ASX RELEASE | 3 JULY 2017 | ASX:AON

COMPLETION OF COUFLENS TUNGSTEN-COPPER-GOLD PROJECT ACQUISITION

Apollo Minerals Limited ("**Apollo Minerals**" or "**Company**") is pleased to advise that the Company has completed the acquisition of an 80% interest in the Couflens tungsten-copper-gold project ("**Couflens Project**") in southern France.

Highlights:

- **Substantial news flow is expected** with a review of extensive historical data underway, and a planned work program to include mine sampling and drilling utilising existing underground development in order to outline sufficient high grade tungsten mineralisation to facilitate estimation of Mineral Resources and commencement of mine feasibility studies in the Salau mine area
- Salau mine is recorded to have produced approximately 930,000 tonnes at **1.5% WO_3 for around 11,500 tonnes of WO_3** in concentrate prior to closure
- Production grades were **2.0 to 2.5% WO_3** in the mine's latter years
- **Deposit remains open at depth**, with previous drilling below the base of the existing underground development that confirmed the continuation of the mineralised system

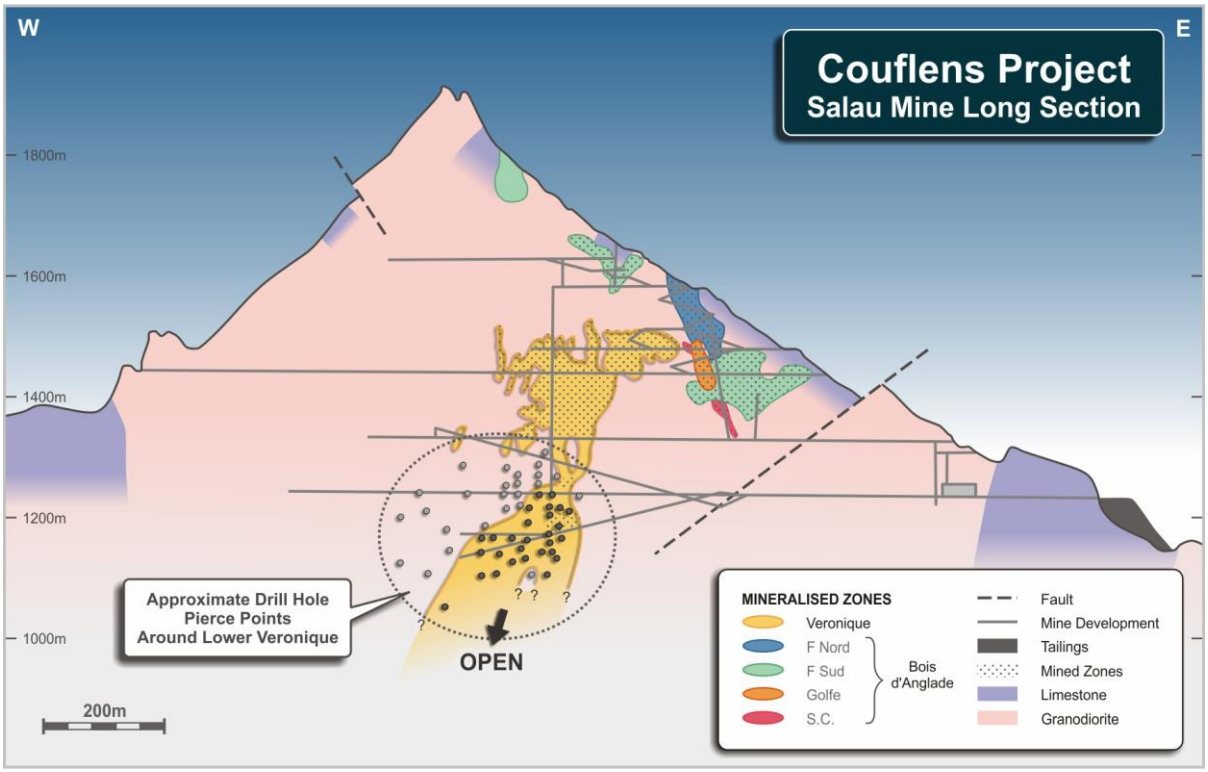

Figure 1 - Salau Mine Long Section

- In addition to tungsten, the deposit is recorded to contain **significant copper and gold values**, particularly in the deeper parts of the Salau mine. **Initial work** will also focus on testing the gold potential within and adjacent to the Salau mine area
- **Salau mine's existing underground development and infrastructure** will be examined to determine the most efficient method to progress mine exploration and development activities and potential mine reactivation
- **Additional tungsten-copper-gold prospects** have been identified within the broader project area and surface exploration programs will be undertaken with a view to further assessing these prospects and generating new targets
- **Tungsten is a strategic commodity**, with essential applications in industry, aerospace and military. Concerns over security of supply of tungsten have resulted in the EU categorising tungsten as a "Critical Raw Material" and the British Geological Survey including tungsten in its metals "Risk List"

The Couflens Project comprises a recently granted exploration licence that covers a 42km^2 area in the Pyrenees region and includes the historic Salau mine, which was one of the world's highest grade tungsten mines when it operated from 1971 to 1986.

