



ASX RELEASE | 30 APRIL 2019 | ASX: AON

MARCH 2019 QUARTERLY REPORT

HIGHLIGHTS FROM THE MARCH 2019 QUARTER

- Apollo Minerals received the approval to finalise the reinstatement of mine services, including ventilation infrastructure, at the historical high grade Salau mine
- Works have progressed well, with the ventilation doors and walls having been constructed and the fan now in place inside the mine
- Apollo Minerals obtained access to all available archives from the historical Salau tungsten mine from the BRGM which include more than 3,000 assay results from drill holes and channel samples
- The archives include previously unavailable reports on gold assay results inside the Salau mine including:
 - up to 1.9m at 16 g/t gold from channel sampling programs, and
 - 8.5m at 3.4 g/t gold, including 1.9m @ 8.4 g/t gold, from diamond drilling results.

LOOKING AHEAD

Salau Mine Area:

- Complete the program to reinstall mine services
- Complete the final phase of health and safety risk assessments
- Digitise the new archive of assay data and incorporate into the Company's existing database and 3D models
- Undertake a program of underground drilling and channel sampling over identified gold and tungsten targets

For further information please contact:

Hugo Schumann

Tel: +44 207 478 3900

Email: info@apollominerals.com

Robert Behets

Tel: +61 8 9322 6322

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INTRODUCTION

Apollo Minerals Limited (“Apollo Minerals” or “Company”) is developing the Couflens tungsten and gold Project (“Couflens Project”) and the Aurenere gold and tungsten Project (“Aurenere Project”) in a highly prospective region of the Pyrenees.

The Couflens Project is located in southern France and comprises a 42km² licence area, within which lies the historical Salau tungsten mine. The Salau mine was one of the world’s highest-grade tungsten mines and remains open at depth, with significant undeveloped gold potential.

Potential exists for shear hosted gold mineralisation to be associated with large regional fault structures extending along a 5km corridor to the west of the Salau mine area.

Field campaigns conducted by the Company across the license area confirmed the presence of widespread tungsten (up to 8.25% WO₃) and high-grade gold (up to 24.5 g/t) collected from rock samples.

Apollo Minerals is focused on brownfields activities at the historical Salau mine and on regional exploration programs in the wider area.

APPROVAL RECEIVED TO FINALISE INSTALLATION OF MINE SERVICES AT SALAU

Subsequent to the quarter end, the Company received approval by way of a prefectural order to reinstall mine services at the historical, high-grade Salau tungsten mine.

The mine environment benefits from excellent natural ventilation flows from upper levels of the mine which are open. As a result, the required ventilation improvements to support exploration activities are minimal and comprise the installation of one fan on the 1430 level, two ventilation doors and two walls.

The works commenced in mid-April and have progressed well. The ventilation fan has been delivered to site and the ventilation doors and walls have been constructed. In the coming weeks the ventilation will be connected to the power supply via cables. The works are expected to be completed in mid-May.

The program is being carried out using local contractors, and goods and services have been sourced locally as part of the Company’s commitment to invest in the region.

HIGH GRADE GOLD AND TUNGSTEN RESULTS FROM NEWLY OBTAINED HISTORICAL DATA AT THE COUFLENS PROJECT

The Company was granted access to a significant technical archive on the historical Salau tungsten mine in France from the Bureau de Recherches Géologiques et Minières (“BRGM”), who previously undertook exploration research at and around the mine.

This is in addition to the historical database that the Company digitised last year, which contained detailed geological logs and assay data and detailed mine level plans and cross sections, incorporating geological mapping of underground development and mine stoping areas.



This second set of archives includes previously unavailable reports on gold assay results from 1986 from historical channel sampling and drilling inside the Salau mine including up to 1.9m at 16 g/t gold from channel sampling programs, and 8.5m at 3.4 g/t gold, including 1.9m @ 8.4 g/t gold, from diamond drilling results within the mine area.

