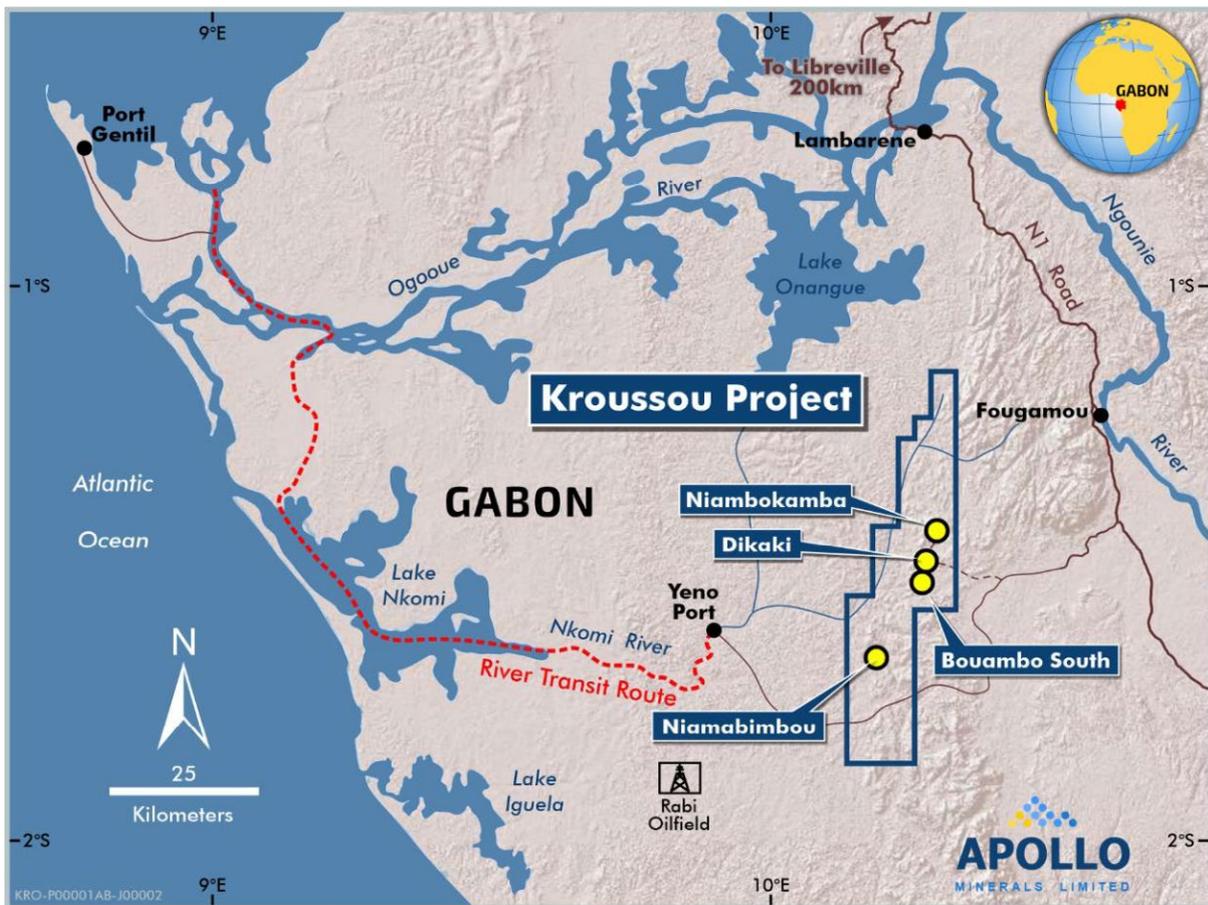


Figure 1 – Kroussou Project Location Plan



## DIRECTORS' REPORT

(Continued)

### OPERATING AND FINANCIAL REVIEW (Continued)

#### Operations (Continued)

##### RESULTS OF GEOLOGICAL MAPPING AND SAMPLING PROGRAMS

The field exploration campaign, comprising geological mapping, rock chip and soil sampling, across a number of Prospects at the Kroussou Project, was curtailed and the field crew demobilised due to the COVID-19 pandemic at the end of March 2020.

The mapping and sampling programs were designed to identify new targets for base metals mineralisation for future drilling campaigns, and to further interpret regional geology within sedimentary channels.

Consistent with the objectives of the field exploration campaign, the mapping and rock chip sampling activities completed at the Niamabimbou Prospect have been successful in refining the interpreted geology of the sedimentary channels and generating numerous new high priority drill targets with the potential to host significant tonnage of shallow base metals mineralisation.

Assay results from rock chip samples have confirmed widespread, high grade zinc-lead mineralisation at surface with grades up to **24.85%** combined Zn-Pb at the Niamabimbou Prospect (Figure 3).

Best results from the sampling programs at the Niamabimbou Prospect included:

- 24.85% combined Zn-Pb from sample JBR651
- 20.16% combined Zn-Pb from sample JBR246
- 15.20% combined Zn-Pb from sample JBR244
- 13.87% combined Zn-Pb from sample JBR561
- 13.87% combined Zn-Pb from sample JBR561
- 13.53% combined Zn-Pb from sample JBR946
- 8.15% combined Zn-Pb from sample JBR069
- 7.98% combined Zn-Pb from sample JBR201
- 7.84% combined Zn-Pb from sample JBR131
- 7.14% combined Zn-Pb from sample JBR049

The new high grade sampling results highlight the potential for the Niamabimbou Prospect to host significant shallow, zinc-lead mineralisation.

These new targets at Niamabimbou, together with infill and extensional drilling at the Dikaki Prospect, will be the focus of the planned RC drilling campaign.

Encouraging assay results were also returned from rock chip samples collected from the Mboma, Niamabimbou Far South West, and Migoumbi Prospects prior to the curtailment of the field exploration campaign.

Best results from the sampling program at the Migoumbi Prospect included:

- 4.53% combined Zn-Pb from sample JBR1071 at MG1;
- 3.43% combined Zn-Pb from sample JBR1050 at MG3;
- 3.19% combined Zn-Pb from sample JBR1097 at MG3; and
- 2.60% combined Zn-Pb from sample JBR1096 at MG3.

These extremely encouraging results from the first pass reconnaissance program at the Migoumbi Prospect will be followed up, and further mapping and rock/soil sampling completed to cover the upstream portion of the channel, once field activities recommence.

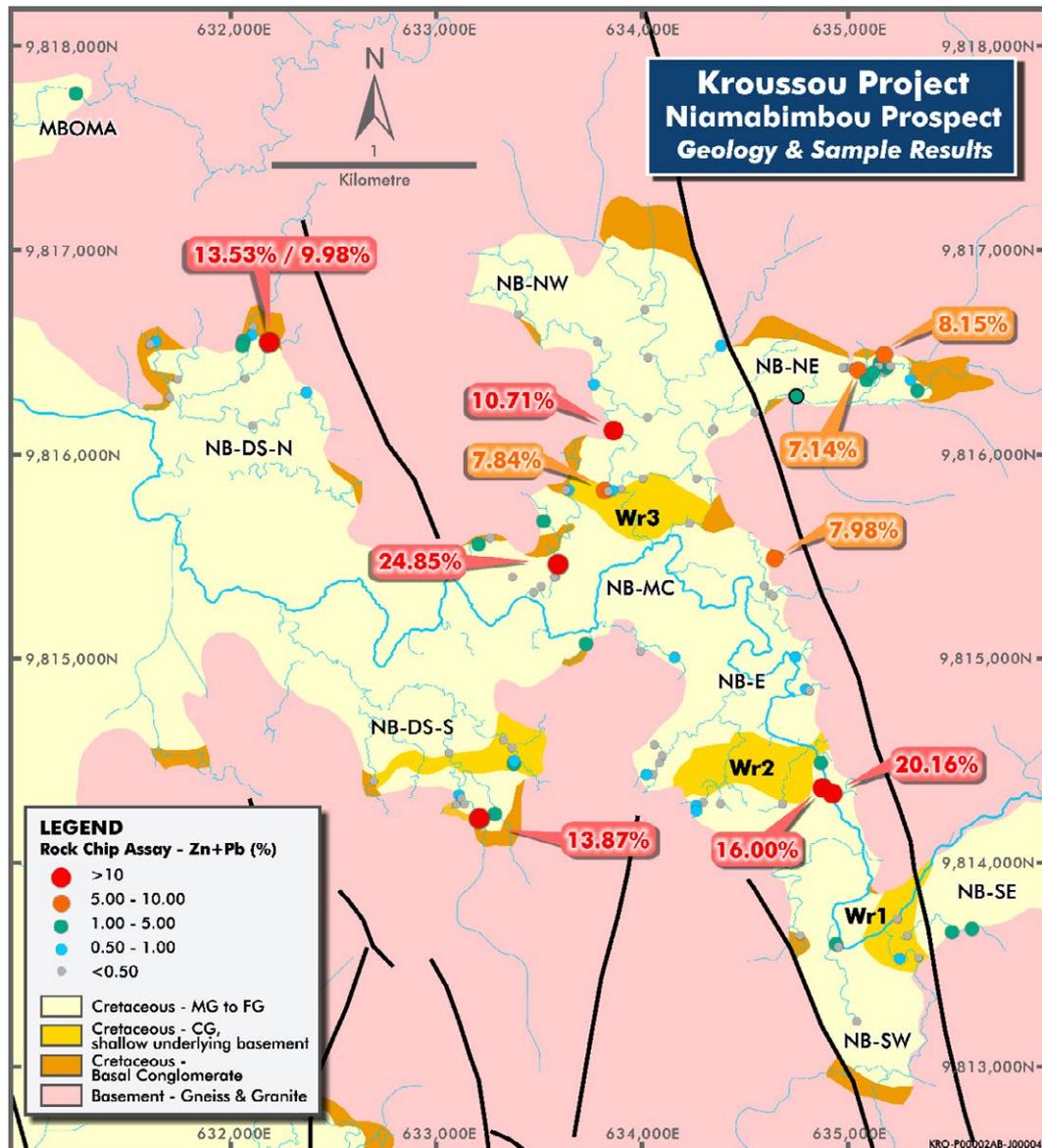


Figure 3 – High grade zinc-lead results from surface sampling at the Niamabimbou

### Soil Sampling

An extensive program of soil sampling has been completed across multiple Prospects during the Company's maiden field exploration campaign.

Soil sampling grids were completed at the Niamabimbou (reconnaissance and infill), Dignali, Ofoubou and Migoumbi Prospects, with a total of 1,742 samples collected.

These samples will be analysed using a portable X-ray fluorescence ("XRF") analyser once the recently acquired instrument is imported into Gabon.

For personal use only

## DIRECTORS' REPORT

(Continued)

### OPERATING AND FINANCIAL REVIEW (Continued)

#### Operations (Continued)

##### DRILLING PROGRAM

During the year, the Company has advanced the planning for the initial phase of drilling at the Koussou Project.

Following a competitive tendering process, the preferred contractor has been selected and the drill contract executed. The planned 12,000m drilling campaign will utilise a track mounted RC rig aimed at rapidly defining shallow (open-pittable), zinc-lead mineralisation over multiple prospects, with an initial focus on the Dikaki and Niamabimbou Prospects.

Subject to COVID-19 restrictions, the Company will continue to advance the logistics required to support the drilling program, including site camp establishment and drill site access/pad clearance, and mobilisation of the drill rig and support equipment to the project site, with a view to commencing drilling activities in late 2020 / early 2021 after the heavy rains of the wet season subside.

##### KROUSSOU PROJECT EXPLORATION PLAN

The initial exploration program at the Koussou Project is focussed on defining sufficient shallow (open-pittable), zinc-lead mineralisation to justify commencement of feasibility studies.

The overall work plan will include:

- Surface exploration programs comprising geological mapping, rock chip and soil sampling to further assess identified prospects and generate new targets within the broader project area;
- Ranking and prioritisation of exploration targets across the project area based on newly acquired and historical data;
- Drilling programs utilising a track-mounted RC rig suitable for rapid and cost-effective testing of multiple target areas;
- Geophysical surveys to refine identified prospects and generate new targets;
- Metallurgical test work over all prospective targets to assess recovery characteristics, concentrate quality, and variability;
- Estimation and reporting of a Mineral Resource in accordance with the JORC Code; and
- Commencement of feasibility studies.

The Company will undertake the work program with a strong commitment to all aspects of sustainable development and responsible mining, with an integrated approach to economic, social, environmental, health and safety management.

##### Metallurgical Testwork

A metallurgical testwork program in 2018 produced separate, high-grade, high-recovery zinc and lead concentrates. The testwork predicted relatively potential low-energy costs due to low grind times to achieve target sizing (see Trek's ASX Release dated 8 November 2018). The independent testwork, undertaken by METS Engineering in Perth, Western Australia, resulted in the production of:

- Lead concentrate up to 79% Pb (overall un-optimised lead concentrate graded >70% Pb with > 90% recovery); and
- Zinc concentrate up to 58% Zn (overall zinc concentrate graded 53% Zn at 65% recovery, with the majority of the zinc losses reporting to the lead rougher concentrate). Of the zinc reporting to the zinc rougher, 90% was recovered. Further optimisation on zinc depression in the lead rougher is expected to significantly improve the overall zinc recovery.

##### COVID-19 UPDATE

The Company continues to actively evaluate the situation for all risks to employees and general operational safety and will make any required adjustments as the situation evolves, or as required by the host governments. At present, all of Company's team are safe and well.

Subsequent to the end of the year, the Gabonese Government has announced that a number of restrictions, previously implemented to curb the spread of COVID-19, had been lifted or eased. Commercial air travel has resumed, with two international flights per airline per week. However, no European travellers, both for business and leisure purposes, are currently permitted to travel to Gabon. In addition, the resumption of travel by air, road, boat or train within Gabon is also now allowed subject to certain conditions (e.g. proof of a negative COVID-19 test no more than five days before travel).

The Company demobilised its field team in mid-March and all expatriate personnel, bar one, returned to their home countries prior to the travel restrictions being implemented. The Company continues to actively evaluate the situation, with a view to mobilising its team and recommencing field activities in Gabon when permitted under the local COVID-19 containment measures and when considered safe and practical to do so.

#### **EUROPEAN GOLD AND TUNGSTEN PROJECTS (COUFLENS AND AURENERE PROJECTS)**

As previously announced, Apollo Minerals and the French State had lodged coordinated appeals in the Bordeaux Court of Appeals against the decision of the Toulouse Administrative Court on 28 June 2019 to cancel the Couflens exploration permit ("**Couflens PER**"). The Couflens PER includes the historical high-grade Salau tungsten mine that was owned by the Company's French subsidiary Variscan Mines SAS ("**Variscan**").

During the year, the Bordeaux Court of Appeals dismissed the appeal, confirming the cancellation of the Couflens PER. In its ruling, the Court of Bordeaux noted that the French State had followed an irregular procedure and did not adequately consult the public prior to granting the Couflens PER.

The French State and the Company had contested the decision of the Toulouse Administrative Court on the grounds that the Company had sufficient financial capacity at the time of grant of the Couflens PER.

At the time of the application for the Couflens PER, Apollo Minerals was required to demonstrate to the French State that it had sufficient financial capacity to conduct its planned research activities. The Company provided supporting documentation to the French State in October 2016, to confirm its financial capacity and the permit was subsequently granted to Variscan. Prior to the grant of the Couflens PER, the French State was required to make this supporting documentation available to the public, but it failed to do so.

The appeal Court noted that "In view of the interest in the quality and completeness of the information provided on the operator's [Variscan] financial capacity, the public was deprived of a guarantee of full information on this point."

Taking this ruling into account, the Company will continue to strongly defend its position and Apollo Minerals and its French subsidiaries have now submitted a formal claim for compensation to the French State in relation to damages suffered as a result of the cancellation of the Couflens PER by the Administrative Court of Toulouse. Under French law, the State has two months to reply to the compensation claim after which the matter can be pursued by the Company through the French courts. The Company will inform the market of material developments as they occur.

The Company was separately advancing the application process for the Aurenere Investigation Permit in Spain, which is contiguous to the Couflens PER in France. Subsequent to the end of the year and given the cancellation of the Couflens PER has been confirmed, the Company decided that it will no longer advance the Aurenere application and has provided notice to the relevant joint venture partner of this decision. This has resulted in the impairment of approximately \$0.6 million for the exploration and evaluation asset previously held on the Company's statement of financial position for the Aurenere project.

#### **CORPORATE**

##### ***Entitlements Issue***

During the year, the Company completed a one for one pro rata non-renounceable entitlements issue at \$0.025 per share which raised \$4.2 million before costs

##### ***Resignation of Director***

During the year, Dr Michel Bonnemaïson resigned as a Non-Executive Director of the Company. It is noted that Dr Bonnemaïson had his employment agreement with the Company's French subsidiary, Variscan, terminated in 2019 for breach of a Company policy. Dr Bonnemaïson has since made a claim for unpaid invoices against the Company which have been included in the liquidation process of MdS and therefore in the opinion of the directors the claim is without merit. Dr Bonnemaïson has also made a claim for unfair dismissal from Variscan. These claims are initially being heard by the courts by way of a conciliation hearing in France and in the Company's view the claims are vexatious and are unlikely to be successful.

For personal use only

## DIRECTORS' REPORT

(Continued)

### OPERATING AND FINANCIAL REVIEW (Continued)

#### Operations (Continued)

##### CORPORATE (Continued)

##### *Royalty Interests in the Pilbara Gold Region*

In November 2017, the Company announced that it had entered into an agreement in relation to the sale of one of its royalty interests in the Pilbara gold region for \$1,050,000 with \$750,000 being received to date (\$300,000 previously remained outstanding). Under the agreement, the Company has the right to terminate the agreement, with the royalty being assigned back to Apollo Minerals at no cost to it, if the remaining consideration is not paid when due.