With the acquisition completed, Dr Michel Bonnemaison, a highly credentialed French geologist with specific expertise in gold deposits in France and Mr Ajay Kejriwal, an experienced European based corporate and capital markets executive, have been appointed as Directors of the Company with immediate effect.

Mr Richard Shemesian has also retired from the Company's Board of Directors following the completion of the acquisition. The Directors would like to thank him for his input and leadership over the past seven years and wish him the best for his future endeavours.

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COUFLENS PROJECT OVERVIEW

The Couflens Project area is located 130 kilometres south of Toulouse, within the Pyrenees region near the border with Spain (Figure 2). The Couflens Project comprises the recently granted Couflens exploration licence ("**Couflens PER**") which covers an area of 42km^2 centred on the Salau mine, formerly one of the world's highest grade tungsten mines.

Figure 2 - Couflens Project / Salau Mine Location

The Salau scheelite skarn tungsten deposit was discovered in the early 1960's by the Bureau de Recherches Géologiques et Minières ("**BRGM**"). Les Mines d'Anglade ("**LMA**") operated the mine from April 1971 to November 1986 which is reported to have produced approximately 930,000 tonnes of ore at an average grade of 1.5% WO_3 to yield approximately 11,500 tonnes of WO_3 in concentrate.

Notwithstanding the existence of remaining resources, the discovery of promising mineralised zones elsewhere (Fonteilles et al., 1989) and the higher grade production from the latter years of production (up to 2.48% WO_3) (Figure 3), the precipitous fall in the tungsten price caused by Chinese dumping in 1986 led to mine closure.

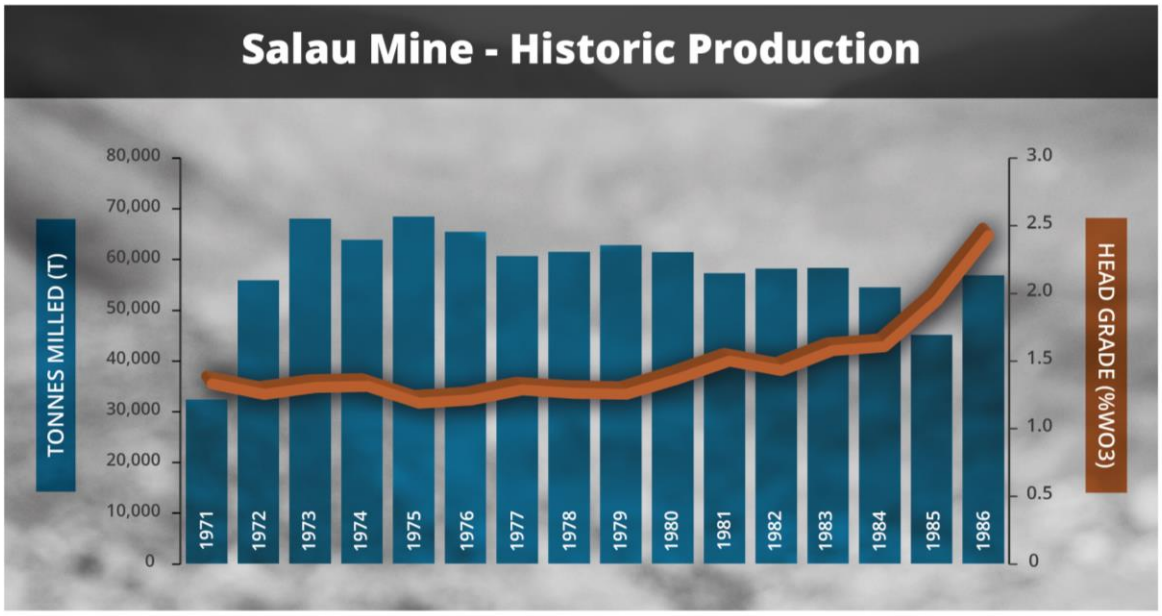

Figure 3 – Tonnage and grade from historic tungsten (WO_3) production at the Salau Mine

Project Geology

Salau is a tungsten-bearing (primarily scheelite) skarn deposit developed at the contact between Devonian pelites and calcareous sediments of the Barregiennes Formation and a Hercynian-aged granodiorite stock ("**Fourque**") (Figure 4). The skarn formed within both the carbonate-bearing sediments and, to a much lesser degree, the host granodiorite. Mineralisation is directly related to the Fourque granodiorite which provided hot, tungsten-copper-gold bearing solutions that reacted with the host rocks to form the skarns and deposit metal-bearing minerals.