The historical gold assay results confirm the presence of high-grade gold values within the mine and at depths of approximately 700m below surface.

Modern exploration undertaken by the Company has identified the presence of comparable high-grade gold at surface and within historical tailings disposal areas.

The presence of gold is now confirmed at surface along multiple kilometres of strike and down to depths of 600m inside the Salau mine. This highlights the significant scale potential of the exploration opportunity at the Couflens Project.

The archive also has information on more than 1,000 drill holes and channel samples and contains over 100 boxes of geological maps, sections, drill logs as well as assays for tungsten from drilling.

The archive is being reviewed and incorporated into the Company's existing database and 3D models and represents an additional saving in cost and time by de-risking the upcoming exploration and study programs.

A program of in-mine channel sampling will occur in order to confirm the veracity of the historical data and to test for extensions to known mineralisation.

FURTHER STRENGTHENED COMMUNITY RELATIONS DURING THE QUARTER

The Company organised a visit to the Mittersill tungsten mine in Austria, attended by a delegation of French politicians who represents the Community of Communes Couserans Pyrenees ("CCCP"), during the quarter. The CCCP represents the 94 local municipalities in the valleys surrounding the Couflens Project.

The Mittersill mine, owned by Woflram Bergbau, a subsidiary of the Sandvik group, is located within a national park in Austria and integrates exceptionally well within the local environment, whilst providing jobs and stable investment in to the region.

The visit highlighted to the CCCP that with modern technology and great care for the environment, it is possible to build and operate a responsible mine that brings significant benefits to local communities.

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Figure 1: Apollo Mineral employees and members of the CCCP at the Mittersill tungsten mine in Austria

PLANNED WORK PROGRAMS

Salau Mine Area

The Company will complete the final phase of mine health and safety programs required to reopen mine for exploration activities.

The Company will subsequently undertake geological mapping and channel sampling of mineralisation exposed in previously developed mine areas to confirm the veracity of historic data and information, and to test for previously unexploited mineralisation.

An initial phase of underground drilling has also been designed by Company geologists to confirm known zones of mineralisation, to test for extensions of these zones, and to test recently generated tungsten and gold targets within the mine area.

The Company has now shortlisted preferred drilling contractors and is now finalising applications for drilling, which will be submitted to the authorities after the completion of health and safety risk assessments.

The Company is evaluating the applicability of underground geophysical surveys to facilitate the identification of new drill targets and enhance the Company's understanding of geological structures within the Salau mine environment.



Broader Ground Holding (France and Spain)

A number of regional exploration targets for gold and tungsten have been identified in the broader ground holding at the Couflens Project based on historical and recent field campaigns.

Rock chip samples collected from the Couflens Project returned high grade gold (up to 24.5g/t) and tungsten (up to 8.25% WO₃) (see ASX announcements dated 29 November 2017, 5 February 2018 and 27 March 2018).

The Company is planning geophysics programs (ground, IP surveys and possibly airborne surveys) to improve structural interpretations of regional geology and to further refine drill targeting. Regional surface drill program applications will then be submitted to the authorities for approval.

Aurenere Project in Spain

The Company has planned an initial drilling program at the Aurenere Project in Spain as part of its application for an Investigation Permit.

The drilling program includes six diamond drill holes designed to test an outcrop of approximately 100m² of pyrrhotite rich skarn where high grade gold (up to 33.90 g/t) and tungsten (up to 5.49% WO₃) was recovered from rock samples.

The application for an Investigation Permit for Aurenere required the submission to the Spanish authorities of One and Three-Year Work Programs as well as a Simplified Environmental Impact Assessment and a Restoration Program.

The Company was subsequently asked by the Department of Territory and Sustainability to submit an Ordinary Environmental Impact Assessment. The Company will work with environmental consultants to develop this in the coming months.

LEGAL CHALLENGES

As reported in the previous quarter a challenge is ongoing against the French state in relation to the original granting of the Couflens exploration license (“Couflens PER”). The challenge is not against the Company but it is an interested party to the proceedings. The Company was invited during the previous quarter to submit arguments in support of case.

