

ASX ANNOUNCEMENT

By e-lodgement

16th August 2017

Downhole EM Conductors and Visible Gold Logged at Bombora Prospect

Apollo Consolidated Limited (ASX: AOP, the Company) reports that downhole EM surveying (DHEM) has successfully defined off-hole conductors in the vicinity of inaugural core holes RHD04 and RHD05 targeting part of the **Bombora Prospect** (Figure 1) at the **Rebecca Gold Project**, Western Australia.

Both core holes intersected wide zones of sulphidic alteration in a felsic gneiss host rock, including four zones of significant disseminated (+/- matrix style) pyrrhotite, pyrite and traces of chalcopyrite mineralisation up to 18m downhole width in RHD04 (*see ASX-AOP announcement 2nd August 2017*).

Interpretation of DHEM results shows **three off-hole bedrock conductors** below a flat-lying strongly conductive surface layer. The presence of this surface layer reduces the effective detection radius of the DHEM.

All modelled plates sit in positions corresponding to the interpreted trend of the near-vertical '**161 Lode**' (Figure 2), including at the location of the reverse circulation (RC) intercept of **42m @ 7.75g/t Au** in RCLR0161. In-hole responses are also logged at the location of the more sulphidic material in RDH04.

In total, the conductive plates may represent portions of a shallowly south-plunging sheet of higher sulphide content that remains open to the south.

The survey work in RHD04 and RHD05 has highlighted an immediate drill target at the southern extent of the 161 Lode, and has added confidence that some zones of higher sulphide content at Rebecca are detectable through use of EM techniques.

Drilling Update

The Company also advises that all drill-core from RHD04 and RHD05 has now been logged, cut and submitted to the laboratory for assay, along with samples from six RC drillholes completed at other locations along the >600m Bombora Prospect.

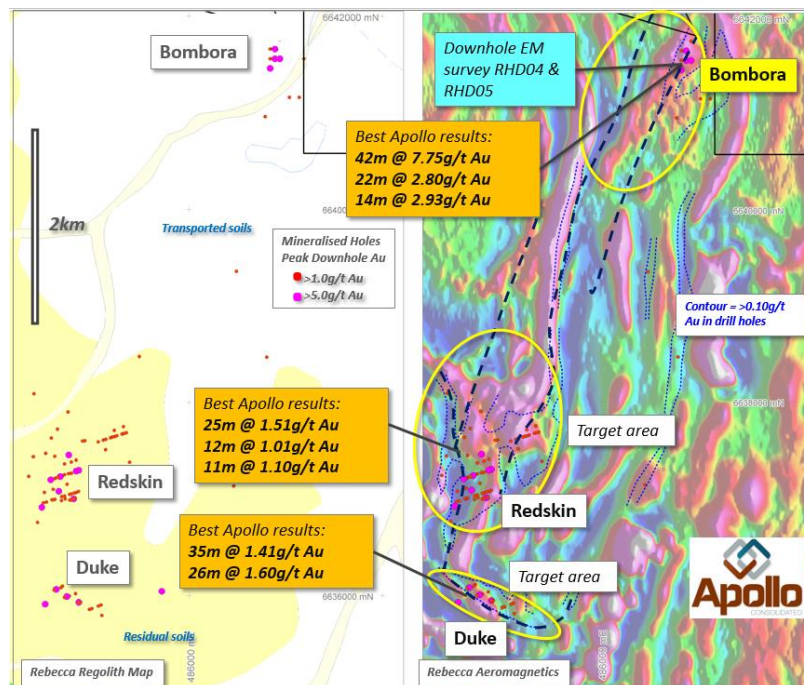
Detailed logging of RDH04 identified **traces of visible gold** at several locations downhole (see photos) confirming that the wide zones of >10% sulphide are part of the gold-bearing system.

Photos – examples of free gold particles (circled) along with pyrrhotite, pyrite and minor chalcopyrite mineralisation at 178m (left) and 187.4m (right) in core hole RHD004



Analytical results are expected in the next 2-3 weeks and will be reported as they come to hand.