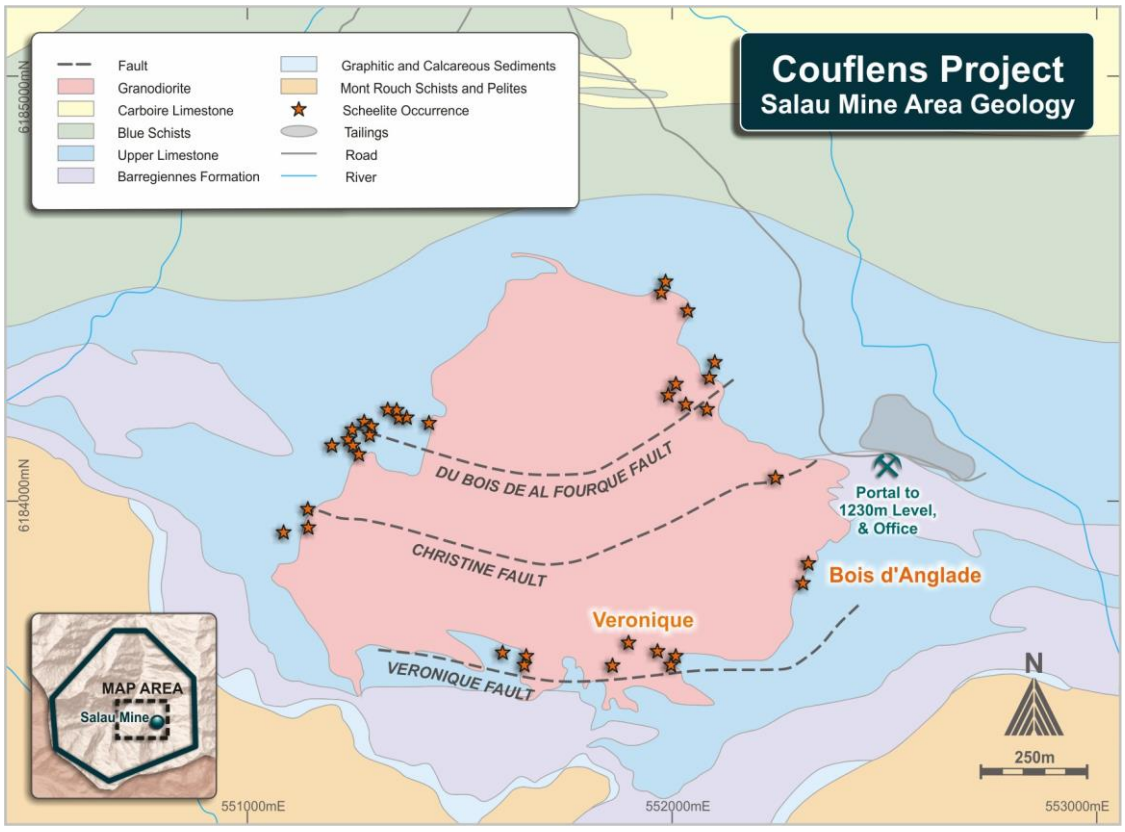

Figure 4 – Salau Mine Geology

Salau consists of two known mineralised systems, the Bois d'Anglade embayment (Formation Nord, Gulfe, Formation Sud, and S.C. ore zones) and Veronique (Figures 1 and 4). Bois d'Anglade was discovered first and provided the bulk of the early production. Veronique, 300 metres to the west, was discovered in 1975 and provided higher grade tungsten production (average 1.9% WO_3), including gold-rich material (not recovered in milling) towards the end of the mine life. Limited sampling of material from the lower section of the Veronique Southeast zone indicated the presence of high grade gold (Fonteilles et al, 1989).

The geometry of the orebodies at Salau is complex and appears controlled mainly by irregularities in the intrusive contact and by faulting. Two principal types of metalliferous skarns are developed:

Prograde skarns: initial metasomatism resulted in the formation of broad zones of prograde skarns containing modest tungsten values (0.2 to 0.5% WO_3),

Retrograde skarns: later hydrothermal fluids overprinted the prograde skarns and deposited sulphide-rich material (mainly pyrrhotite) containing substantially higher values of tungsten, gold and copper. It is these sulphide-rich skarns which provided the bulk of the former production from the Salau mine.

Exploration Potential

Previous underground drilling by the former mine owners recorded a number of high grade tungsten-bearing skarn intersections below the 1,230 metre level access adit (Figure 1), which represents the down-plunge continuation of the Veronique ore system. The tungsten grade of this zone of mineralisation was reported as being similar to that derived from mining in the upper levels of Veronique. The system remains open at depth and is believed to contain substantial gold credits as stated in Fonteilles et al, 1989.