During the year, the Company terminated the royalty agreement on the grounds that the remaining consideration was past due with the royalty being assigned back to Apollo Minerals at no cost.

#### Results of Operations

The net loss of the Group attributable to members of the Company for the year ended 30 June 2020 was \$1,596,280 (2019: \$8,891,485). This loss is attributable to:

- (i) a non-cash impairment expense for exploration and evaluation expenditure and property, plant and equipment of \$555,149 (2019: \$7,341,868) following the decision by the Company that it will no longer advance the Aurenere application. In the 2019 financial year the Administrative Court of Toulouse ruled to cancel the Couflens PER which was confirmed during the year by the Bordeaux Court of Appeals which confirmed the cancellation of the Couflens PER. In its ruling, the Court of Bordeaux noted that the French State had followed an irregular procedure and did not adequately consult the public prior to granting the Couflens PER. Taking this ruling into account, the Company will continue to strongly defend its position and is considering the range of options available to it;
- (ii) exploration and evaluation expenditure of \$1,555,991 (2019: \$2,439,687), which is attributable to the Group's accounting policy of expensing exploration and evaluation expenditure (other than expenditures incurred in the acquisition of the rights to explore) incurred by the Group in the period subsequent to the acquisition of the rights to explore up to the successful completion of definitive feasibility studies for each separate area of interest;
- (iii) business development expenses of \$216,777 (2019: \$667,820) which were attributable to the Kroussou Project due diligence costs and the Groups investor and shareholder relations including public relations, marketing and digital marketing, conference fees, travel costs, broker fees and the London office costs including wages;
- (iv) non-cash share based payments expenses of \$95,037 (2019: \$112,027) which is attributable to the Group's accounting policy of expensing the value of shares and incentive/unlisted options and performance rights (estimated using an option pricing model) granted to key employees, consultants and advisors. The value of unlisted options and performance rights is measured at grant date and recognised over the period during which the holders become unconditionally entitled to the securities;
- (v) a one off \$1,069,030 (2019: nil) gain on disposal of the Group's French subsidiary, Mines du Salat SAS ("**MdS**"). On 31 October 2019, the Group filed for liquidation of MdS following the Administrative Court of Toulouse ruling to cancel the Couflens PER; and
- (vi) a bad debt expense of \$300,000 (2019: nil) following the write off of the Pilbara royalty receivable given the Company terminated the royalty agreement on the grounds of the remaining consideration being past due with the royalty being assigned back to Apollo Minerals at no cost.

#### Financial Position

At 30 June 2020, the Group had cash reserves of \$2,597,104 (2019: \$832,548) and no debt placing the Group in a good position to continue with its planned exploration and development activities at the Kroussou Project.

At 30 June 2020, the Group had net assets of \$2,888,385 (2019: \$762,832), an increase of \$2.1 million (279%) compared with the previous year. The increase is largely attributable to the increase in the Company's cash balance following the completed Entitlements Issue and the disposal of creditors from MdS following the loss of control of the subsidiary during the year.

## Business Strategies and Prospects for Future Financial Years

The objective of the Group is to create long-term shareholder value through the discovery, development and acquisition of technically and economically viable mineral deposits.

To date, the Group has not commenced production of any minerals, nor has it identified a Mineral Resource in accordance with the JORC Code. To achieve its objective, the Group currently has the following business strategies and prospects over the short to medium term:

- Subject to COVID-19 restrictions, commence mobilisation of the drill rig and support equipment to the Koussou project site;
- Advance the logistics required to support the drilling program, including site camp establishment and drill site access/pad clearance;
- Analyse samples collected from soil sampling grids completed across five Prospects and interpret the results;
- Conduct additional field exploration programs to further assess identified Prospects and generate new targets within the broader Koussou Project area; and
- The Company will continue to defend its interest in the Couflens Project in France and assess the range of options available to it in relation to the adverse Court verdicts.

All of these activities are inherently risky and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely developments will be achieved. The material business risks faced by the Group that could have an effect on the Group's future prospects, and how the Group manages these risks, include:

- **Joint venture and contractual risk** - The Company's earn-in right to the Koussou Project is subject to the EIA with Trek. The ability of the Company to earn an interest in the Koussou Project will depend on the performance by the Company and Trek of their obligations under the EIA. If any party defaults in the performance of its obligations under the EIA, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company.

The operations of the Company require the involvement of a number of third parties, in addition to Trek, including consultants, contractors and suppliers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks;

- **The Company's exploration properties may never be brought into production** – The Company is a mineral exploration company, has no history of earnings, and does not have any producing mining operations. The Company has experienced losses from exploration activities and until such time as the Company commences mining production activities, it expects to continue to incur losses. No assurance can be given that the Company will identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities. The Company expects to continue to incur losses from exploration activities in the foreseeable future;
- **The Company's activities are subject to the laws of Gabon and France** – The Company's Koussou Project is located in Gabon, which is a less developed country than Australia, and has associated political, economic, legal and social risks. These various risks and uncertainties could include, but are not limited to, exchange rate fluctuations, potential for higher inflation, labour unrest, the risks of expropriation and nationalisation, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, changes in the Mining Code, restrictions on foreign exchange and repatriation and changing political conditions, currency controls and restrictions on imports of equipment and consumables and on the use of foreign contractors. Changes, if any, in mining or investment policies or shifts in political attitude in Gabon may impact the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

For personal use only

## DIRECTORS' REPORT

(Continued)

### OPERATING AND FINANCIAL REVIEW (Continued)

#### Business Strategies and Prospects for Future Financial Years (Continued)

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Outcomes in courts in Gabon and France may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company in Gabon. The occurrence of these various factors and uncertainties cannot be accurately predicted and could impact on the operations or profitability of the Company. The Company has made its investment and strategic decisions based on the information currently available to the Directors, however should there be any material change in the political, economic, legal and social environments in Gabon, the Directors may reassess investment decisions and commitments to assets in Gabon.

With respect to activities in France and as previously announced, Apollo Minerals and the French State had lodged coordinated appeals in the Bordeaux Court of Appeals against the decision of the Toulouse Administrative Court on 28 June 2019 to cancel the Couflens PER. The Couflens PER includes the historical high-grade Salau tungsten mine that was owned by the Company's French subsidiary Variscan.

During the year, the Bordeaux Court of Appeals dismissed the appeal, confirming the cancellation of the Couflens PER. In its ruling, the Court of Bordeaux noted that the French State had followed an irregular procedure and did not adequately consult the public prior to granting the Couflens PER.

The French State and the Company had contested the decision of the Toulouse Administrative Court on the grounds that the Company had sufficient financial capacity at the time of grant of the Couflens PER.

At the time of the application for the Couflens PER, Apollo Minerals was required to demonstrate to the French State that it had sufficient financial capacity to conduct its planned research activities. The Company provided supporting documentation to the French State in October 2016, to confirm its financial capacity and the permit was subsequently granted to Variscan. Prior to the grant of the Couflens PER, the French State was required to make this supporting documentation available to the public, but it failed to do so.

The appeal Court noted that "In view of the interest in the quality and completeness of the information provided on the operator's [Variscan] financial capacity, the public was deprived of a guarantee of full information on this point."

Taking this ruling into account, the Company will continue to strongly defend its position and is considering the range of options available to it;

- **The Company's activities will require further capital** – the exploration and any development of the Company's exploration properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying, or the indefinite postponement of, exploration and any development of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company;
- **The Company may be adversely affected by fluctuations in commodity prices, including lead and zinc** – the prices of commodities can fluctuate widely and are affected by numerous factors beyond the control of the Company. Future production, if any, from the Company's mineral properties will be dependent upon the price of commodities being adequate to make these properties economic. The Company currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Company's operations change, this policy will be reviewed periodically going forward; and
- **Global financial conditions may adversely affect the Company's growth and profitability** – many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Due to the current nature of the Company's activities, a slowdown in the financial markets or other economic conditions including current trade tensions between the US and China may adversely affect the Company's growth and ability to finance its activities.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed below, there were no significant changes in the state of affairs of the Consolidated Entity during the year.

- (i) On 3 September 2019, the Company announced that it had entered into the EIA with Trek to earn-in an interest of up to 80% in the Kroussou Project;
- (ii) On 1 November 2019, the Company completed an entitlements issue to raise \$4.2 million before costs; and
- (iii) On 11 May 2020, the Company announced that the MC has been approved by the Gabonese Government thereby satisfying all conditions precedent for the EIA with the earn in subsequently commencing.

## DIRECTORS

The names and details of the Company's directors in office at any time during the financial year or since the end of the financial year are:

### Current Directors

Mr Ian Middlemas	Chairman
Mr Robert Behets	Non-Executive Director
Mr Hugo Schumann	Non-Executive Director (Executive Director until 30 September 2019)
Mr Ajay Kejriwal	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

### Former Directors

Dr Michel Bonnemaïson	Non-Executive Director (resigned 30 October 2019)
-----------------------	---

Unless otherwise stated, Directors held their office from 1 July 2019 until the date of this report.

## CURRENT DIRECTORS AND OFFICERS

### Mr Ian Middlemas *B.Com, CA* *Chairman*

Mr Middlemas is a Chartered Accountant, a member of the Australian Institute of Company Directors and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director of the Company on 8 July 2016. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Constellation Resources Limited (November 2017 – present), Paranga Resources Limited (October 2013 – present), Berkeley Energia Limited (April 2012 – present), Prairie Mining Limited (August 2011 – present), Salt Lake Potash Limited (January 2010 – present), Equatorial Resources Limited (November 2009 – present), Piedmont Lithium Limited (September 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present), and Cradle Resources Limited (May 2016 – July 2019).

For personal use only

## DIRECTORS' REPORT

(Continued)

### CURRENT DIRECTORS AND OFFICERS (Continued)

#### **Mr Robert Behets** *B.Sc(Hons), FAusIMM, MAIG*

*Non-Executive Director*

Mr Behets is a geologist with over 30 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.

Mr Behets has a strong combination of technical, commercial and managerial skills and extensive experience in exploration, mineral resource and ore reserve estimation, feasibility studies and operations across a range of commodities, including uranium, gold and base metals. He is a Fellow of The Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and was previously a member of the Australasian Joint Ore Reserve Committee ("JORC").

Mr Behets was appointed a Director of the Company on 12 October 2016. During the three-year period to the end of the financial year, Mr Behets has also held directorships in Odyssey Energy Limited (August 2020 – present), Constellation Resources Limited (June 2017 – present), Berkeley Energia Limited (April 2012 – present), Equatorial Resources Limited (February 2016 – present), Piedmont Lithium Limited (February 2017 – May 2018), and Cradle Resources Limited (May 2016 – July 2017).

#### **Mr Hugo Schumann** *MBA, CFA, B.Bus.Sci (Hons)*

*Non-Executive Director*

Mr Schumann has fifteen years' experience in the development and financing of mining, energy and technology projects globally. He was nominated as a Young Rising Star in Mining by Mines & Money in 2018. He holds an MBA from INSEAD, is a CFA Charterholder and holds a Bachelor of Business Science (Finance CA) from the University of Cape Town. He currently resides in the USA and holds the position of Vice President at Jetti Resources, a technology driven natural resources company.

Mr Schumann was appointed a Director of the Company on 2 May 2018. During the three year period to the end of the financial year, Mr Schumann has not held any other directorships in listed companies.

#### **Mr Ajay Kejriwal** *B.Sc (Economics), ACA*

*Non-Executive Director*

Mr Kejriwal has over 25 years' experience in finance and commerce, and is currently a consultant to Juniper Capital, a natural resource investment and advisory business. Prior to Juniper Capital he was a banker leading many investment transactions across oil and gas, mining, real estate and asset management sectors. He has previously worked as a banker for the Principal Investments business at Nomura in London and Hong Kong, Cazenove and Co and Morgan Stanley. Mr Kejriwal is a Chartered Accountant, having qualified with PriceWaterhouseCoopers in 1994.

Mr Kejriwal was appointed a Director of the Company on 30 June 2017. During the three year period to the end of the financial year, Mr Kejriwal has not held any other directorships in listed companies.

#### **Mr Mark Pearce** *B.Bus, CA, FCIS, FFin*

*Non-Executive Director*

Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies and has worked for several large international Chartered Accounting firms. Mr Pearce is also a Fellow of the Governance Institute of Australia and a Fellow of the Financial Services Institute of Australasia.

Mr Pearce was appointed a Director of the Company on 8 July 2016. During the three year period to the end of the financial year, Mr Pearce has held directorships in Constellation Resources Limited (July 2016 – present), Salt Lake Potash Limited (August 2014 – present), Prairie Mining Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – August 2020) and Piedmont Lithium Limited (September 2009 – August 2018).

**Mr Dylan Browne** *B.Com, CA, AGIA*  
*Chief Financial Officer and Company Secretary*

Mr Browne is a Chartered Accountant and Associate Member of the Governance Institute of Australia (Chartered Secretary) who is currently Company Secretary for a number of ASX and European listed companies that operate in the resources sector. He commenced his career at a large international accounting firm and has since been involved with a number of exploration and development companies operating in the resources sector, based in London and Perth, including Berkeley Energia Limited, Prairie Mining Limited and Papillon Resources Limited. Mr Browne successfully listed Prairie on the Main Board of the London Stock Exchange and the Warsaw Stock Exchange in 2015 and recently oversaw Berkeley's listings on the Main Board London Stock Exchange and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

Mr Browne was appointed CFO and Company Secretary of the Company on 31 July 2018.

## PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the year consisted of mineral exploration and development of the Koussou and Aurenere projects and the defense of the Couflens Project.

## EARNINGS PER SHARE

	2020 Cents	2019 Cents
Basic and diluted loss per share	(0.56)	(5.29)

## DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities.

There have been no known breaches of environmental laws and regulations by the Group during the financial year.

For personal use only

## DIRECTORS' REPORT

(Continued)

### SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- (i) On 29 July 2020, the Company announced that given the cancellation of the Couflens PER was confirmed following the decision in by the Bordeaux Court of Appeals, the Company decided that it will no longer advance the Aurenere Project application and has provided notice to the relevant joint venture partner of this decision; and
- (ii) On 29 July 2020, the Company cancelled the following Unlisted Options for nil consideration following the review of the Company's remuneration policy and long term incentives:
- 1,600,000 Unlisted Options exercisable at \$0.25 each on or before 30 June 2021;
  - 1,050,000 Unlisted Options exercisable at \$0.28 each on or before 31 December 2021; and
  - 1,050,000 Unlisted Options exercisable at \$0.35 each on or before 31 December 2021.

Other than as disclosed above as at the date of this report, there are no matters or circumstances which have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2020, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2020, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2020, of the Consolidated Entity.

### DIRECTORS' INTERESTS

As at the date of this report, the Directors' interests in the securities of the Company are as follows:

	Ordinary Shares <sup>(1)</sup>	Performance Shares <sup>(2)</sup>	Unlisted Options <sup>(3)</sup>	Performance Rights <sup>(4)</sup>
Ian Middlemas	24,000,000	-	-	-
Hugo Schumann	10,400,000	-	-	3,000,000
Robert Behets	6,000,000	-	-	500,000
Ajay Kejriwal <sup>(5)</sup>	13,125,000	56,875,000	-	-
Mark Pearce	10,000,000	-	-	-

**Notes:**

- (1) "Ordinary Shares" means fully paid ordinary shares in the capital of the Company.
- (2) "Performance Shares" means a performance share that will convert into ordinary shares upon satisfaction of relevant milestones.
- (3) "Unlisted Options" means an Unlisted Option to subscribe for one Ordinary Share in the capital of the Company.
- (4) "Performance Rights" means a Performance Right that will convert into one ordinary share upon vesting and satisfaction of various milestones and performance conditions.
- (5) Mr Kejriwal's interest in the Ordinary Shares and Performance Shares is an indirect interest in the securities held by Juniper Capital Partners Limited. Mr Kejriwal has been nominated as a Director by Juniper Capital Partners Limited and he may be able to indirectly influence voting of the securities.

### SHARE OPTIONS, PERFORMANCE RIGHTS AND PERFORMANCE SHARES

At the date of this report the following Unlisted Options and Performance Rights have been issued by the Company over unissued capital:

- 1,500,000 Unlisted Options exercisable at \$0.32 each on or before 30 November 2020;
- 150,000 Unlisted Options exercisable at \$0.25 each on or before 31 December 2020;
- 500,000 Unlisted Options exercisable at \$0.30 each on or before 31 December 2020;
- 200,000 Unlisted Options exercisable at \$0.35 each on or before 31 December 2020;
- 300,000 Unlisted Options exercisable at \$0.45 each on or before 31 December 2020;
- 350,000 Unlisted Options exercisable at \$0.25 each on or before 30 June 2021;
- 2,000,000 Unlisted Options exercisable at \$0.03 each on or before 31 December 2022;
- 3,500,000 Unlisted Options exercisable at \$0.06 each on or before 31 December 2023;

- 2,000,000 Unlisted Options exercisable at \$0.06 each on or before 31 December 2024;
- 4,835,000 Performance Rights with various vesting conditions and an expiry date 31 December 2021; and
- 65,000,000 Performance Shares with various vesting conditions and an expiry date of 30 June 2022.

During the year ended 30 June 2020 and up to the date of this report, no ordinary shares have been issued as a result of the exercise of options or conversion of performance rights or performance shares.

## DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Board Meetings	
	Number eligible to attend	Number attended
<b>Current Directors</b>		
Ian Middlemas	4	4
Hugo Schumann	4	4
Robert Behets	4	4
Ajay Kejriwal	4	4
Mark Pearce	4	4
<b>Former Directors</b>		
Michel Bonnemaïson (resigned Oct 2019)	3	-

There were no Board committees during the financial year. The Board as a whole currently performs the functions of an Audit Committee, Risk Committee, Nomination Committee, and Remuneration Committee, however this will be reviewed should the size and nature of the Company's activities change.

## REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ("KMP") of the Group.

### Details of Key Management Personnel

The KMP of the Group during or since the end of the financial year were as follows:

#### Current Directors

Mr Ian Middlemas	Chairman
Mr Robert Behets	Non-Executive Director
Mr Hugo Schumann	Non-Executive Director (Executive Director until 30 September 2019)
Mr Ajay Kejriwal	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

#### Former Directors

Dr Michel Bonnemaïson	Non-Executive Director (resigned 30 October 2019)
-----------------------	---

#### Other KMP

Mr Dylan Browne	CFO and Company Secretary
-----------------	---------------------------

Unless otherwise disclosed, the KMP held their position from 1 July 2019 until the date of this report.

For personal use only

## DIRECTORS' REPORT

(Continued)

### REMUNERATION REPORT (AUDITED) (Continued)

#### Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- the Group is currently focused on undertaking exploration and appraisal activities on existing projects, and identifying and acquiring suitable new resource projects;
- risks associated with small market capitalisation resource companies whilst exploring and developing projects; and
- other than profit which may be generated from asset sales, the Company does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on any of its projects.

#### Executive Remuneration

The Group's remuneration policy is to provide a fixed remuneration component and a performance based component (short term incentive and long term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

##### *Fixed Remuneration*

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

##### *Performance Based Remuneration – Short Term Incentive*

Executives may be entitled to an annual cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as successful completion of exploration activities (e.g. completion of exploration programs within budgeted timeframes and costs), development activities (e.g. completion of scoping and/or feasibility studies), corporate activities (e.g. recruitment of key personnel) and business development activities (e.g. project acquisitions and capital raisings). Prior to the end of each financial year, the Board assesses performance against these criteria.

Given the recent status of the Company's operations, the Board has determined not to pay any cash bonuses in respect of the 2020 financial year (2019: nil).

##### *Performance Based Remuneration – Long Term Incentive*

The Group has adopted a long-term incentive plan ("LTIP") comprising the grant of Performance Rights and/or Unlisted Options to reward KMP and key employees and contractors for long-term performance of the Company. Shareholders approved the Performance Rights Plan ("Plan") in November 2018.

To achieve its corporate objectives, the Group needs to attract, incentivise, and retain its key employees and contractors. The Board believes that grants of Performance Rights and/or Unlisted Options to KMP will provide a useful tool to underpin the Group's employment and engagement strategy.

(i) Performance Rights

The Group has a Plan that provides for the issuance of unlisted Performance Rights which, upon satisfaction of the relevant performance conditions attached to the Performance Rights, will result in the issue of an Ordinary Share for each Performance Right. Performance Rights are issued for no consideration and no amount is payable upon conversion thereof.

The Plan enables the Group to: (a) recruit, incentivise and retain KMP and other key employees and contractors needed to achieve the Group's business objectives; (b) link the reward of key staff with the achievement of strategic goals and the long-term performance of the Group; (c) align the financial interest of participants of the Plan with those of Shareholders; and (d) provide incentives to participants of the Plan to focus on superior performance that creates Shareholder value.

Performance Rights granted under the Plan to eligible participants will be linked to the achievement by the Group of certain performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest.

Upon Performance Rights vesting, Ordinary Shares are automatically issued for no consideration. If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Right will lapse.

During the 2020 financial year, no Performance Rights (2019: 4,835,000) were granted to KMP and key employees. No Performance Rights were converted during the current financial year (2019: none).

(ii) Unlisted Options

The Group has also chosen to issue Unlisted Options to some KMP and key employees and contractors as part of their remuneration and incentive arrangements in order to attract and retain their services and to provide an incentive linked to the performance of the Company.

The Board's policy is to grant Unlisted Options to KMP with exercise prices at or above market share price (at the time of agreement). As such, Unlisted Options granted to KMP are generally only of benefit if the KMP perform to the level whereby the value of the Group increases sufficiently to warrant exercising the Unlisted Options granted.

Other than service-based vesting conditions (if any) and the exercise price required to exercise the unlisted Options, there are no additional performance criteria on the Unlisted Options granted to executives, as given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the KMP and the performance and value of the Group are closely related.

The Company prohibits executives entering into arrangements to limit their exposure to Unlisted Options granted as part of their remuneration package.

No Incentive Options were issued or exercised by KMP during the financial year. 1,500,000 Unlisted Options previously granted to KMP and key employees expired during the financial year. Subsequent to the end of the year, 3,700,000 Unlisted Options previously issued to KMP and other key employees were cancelled for nil consideration following the review of the Company's remuneration policy and long term incentives as follows:

- 1,600,000 Unlisted Options exercisable at \$0.25 each on or before 30 June 2021 (which includes 750,000 held by Mr Schumann and 500,000 held by Mr Behets);
- 1,050,000 Unlisted Options exercisable at \$0.28 each on or before 31 December 2021 (which includes 750,000 held by Mr Schumann, 100,000 held by Mr Behets and 100,000 held by Mr Browne); and
- 1,050,000 Unlisted Options exercisable at \$0.35 each on or before 31 December 2021 which includes 750,000 held by Mr Schumann, 100,000 held by Mr Behets and 100,000 held by Mr Browne).

### Non-Executive Director Remuneration

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, Unlisted Options have also been used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

For personal use only

## **DIRECTORS' REPORT**

(Continued)

### **REMUNERATION REPORT (AUDITED) (Continued)**

#### **Non-Executive Director Remuneration (Continued)**

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors may in limited circumstances receive Unlisted Options in order to secure their services.

The Company prohibits Non-Executive Directors from entering into arrangements to limit their exposure to Unlisted Options granted as part of their remuneration package.

Fees for the Chairman are presently set at \$36,000 (reduced to \$33,750 given current market conditions and effects of COVID-19) (2019: \$36,000) per annum. Fees for Non-Executive Directors' are presently set at \$20,000 (reduced to \$18,750 given current market conditions and effects of COVID-19) per annum plus compulsory superannuation where applicable (2019: \$20,000 inclusive of superannuation). These fees cover main board activities only.

Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees.

#### **Relationship between Remuneration of KMP and Shareholder Wealth**

During the Company's exploration and development phases of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Board did not determine, and in relation to, the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and the previous four financial years. However, as noted above, a number of KMP have received Unlisted Options which generally will only be of value should the value of the Company's shares increase sufficiently to warrant exercising the Unlisted Options.

#### **Relationship between Remuneration of KMP and Earnings**

As discussed above, the Company is currently undertaking exploration activities and is actively pursuing new business opportunities, and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

The Board does not directly base remuneration levels on the Company's share price or movement in the share price over the financial year. However, as noted above, a number of KMP have received Unlisted Options which generally will only be of value should the value of the Company's shares increase sufficiently to warrant exercising the Unlisted Options granted.

## Emoluments of Directors and Other KMP

Details of the nature and amount of each element of the emoluments of each of the KMP of Apollo Minerals Limited are as follows:

2020	Short-term benefits		Non-cash Share based payments \$	Total \$	Percentage performance related %
	Salary & fees \$	Super- annuation \$			
<b>Current Directors</b>					
Ian Middlemas	33,750	-	-	33,750	-
Hugo Schumann <sup>(1)</sup>	95,629	-	28,623	124,252	23.0
Robert Behets <sup>(2)</sup>	56,750	1,781	-	58,531	-
Ajay Kejriwal	18,750	-	-	18,750	-
Mark Pearce	18,750	1,781	-	20,531	-
<b>Former Directors</b>					
Michel Bonnemaïson <sup>(3)</sup>	51,001	16,563	-	67,564	-
<b>Other KMP</b>					
Dylan Browne <sup>(4)</sup>	-	-	2,578	2,578	100.0
<b>Total</b>	<b>274,630</b>	<b>20,125</b>	<b>31,201</b>	<b>325,956</b>	

**Notes:**

- <sup>(1)</sup> In addition to Directors fees, Mr Schumann was also engaged under a consultancy agreement with Nat Res Consulting Limited which was paid A\$70,492 which is included in Mr Schumann's salary and fee amount.
- <sup>(2)</sup> In addition to Non-Executive Directors fees, Ouro Preto Pty Ltd, an entity associated with Mr Behets, was paid, or is payable, A\$38,000 for additional services provided in respect of exploration and business development activities which is included in Mr Behets' salary and fee amount.
- <sup>(3)</sup> Dr Bonnemaïson resigned as an Executive Director on 30 October 2019.
- <sup>(4)</sup> Mr Browne provided services as the Company Secretary through a services agreement with Apollo Group Pty Ltd ("**Apollo Group**"). During the year, Apollo Group was paid or is payable A\$165,000 for the provision of serviced office facilities and administrative, accounting, company secretarial and transaction services to the Group.

2019	Short-term benefits		Share based payments	Total \$	Percentage performance related %
	Salary & fees \$	Super- annuation \$	Options \$		
<b>Directors</b>					
Ian Middlemas	36,000	-	-	36,000	-
Hugo Schumann	313,465	-	25,070	338,535	7.4
Robert Behets <sup>(1)</sup>	78,000	1,900	8,261	88,161	9.4
Michel Bonnemaïson	287,022	76,730	-	363,752	-
Ajay Kejriwal	20,000	-	-	20,000	-
Mark Pearce	20,000	1,900	-	21,900	-
<b>Other KMP</b>					
Dylan Browne <sup>(2)</sup>	-	-	7,000	7,000	100.0
Clint McGhie <sup>(2)</sup>	-	-	-	-	-
<b>Total</b>	<b>754,487</b>	<b>80,530</b>	<b>40,331</b>	<b>875,348</b>	

**Notes:**

- <sup>(1)</sup> In addition to Non-Executive Directors fees, Ouro Preto Pty Ltd, an entity associated with Mr Behets, was paid, or is payable, A\$58,000 for additional services provided in respect of exploration and business development activities which is included in Mr Behets' salary and fee amount.
- <sup>(2)</sup> Messrs McGhie and Browne provided services as the Company Secretary through a services agreement with Apollo Group. During the year, Apollo Group was paid or is payable A\$240,000 for the provision of serviced office facilities and administrative, accounting, company secretarial and transaction services to the Group. On 31 July 2018, Mr Browne was appointed as CFO and Company Secretary following the resignation of Mr McGhie.

## DIRECTORS' REPORT

(Continued)

### REMUNERATION REPORT (AUDITED) (Continued)

#### Unlisted Options and Performance Rights Granted to KMP

Details of the value of Unlisted Options and Performance Rights granted, exercised or lapsed for KMP of the Group during the 2020 financial year are as follows:

2020	No. of options & rights granted	No. of options & rights vested	No. of options & rights exercised/ lapsed	Value of options & rights granted <sup>(1)</sup> \$	Value of options & rights exercised/ lapsed <sup>(1)</sup> \$	Value of options & rights included in remuneration \$
<b>Directors</b>						
Hugo Schumann	-	750,000	(500,000)	-	(59,352)	28,623
Robert Behets	-	-	(500,000)	-	(59,352)	-
<b>Other KMP</b>						
Dylan Browne	-	100,000	-	-	-	2,578

**Notes:**

<sup>(1)</sup> Determined at the time of grant per AASB 2. For details on the valuation of Unlisted Options and Performance Rights, including models and assumptions used, please refer to Note 16 of the financial statements.

There were no Unlisted Options and Performance Rights granted by the Company to each KMP of the Group during the financial year.

#### Unlisted Options and Performance Rights Holdings of KMP

2020	Held at 1 July 2019 (#)	Granted as Compensation (#)	Expired (#)	Net Other Changes (#)	Held at 30 June 2020 (#)	Vested and Exercisable at 30 June 2020 (#)
<b>Current Directors</b>						
Ian Middlemas	-	-	-	-	-	-
Hugo Schumann <sup>(1)</sup>	5,750,000	-	(500,000)	-	5,250,000	1,500,000
Robert Behets <sup>(2)</sup>	1,700,000	-	(500,000)	-	1,200,000	1,200,000
Ajay Kejriwal	-	-	-	-	-	-
Mark Pearce	-	-	-	-	-	-
<b>Former Directors</b>						
Michel Bonnemaïson	-	-	-	-	-(3)	-
<b>Other KMP</b>						
Dylan Browne <sup>(4)</sup>	580,000	-	-	-	580,000	100,000

**Notes:**

<sup>(1)</sup> Subsequent to the end of the year, 2,250,000 Unlisted Options held by Mr Schumann were cancelled for nil consideration following the review of the Company's remuneration policy and long term incentives..

<sup>(2)</sup> Subsequent to the end of the year, 700,000 Unlisted Options held by Mr Behets were cancelled for nil consideration following the review of the Company's remuneration policy and long term incentives..

<sup>(3)</sup> As at date of resignation being 30 October 2019

<sup>(4)</sup> Subsequent to the end of the year, 200,000 Unlisted Options held by Mr Browne were cancelled for nil consideration following the review of the Company's remuneration policy and long term incentives..

## Ordinary Shareholdings of Key Management Personnel

2020	Held at 1 July 2019 (#)	Granted as compensation (#)	Entitlements Issue (#)	Net Other Changes (#)	Held at 30 June 2020 (#)
<b>Current Directors</b>					
Ian Middlemas	12,000,000	-	12,000,000	-	24,000,000
Hugo Schumann	5,200,000	-	5,200,000	-	10,400,000
Robert Behets	3,000,000	-	3,000,000	-	6,000,000
Ajay Kejriwal <sup>(2)</sup>	13,125,000	-	13,125,000	(13,125,000) <sup>(2)</sup>	13,125,000
Mark Pearce	5,000,000	-	5,000,000	-	10,000,000
<b>Former Directors</b>					
Michel Bonnemaïson	1,875,000	-	-	-	1,875,000 <sup>(1)</sup>
<b>Other KMP</b>					
Dylan Browne	403,704	-	1,639,230	-	2,042,934

### Notes:

<sup>(1)</sup> As at date of resignation date being 30 October 2019.

<sup>(2)</sup> Mr Kejriwal's interest in the Ordinary Shares is an indirect interest in the securities held by Juniper Capital Partners Limited. Mr Kejriwal has been nominated as a Director by Juniper Capital Partners Limited and he may be able to indirectly influence voting of the securities. During the year an off market transfer was completed between Juniper Capital Partners Limited and Mr Kashif Naseem Afzal (a controller of Juniper Capital Partners Limited) for 13,125,000 Ordinary Shares in the Company.

## Performance Share holdings of KMP

2020	Held at 1 July 2019 (#)	Granted as compensation (#)	Purchases (#)	Net Other Changes (#)	Held at 30 June 2020 (#)
<b>Current Directors</b>					
Ian Middlemas	-	-	-	-	-
Hugo Schumann	-	-	-	-	-
Robert Behets	-	-	-	-	-
Ajay Kejriwal <sup>(2)</sup>	56,875,000	-	-	-	56,875,000
Mark Pearce	-	-	-	-	-
<b>Former Directors</b>					
Michel Bonnemaïson	8,125,000	-	-	-	8,125,000 <sup>(1)</sup>
<b>Other KMP</b>					
Dylan Browne	-	-	-	-	-

### Notes:

<sup>(1)</sup> As at date of resignation date being 30 October 2019.

<sup>(2)</sup> Mr Kejriwal's interest in the Performance Shares is an indirect interest in the securities held by Juniper Capital Partners Limited. Mr Kejriwal has been nominated as a Director by Juniper Capital Partners Limited and he may be able to indirectly influence voting of the securities.

## Employment Contracts with Directors and KMP

### Current Directors

Mr Ian Middlemas, Chairman, has a letter of appointment confirming the terms and conditions of his appointment as a non-executive director and chairman of the Company dated 8 July 2016. In accordance with the terms of this letter of appointment, Mr Middlemas receives a fee of \$36,000 (reduced to \$33,750 given current market conditions and effects of COVID-19) per annum plus superannuation.

Mr Robert Behets, Non-Executive Director, has a letter of appointment confirming the terms and conditions of his appointment as a non-executive director of the Company dated 21 February 2017. In accordance with the terms of this letter of appointment, Mr Behets receives a fee of \$20,000 (reduced to \$18,750 given current market conditions and effects of COVID-19) per annum plus superannuation. Mr Behets also has a services agreement with the Company effective 15 August 2016, which provides for a consultancy fee at the rate of \$1,000 per day for management and technical services provided by Mr Behets. Either party may terminate the agreement without penalty or payment by giving one months' notice.

For personal use only

## DIRECTORS' REPORT

(Continued)

### REMUNERATION REPORT (AUDITED) (Continued)

#### Employment Contracts with Directors and KMP(Continued)

##### Current Directors (Continued)

On 30 September 2019, Mr Hugo Schumann, transitioned from an Executive to a Non-Executive Director. From 1 October 2019, Mr Schumann has a letter of appointment confirming the terms and conditions of his appointment as a non-executive director of the Company. In accordance with the terms of this letter of appointment, Mr Schumann receives a fee of \$20,000 (reduced to \$18,750 given current market conditions and effects of COVID-19) per annum. Mr Schumann also has a services agreement with the Company effective 1 October 2019, which provides for a consultancy fee at the rate of £600 per day for management services provided by Mr Schumann. Either party may terminate the agreement without penalty or payment by giving one months' notice. Prior to 30 September 2019, Mr Schumann was also engaged under a consultancy agreement with Nat Res Consulting Limited (NRCL) which was on a rolling 12 month term and either party could terminate with three months written notice. NRCL received a consultancy fee of £156,000 per annum and could receive a discretionary cash incentive payment of up to £75,000 per annum based on achieving project milestones to be agreed with the Company.

