ASX ANNOUNCEMENT 5 JULY 2016

QUARTERLY ACTIVITIES REPORT

SUMMARY

- **Apollo to raise up to $4.4 million on completion of placement and rights issue**
- **Management and board to be re-structured**
- **Review of the Fraser Range Nickel Project to be completed in the September quarter to focus on the Plato Prospect and the Project's northern tenement**

Apollo Minerals Ltd (ASX: AON) ("Apollo" or "the Company") is pleased to report on its activities for the quarter ended 30 June 2016.

CORPORATE ACTIVITY

The Company announced on 11 May its intention to restructure the Board and undertake a comprehensive recapitalisation process that, subject to shareholder approval, will raise up to $4.4 million. The restructure will allow the Company to actively attract and pursue new projects in the resources sector as well as continue with its current activities.

At a General Meeting of shareholders, held on 15 June, resolutions were passed for the consolidation of shares on a 1 for 4 basis and the issue of 34 million new shares to raise $1.7 million. The resolutions for the election of Mr Ian Middlemas as Chairman and Mr Mark Pearce as Director were also passed.

Mr Middlemas has extensive mining and resource expertise with a strong track record of identifying and developing high quality resource projects.

Following the placement of the new shares the Company intends to undertake a 1 for 1 pro rata non-renounceable entitlements issue at $0.05 per share on a post consolidation basis to raise up to an additional $2.7 million, allowing all shareholders at the Record Date to participate at the same price.

EXPLORATION ACTIVITY

WESTERN AUSTRALIA, Fraser Range Nickel Project (AON 70% : ENT 30%)

Apollo has been offered up to $150,000 under the WA Government Exploration Incentive Scheme (EIS) Co-funded Drilling programme for drilling at its Plato Prospect, located approximately 40km southwest and along strike from Sirius Resources Nova-Bollinger nickel mine. Under the EIS guidelines the funding covers direct drilling costs which Apollo is required to match on a dollar for dollar basis. The Company is refining its approach, and may look to undertake targeted exploration activities over the coming months.

The Company will also look to focus on further assessing the prospectivity of the Project's northern tenement, E28/2403.

SOUTH AUSTRALIA, Titan Base and Precious Metals Project

The Titan Base & Precious Metals project area situated in the Gawler Craton of South Australia includes 100% held tenements and contiguous farm-in joint ventures on the Mars Aurora Tank and Eaglehawk JV projects. The Company is undertaking a comprehensive review of the Titan Project and is discussing the sale of various prospects. During the quarter Apollo formally notified the joint venture partner of its intention to withdraw from the Eaglehawk Joint Venture.

Subsequent to the quarter, Apollo reached an agreement to dispose of its interest in the Mars Aurora Tank JV to its joint venture partner for $50,000.

Kango North Iron Project (AON 70%)

Results from the maiden drilling program at the Company's 70% owned project in Gabon, Central Africa) are presented below.

A total of 9 drill holes were completed for a total of 550.8m at the P1 and P2 prospects (Figure 1). Mineralised intercepts are reported in Table 1 and Davis Tube Recovery (DTR) test work results conducted on 28 samples are reported in Table 2. The DTR work demonstrated a high mass recovery averaging 49% to produce a high grade Fe concentrate averaging 67% Fe.

The 2016 field exploration program is progressing with a ground magnetic survey completed over prospects P2, and P3-P6. A field geological mapping program commenced during the quarter over these prospects to obtain additional information prior to planning the next phase of exploration.