The Administrative Courts have not set a trial date for the hearing and may invite the parties to submit further arguments.

The Company will update the market on any material developments.



COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results from the Couflens Project in France and Aurenere Project in Spain is extracted from announcements on 29 November 2017, 5 February 2018 and 27 March 2018. These announcements are available to view on www.apollominerals.com. The information in the original announcement that related to Exploration Results 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 and options in, and is a director of, Apollo Minerals Limited. Mr Behets has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to Historical Exploration Results is extracted from an ASX announcement dated 4 February 2019 which is available to view at www.apollominerals.com. The information in the original announcement that related to the Historical Exploration Results is based on information compiled by Mr Andrew Boyd of Cairn Consulting Limited, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Boyd is a holder of shares, options and performance rights in, and is a key consultant of, Apollo Minerals Limited. Mr Boyd 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. Mr Boyd consents to the inclusion in this report of the statements based on his information in the form and context in which it appears.

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 announcement, to reflect the circumstances or events after the date of that announcement.



Appendix 1: Summary of Mining Tenements

As at 31 March 2019, the Company has an interest in the following projects:

Project Name	Permit Number	Percentage Interest	Status
Couflens Project, France	Couflens PER	100%	Granted
Aurenere Project, Spain	I.P. Alt d'Aneu ⁽¹⁾	75%	Application

Notes:

⁽¹⁾ The Aurenere Project comprises an Investigation Permit (*Permiso de Investigación del "Alt d'Aneu"*) application that covers a 27.5km² area directly adjacent to the Company's Couflens Project.

Appendix 2: Summary of Performance Shares on Issue

In accordance with ASX Waiver dated 4 May 2017, the Company provides the following information in respect of the Performance Shares on issue:

- a) The number of Performance Shares on issue as at 31 March 2019 are:
- 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.
- b) Each Performance Share will convert into one Share upon the earlier of the satisfaction of the relevant milestone or an Asset Sale, on or prior to the Expiry Date (30 June 2022):
- 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 WO₃ at an average grade of not less than 1.0% WO₃ using a cut-off grade of not less than 0.3% WO₃ 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 WO₃ values, not WO₃ 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.
 - Expiry Date** means 5.00pm (Perth time) on the date which is 5 years after the date of issue of the Performance Shares (i.e. 30 June 2022).
- c) No Performance Shares were converted or cancelled during the quarter.
No vesting conditions were met during the quarter.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

APOLLO MINERALS LIMITED

ABN

96 125 222 924

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(453)	(2,068)
(b) development	-	-
(c) production	-	-
(d) staff costs	(263)	(798)
(e) administration and corporate costs	(90)	(491)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	51
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
- Business development	(25)	(137)
- Constellation IPO costs refunded	-	233
- Payment of liabilities on acquisition of Variscan France	-	(609)
1.9 Net cash from / (used in) operating activities	(821)	(3,819)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(109)	(151)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	50
	(c) investments	-	-
	(d) other non-current assets	40	190
2.3	Cash flows from loans to other entities	-	100
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Cash acquired on purchase of Variscan France	-	63
	- Cash relinquished on deconsolidation of Constellation Resources	-	(20)
2.6	Net cash from / (used in) investing activities	(69)	232
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,867	5,564
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(821)	(3,819)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(69)	131
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,977	1,977

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	364	264
5.2	Call deposits	1,612	2,603
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,977	2,867

6. Payments to directors of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	(158)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments include director fees, consulting fees, superannuation, provision of a fully serviced office and provision of technical services (including field, laboratory and geological staff and analytical laboratory services).

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7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Not applicable	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
Not applicable		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(500)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(300)
9.5 Administration and corporate costs	(100)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	900

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

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Compliance statement

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

Sign here: *[lodged electronically without signature]* Date: 30 April 2019
.....
(Director/Company secretary)

Print name: Dylan Browne.

Notes

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