Mr Ajay Kejriwal, Non-Executive Director, has a letter of appointment confirming the terms and conditions of his appointment as a non-executive director of the Company dated 28 June 2017. In accordance with the terms of this letter of appointment, Mr Kejriwal receives a fee of \$20,000 (reduced to \$18,750 given current market conditions and effects of COVID-19) per annum.

Mr Mark Pearce, Non-Executive Director, has a letter of appointment confirming the terms and conditions of his appointment as a non-executive director of the Company dated 8 July 2016. In accordance with the terms of this letter of appointment, Mr Pearce receives a fee of \$20,000 (reduced to \$18,750 given current market conditions and effects of COVID-19) per annum plus superannuation.

##### Loans from Key Management Personnel

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2020 (2019: Nil).

##### Other Transactions

Apollo Group, a Company of which Mr Mark Pearce is a director and beneficial shareholder, provides corporate, administration and company secretarial services and serviced office facilities to the Company under a services agreement effective from 1 July 2016. Either party can terminate the services agreement at any time for any reason by giving one months' written notice. From July 2019 to March 2020 Apollo Group received a monthly retainer of \$15,000 (exclusive of GST) for the provision of these services (2019: \$20,000). From 1 April 2020, the monthly retainer was reduced to \$10,000 per month in response to market conditions and COVID-19. The monthly retainer is reviewed every six to twelve months and is based on Apollo Group's budgeted cost of providing the services to the Company (and other companies utilising same or similar services from Apollo) for the next six to twelve month period, with minimal mark-up. From time to time, Apollo Group may also receive additional fees (as agreed with the Company) in respect of services provided by Apollo Group to the Company that are not included in the agreed services covered by the monthly retainer.

MdS signed a services agreement dated 21 December 2017 with E-Mines a Company of which Dr Michel Bonnemaïson is a director and beneficial shareholder. In accordance with the agreements, E-Mines provided geoscience consulting services and technical equipment rental to MdS in support of the Company's Couflens Project. During the year, the services agreement with E-Mines was terminated on 31 August 2019 and prior to termination the Company was invoiced \$101,634 (2019: \$288,909) from E-Mines in relation to the services discussed above. During the year, Dr Bonnemaïson had his employment agreement with the Company's French subsidiary, Variscan, terminated for breach of a Company policy. Dr Bonnemaïson has since made a claim for unfair dismissal from Variscan. Dr Bonnemaïson has also made a claim for unpaid invoices against the Company which have been included in the liquidation process of MdS and therefore in the opinion of the directors the claim is without merit. These claims are initially being heard by way of a conciliation hearings in France and in the Company's view are vexatious, opportunistic and without merit. Given the claims have yet to be heard by the appropriate court in France, no determination of the outcome can be made at this time.

##### End of Remuneration Report

## INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company or Group for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During or since the end of the financial year, no amounts have been paid by the Company or Group in relation to the above indemnities. During the financial year, \$12,635 (2019: \$11,863) of insurance premiums were paid by the Group to insure against a liability incurred by a person who is or has been a director or officer of the Company or Group.

## NON-AUDIT SERVICES

There were no non-audit services provided by the auditor (or by another person or firm on the auditor's behalf) during the financial year.

## AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 24 of the Directors' Report.

Signed in accordance with a resolution of the directors.



**ROBERT BEHETS**  
Director

29 September 2020

### Competent Person Statement

*The information in this report that relates to previous Exploration Results and Process and Metallurgy for the Kroussou Project is extracted from ASX announcements dated 3 September 2019, 15 January 2020 and 30 April 2020, which are available to view at [www.apollominerals.com](http://www.apollominerals.com)*

*The information in the original announcements that relate to the Exploration Results at the Kroussou Project were based on, and fairly represents, information compiled by Mr Robert Behets, a Competent Person 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, options and performance rights in, and is a director of, Apollo Minerals. Mr Behets has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Reserves'.*

*The information in the original announcements that related to Process and Metallurgy for the Kroussou Project were based on and fairly represents, information and supporting documentation compiled by Damian Connelly who is a Fellow (CP Met) of the Australasian Institute of Mining and Metallurgy and a full-time employee of METS Engineering. Mr Connelly has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Reserves'.*

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented in this report have not been materially modified from the original market announcements.*

### Forward Looking Statements

*Statements regarding plans with respect to Apollo Minerals' projects are forward-looking statements. There can be no assurance that the Company's plans for development of its projects will proceed as currently expected. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this report, to reflect the circumstances or events after the date of that report.*

For personal use only

## AUDITOR'S INDEPENDENCE DECLARATION

# Deloitte.

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Brookfield Place, Tower 2  
123 St Georges Terrace  
Perth WA 6000  
GPO Box A46  
Perth WA 6837 Australia

Tel: +61 8 9365 7000  
Fax: +61 8 9365 7001  
www.deloitte.com.au

The Board of Directors  
Apollo Minerals Limited  
Level 9, BGC Centre  
28 The Esplanade  
Perth, WA 6000

29 September 2020

Dear Board Members

### **Apollo Minerals Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Apollo Minerals Limited.

As lead audit partner for the audit of the financial statements of Apollo Minerals Limited for the financial year ended 30 June 2020, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



**DELOITTE TOUCHE TOHMATSU**



**David Newman**  
Partner  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Touche Tohmatsu Limited.

For personal use only

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 30 JUNE 2020



	Notes	2020 \$	2019 \$
Revenue and other income	2(a)	31,992	388,582
Exploration and evaluation expenses		(1,555,991)	(2,439,687)
Corporate and administrative expenses		(480,631)	(789,374)
Business development expenses		(216,777)	(667,820)
Share based payment expenses	16	(95,037)	(112,027)
Other gains or losses	2(b)	1,430,940	1,940,471
Impairment expense	6 & 7	(555,149)	(7,341,868)
Other expenses	2(c)	(300,000)	-
<b>Loss before income tax</b>		<b>(1,740,653)</b>	<b>(9,021,723)</b>
Income tax expense	3	-	-
<b>Loss for the year</b>		<b>(1,740,653)</b>	<b>(9,021,723)</b>
<b>Other comprehensive income, net of income tax:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on foreign entities		92,602	(357,483)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>92,602</b>	<b>(357,483)</b>
<b>Total comprehensive loss for the year</b>		<b>(1,648,051)</b>	<b>(9,379,206)</b>
<b>Loss attributable to:</b>			
Owners of the parent		(1,596,280)	(8,891,485)
Non-controlling interests		(144,373)	(130,238)
		<b>(1,740,653)</b>	<b>(9,021,723)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the parent		(1,507,595)	(9,264,633)
Non-controlling interests		(140,456)	(114,573)
		<b>(1,648,051)</b>	<b>(9,379,206)</b>
<b>Loss per share attributable to the ordinary equity holders of the Company</b>			
Basic and diluted loss per share (cents per share)	12	(0.56)	(5.29)

The accompanying notes form part of these financial statements.

For personal use only

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	11(b)	2,597,104	832,548
Trade and other receivables	4	45,104	530,456
<b>Total Current Assets</b>		<b>2,642,208</b>	1,363,004
<b>Non-Current Assets</b>			
Other financial assets	5	390,031	273,028
Property, plant and equipment	6	7,703	167,920
Exploration and evaluation assets	7	161,028	550,260
<b>Total Non-Current Assets</b>		<b>558,762</b>	991,208
<b>TOTAL ASSETS</b>		<b>3,200,970</b>	2,354,212
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	312,585	1,591,380
<b>Total Current Liabilities</b>		<b>312,585</b>	1,591,380
<b>TOTAL LIABILITIES</b>		<b>312,585</b>	1,591,380
<b>NET ASSETS</b>		<b>2,888,385</b>	762,832
<b>EQUITY</b>			
Contributed equity	9	54,149,500	49,990,848
Reserves	10	(973,498)	(484,404)
Accumulated losses		(50,254,046)	(48,850,497)
<b>Equity Attributable To Members of Apollo Minerals Limited</b>		<b>2,921,956</b>	655,947
Non-controlling interests		(33,571)	106,885
<b>TOTAL EQUITY</b>		<b>2,888,385</b>	762,832

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED 30 JUNE 2020



	Attributable to the equity holders of the parent							Non-controlling interests	Total Equity
	Contributed Equity	Share based Payment Reserve	Foreign Currency Translation Reserve	Acquisition Reserve	Accumulated Losses	Total			
	\$	\$	\$	\$	\$	\$	\$		
<b>Balance at 1 July 2019</b>	49,990,848	2,155,209	(47,643)	(2,591,970)	(48,850,497)	655,947	106,885	762,832	
Net loss for the year	-	-	-	-	(1,596,280)	(1,596,280)	(144,373)	(1,740,653)	
Other comprehensive income	-	-	88,685	-	-	88,685	3,917	92,602	
<b>Total comprehensive income/(loss) for the year</b>	-	-	88,685	-	(1,596,280)	(1,507,595)	(140,456)	(1,648,051)	
<b>Transactions with owners recorded directly in equity:</b>									
Issue of shares	4,203,404	-	-	-	-	4,203,404	-	4,203,404	
Share issue costs	(44,752)	-	-	-	-	(44,752)	-	(44,752)	
Cumulative exchange differences in respect of net assets of the subsidiary reclassified from equity on loss of control of subsidiary	-	-	(480,085)	-	-	(480,085)	-	(480,085)	
Expiry of Unlisted Options	-	(192,731)	-	-	192,731	-	-	-	
Lapse of unvested Unlisted Options	-	(6,619)	-	-	-	(6,619)	-	(6,619)	
Share based payments expense	-	101,656	-	-	-	101,656	-	101,656	
<b>Balance at 30 June 2020</b>	<b>54,149,500</b>	<b>2,057,515</b>	<b>(439,043)</b>	<b>(2,591,970)</b>	<b>(50,254,046)</b>	<b>2,921,956</b>	<b>(33,571)</b>	<b>2,888,385</b>	
<b>Balance at 1 July 2018</b>	49,979,420	2,181,128	325,505	-	(40,036,337)	12,449,716	1,287,629	13,737,345	
Net loss for the year	-	-	-	-	(8,891,485)	(8,891,485)	(130,238)	(9,021,723)	
Other comprehensive income	-	-	(373,148)	-	-	(373,148)	15,665	(357,483)	
<b>Total comprehensive income/(loss) for the year</b>	-	-	(373,148)	-	(8,891,485)	(9,264,633)	(114,573)	(9,379,206)	
<b>Transactions with owners recorded directly in equity:</b>									
Issue of shares	13,500	-	-	-	-	13,500	-	13,500	
Share issue costs	(2,072)	-	-	-	-	(2,072)	-	(2,072)	
Acquisition of non-controlling interests	-	-	-	(2,591,970)	-	(2,591,970)	(1,066,171)	(3,658,141)	
Loss of control of subsidiary	-	(47,119)	-	-	-	(47,119)	-	(47,119)	
Expiry of Unlisted Options	-	(77,325)	-	-	77,325	-	-	-	
Lapse of Unlisted Options	-	(1,510)	-	-	-	(1,510)	-	(1,510)	
Share based payments expense	-	100,035	-	-	-	100,035	-	100,035	
<b>Balance at 30 June 2019</b>	<b>49,990,848</b>	<b>2,155,209</b>	<b>(47,643)</b>	<b>(2,591,970)</b>	<b>(48,850,497)</b>	<b>655,947</b>	<b>106,885</b>	<b>762,832</b>	

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>Operating activities</b>			
Payments to suppliers and employees		(2,270,391)	(4,942,701)
Interest received		21,992	55,607
Government grants received		10,000	-
<b>Net cash flows used in operating activities</b>	11(a)	<b>(2,238,399)</b>	<b>(4,887,094)</b>
<b>Investing activities</b>			
Proceeds from disposal of royalty interest	2(a)	-	190,000
Proceeds on disposal of subsidiary	2(a)	-	50,000
Purchase of property, plant and equipment	6	-	(480,154)
Acquisition of a controlled entity, net of cash acquired	19	-	65,987
Payments for Kroussou Project Earn-In	7	(161,028)	-
Loss of cash/overdraft on deconsolidation of subsidiary		5,331	(2,767)
<b>Net cash flows used in investing activities</b>		<b>(155,697)</b>	<b>(176,934)</b>
<b>Financing activities</b>			
Proceeds from issue of shares		4,203,404	-
Share issue costs		(44,752)	-
Proceeds from repayment of Constellation IPO Costs		-	232,676
Proceeds from repayment of borrowings		-	100,000
<b>Net cash flows from financing activities</b>		<b>4,158,652</b>	<b>332,676</b>
Net increase/(decrease) in cash and cash equivalents		1,764,556	(4,731,352)
Cash and cash equivalents at the beginning of the year		832,548	5,563,900
<b>Cash and cash equivalents at the end of the year</b>	11(b)	<b>2,597,104</b>	<b>832,548</b>

The accompanying notes form part of these financial statements.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial report of Apollo Minerals Limited (“**Apollo Minerals**” or “**Company**”) and its consolidated entities (“**Consolidated Entity**” or “**Group**”) for the year ended 30 June 2020 are stated to assist in a general understanding of the financial report.

Apollo Minerals is a Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange (“**ASX**”).

The financial report of the Group for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors.

### (a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (“**AASBs**”) adopted by the Australian Accounting Standards Board (“**AASB**”) and the *Corporations Act 2001*.

The financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars.

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

### (b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Group include:

- (i) *AASB 16 Leases;*
- (ii) *Interpretation 23 Uncertainty over Income Tax Treatments;*
- (iii) *AASB 2017-7 Amendments – Long-term Interests in Associates and Joint Venture Amendments to IAS 28 and Illustrative Example – Long-term Interests in Associates and Joint Ventures; and*
- (iv) *AASB 2018-1 Amendments – Annual Improvements 2015-2017 Cycle.*

The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods. A discussion on the adoption of AASB 16 is included below:

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2020. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements as detailed below:

Standard/Interpretation	Application Date of Standard	Application Date for Group
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	1 July 2020
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	1 July 2020
Conceptual Framework	1 January 2020	1 July 2020
2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020	1 July 2020
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2022	1 July 2022

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Continued)

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Changes in Accounting Policies

The accounting policies adopted in the preparation of the Financial Report are consistent with those applied in the preparation of the Group's annual financial report for the year ended 30 June 2019, except for new standards, amendments to standards and interpretations effective 1 January 2019 as set out in this note.

#### AASB 16 Leases

AASB 16 Leases has replaced existing accounting requirements for leases under AASB 117 Leases. Under the previous requirements, leases were classified based on their nature as either finance leases which are recognised on the Statement of Financial Position, or operating leases, which are not recognised on the Statement of Financial Position.

Under AASB 16 Leases, the Company's accounting for operating leases as a lessee will result in the recognition of a right-of-use ("ROU") asset and an associated lease liability on the Statement of Financial Position. The lease liability represents the present value of future lease payments, with the exception of short-term and low value leases. An interest expense will be recognised on the lease liabilities and a depreciation charge will be recognised for the ROU assets. There will also be additional disclosure requirements under the new standard.

The Company's adoption of AASB 16 has resulted in no impact to the financial statements of the Company due to the fact that the Company has not entered into any transactions or arrangements that would be accounted for as a lease under the new standard.

#### (d) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2020 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

**(e) Foreign currencies**

*Functional and presentation currency*

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

*Group companies*

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in equity. These differences are recognised in profit or loss in the period in which the operation is disposed.

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**(g) Trade and other receivables**

Trade receivables are recognised and carried at original invoice amount less any Expected Credit Loss ("ECL").

An estimate for the ECL is made based on the historical risk of default and expected loss rates at the inception of the transaction. Inputs are selected for the ECL impairment calculation based on the Company's past history, existing market conditions as well as forward looking estimates.

Receivables from related parties are recognised and carried at the nominal amount due and are interest free.

**(h) Investments and other financial assets**

**(i) Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

For personal use only

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Continued)

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (h) Investments and other financial assets (Continued)

##### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (not relevant to the Group);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (not relevant to the Group);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (equity instruments).

##### **Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group did not elect to classify its equity investments under this category.

##### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes the listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

##### (iii) Derecognition

A financial asset is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired; or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### (i) Financial liabilities

##### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or other financial liabilities (loans and borrowings, or payables).

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings.

**(ii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings**

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate (“EIR”) method. Gains and losses are then recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are recognised at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group does not hold any financial liabilities at fair value through profit or loss.

**(j) Interests in Joint Ventures**

The Group's share of the assets, liabilities, revenue and expenses of joint venture operations (if any) are included in the appropriate items of the consolidated financial statements. Details of the Group's interests in joint ventures are shown at Note 18.

**(k) Parent entity financial information**

The financial information for the parent entity, Apollo Minerals Limited, disclosed in Note 15 has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries, associates and joint venture entities which are accounted for at cost in the financial statements of Apollo Minerals Limited.

**(l) Property, Plant and Equipment**

*(i) Cost and valuation*

Plant and equipment is measured at cost less accumulated depreciation and impairment losses.

*(ii) Depreciation*

Depreciation is provided on a straight line basis on all property, plant and equipment.