Table 1 – Mineralised Intercepts from maiden drilling program at Kango North

Prospect	Hole ID	From M	To M	Drilled interval m	Weighted averages					Comments
					Fe%	P %	Al2O3 %	SiO2 %	LOI %	
P2	DDP2001	48.44	94.25	45.81	39.18	0.04	1.33	37.12	-0.87	Open at depth
Including		71.90	94.25	22.35	46.68	0.04	1.14	26.63	-1.63	
P2	DDP 2002	2.50	8.20	5.70	20.97	0.03	11.36	50.56	6.41	Red, under weakly magnetic clay and weathered GNMH
P2	DDP 2002	13.97	14.70	0.73	19.58	0.04	7.7	56.50	0.99	Thin magnetite units within sequence of predominantly mafic gneisses
P2	DDP 2002	17.50	19.35	1.85	32.17	0.05	2.5	45.90	-0.52	
P2	DDP 2002	32.20	38.30	6.10	34.53	0.05	1.01	45.27	0.05	
P2	DDP 2004	41.10	42.70	1.60	27.05	0.05	5.23	46.50	2.20	Thin magnetite units within sequence of mafic and felsic gneisses
P2	DDP 2004	48.50	50.00	1.50	34.34	0.04	1.92	45.50	0.52	
P2	DDP 2004	58.60	61.90	3.30	29.38	0.03	2.82	48.12	2.47	

Table 2 – DTR results summarised by drill intercept (nominal 75um grind size)

Prospect	Hole ID	From M	To M	Drilled interval m	Length Weighted averages				
					Total Sample Fe %	DTR Concentrate %	Concentrate Fe %	Concentrate P % **	Concentrate LOI %
P2	DDP2001	48.44	94.25	45.81	39.01	49.48	66.49*	0.004*	-3.12
including		71.9	94.25	22.35	46.54	60.37	70.42	0.003	-3.27
P2	DDP 2002	32.2	38.3	6.1	34.58	46.1	70.21	0.002	-3.34