Potential also remains around the other previously mined areas (Veronique and Bois d'Anglade systems) where remnant zones of tungsten-bearing material appear present.

In addition, discoveries documented by LMA at "Ouer d'Aigle" and "Christine", plus a number of other scheelite skarn occurrences at the surface on the flanks of the Fourque granodiorite remain largely untested (Figure 4).

Additional tungsten-copper-gold prospects have been identified within the broader project area and surface exploration programs will be undertaken with a view to further assessing these prospects and generating new targets.

Exploration Plan

The Company expects significant news flow over the coming six months with an initial work plan for the Couflens Project including:

- Digitisation and review of a substantial database of historic mine and exploration data
- Mine area and old tailings area risk assessments
- Initial access and assessment of existing mine development and stoping areas
- Mapping and sampling of mineralisation exposed in previously developed mine areas
- Generation of a 3D model of the geology, zones of mineralisation and principal controls on mineralisation
- Underground drilling to confirm known zones of mineralisation and test for extensions of these zones
- Estimation and reporting of a Mineral Resource in accordance with the JORC Code
- Surface exploration programs to further assess identified prospects and generating new targets within the broader project area

- A second phase of exploration may include the development of an underground incline to provide access below the existing mine workings and to allow more extensive drill testing of the down plunge continuation of the high grade Veronique system and parallel structural positions

Initial work will focus on defining sufficient high grade tungsten mineralisation to justify commencement of mine feasibility studies, as well as testing the gold potential within and adjacent to the Salau mine area.

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

ACQUISITION OF COUFLENS PROJECT

In accordance with the terms of the Share Sale Agreement dated 10 March 2017, Apollo Minerals has acquired Ariege Tungstene SAS ("**Ariege**"), which holds an 80% interest in Mines du Salat SAS ("**MdS**"). MdS is governed by a Shareholder Agreement with Variscan Mines SAS ("**Variscan France**"), a wholly owned subsidiary of Variscan Mines Limited (ASX: VAR) and holder of the Couflens PER, pursuant to which Variscan France will transfer the Couflens PER to MdS.

Following Shareholder approval and the satisfaction and/or waiver of all other conditions precedent, Apollo Minerals has paid $250,000 cash and issued the following securities in consideration for the acquisition of Ariege:

- 15 million Apollo Minerals shares
- 65 million performance shares subject to various performance conditions.

See ASX Announcement dated 14 March 2017 for further details on the commercial terms of the acquisition.

BOARD CHANGES

The Company is pleased to announce the appointment of two new Directors upon completion.

Dr Michel Bonnemaison – Non-Executive Director

D.Sc., PhD, F. SEG

Dr Bonnemaison is a French geologist with extensive experience in Europe, Africa and South America. Dr Bonnemaison spent much of the last 35 years working with the French geological survey (BRGM) and was the Deputy Head of Minerals Resources Division. He was President and CEO of SEIEMSA, a subsidiary of the BRGM mining group in Spain. Dr Bonnemaison completed a PhD on the metallogeny of the Salsigne gold mine and is widely recognised as one the preeminent authorities on gold deposits in France.

Dr Bonnemaison is the President of Ariege and MdS, and will lead the commencement of activities at the Couflens Project.

Mr Ajay Kejriwal – Non-Executive Director
BSc (Economics), ACA

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.

Retirement of Mr Richard Shemesian

Mr Richard Shemesian has retired from the Company's Board of Directors following the completion of the acquisition. Mr Shemesian joined the Board in 2010 and has previously served as Chairman of the Company. The Board would like to thank him for his input and leadership over the past seven years and wish him the best for his future endeavours.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by 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'. Mr Behets consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

REFERENCES

1. *Fonteilles M., Soler P., Demange M., & Derré C., 1989; "The Scheelite Skarn Deposit of Salau (Ariège, French Pyrenees)", Economic Geology, Vol 84, pp 1172 – 1209*
2. *http://ec.europa.eu/growth/sectors/raw-materials/specific-interest/critical/index_en.htm*

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NOTICE UNDER SECTION 708A

Apollo Minerals Limited ("the Company") issued 15,000,000 fully paid ordinary shares on 30 June 2017. The issued shares are part of a class of securities quoted on Australian Securities Exchange ("ASX").

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Corporations Act 2001 (Cwth)(the "Act") that:

1. the Company issued the securities without disclosure to investors under Part 6D.2 of the Act;
2. as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company, and section 674 of the Act; and
3. as at the date of this notice, there is no information that is "excluded information" within the meaning of sections 708A(7) and (8) of the Act.