	2020	2019
Major depreciation periods are:		
Plant and equipment	2 – 5 years	2 – 5 years
Office equipment	2 – 5 years	2 – 5 years

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2020  
(Continued)

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Exploration and Evaluation Expenditure**

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
  - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure incurred by the Group subsequent to the acquisition of the rights to explore is expensed as incurred, up until the technical feasibility and commercial viability of the project has been demonstrated with a bankable feasibility study.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**(n) Payables**

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 60 days.

**(o) Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(p) Revenue Recognition**

Revenues are recognised at the fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

**(q) Income Tax**

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

**(r) Employee Entitlements**

A provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**(s) Earnings per Share**

Basic earnings per share ("EPS") is calculated by dividing the net profit/loss attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue or share consolidation.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential Ordinary Shares and the effect on revenues and expenses of conversion to Ordinary Shares associated with dilutive potential Ordinary Shares, by the weighted average number of Ordinary Shares and dilutive Ordinary Shares adjusted for any bonus issue or share consolidation.

**(t) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the year but not distributed at balance date.

For personal use only

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Continued)

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (u) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (v) Use and Revision of Accounting Estimates

The preparation of the financial report requires management to make judgements, 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. The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described Note 1(dd).

#### (w) Issued Capital

Ordinary Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (x) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The chief operating decision maker has been identified as the Board of Directors, taken as a whole. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the Board of Directors.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Nature of the production processes,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

**(y) Impairment of Assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**(z) Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

**(aa) Share based Payments**

Equity-settled share based payments are provided to officers, employees, consultants and other advisors. These share based payments are measured at the fair value of the equity instrument at the grant date. Where options and rights are issued, fair value is determined using the Black Scholes option pricing model. Where ordinary shares are issued, fair value is determined using volume weighted average price for ordinary shares for an appropriate period prior to the issue of the shares. Further details on how the fair value of equity-settled share based payments has been determined can be found in Note 16.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share based payments reserve.

Equity-settled share based payments may also be provided as consideration for the acquisition of assets. Where ordinary shares are issued, the transaction is recorded at fair value based on the volume weighted average price for ordinary shares for an appropriate period prior to the issue of the shares.

Where performance shares are issued, the transaction is recorded at fair value based on the volume weighted average price for ordinary shares for an appropriate period prior to the issue of the performance shares, adjusted for Management's assessment of the probability that the relevant milestone for each class of performance share will be met. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

For personal use only

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Continued)

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (bb) Acquisition of Assets

The directors may evaluate a group of assets that is acquired in a transaction is not a business combination. In such cases the cost of acquisition is allocated to the individual identifiable assets (including intangible assets that meet the definition of and recognition criteria for intangible assets in AASB 138) acquired and liabilities assumed on the basis of their relative fair values at the date of purchase.

#### (cc) Government Grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to the grant and that the grant will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which grants are intended to compensate. If the grant relates to expenses or losses already incurred by the entity, or to provide immediate financial support to the entity with no future related costs, the income is recognised in the period in which it becomes receivable.

#### (dd) Significant judgements and key assumptions

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

##### (i) Key judgements

###### *Exploration and evaluation*

The Group capitalises expenditure incurred in the acquisition of rights to explore and records this as an asset where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves (Note 1(m)). In accordance with this policy and with the impairment policy at Note 1(y), the Company has written down some of the carrying value of exploration and evaluation expenditure during the year. In this regard, the Group fully impaired the capitalised exploration and evaluation expenses for the Aurenere Project during the year. Please refer to Note 7 for further disclosure.

###### *Share based payments*

The Group measures the cost of share based payments issued to employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimation is required at the date of issue to determine the fair value. The fair value is determined using an appropriate valuation model. The valuation basis and related assumptions are detailed in Note 16. The accounting estimates and assumptions relating to the equity settled transactions would have no impact on the carrying value of assets and liabilities within the next annual reporting period but may impact expenses and equity.

###### *Loss of Control of Subsidiary*

In accordance with AASB 10 *Consolidated Financial Statements* ("AASB 10"), and taking into account the relevant facts, the Group determined that it had lost control of its French subsidiary, MdS following the filing for its liquidation. Accordingly, MdS was derecognised from the Group during the year. Please refer to notes 2(b) and 20 for further disclosure.

	Note	2020 \$	2019 \$
<b>2. REVENUE AND OTHER GAINS OR LOSSES</b>			
<b>(a) Revenue and other income</b>			
Interest income		21,992	58,788
Government grant income		10,000	-
Gain on disposal of royalty interest		-	90,000
Gain on disposal of subsidiary <sup>(1)</sup>		-	239,794
		<b>31,992</b>	<b>388,582</b>
<b>(b) Other gains or losses</b>			
Fair value movements in financial assets	5	117,005	(76,974)
Unwinding of discount in financial liabilities	19	-	(97,900)
Gain on loss of control of subsidiary	20	1,069,030	-
Gain on derecognition of financial liabilities		244,905 <sup>(2)</sup>	2,115,345 <sup>(4)</sup>
		<b>1,430,940</b>	<b>1,940,471</b>
<b>(c) Other expenses</b>			
Write off of royalty receivable <sup>(3)</sup>	4	(300,000)	-

**Note:**

- (1) During the prior period, Constellation Resources Limited ("**Constellation**") listed on ASX via IPO and the Group lost control of the entity including rights to Constellation's assets and liabilities which resulted in an accounting gain of \$189,794. The Company also sold Southern Exploration Pty Ltd, which held the Commonwealth Hill Project, for \$50,000 during the prior year.
- (2) In 2018, Apollo Minerals (UK) Limited, a wholly owned subsidiary of Apollo Minerals, completed the acquisition of 75% of the share capital of NeoMetal Spania S.L. ("**NeoMetal**"). Consideration for the NeoMetal shares included a contingent payment €150,000 payable on the grant of the Permiso de Investigación del Alt d'Aneu for the Aurenere Project. Given the Company is no longer advancing the Aurenere Project (refer to Note 7 below) and the Permiso de Investigación del Alt d'Aneu to date has not been granted, this deferred consideration is no longer deemed probable and has been derecognised as a liability (refer to Note 8).
- (3) During the period, the Company wrote off of the Pilbara royalty receivable given the Company terminated the royalty agreement on the grounds of the remaining consideration being past due with the royalty being assigned back to Apollo Minerals at no cost.
- (4) Please refer to Note 19 for further disclosure.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2020  
(Continued)

	2020	2019
	\$	\$
<b>3. INCOME TAX</b>		
<b>(a) Recognised in the Statement of Comprehensive Income</b>		
<b>Current income tax</b>		
Current income tax benefit in respect of the current year	-	-
<b>Deferred income tax</b>		
Relating to origination and reversal of temporary differences	-	-
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>-</b>	<b>-</b>
<b>(b) Reconciliation Between Tax Expense and Accounting Loss Before Income Tax</b>		
Accounting loss before income tax	<b>(1,740,653)</b>	(9,021,723)
At the domestic income tax rate of 30% (2019: 30%)	<b>(522,196)</b>	(2,706,490)
Expenditure not allowable for income tax purposes	<b>769,942</b>	2,490,246
Income not assessable for income tax purposes	<b>(432,282)</b>	(691,542)
Effect of changes in income tax rates	-	(588,115)
Adjustments in respect of current income tax of previous years	<b>38,865</b>	49,275
Derecognition of overseas accumulated tax losses	<b>748,703</b>	-
Deferred tax assets not brought to account	<b>(603,032)</b>	1,446,626
<b>Income tax expense attributable to loss</b>	<b>-</b>	<b>-</b>
<b>(c) Deferred Tax Assets and Liabilities</b>		
Deferred income tax at 30 June relates to the following:		
<b>Deferred Tax Liabilities</b>		
Financial assets at fair value through profit and loss	<b>117,009</b>	81,908
Deferred tax assets used to offset deferred tax liabilities	<b>(117,009)</b>	(81,908)
	-	-
<b>Deferred Tax Assets</b>		
Accrued expenditure	<b>42,853</b>	9,600
Capital allowances	<b>308,661</b>	42,876
Tax losses available to offset against future taxable income	<b>7,299,267</b>	8,131,135
Deferred tax assets used to offset deferred tax liabilities	<b>(117,009)</b>	(81,908)
Deferred tax assets not brought to account	<b>(7,533,772)</b>	(8,101,703)
	-	-

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Group in realising the benefit.

#### (d) Tax Consolidation

The Company and its wholly-owned Australian resident entities have not implemented the tax consolidation legislation.

	Notes	2020 \$	2019 \$
<b>4. TRADE AND OTHER RECEIVABLES</b>			
GST and VAT receivables		<b>35,159</b>	230,456
Pilbara royalty receivable	2(c)	-	300,000
Other receivables		<b>9,945</b>	-
		<b>45,104</b>	530,456

	2020 \$	2019 \$
<b>5. OTHER FINANCIAL ASSETS</b>		
<i>Financial assets at fair value through profit or loss:</i>		
Australian listed equity securities <sup>(1)</sup>	<b>390,031</b>	273,028
	<b>390,031</b>	273,028

**Notes:**

<sup>(1)</sup> The Company holds 100 fully paid ordinary shares and 3,000,000 listed options in Constellation (ASX: CR1 and CR1O). Refer to note 22(i) for further disclosure.

	2020 \$	2019 \$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>(a) Plant and Equipment</b>		
At cost	<b>75,582</b>	355,046
Accumulated depreciation and impairment	<b>(67,879)</b>	(187,126)
<b>Net carrying amount</b>	<b>7,703</b>	167,920
<b>(b) Reconciliation</b>		
Carrying amount at beginning of year	<b>167,920</b>	281,482
Acquired on acquisition of controlled entity (note 19)	-	38,480
Acquisitions	-	480,154
Depreciation	<b>(33,367)</b>	(141,210)
Disposed on loss of controlled entity	<b>(116,472)</b>	(3,721)
Impairment of Couflens Project mine assets <sup>(1)</sup>	-	(492,308)
Other write offs	<b>(6,699)</b>	-
Foreign exchange movement on plant and equipment	<b>(3,679)</b>	5,043
<b>Net carrying amount</b>	<b>7,703</b>	167,920

**Notes:**

<sup>(1)</sup> Following the Administrative Court of Toulouse ruling in 2019 to cancel the Couflens PER due to claimed errors made by the French State in the granting of the permit, a provision for impairment has been recognised for the Couflens Project mine assets (refer to Note 7). During the year, the Bordeaux Court of Appeals dismissed the Company's appeal, confirming the cancellation of the Couflens PER. The Company will strongly defend its position and is considering a range of options available to it in relation to the adverse Court verdict.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2020  
(Continued)

	Notes	2020 \$	2019 \$
<b>7. EXPLORATION AND EVALUATION ASSETS</b>			
<b>(a) Exploration and evaluation assets by area of interest</b>			
Kroussou Project – Earn-in (Gabon)		161,028	-
Couflens (France)		-	6,849,560
Couflens (France) – provision for impairment <sup>(3)</sup>		-	(6,849,560)
Aurenere (Spain)		-	550,260
<b>Total exploration and evaluation assets</b>		<b>161,028</b>	<b>550,260</b>
<b>(b) Reconciliation of carrying amount:</b>			
Carrying amount at beginning of year		550,260	7,757,639
Earn-in spend at the Kroussou Project <sup>(2)</sup>		161,028	-
Transfer to acquisition reserve		-	(200,000)
Impairment of Couflens <sup>(3)</sup>		-	(6,849,560)
Impairment of Aurenere <sup>(4)</sup>		(555,149)	-
Disposal of interest in Fraser Range		-	(350,000)
Foreign exchange differences		4,889	192,181
<b>Balance at end of financial year<sup>(1)</sup></b>		<b>161,028</b>	<b>550,260</b>

**Notes:**

- (1) The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.
- (2) With the earn-in period commencing for the Kroussou Project, any subsequent earn-in spend is treated as an exploration and evaluation acquisition cost in accordance with the Company's exploration and evaluation accounting policy.
- (3) Following the Administrative Court of Toulouse ruling in 2019 to cancel the Couflens PER due to claimed errors made by the French State in the granting of the permit, a provision for impairment was recognised for the Couflens Project. During the year, the Bordeaux Court of Appeals dismissed the Company's appeal, confirming the cancellation of the Couflens PER. The Company will strongly defend its position and is considering a range of options available to it in relation to the adverse Court verdict.
- (4) The Aurenere Project comprises an Investigation Permit (Permiso de Investigación del "Alt d'Aneu") application that covers a 27.5km<sup>2</sup> area which is contiguous to the Couflens Project. Given the cancellation of the Couflens PER was confirmed following the decision in by the Bordeaux Court of Appeals, the Company decided that it will no longer advance the Aurenere project application and has fully impaired the exploration and evaluation expenditure associated with the project.

	Note	2020 \$	2019 \$
<b>8. TRADE AND OTHER PAYABLES</b>			
Trade creditors		169,742	1,296,632
Contingent Consideration (NeoMetal) <sup>(1)</sup>		-	242,748
Accrued expenses		142,843	52,000
		<b>312,585</b>	<b>1,591,380</b>

**Notes:**

- (1) In 2018, Apollo Minerals (UK) Limited, a wholly owned subsidiary of Apollo Minerals, completed the acquisition of 75% of the share capital of NeoMetal. Consideration for the NeoMetal shares included a contingent payment €150,000 payable on the grant of the Permiso de Investigación del Alt d'Aneu for the Aurenere Project. Given the Company is no longer advancing the Aurenere Project (refer to Note 7 above) and the Permiso de Investigación del Alt d'Aneu to date has not been granted, this deferred consideration is no longer deemed probable and has been derecognised as a liability (refer to Note 2(b)).

	Note	2020 \$	2019 \$
<b>9. CONTRIBUTED EQUITY</b>			
<b>(a) Issued Capital</b>			
336,272,350 (2019: 168,136,175) Ordinary Shares	9(b)	<b>54,149,500</b>	49,990,848
		<b>54,149,500</b>	49,990,848

**(b) Movements in Ordinary Shares During the Past Two Years Were as Follows:**

Date	Details	Number of Ordinary Shares	\$
<b>1 Jul 2019</b>	<b>Opening Balance</b>	<b>168,136,175</b>	<b>49,990,848</b>
10 Oct 2019	Entitlements Issue	100,950,649	2,523,766
1 Nov 2019	Shortfall for Entitlements Issue	67,185,526	1,679,638
Jul 19 to Jun 20	Share issue expenses	-	(44,752)
<b>30 Jun 2020</b>	<b>Closing Balance</b>	<b>336,272,350</b>	<b>54,149,500</b>
<b>1 Jul 2018</b>	<b>Opening Balance</b>	<b>168,001,175</b>	<b>49,979,420</b>
31 May 2019	Issue of shares	135,000	13,500
Jul 18 to Jun 19	Share issue expenses	-	(2,072)
<b>30 Jun 2019</b>	<b>Closing Balance</b>	<b>168,136,175</b>	<b>49,990,848</b>

**(c) Rights Attaching to Ordinary Shares**

The rights attaching to fully paid ordinary shares ("**Ordinary Shares**") arise from a combination of the Company's Constitution, statute and general law.

Ordinary Shares issued following the exercise of Unlisted Options in accordance with Note 16(b) or conversion of Performance Rights or Performance Shares in accordance with Note 16(b) will rank equally in all respects with the Company's existing Ordinary Shares.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and directors, including provisions to the following effect (when read in conjunction with the Corporations Act 2001 or Listing Rules).

*(i) Shares*

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the directors, subject to the Corporations Act 2001, ASX Listing Rules and any rights attached to any special class of shares.

*(ii) Meetings of Members*

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting.

A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is 2 shareholders.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Continued)

### 9. CONTRIBUTED EQUITY (Continued)

#### (c) Rights Attaching to Ordinary Shares (Continued)

##### (iii) Voting

Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

##### (iv) Changes to the Constitution

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

##### (v) Listing Rules

Provided the Company remains admitted to the Official List, then despite anything in its Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

	Notes	2020	2019
		\$	\$
<b>10. RESERVES</b>			
Share based payments reserve	10(b)	<b>2,057,515</b>	2,155,209
Foreign currency translation reserve		<b>(439,043)</b>	(47,643)
Acquisition reserve	19	<b>(2,591,970)</b>	(2,591,970)
		<b>(973,498)</b>	(484,404)

#### (a) Nature and Purpose of Reserves

##### (i) Share Based Payments Reserve

The Share Based Payments Reserve is used to record the fair value of Unlisted Options, Performance Rights and Performance Shares issued by the Group.

##### (ii) Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve is used to record exchange differences arising on translation of foreign controlled entities. The reserve is recognised in profit or loss when the net investment is disposed of.

##### (iii) Acquisition Reserve

The Acquisition Reserve is used to record historical movements for equity based acquisitions including the purchase of the remaining non-controlling interest for the Couflens Project in 2019. Please refer to Note 19 for further disclosure.