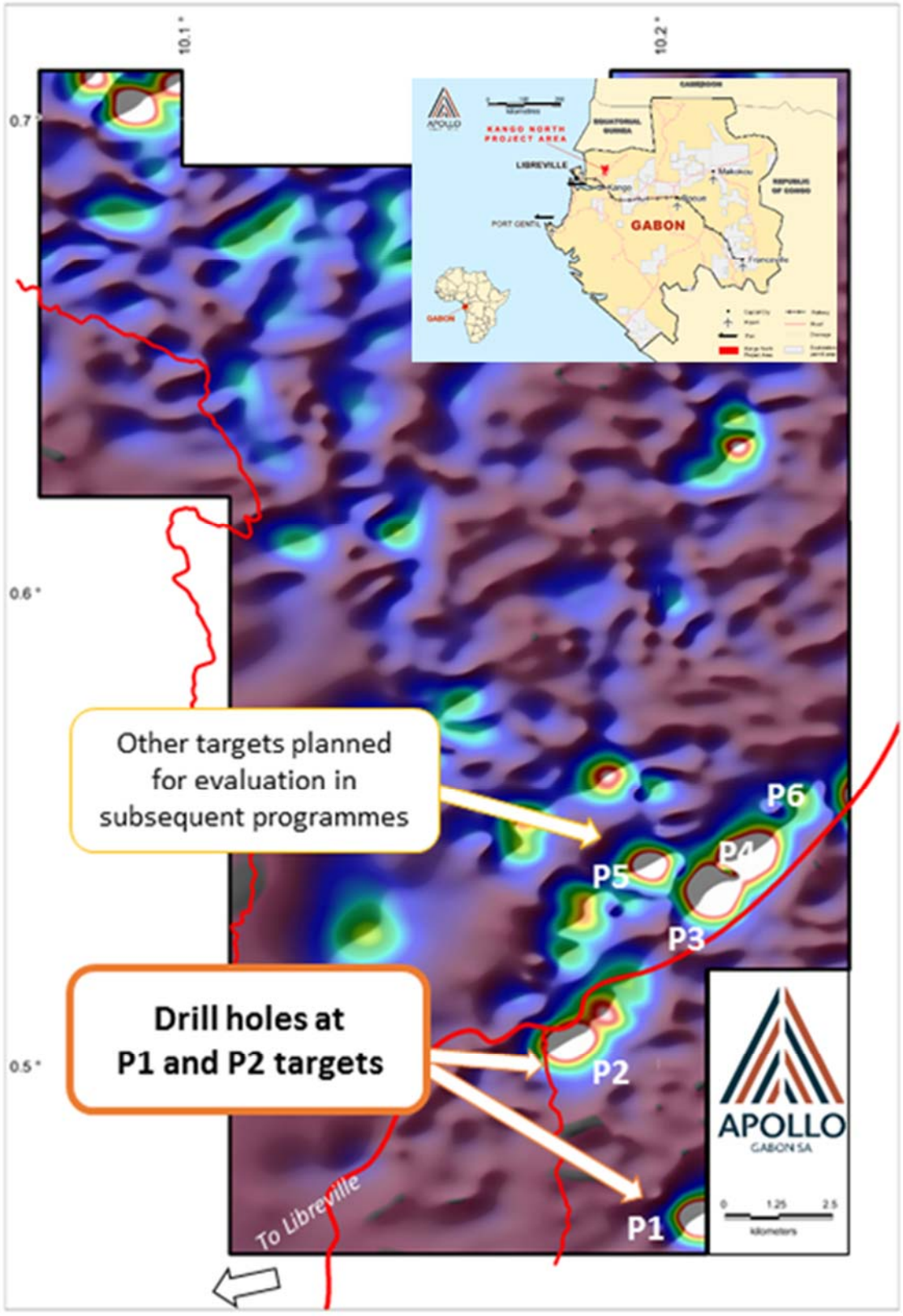

Figure 1 – Kango North project area showing initial drilling areas at P1 and P2 targets

CORPORATE

Year-end accounting adjustments

Following a review of its projects for the purposes of the year-end audit, the Board has determined to write down the value of the Commonwealth Hill project (South Australia) and its interest in the Kango North project (Gabon) to no value.

FOR FURTHER INFORMATION CONTACT:

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ENDS

ABOUT APOLLO MINERALS

Apollo Minerals Ltd (ASX code: AON) is a minerals explorer and developer with projects focused in South Australia and Western Australia.

In Australia, Apollo has two projects in areas which host world class deposits:

1. South Australian IOCG and gold project in Gawler Craton, and
2. Western Australian nickel project in Fraser Range Province.

In South Australia, the Titan Base & Precious Metals project is situated close to existing infrastructure including the Darwin-Adelaide railway line, highway and ports. Exploration is focused on discovering a major IOCG deposit in a new frontier of the world-class Gawler Craton.

In Western Australia, Apollo acquired a 70% interest in the Orpheus JV project in the Fraser Range, Western Australia from Enterprise Metals Ltd (ASX: ENT). Under the agreement Enterprise will be free carried until Apollo delivers a Bankable Feasibility Study for a mining area. Apollo is actively seeking to discover 'Nova style' nickel sulphide deposits within the Fraser Complex.

TENEMENT SCHEDULE

Tenement Name	Tenement Number	Location	Area	Group Ownership %
			Sq km	2016
Fraser Range	E63/1281	Western Australia	200	70
Fraser Range	E63/1282	Western Australia	163	70
Fraser Range	E28/2403	Western Australia	67	70
Fraser Range[1]	E63/1695	Western Australia	203	70
Commonwealth Hill	EL5073	South Australia	416	100
Commonwealth Hill East	EL5074	South Australia	178	100
Gina	EL4960	South Australia	151	100
Carne	EL5348	South Australia	50	100
Bulgunnia	EL5587	South Australia	346	100
Eaglehawk JV[2]	EL4932	South Australia	624	-
Aurora Tank JV[3]	EL5589	South Australia	48	25
Kango North[4]	G1-340	Gabon, Africa	396	70

Notes:

[1] *Exploration Licence E63/1695 in application pending grant by the Western Australian DMP*

[2] *Exploration Licence EL4932 subject to joint venture agreement with Mincor Resources Ltd (MCR).*

[3] *Exploration Licence EL5589 subject to joint venture agreement with Marmota Energy Ltd (MEU).*

[4] Exploration licence *G1-340 subject to earn-in by Zoradox Ltd to earn up to 50.1% interest in Apollo Gabon SA, which owns the Kango North Project.*