(b) Movements in share-based payments during the past two years:

Date	Details	Number of Options	Number of Performance Rights	Number of Performance Shares	\$
<b>1 Jul 2019</b>	<b>Opening Balance</b>	<b>8,375,000</b>	<b>4,835,000</b>	<b>65,000,000</b>	<b>2,155,209</b>
30 Jul 2019	Lapse of Unlisted Options	(175,000)	-	-	(6,619)
2 Sep 2019	Issue of Unlisted Options	3,000,000	-	-	-
3 June 2020	Issue of Unlisted Options	4,500,000	-	-	-
30 Jun 2020	Expiry of Unlisted Options	(1,500,000)	-	-	(192,731)
Jul 19 to Jun 20	Share-based payment expense	-	-	-	101,656
<b>30 Jun 20</b>	<b>Closing Balance</b>	<b>14,200,000</b>	<b>4,835,000</b>	<b>65,000,000</b>	<b>2,057,515</b>
<b>1 Jul 2018</b>	<b>Opening Balance</b>	<b>7,600,000</b>	<b>-</b>	<b>65,000,000</b>	<b>2,181,128</b>
30 Jul 2018	Loss of control of Constellation	-	-	-	(47,119)
18 Jan 2019	Grant of Unlisted Options	655,000	-	-	-
18 Jan 2019	Grant of Performance Rights	-	4,835,000	-	-
6 Mar 2019	Grant of Unlisted Options	1,700,000	-	-	-
30 Jun 2019	Expiry of Unlisted Options	(1,500,000)	-	-	(77,325)
30 Jun 2019	Lapse of Unlisted Options	(80,000)	-	-	(1,510)
Jul 18 to Jun 19	Share-based payment expense	-	-	-	100,035
<b>30 Jun 19</b>	<b>Closing Balance</b>	<b>8,375,000</b>	<b>4,835,000</b>	<b>65,000,000</b>	<b>2,155,209</b>

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2020  
 (Continued)

	2020 \$	2019 \$
<b>11. STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of the Net Loss After Tax to the Net Cash Flows from Operations</b>		
Loss for the year	(1,740,653)	(9,021,723)
<b>Adjustment for non-cash income and expense items</b>		
Equity settled share based payments	95,037	112,027
Impairment of capitalised exploration	555,149	6,849,560
Depreciation	33,367	141,210
Impairment of plant and equipment	-	492,308
Other non-cash income	(1,404,104)	(2,265,139)
Bad debt expense	300,000	-
Gain on disposal of royalty interest (investing activity)	-	(90,000)
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	33,283	19,431
Increase/(decrease) in trade and other payables	(110,478)	(1,124,768)
<b>Net cash outflow from operating activities</b>	<b>(2,238,399)</b>	<b>(4,887,094)</b>
<b>(b) Reconciliation of Cash</b>		
Cash at bank and on hand	2,597,104	832,548
<b>Balance at 30 June</b>	<b>2,597,104</b>	<b>832,548</b>

**(c) Non-cash Financing and Investing Activities**

30 June 2020

There were no non-cash financing and investing activities during the year ended 30 June 2020.

30 June 2019

On 31 May 2019, the Company issued 135,000 Ordinary Shares to a key consultant in lieu of cash.

There were no other non-cash financing and investing activities during the year ended 30 June 2020 or 30 June 2019.

	2020 Cents	2019 Cents
<b>12. EARNINGS PER SHARE</b>		
<b>(a) Basic and Diluted Profit/(Loss) per Share</b>		
<b>Total basic and diluted loss per share</b>	<b>(0.56)</b>	<b>(5.29)</b>

	2020	2019
	\$	\$
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net loss attributable to members of the Company	(1,596,280)	(8,891,485)
Effect of dilutive securities	-	-
<b>Earnings used in calculating basic and diluted earnings per share from continuing operations</b>	<b>(1,596,280)</b>	<b>(8,891,485)</b>
	Number of Ordinary Shares	Number of Ordinary Shares
	2020	2019
<b>Weighted average number of Ordinary Shares used in calculating basic and diluted earnings per share</b>	<b>285,835,642</b>	<b>168,012,641</b>

**(b) Non-Dilutive Securities**

As at 30 June 2020, there were 14,200,000 Unlisted Options, 4,835,000 Performance Rights and 65,000,000 Performance Shares (which represent 84,035,000 potential Ordinary Shares) which were not dilutive as they would decrease the loss per share.

**(c) Conversions, Calls, Subscriptions or Issues after 30 June 2020**

There have been no conversions to, calls of, or subscriptions for Ordinary Shares or issues of potential Ordinary Shares since the reporting date and before completion of this financial report.

**13. RELATED PARTIES**

**(a) Ultimate Parent**

Apollo Minerals Limited, incorporated in Australia, is the ultimate parent of the Group.

**(b) Subsidiaries**

Name	Country of Incorporation	% Equity Interest	
		2020 %	2019 %
<b>Subsidiaries of Apollo Minerals at 30 June:</b>			
Apollo Iron Ore Pty Ltd	Australia	100	100
Apollo Iron Ore No 2 Pty Ltd	Australia	100	100
Apollo Iron Ore No 3 Pty Ltd	Australia	100	100
Gemini Resources Pty Ltd	Australia	100	-
Gemini Resources (Kroussou) Limited	UK	100	-
Apollo African Holdings Limited	Hong Kong	100	100
Apollo Gabon SA	Gabon	70	70
Ariege Tungstene SAS	France	100	100
Mines du Salat SAS	France	-	100
Variscan Mines SAS	France	100	100
Apollo Minerals (UK) Limited	UK	100	100
NeoMetal Spania S.L. <sup>(1)</sup>	Spain	75	75

**Notes:**

<sup>(1)</sup> Subsequent to the end of the year and following the Company's decision that it will no longer advance the Aurenere project application, the Company commenced the process to relinquish its 75% interest in NeoMetal Spania S.L.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2020  
(Continued)

**13. RELATED PARTIES (Continued)**

**(c) Key Management Personnel**

Transactions with Key Management Personnel, including remuneration, are included at Note 14.

**(d) Transactions with Related Parties**

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

**14. KEY MANAGEMENT PERSONNEL**

**(a) Details of Key Management Personnel**

The KMP of the Group during or since the end of the financial year were as follows:

**Current Directors**

Mr Ian Middlemas	Chairman
Mr Robert Behets	Non-Executive Director
Mr Hugo Schumann	Non-Executive Director (Executive Director until 30 September 2019)
Mr Ajay Kejriwal	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

**Former Directors**

Dr Michel Bonnemaïson	Non-Executive Director (resigned 30 October 2019)
-----------------------	---

**Other KMP**

Mr Dylan Browne	Company Secretary
-----------------	-------------------

Unless otherwise disclosed, the KMP held their position from 1 July 2019 until the date of this report.

	2020	2019
	\$	\$
<b>(b) Key Management Personnel Compensation</b>		
Short-term employee benefits	<b>274,630</b>	754,487
Post-employment benefits	<b>20,125</b>	80,530
Share-based payments	<b>31,201</b>	40,331
	<b>325,956</b>	875,348

**(c) Loans from Key Management Personnel**

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2020 (2019: Nil).

**(d) Other Transactions**

Apollo Group Pty Ltd, a Company of which Mr Mark Pearce is a director and beneficial shareholder, provides corporate, administration and company secretarial services and serviced office facilities to the Company under a services agreement effective from 1 July 2016. Either party can terminate the services agreement at any time for any reason by giving one months' written notice. From July 2019 to March 2020 Apollo Group received a monthly retainer of \$15,000 (exclusive of GST) for the provision of these services (2019: \$20,000). From 1 April 2020, the monthly retainer was reduced to \$10,000 per month in response to market conditions and COVID-19. The monthly retainer is reviewed every six to twelve months and is based on Apollo Group's budgeted cost of providing the services to the Company (and other companies utilising same or similar services from Apollo) for the next six to twelve month period, with minimal mark-up. From time to time, Apollo Group may also receive additional fees (as agreed with the Company) in respect of services provided by Apollo Group to the Company that are not included in the agreed services covered by the monthly retainer.

MdS signed a services agreement dated 21 December 2017 with E-Mines a Company of which Dr Michel Bonnemaïson is a director and beneficial shareholder. In accordance with the agreements, E-Mines provided geoscience consulting services and technical equipment rental to MdS in support of the Company's Couflens Project. During the year, the services agreement with E-Mines was terminated on 31 August 2019 and prior to termination the Company was invoiced \$101,634 (2019: \$288,909) from E-Mines in relation to the services discussed above. During the year, Dr Bonnemaïson had his employment agreement with the Company's French subsidiary, Variscan, terminated for breach of a Company policy. Dr Bonnemaïson has since made a claim for unfair dismissal from Variscan. Dr Bonnemaïson has also made a claim for unpaid invoices against the Company which have been included in the liquidation process of MdS and therefore in the opinion of the directors the claim is without merit. These claims are initially being heard by way of a conciliation hearings in France and in the Company's view are vexatious, opportunistic and without merit. Given the claims have yet to be heard by the appropriate court in France, no determination of the outcome can be made at this time.

	2020	2019
	\$	\$
<b>15. PARENT ENTITY DISCLOSURES</b>		
<b>(a) Financial Position</b>		
<b>Assets</b>		
Current Assets	2,567,149	955,088
Non-Current Assets	390,031	273,026
<b>Total Assets</b>	<b>2,957,180</b>	<b>1,228,114</b>
<b>Liabilities</b>		
Current Liabilities	227,846	385,287
<b>Total Liabilities</b>	<b>227,846</b>	<b>385,287</b>
<b>Equity</b>		
Contributed Equity	54,149,500	49,990,848
Reserves	2,057,515	2,155,209
Accumulated Losses	(53,477,681)	(51,602,653)
<b>Total Equity</b>	<b>2,729,334</b>	<b>842,827</b>
<b>(b) Financial Performance</b>		
Loss for the year	(2,367,182)	(10,547,366)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(2,367,182)</b>	<b>(10,547,366)</b>

**(c) Other**

No guarantees have been entered into by the parent entity in relation to its subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Continued)

### 16. SHARE BASED PAYMENTS

#### (a) Recognised Share Based Payment Expense

Goods or services received or acquired in a share based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share based payment transaction or as a liability if the goods and services were acquired in a cash settled share based payment transaction.

For equity-settled share based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted.

From time to time, the Group also provides Unlisted Options and Performance Rights to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options or rights granted, and the terms of the options or rights granted are determined by the Board. Shareholder approval is sought where required.

During the past two years, the following equity-settled share based payments have been recognised:

	2020 \$	2019 \$
<b>Expense arising from equity-settled share based payment transactions:</b>		
Net expense arising from equity-settled share-based payment transactions (incentive securities) – Company	95,037	94,793
Net expense arising from equity-settled share-based payment transactions (incentive securities) - Constellation	-	3,734
Issue of shares to a key consultant	-	13,500
<b>Net share based payment expense recognised in the profit or loss</b>	<b>95,037</b>	<b>112,027</b>

#### (b) Summary of Unlisted Options, Performance Rights and Performance Shares Granted as Share based Payments

The following Unlisted Options were granted by the Company as share based payments during the last two years:

2020	Number	Grant Date	Expiry Date	Exercise Price \$	Fair Value \$
<b>Series</b>					
Series 1	1,000,000	2 Sept 2019	31 May 2022	0.03	0.017
Series 2	1,000,000	2 Sept 2019	31 May 2023	0.06	0.015
Series 3	1,000,000	2 Sept 2019	31 May 2024	0.10	0.014
Series 4	1,000,000	3 Jun 2020	31 May 2022	0.03	0.014
Series 5	2,500,000	3 Jun 2020	31 May 2023	0.06	0.012
Series 6	1,000,000	3 Jun 2020	31 May 2024	0.10	0.012

2019	Number	Grant Date	Expiry Date	Exercise Price \$	Fair Value \$
<b>Series</b>					
Series 1	315,000	18 Jan 2019	31 Dec 2021	0.28	0.058
Series 2	340,000	18 Jan 2019	31 Dec 2021	0.35	0.052
Series 3	850,000	6 Mar 2019	31 Dec 2021	0.28	0.044
Series 4	850,000	6 Mar 2019	31 Dec 2021	0.35	0.038

The following table illustrates the number and weighted average exercise prices (WAEP) of Unlisted Options granted as share based payments at the beginning and end of the financial year:

	2020 Number	2020 WAEP	2019 Number	2019 WAEP
<b>Outstanding at beginning of year</b>	<b>8,375,000</b>	<b>\$0.284</b>	7,600,000	\$0.238
Granted by the Company during the year	<b>7,500,000</b>	<b>\$0.063</b>	2,355,000	\$0.315
Exercised during the year	-	-	-	-
Expired/cancelled during the year	<b>(1,675,000)</b>	<b>\$0.213</b>	(1,580,000)	\$0.087
<b>Outstanding at end of year</b>	<b>14,200,000</b>	<b>\$0.167</b>	8,375,000	\$0.284

The Unlisted Options are granted based upon the following terms and conditions:

- Each Unlisted Option entitles the holder the right to subscribe for one Ordinary Share upon the exercise of each Unlisted Option;
- The outstanding balance of Unlisted Options granted as share based payments on issue as at 30 June 2020 is represented by:
  - 1,500,000 unlisted options exercisable at \$0.32 each on or before 30 November 2020;
  - 150,000 unlisted options exercisable at \$0.25 each on or before 31 December 2020;
  - 500,000 unlisted options exercisable at \$0.30 each on or before 31 December 2020;
  - 200,000 unlisted options exercisable at \$0.35 each on or before 31 December 2020;
  - 300,000 unlisted options exercisable at \$0.45 each on or before 31 December 2020;
  - 1,950,000 unlisted options exercisable at \$0.25 each on or before 30 June 2021;
  - 1,050,000 Unlisted Options exercisable at \$0.28 each on or before 31 December 2021;
  - 1,050,000 Unlisted Options exercisable at \$0.35 each on or before 31 December 2021;
  - 2,000,000 Unlisted Options exercisable at \$0.03 each on or before 31 May 2022;
  - 3,500,000 Unlisted Options exercisable at \$0.06 each on or before 31 May 2023; and
  - 2,000,000 Unlisted Options exercisable at \$0.10 each on or before 31 May 2024.
- The Unlisted Options are exercisable at any time prior to the Expiry Date, subject to vesting conditions being satisfied (if applicable);
- Ordinary Shares issued on exercise of the Unlisted Options rank equally with the then Ordinary Shares of the Company;
- application will be made by the Company to ASX for official quotation of the Ordinary Shares issued upon the exercise of the Unlisted Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Unlisted Option holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- No application for quotation of the Unlisted Options will be made by the Company

The following Performance Rights were granted by the Company as share based payments during the last two years (nil Performance Rights were granted in 2020):

2019	Number	Grant Date	Issue Date	Expiry Date	Exercise Price \$	Fair Value \$
<b>Series</b>						
Series 1	680,000	5 Dec 2018	18 Jan 2019	31 Dec 2021	-	0.155
Series 2	1,330,000	5 Dec 2018	18 Jan 2019	31 Dec 2021	-	0.155
Series 3	1,010,000	5 Dec 2018	18 Jan 2019	31 Dec 2021	-	0.155
Series 4	1,815,000	5 Dec 2018	18 Jan 2019	31 Dec 2021	-	0.155

For personal use only

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Continued)

### 16. SHARE BASED PAYMENTS (Continued)

#### (b) Summary of Unlisted Options, Performance Rights and Performance Shares Granted as Share based Payments (Continued)

The following table illustrates the number and weighted average exercise prices (WAEP) of Performance Rights granted as share based payments at the beginning and end of the financial year:

	2020 Number	2020 WAEP	2019 Number	2019 WAEP
<b>Outstanding at beginning of year</b>	<b>4,835,000</b>	-	-	-
Granted by the Company during the year	-	-	4,835,000	-
Exercised during the year	-	-	-	-
Expired/cancelled during the year	-	-	-	-
<b>Outstanding at end of year</b>	<b>4,835,000</b>	-	4,835,000	-

The Performance Rights are granted based upon the following terms and conditions:

- Each Performance Right automatically converts into one Ordinary Share upon vesting of the Performance Right;
- Each Performance Right is subject to performance conditions (as determined by the Board from time to time) which must be satisfied in order for the Performance Right to vest;
- The outstanding balance of Performance Rights granted as share based payments on issue as at 30 June 2020 is represented by:
  - 680,000 Performance Rights expiring on 31 December 2021 vesting subject to the tungsten resource milestone;
  - 1,330,000 Performance Rights expiring on 31 December 2021 vesting subject to the scoping study milestone;
  - 1,010,000 Performance Rights expiring on 31 December 2021 vesting subject to the gold resource milestone; and
  - 1,815,000 Performance Rights expiring on 31 December 2021 vesting subject to the pre-feasibility study milestone.
- Ordinary Shares issued on conversion of the Performance Rights rank equally with the then Ordinary Shares of the Company;
- Application will be made by the Company to ASX for official quotation of the Ordinary Shares issued upon conversion of the Performance Rights;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Performance Right holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction;
- No application for quotation of the Performance Rights will be made by the Company; and
- Without approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

No Performance Shares were granted in 2019 and 2020. The outstanding balance of Performance Shares granted as share based payments on issue as at 30 June 2020 is represented by:

- 10,000,000 Class A Convertible Performance Shares;
- 10,000,000 Class B Convertible Performance Shares;
- 10,000,000 Class C Convertible Performance Shares;
- 15,000,000 Class D Convertible Performance Shares; and
- 20,000,000 Class E Convertible Performance Shares

The Performance Shares are granted on the following terms and conditions:

- Each Performance Share will convert into one Share upon the first of the following occurring, on or prior to the Expiry Date (in relation to the Couflens Project):
  - (i) the satisfaction of the relevant Milestone; or
  - (ii) an Asset Sale.
- Milestones:
  - **Class A Milestone:** means the announcement by the Company to ASX of the delineation of at least an Inferred and Indicated Mineral Resource of at least 25,000 tonne WO<sub>3</sub> at an average grade of not less than 1.0% WO<sub>3</sub> using a cut-off grade of not less than 0.3% WO<sub>3</sub> on the Project Licences and which is prepared and reported in accordance with the provisions of the JORC Code. For the avoidance of doubt, the referenced tonnes and grade are WO<sub>3</sub> values, not WO<sub>3</sub> equivalent values incorporating by-products credits.
  - **Class B Milestone:** means the announcement by the Company to ASX of the delineation of at least an Inferred and Indicated Mineral Resource of at least 500,000 troy ounces of gold at an average grade of not less than 0.8 grams per tonne on the Project Licences and which is prepared and reported in accordance with the provisions of the JORC Code.
  - **Class C Milestone:** means the release of a comprehensive announcement by the Company to ASX of the results of a positive Scoping Study on all or part of the Project Licences.
  - **Class D Milestone:** means the release of a comprehensive announcement by the Company to ASX of the results of a positive Pre-Feasibility Study on all or part of the Project Licences.
  - **Class E Milestone:** means the release of a comprehensive announcement by the Company to ASX of the results of a positive Definitive Feasibility Study on all or part of the Project Licences.
- Asset Sale means the announcement by the Company of any completed direct or indirect sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all or part of the Exploration Permit, other than to an entity controlled by the Company, provided that the total amount of consideration received by the Company is at least A\$21 million.
- Subject to a number of conditions, if on or prior to the Expiry Date a Share Sale occurs then each Performance Share will immediately convert into one Share.
- Share Sale means:
  - (i) the announcement by the Company of an unconditional Takeover Bid in relation to the Company resulting in the person making the Takeover Bid having a Relevant Interest of 50% or more of the Shares and which is announced as, or has been declared, unconditional; or
  - (ii) the announcement by the Company that shareholders of the Company have, at a Court convened meeting of shareholders, voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement; or
  - (iii) the announcement by the Company of the acquisition by a person or any group of related persons (other than the Company) of the power, directly or indirectly, to vote or direct the voting of the Shares having more than 50% of the ordinary voting power of the Company,

provided that that the price paid per Share acquired is at least A\$0.15 (as adjusted to take into account any pro rata issue of securities, bonus issue of securities, or reconstruction of issued capital, including consolidation, sub-division, reduction or return, taking place after the grant or issue of the Performance Shares).
- Expiry Date means 5.00pm (Perth time) on 30 June 2022.
- If the Milestone for a Performance Share is met on or before the Expiry Date, the total number of the relevant class of Performance Shares will convert into one Share.
- The Company shall allot and issue Shares upon conversion of the Performance Shares for no consideration.
- Shares issued on conversion of the Performance Shares rank equally with the then shares of the Company.
- If there is any reorganisation of the issued share capital of the Company, the rights of the Performance Shareholders will be varied to the extent necessary to comply with the ASX Listing Rules which apply to the reorganisation at the time of the reorganisation. The Performance Shareholders shall have no right to vote, subject to the Corporations Act.
- No application for quotation of the Performance Shares will be made by the Company.
- The Performance Shares are not transferable.