COMPETENT PERSON DECLARATION

The information in this Report that relates to Exploration Results is based on information compiled by Mr Michael Kammermann who is a member of the Australasian Institute of Geoscientists. Mr Kammermann is a full time employee of Apollo Minerals Ltd. Mr Kammermann has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kammermann consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Nine diamond drill holes were drilled, eight at P2 and one at P1 totalling 550.38m. The holes started at HQ3 before being reduced to NQ. • Core was sampled where iron mineralisation was intersected. Samples were on average two metres in length, but sample lengths were varied so sample and lithological boundaries matched wherever possible, the minimum sample length was 70 cm with a maximum of 2m. • Samples of a half or a quarter sawn core were collected for geochemical analysis. Setpoint Laboratory in Libreville, Gabon was selected to conduct sample preparation, and geochemical analysis was completed by ALS based in Johannesburg, South Africa.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling type was core with HQ3 being reduced to NQ when required.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Supervision of the drilling, basic geotechnical logging and measurement of core recovery was carried out at the rig before the core was transported to the camp. • The drillers marked any artificial breaks in the core with a black double line across the break. • Geotechnical measurements made on the core in addition to the recovery were the solid core recovery, rock quality designation, fracture frequency and an estimate of the rock hardness. • The drillers marked up the core blocks with the depth and the geologist marked the core blocks with the length of core recovered and the loss or gain. Sample recovery is not expected to have impacted

Criteria	JORC Code explanation	Commentary
		on grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Lithological logging was carried out on the core racks back at the base camp and included observations on the core content, colour, distinct minerals, grain sizes, textures, mineralisation minerals, alteration veining, and structural measurements. • Magnetic susceptibility measurements were taken every 25cm down the hole using a KT-10c or 10c meter from Terraplus. These units are a point measurement device calibrated to HQ3 or NQ full or half size cores and record SI units to three significant figures. • Wet and dry photographs were taken of the core before sampling (example below).  •
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples of a half or a quarter sawn core were collected. • Eighty one samples were collected and submitted for geochemical analysis including nine QA/QC samples. • Samples were sent to Setpoint Laboratory in Libreville and crushed to >90% below 2mm and split if required; the split is pulverised so at least 80% passes 75um. • Resulting pulps were sent to Johannesburg and analysed X-ray fluorescence by a lithium borate infusion technique (ALS code ME-XRF21U) for a multi-element suite. • It was recommended that a number of samples be submitted for Davis Tube Recovery test work. • Twenty eight sample pulps were selected for DTR test work at ALS Laboratory with selected samples having passed through 80% at 75um.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control*	• The use of XRF techniques is considered appropriate when assessing iron mineralisation. • Certified Reference Material (CRM), blank and duplicate samples were inserted into the sample stream to check laboratory preparation and assay results. The proportion of CRM, blank and duplicate was approximately 5%. • Two CRM's were used from GEOSTATS Pty Ltd in Australia. • Blank material was a silica sand used by concrete block manufacturers to the west of a nearby town.

Criteria	JORC Code explanation	Commentary
	procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Field duplicates were a sample of quarter core made by halving the core left in the tray after the initial sampling had been carried out. • The QA/QC procedures are considered appropriate for the scale of the program.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The drilling program was supervised by SRK ES, a specialist consulting firm. • Twinned holes were not considered appropriate due to the early stage of the program. • All data was initially recorded in the field on paper logging or field sheets. • These were digitised by the recording geologist and compiled into a central excel database. • All data was provided electronically to the Company and SRK ES in excel spreadsheet format and pdf format. • No adjustments were made to the analytical data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collar locations were recorded in the field on using hand held GPS units. • Elevation data from sample sites was not recorded. It was not considered critical for sampling programme of this nature.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Core was sampled where iron mineralisation was intersected. • The data has not been used to compile a Mineral Resource or Ore Reserve Estimate at this time. • Sample compositing has not been undertaken.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Vertical holes were planned to test for an oxidised cap and the shallowly dipping magnetic bodies modelled by geophysicist. • Ongoing review of structural lineaments is continuing to determine structural trends ahead of further work. • Core was sampled where iron mineralisation was intersected and logged by the geologist.
Sample security	• *The measures taken to ensure sample security.*	• All core was carried out to the main road and transported to the camp by four wheel drive vehicle. • The core was logged, photographed and sampled at the camp before being placed in storage in a container locked at a nearby quarry.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audit of data has been completed to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration is conducted within G1-340 in the country of Gabon and approximately 80km east-northeast of the capital of Libreville. • The tenement is held by Apollo Gabon SA Pty Ltd, which is a joint venture between Apollo Minerals Limited (70%) and Zoradox Limited (30%). • The tenement is in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration in the area has been carried out the BRGM between 2005 and 2009 which updated the geological and geophysical maps of the region. • Processing and interpretation of the available geophysical data by an Australian geophysical consultancy defined the area within the tenement as prospective for iron mineralisation. • The tenement was applied for by and subsequently granted to Apollo in 2012 for an initial three year term. • The tenement has been extended for a second three year term expiring in 2018. • Apollo has conducted geophysical surveys, surface geochemical sampling, mapping and drilling.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Kango North Project is located on the Congo Craton, which is a series of Archaean basement blocks that occupy two thirds of Gabon's geology. • These blocks incorporate greenstone belts which host a considerable portion of the country's iron formations. • The westerly limit of the greenstone units hosts the iron mineralisation within the company's tenement. • The main mineralised unit intersected in the company's drill holes and widely observed on the ground is a coarse grained magnetite gneiss.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar*	

Prospect	Hole ID	Easting UTM	Northing UTM	Azi True	Dip	Total depth m
P2	DDP2 001	631506	56032	0	-90	94.25
P2	DDP2 002	631549	55946	0	-90	70.00
P2	DDP2 003	630866	55650	0	-90	50.20

Criteria	JORC Code explanation	Commentary
	o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Significant intercepts
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Length weighted average grades are reported for all intervals assayed by XRF. • Length weighted averages are reported for all DTR results. • No metal equivalents have been used for reporting.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The mineralised gneiss occurs as multiple steeply dipping layers sub parallel to foliation within a package of foliated gneisses. • All drill holes were vertical. • The thickest magnetite unit intersected to date is estimated to be approximately 30m true thickness. • The thickness is estimated form outcrop observations and it is possible that the true thickness may be greater as the full width was not intersected in drilling.

P2	DDP2 004	631556	55841	0	-90	65.00
P2	DDP2 005	631620	55782	0	-90	49.95
P2	DDP2 006	632197	56376	0	-90	50.10
P2	DDP2 007	632552	56735	0	-90	51.25
P2	DDP2 008	632101	56658	137	-81	50.20
P1	DDP1 001	634608	51884	0	-90	69.43
				Total		**550.38**

Hole ID	Rock Type	From M	To M	Drilled interval m	Fe%
DDP2001	GNMH	48.44	94.25	45.81	39.18
DDP 2002	CLAY GNMH	2.50	8.20	5.70	20.97
DDP 2002	GNMH	13.97	14.70	0.73	19.58
DDP 2002	GNMH	17.50	19.35	1.85	32.17
DDP 2002	GNMH	32.20	38.30	6.10	34.53
DDP 2004	GNMH	41.10	42.70	1.60	27.05
DDP 2004	GNMH	48.50	50.00	1.50	34.34
DDP 2004	GNMH	58.60	61.90	3.30	29.38

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate maps are included in the body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Reported data is considered to be appropriate and balanced.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The sample results are considered to be similar to previous surface rock chip sampling data reported by the Company (ASX:AON 4th October 2012).
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions, depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The Company is continuing with exploration and has completed a ground magnetic survey over prospects P3-P6 and infill at P2. • This work was completed to allow further interpretation of the drilling data at P2 and to provide further information to allow planning of a drilling program at prospects P3-P6. • A field geological mapping program is currently underway with the aim of refining drilling locations. • A drilling program is warranted at prospects P3-P6 and is being considered by the Company.