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2020  
(Continued)

**16. SHARE BASED PAYMENTS (Continued)**

**(c) Weighted Average Remaining Contractual Life**

The weighted average remaining contractual life for the Unlisted Options outstanding at 30 June 2020 is 1.99 years (2019: 1.81 years). The weighted average remaining contractual life for the Performance Rights outstanding at 30 June 2020 is 1.5 years (2019: 2.51 years). The weighted average remaining contractual life for the Performance Shares outstanding at 30 June 2020 is 2.00 years (2019: 3.00 years).

**(d) Range of Exercise Prices**

The range of exercise prices of Unlisted Options outstanding at 30 June 2020 is \$0.03 to \$0.45 (2019: \$0.20 to \$0.45)

**(e) Weighted Average Fair Value**

The weighted average fair value of Unlisted Options granted during the year ended 30 June 2020 is \$0.013 (2019: \$0.045). No Performance Rights were issued in 2020. The weighted average fair value of Performance Rights granted during the year ended 30 June 2019 is \$0.155. No Performance Shares were issued during the current or prior year.

**(f) Unlisted Option and Performance Rights Pricing Model**

The fair value of Unlisted Options granted is estimated as at the date of grant using the Black-Scholes option valuation model taking into account the terms and conditions upon which the Unlisted Options were granted. The fair value of Performance Rights granted is estimated as at the date of grant based on the underlying share price.

The following table lists the inputs to the valuation model used for Unlisted Options and Performance Rights granted by the Company during the years ended 30 June 2020 and 30 June 2019 (no Performance Rights were issued in 2020):

Options						
2020 Inputs	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6
Exercise Price (\$)	0.03	0.06	0.010	0.03	0.06	0.10
Grant date share price (\$)	0.03	0.03	0.03	0.028	0.028	0.028
Dividend yield <sup>(1)</sup>	-	-	-	-	-	-
Volatility <sup>(2)</sup>	90%	90%	90%	95%	95%	95%
Risk free interest rate	0.69%	0.69%	0.71%	0.28%	0.27%	0.41%
Grant date	2 Sept 2019	2 Sept 2019	2 Sept 2019	3 Jun 2020	3 Jun 2020	3 Jun 2020
Expiry date	31 May 2022	31 May 2023	31 May 2024	31 May 2022	31 May 2023	31 May 2024
Expected life of option <sup>(3)</sup>	2.75	3.75	4.75	1.99	2.99	3.99
Fair value at grant date (\$)	0.017	0.015	0.014	0.014	0.012	0.012

**Notes:**

<sup>(1)</sup> The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

<sup>(2)</sup> The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

<sup>(3)</sup> The expected life of the options is based on the expiry date of the options as there is limited track record of the early exercise of options.

<b>Options</b>				
<b>2019 Inputs</b>	<b>Series 1</b>	<b>Series 2</b>	<b>Series 3</b>	<b>Series 4</b>
Exercise Price (\$)	0.28	0.35	0.28	0.35
Grant date share price (\$)	0.14	0.14	0.12	0.12
Dividend yield <sup>(1)</sup>	-	-	-	-
Volatility <sup>(2)</sup>	90%	90%	90%	90%
Risk free interest rate	1.81%	1.81%	1.60%	1.60%
Grant date	18 Jan 2019	18 Jan 2019	6 Mar 2019	6 Mar 2019
Expiry date	31 Dec 2021	31 Dec 2021	31 Dec 2021	31 Dec 2021
Expected life of option <sup>(3)</sup>	2.95 years	2.95 years	2.82 years	2.82 years
Fair value at grant date (\$)	0.058	0.052	0.044	0.038

**Notes:**

- (1) The dividend yield reflects the assumption that the current dividend payout will remain unchanged.  
(2) The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.  
(3) The expected life of the options is based on the expiry date of the options as there is limited track record of the early exercise of options.

<b>Rights</b>				
<b>2019 Inputs</b>	<b>Series 1</b>	<b>Series 2</b>	<b>Series 3</b>	<b>Series 4</b>
Exercise Price (\$)	-	-	-	-
Grant date share price (\$)	0.155	0.155	0.155	0.155
Dividend yield <sup>(1)</sup>	-	-	-	-
Volatility <sup>(2)</sup>	-	-	-	-
Risk free interest rate	-	-	-	-
Grant date	5 Dec 2019	5 Dec 2019	5 Dec 2019	5 Dec 2019
Issue date	18 Jan 2019	18 Jan 2019	18 Jan 2019	18 Jan 2019
Expiry date	31 Dec 2021	31 Dec 2021	31 Dec 2021	31 Dec 2021
Expected life of right <sup>(3)</sup>	2.51 years	2.51 years	2.51 years	2.51 years
Fair value at grant date (\$)	0.155	0.155	0.155	0.155

**Notes:**

- (1) The dividend yield reflects the assumption that the current dividend payout will remain unchanged.  
(2) The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.  
(3) The expected life of the options is based on the expiry date of the options as there is limited track record of the early exercise of options.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>17. AUDITORS' REMUNERATION</b>		
Amounts received or due and receivable by Deloitte Touche Tohmatsu for:		
• an audit or review of the financial report of the entity and any other entity in the consolidated group	<b>33,990</b>	28,500
	<b>33,990</b>	28,500

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2020  
(Continued)

**18. INTERESTS IN JOINT VENTURES**

The Group has an interest in the following unincorporated joint venture for the Kroussou Project:

Name	Principal Activities	Country	Interest		Carrying Amount	
			2020 %	2019 %	2019 \$	2018 \$
Kroussou EIA	Exploration for zinc lead	Gabon	-	-	-	-

On 3 September 2019, the Company announced that it had entered into the EIA with Trek to earn-in an interest of up to 80% in the Kroussou Project. The EIA is between Gemini Resources (Kroussou) Limited ("**Gemini**"), a wholly owned subsidiary of Apollo Minerals, Trek and its relevant subsidiaries, including ELM Resources Pty Ltd ("**ELM**", which is 100% owned by Trek), Select Exploration Limited ("**SEL**", which is 100% owned by ELM) and Select Explorations (Gabon) SA, ("**SEG**", which is 100% owned by SEL). The Commencement Date for the purposes of the EIA is 8 May 2020.

Key terms of the EIA provide:

1. Apollo Minerals, via its subsidiary Gemini, will earn its interest in the Kroussou Project by:
  - a) Spending A\$2,000,000 on the Project within three years of the Commencement Date to earn a 70% interest ("**First Earn-in Milestone**"); and
  - b) Spending a further A\$2,000,000 on the Project within five years of the Commencement Date to earn a further 10% interest, taking the total interest to 80% ("**Second Earn-in Milestone**");
2. Post the Second Earn-in Milestone:
  - a) each party is required to contribute on a pro rata basis to maintain their respective interests in the Project; and
  - b) if a party does not contribute, its interest will be diluted. If a party dilutes down below 10%, then its interest in the Project automatically converts into a 1% NSR;
3. Apollo Minerals may withdraw from the earn-in once it has spent a minimum of A\$250,000 in the first 12 months of Commencement Date and thereafter any time prior to meeting the First Earn-in Milestone;
4. From Commencement Date, Apollo Minerals will be Manager of the Project, and will determine the exploration programmes and other activities to advance the Project;
5. A first right of refusal over the other party's interest in the Project; and
6. Upon making a decision to mine ("**DTM**") in accordance with the EIA:
  - a) Apollo Minerals may exercise a call option over Trek's interest in the Project;
  - b) Trek may exercise a put option over its interest in the Project; and
  - c) Apollo Minerals must pay US\$500,000 to Battery Minerals to satisfy Trek's obligation for its own DTM payment to Battery Minerals.

Apollo Minerals, via its subsidiary Gemini, will earn its interest in the Kroussou Project by being issued shares in SEL. Accordingly, upon Gemini meeting its earn-in expenditure requirements under the EIA, Apollo Minerals, via Gemini, will hold an 80% interest in SEL, and ELM (Trek's subsidiary) will hold a 20% interest in SEL. SEL will hold 100% of SEG, which owns the Kroussou Project.

Within 120 days of Apollo Minerals meeting the first earn-in milestone, the parties must enter into a Shareholders Agreement.

## 19. ACQUISITION OF CONTROLLED ENTITY

### 30 June 2019

In September 2018, the Company completed the acquisition of the remaining 20% interest in the Couflens Project following the acquisition of 100% of the share capital of Variscan France from Variscan Mines Limited (ASX: VAR).

Consideration for the acquisition was agreed as follows:

1. \$200,000 cash was paid upfront;
2. Subject to the final quantum of liabilities of Variscan France as per item 4 below, staged cash payments over an 8-month period as follows:
  - a. Up to \$300,000 cash on completion
  - b. Up to \$250,000 cash on the date that is 4 months from the date of completion
  - c. Up to \$250,000 cash on the date that is 8 months from the date of completion
3. Subject to item 4 below and shareholder approval:
  - a. Milestone one:
    - i. \$250,000 worth of shares in the Company upon the announcement of a Mineral Resource Estimate at Couflens of at least 25,000 tonne WO<sub>3</sub> at an average grade of not less than 1% WO<sub>3</sub> using a cut-off grade of not less than 0.3% WO<sub>3</sub>; or
    - ii. A\$125,000 worth of Shares in the Company upon the announcement of a Mineral Resource Estimate for tungsten for Couflens at levels below those of the Tungsten Resource Milestone, or a Mineral Resource Estimate for gold.
  - b. Milestone two: A\$500,000 worth of Shares in the Company upon the announcement by the Company to ASX of a Scoping Study completed at Couflens;
  - c. Milestone three: A\$500,000 worth of Shares in the Company upon the announcement by the Company to ASX of a Pre-Feasibility Study at Couflens;
  - d. Milestone four: A\$500,000 of Shares in the Company upon the announcement by the Company to ASX of a Definitive-Feasibility Study at Couflens; and
  - e. Milestone five: A\$873,671 worth of Shares in the Company upon the commencement of production at the Couflens Project.
4. The Company agreed to assume up to €400,000 of Variscan France liabilities at completion with any liabilities over €400,000 being deducted from the staged future cash payments and share payments referred to in 2 and 3 above.
5. In relation to the share milestones one to five above, if shareholder approval has not been received by the date of the satisfaction of the relevant milestone, or if Apollo Minerals determines at its own discretion, it shall pay a cash equivalent for the relevant milestone consideration in lieu of the share consideration.

Given the Variscan France liabilities exceeded €400,000 on completion, the Company was not required to pay the cash consideration amounts per item 2 above.

The transaction has been accounted for as an acquisition of the remaining non-controlling interest in the Couflens Project, taking into consideration AASB 3 Business Combinations and the nature of the transaction.

The total cost of the transaction was deemed to be \$2,217,445 and was comprised as follows:

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2020  
 (Continued)

	\$
<b>Fair value of net assets acquired:</b>	
Cash and cash equivalents	65,987
Trade and other receivables	50,630
Property, plant and equipment	38,480
Trade and other payables	(1,595,793)
<b>Net assets acquired</b>	<b>(1,440,696)</b>
Non-controlling interest acquired	1,066,171
Recognition of acquisition reserve (Note 10)	2,591,970
<b>Net assets acquired attributable to members of Apollo Minerals Limited</b>	<b>2,217,445</b>
<b>Costs of the acquisition:</b>	
Cash and cash equivalents	200,000
Deferred share or cash consideration <sup>(1)</sup>	2,017,445
	<b>2,217,445</b>
<b>Net cash outflow on acquisition:</b>	
Cash consideration	(200,000)
Cash acquired on acquisition	65,987
	<b>(134,013)</b>

**Notes:**

<sup>(1)</sup> As at the acquisition date, the fair value of the deferred consideration was estimated to be \$2,017,445 based on the probability of meeting the relevant milestones. As at 30 June 2019, the fair value of the deferred consideration was estimated to be nil. Following the decision by the Administrative Court of Toulouse to cancel the Couffens PER on 28 June 2019 the Company believed it was no longer probable that the relevant milestone will be met. Accordingly, the liability was derecognised at 30 June 2019. However, during the 2019 year, the deferred consideration had been accounted for and discounted to its present value, with a finance expense recognised. The unwinding of the discount arising from the remeasurement in the fair value of the deferred consideration was an expense of \$97,900 during the 2019 year which has been accounted for in profit and loss. Please refer to the reconciliation below and to note 2(a) for further disclosure.

Date	Note	2020 \$	2019 \$
<b>Reconciliation</b>			
7 Sep 2018	Recognition of deferred share or cash consideration	-	2,017,445
Sep 18 to Jun 19	Unwinding of discount in financial liabilities	-	97,900
30 Jun 2019	Derecognition of deferred share or cash consideration	-	(2,115,345)
		-	-

## 20. LOSS OF CONTROL OF SUBSIDIARY

On 31 October 2019, the Group filed for liquidation of its French subsidiary, Mines du Salat, following the Administrative Court of Toulouse ruling to cancel the Couflens PER. Details of the disposal are as follows:

	\$
<b>Fair value of net assets over which control was lost:</b>	
Trade and other receivables	(97,609)
Property, plant and equipment	(116,472)
Trade and other payables <sup>(1)</sup>	803,026
<b>Net assets derecognised</b>	<b>588,945</b>
Consideration received	-
Cumulative exchange differences in respect of net assets of the subsidiary reclassified from equity on loss of control of subsidiary	480,085
<b>Total gain on disposal</b>	<b>1,069,030</b>
<b>Net cash outflow on disposal:</b>	
Cash consideration	-
Cash disposed of	-
	-

**Notes:**

<sup>(1)</sup> During the year, Dr Bonnemaïson had his employment agreement with the Company's French subsidiary, Variscan, terminated for breach of a Company policy. Dr Bonnemaïson has since made a claim for unfair dismissal from Variscan. Dr Bonnemaïson has also made a claim for unpaid invoices against the Company which have been included in the liquidation process of MdS and therefore in the opinion of the directors the claim is without merit. These claims are initially being heard by way of a conciliation hearings in France and in the Company's view are without merit. Given the claims have yet to be heard by the appropriate court in France, no determination of the outcome can be made at this time.

## 21. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity now operates in one segment, being exploration for mineral resources in Gabon (previously also in the European Union). This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity. Information regarding the non-current assets by geographical location is reported below.

### (a) Reconciliation of Non-current Assets by geographical location

	2020 \$	2019 \$
Gabon	161,028	-
Australia	390,031	273,028
France	7,703	167,920
Spain	-	550,260
	<b>558,762</b>	<b>991,208</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Continued)

### 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### (a) Overview

The Group's principal financial instruments comprise equity securities, receivables, payables, cash and short-term deposits. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure to, or management of, these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

#### (b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	2020	2019
	\$	\$
Cash and cash equivalents	2,597,104	832,548
Trade and other receivables	45,104	530,456
	<b>2,642,208</b>	1,363,004

Trade and other receivables are comprised primarily of GST/VAT refunds due. Where possible the Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

#### (c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. At 30 June 2020, the Group had sufficient liquid assets (including the listed securities held in Constellation) to meet its financial obligations.

The contractual maturities of financial liabilities are provided below. There are no netting arrangements in respect of financial liabilities.

Group	≤6 Months	6-12 Months	1-5 Years	≥5 Years	Total
	\$	\$	\$	\$	\$
<b>2020</b>					
<b>Financial Liabilities</b>					
Trade and other payables	312,585	-	-	-	312,585
	<b>312,585</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>312,585</b>
<b>2019</b>					
<b>Financial Liabilities</b>					
Trade and other payables	1,348,632	242,748	-	-	1,591,380
	<b>1,348,632</b>	<b>242,748</b>	<b>-</b>	<b>-</b>	<b>1,591,380</b>

#### (d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of equity securities, receivables and payables are non-interest bearing.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2020	2019
	\$	\$
<b>Interest-bearing financial instruments</b>		
Cash at bank and on hand	2,597,104	832,548
	<b>2,597,104</b>	<b>832,548</b>

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

#### Interest rate sensitivity

A sensitivity of 1% has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 1% movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, remain constant. The analysis is performed on the same basis for the current and prior year.

	Profit or loss		Other Comprehensive Income	
	1% Increase	1% Decrease	1% Increase	1% Decrease
<b>2020</b>				
<b>Group</b>				
Cash and cash equivalents	25,809	(25,809)	25,809	(25,809)
<b>2019</b>				
<b>Group</b>				
Cash and cash equivalents	8,034	(8,034)	8,034	(8,034)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(Continued)

### 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### (e) Foreign Currency Risk

The Group's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income can be affected by movements in exchange rates. The Group also has transactional currency exposures. Such exposure arises from transactions denominated in currencies other than the functional currency of the entity.

The Group's exposure to foreign currency risk throughout the current year primarily arose from controlled entities of the Company whose functional currency is the Euro. Foreign currency risk arises on translation of the net assets of a controlled entity to Australian dollars ("A\$"). In the Group accounts, the foreign currency gains or losses arising from this risk are recorded through the foreign currency translation reserve.

It is the Group's policy not to enter into any hedging or derivative transactions to manage foreign currency risk.

At the reporting date, the Group's exposure to financial instruments denominated in foreign currencies was:

	2020 Euro exposure (A\$ Equivalent)	2019 Euro exposure (A\$ Equivalent)
<b>Euro denominated financial assets and liabilities</b>		
<b>Financial assets</b>		
Cash and cash equivalents	50,304	184,539
Receivables	24,759	223,378
<b>Financial liabilities</b>		
Trade and other payables	(84,741)	(963,342)
<b>Net exposure</b>	<b>(9,678)</b>	<b>(555,425)</b>

#### Foreign exchange rate sensitivity

At the reporting date, there would be no significant impact on profit or loss or other comprehensive income from an appreciation or depreciation in the A\$ to the Euro as foreign currency gains or losses on the above financial assets and liabilities are primarily recorded through the foreign currency translation reserve as discussed above.

#### (f) Commodity Price Risk

The Group is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

#### (g) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

#### (h) Fair Value

At 30 June 2020 and 30 June 2019, the carrying value of the Group's financial assets and liabilities approximate their fair value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

**(i) Equity Price Risk**

The Group is exposed to equity securities price risk. This arises for the listed ordinary shares and options held by the Group which are classified in the Statement of Financial Position as financial assets at fair value through profit or loss:

**Equity price sensitivity**

A sensitivity of 50% has been selected as this is considered reasonable given the recent trading and volatility of Constellations listed securities. The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. This analysis assumes that all other variables remain constant.

	Profit or loss	
	50% Increase	50% Decrease
<b>2020</b>		
<b>Group</b>		
Australian listed equity securities	<b>195,015</b>	<b>(195,015)</b>
<b>2019</b>		
<b>Group</b>		
Australian listed equity securities	136,513	(136,513)

**23. EVENTS SUBSEQUENT TO BALANCE DATE**

- (i) Subsequent to the end of the year and given the cancellation of the Couflens PER was confirmed following the decision in by the Bordeaux Court of Appeals, the Company decided that it will no longer advance the Aurenere Project application and has provided notice to the relevant joint venture partner of this decision; and
- (ii) On 29 July 2020, the Company cancelled the following Unlisted Options for nil consideration following the review of the Company's remuneration policy and long term incentives:
- 1,600,000 Unlisted Options exercisable at \$0.25 each on or before 30 June 2021;
  - 1,050,000 unlisted options exercisable at \$0.28 each on or before 31 December 2021; and
  - 1,050,000 unlisted options exercisable at \$0.35 each on or before 31 December 2021.

Other than as disclosed above, as at the date of this report, there are no matters or circumstances which have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2020, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2020, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2020, of the Group.

For personal use only

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Apollo Minerals Limited:

1. In the opinion of the directors:
  - (a) the attached financial statements, notes and the additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:
    - (i) section 296 (compliance with accounting standards and Corporations Regulations 2001); and
    - (ii) section 297 (gives a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Group); and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The attached financial statements and notes thereto are in compliance with International Financial Reporting Standards, as stated in Note 1(b) to the financial statements.
3. The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

On behalf of the Board



**ROBERT BEHETS**  
Director

29 September 2020

**Deloitte.**

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Tower 2, Brookfield Place  
123 St Georges Terrace  
Perth WA 6000  
GPO Box A46  
Perth WA 6837 Australia

Tel: +61 8 9365 7000  
Fax: +61 8 9365 7001  
www.deloitte.com.au

## Independent Auditor's Report to the members of Apollo Minerals Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Apollo Minerals Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte Network.

For personal use only

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF APOLLO MINERALS LIMITED**  
(Continued)



Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p><b>Disposal of Mines du Salat</b></p> <p>On 31 October 2019, the Group filed for the liquidation of Mines du Salat (MdS) following the Administrative Court of Toulouse ruling to cancel the Couflens exploration permit.</p> <p>Upon commencement of the liquidation Apollo Minerals lost control of MdS, with control residing with the judicial liquidator appointed by the Court. Additionally, all liabilities of MdS are settled through the disposal of MdS's assets by the appointed judicial liquidator.</p> <p>As a result of the loss of control, the MdS was deconsolidated and a gain of \$1.1 million was recognised as a result.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• reviewing the judgment rendered by the Commercial Court of Foix dated 28 October 2019;</li> <li>• reviewing correspondence from the company's legal counsel in France;</li> <li>• assessing the ability of creditors or other parties to make a claim against the assets of Mines du Salat, or any other entity within the Group, subsequent to commencement of the liquidation;</li> <li>• evaluating the appropriateness of the deconsolidation accounting and resulting gain recognised; and</li> <li>• assessing the appropriateness of the disclosures in note 20 to the financial statements.</li> </ul>
<p><b>Kroussou Earn-In Agreement</b></p> <p>In September 2019 the Company entered in to an earn-in agreement with Trek Metals Limited to earn an interest of up to 80% in the Kroussou project, a large scale zinc-lead project, in Gabon.</p> <p>The final conditions precedent associated with the earn-in agreement were satisfied on 11 May 2020.</p> <p>Subsequent to the execution of the earn-in agreement, \$0.7 million has been spent in relation to exploration activities of which \$0.5 million has been recognised in profit or loss and \$0.2 million has been capitalised as an exploration and evaluation asset following the satisfaction of conditions precedent.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• reviewing the earn-in agreement with Trek Metals Limited to understand the obligations on the Group, and rights granted to it in relation to the Kroussou Project;</li> <li>• confirming rights of tenure at both acquisition date and 30 June 2020 in relation to the underlying Kroussou exploration tenements;</li> <li>• evaluating the accounting treatment of expenditure incurred both pre and post satisfaction of the earn-in agreement's conditions precedent, to ensure that the accounting adopted is in accordance with the Group's accounting policy; and</li> <li>• on a sample basis, testing the exploration expenditure incurred throughout the period through to source data.</li> </ul>

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

For personal use only

## Deloitte.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

For personal use only

**INDEPENDENT AUDITOR'S REPORT**  
TO THE MEMBERS OF APOLLO MINERALS LIMITED  
(Continued)

## **Deloitte.**

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on the Remuneration Report**

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 15 to 22 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Apollo Minerals Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**DELOITTE TOUCHE TOHMATSU**



**David Newman**  
Partner  
Chartered Accountants  
Perth, 29 September 2020

## CORPORATE GOVERNANCE STATEMENT

Apollo Minerals Limited (“Apollo Minerals” or “Company”) and the entities it controls believe corporate governance is important for the Company in conducting its business activities.

The Board of Apollo Minerals has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by the Company.

These documents are available in the Corporate Governance section of the Company’s website, [www.apollominerals.com](http://www.apollominerals.com). These documents are reviewed annually to address any changes in governance practices and the law.

The Company’s 2020 Corporate Governance Statement, which explains how Apollo Minerals complies with the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations – 3rd Edition’ in relation to the year ended 30 June 2020, is available in the Corporate Governance section of the Company’s website, [www.apollominerals.com](http://www.apollominerals.com) and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

In addition to the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations – 3rd Edition’ the Board has taken into account a number of important factors in determining its corporate governance policies and procedures, including the:

- relatively simple operations of the Company, which currently only undertakes mineral exploration and development activities;
- cost verses benefit of additional corporate governance requirements or processes;
- size of the Board;
- Board’s experience in the resources sector;
- organisational reporting structure and number of reporting functions, operational divisions and employees;
- relatively simple financial affairs with limited complexity and quantum;
- relatively small market capitalisation and economic value of the entity; and
- direct shareholder feedback.

For personal use only

## ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 31 August 2020.

### 1. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest shareholders are listed below

Name	Number of Ordinary Shares	Percentage of Ordinary Shares
J P Morgan Nominees Australia Pty Limited	26,832,380	7.98
Arredo Pty Ltd	24,000,000	7.14
HSBC Custody Nominees (Australia) Limited	14,021,424	4.17
Mr Kashif Naseem Afzal	13,125,000	3.90
Juniper Capital Partners Limited	13,125,000	3.90
Croesus Mining Pty Ltd <Steinepreis Super Fund A/C>	11,341,553	3.37
Bennelong Resource Capital Pty Ltd	10,551,758	3.14
GP Securities Pty Ltd	8,233,954	2.45
Zero Nominees Pty Ltd	8,000,000	2.38
Bouchi Pty Ltd	7,990,000	2.38
BNP Paribas NOMS Pty Ltd <DRP>	7,451,593	2.22
AWJ Family Pty Ltd <A W Johnson Family A/C>	6,266,948	1.86
D Gray & Co Pty Ltd	5,961,380	1.77
Vivre Investments Pty Ltd	5,000,000	1.49
Mr Robert Arthur Behets & Mrs Kristina Jane Behets <Behets Family A/C>	5,000,000	1.49
Mr Mark Stuart Savage	4,850,000	1.44
Cantori Pty Ltd <Cantori Superfund A/C>	4,767,823	1.42
AWJ Family Pty Ltd <Angus W Johnson Family A/C>	4,472,098	1.33
Croesus Mining Pty Ltd <The Second Super Fund A/C>	4,274,734	1.27
Aristo Capital Pty Ltd <Odyssey A/C>	4,000,000	1.19
Norfolk Enchants Pty Ltd <Trojan Retirement Fund A/C>	4,000,000	1.19
Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	4,000,000	1.19
Mr Mark Pearce & Mrs Natasha Pearce <NMLP Family A/C>	4,000,000	1.19
BNP Paribas Nominees Pty Ltd <IB Au NOMS Retailclient DRP>	3,891,491	1.16
Citicorp Nominees Pty Limited	3,621,654	1.08
<b>Total Top 20</b>	<b>208,778,790</b>	<b>62.09</b>
Others	127,493,560	37.91
<b>Total Ordinary Shares on Issue</b>	<b>336,272,350</b>	<b>100.00</b>

## 2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of holders by size of holding:

Distribution	Ordinary Shares	
	Number of Shareholders	Number of Ordinary Shares
1 – 1,000	76	23,664
1,001 – 5,000	133	420,340
5,001 – 10,000	66	502,728
10,001 – 100,000	162	6,040,745
More than 100,000	160	329,284,873
<b>Totals</b>	<b>597</b>	<b>336,272,350</b>

There were 321 holders of less than a marketable parcel of ordinary shares.

## 3. VOTING RIGHTS

See Note 9(c) of the Notes to the Financial Statements.

## 4. SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder notices have been received from the following:

Substantial Shareholder	Number of Shares
Arredo Pty Ltd	24,000,000
Croesus Mining Pty Ltd <Steinepreis Super Fund A/C> and <The Second Super Fund A/C>, Linda Louise Steinepreis, Carly Louise McGowan, Elizabeth Louise Steinepreis and Judith Elizabeth Steinepreis	17,016,287

## 5. ON-MARKET BUY BACK

There is currently no on-market buy back program for any of Apollo Minerals Limited's listed securities.

## 6. UNQUOTED SECURITIES

The names of the security holders holding 20% or more of the unlisted class of security at 31 August 2020, other than those unlisted securities issued or acquired under an employee incentive scheme, are listed below:

Holder	30-Jun-22 Class A Performance Shares subject to a Tungsten Resource Milestone	30-Jun-22 Class B Performance Shares subject to a Gold Resource Milestone	30-Jun-22 Class C Performance Shares subject to a Scoping Study Milestone	30-Jun-22 Class D Performance Shares subject to a PFS Milestone	30-Jun-22 Class E Performance Shares subject to a DFS Milestone	30-Nov-20 Unlisted Options exercisable at \$0.32	31-Dec-20 Unlisted Options exercisable at \$0.25
Juniper Capital Partners Limited	8,750,000	8,750,000	8,750,000	13,125,000	17,500,000	-	-
Mr Richard Shemesian	-	-	-	-	-	1,250,000	-
Mr Hannes Huster	-	-	-	-	-	-	150,000
Others	1,250,000	1,250,000	1,250,000	1,875,000	2,500,000	250,000	-
<b>Total</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>15,000,000</b>	<b>20,000,000</b>	<b>1,500,000</b>	<b>150,000</b>
<b>Total Number of Holders</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>1</b>

## ASX ADDITIONAL INFORMATION

(Continued)

Holder	31-Dec-20 Unlisted Options exercisable at \$0.30	31-Dec-20 Unlisted Options exercisable at \$0.35	31-Dec-20 Unlisted Options exercisable at \$0.45	30-Jun-21 Unlisted Options exercisable at \$0.25	31-May-22 Unlisted Options exercisable at \$0.03	31-May-23 Unlisted Options exercisable at \$0.06	31-May-24 Unlisted Options exercisable at \$0.10
Tamesis Partners LLP	500,000	-	-	-	-	-	-
Mr Hannes Huster	-	200,000	300,000	-	-	-	-
JJB Advisory Limited	-	-	-	350,000	-	-	-
Mr Peter Woodman & Ms Denise Elizabeth Pringle	-	-	-	-	1,000,000	1,000,000	1,000,000
Mr Thomas Pucheu	-	-	-	-	500,000	750,000	-
Mr Cedrick Gineste	-	-	-	-	500,000	750,000	-
Geocopter Pty Ltd	-	-	-	-	-	1,000,000	1,000,000
<b>Total</b>	<b>500,000</b>	<b>200,000</b>	<b>300,000</b>	<b>350,000</b>	<b>2,000,000</b>	<b>3,500,000</b>	<b>2,000,000</b>
<b>Total Number of Holders</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>2</b>

### 7. MINERAL RESOURCES STATEMENT

To date, the Company has not reported any Mineral Resources or Ore Reserves for the Kroussou Project.

### 8. EXPLORATION INTERESTS

As at 31 August 2020, the Company has an interest in the following projects:

Project Name	Permit Number	Percentage Interest	Status
Kroussou Project, Gabon	G4-569	-( <sup>1</sup> )	Granted
Couflens Project, France	Couflens PER	Nil( <sup>2</sup> )	Cancelled( <sup>2</sup> )
Aurenere Project, Spain	I.P. Alt d'Aneu	75%( <sup>3</sup> )	Application( <sup>3</sup> )

**Notes:**

- (<sup>1</sup>) In September 2019, the Company announced that it had entered into an EIA with Trek to earn-in an interest of up to 80% in the Kroussou Project. The Kroussou Project comprises one Prospecting License (Permis de Recherche G4-569) that covers 986.5km<sup>2</sup> in the Ngounié Province, western Gabon. In May 2020, the MC at the Kroussou Project was approved thereby satisfying all conditions precedent for the EIA with the earn-in period having now commenced. The Company's investment to date will contribute to its earn-in interest in the Project. As at 30 June 2020, the Company held no beneficial interest in the Project, other than through the EIA.
- (<sup>2</sup>) During the year, the Bordeaux Court of Appeals dismissed the Company's appeal, confirming the cancellation of the Couflens PER. The Company will strongly defend its position and is considering a range of options available to it in relation to the adverse Court verdict.
- (<sup>3</sup>) The Aurenere Project comprises an Investigation Permit (Permiso de Investigación del "Alt d'Aneu") application that covers a 27.5km<sup>2</sup> area which is contiguous to the Couflens Project. Subsequent to the end of the year and given the cancellation of the Couflens PER was confirmed following the decision in by the Bordeaux Court of Appeals, the Company decided that it will no longer advance the Aurenere application and has provided notice to the relevant joint venture partner of this decision.

For personal use only

## Apollo Minerals Limited

PERTH

Level 9, 28 The Esplanade  
Perth WA 6000

Telephone: +61 8 9322 6322

Facsimile: +61 8 9322 6558

[www.apollominerals.com](http://www.apollominerals.com)  
[info@apollominerals.com](mailto:info@apollominerals.com)