Figure 1. Rebecca Project – Location of diamond drilling, significant previous gold intercepts* and mineralised drill collars on regolith (left) and magnetics (right)



*for past drilling details please refer to ASX-AOP announcements 26th August 2012, 28th September 2012, 8th October 2015, and 1st September 2016.

Figure 2. Long section '161 Lode' Bombora prospect showing DHEM conductor plates (red boxes) projected onto long section with RC results and diamond drillhole locations

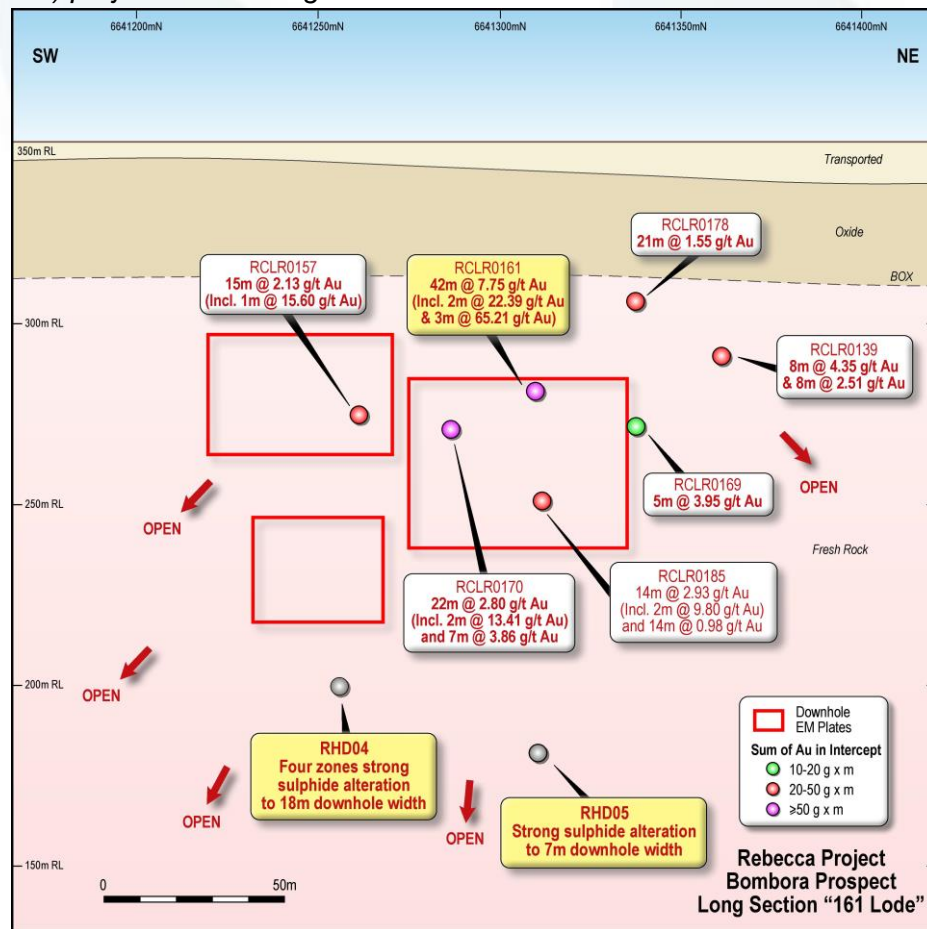


Photo – RC rig Bombora Prospect looking NE, Lake Rebecca in background



Photo – Bombora access track looking east, Lake Rebecca in background



ENDS.

The information in this release that relates to Exploration Results, Minerals Resources or Ore Reserves, as those terms are defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve", is based on information compiled by Mr. Nick Castleden, who is a director of the Company and a Member of the Australian Institute of Geoscientists. Mr. Castleden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 Reserve". Mr. Castleden consents to the inclusion of the matters based on his information in the form and context in which it appears.

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APPENDIX 1 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	<ul style="list-style-type: none"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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 30 g 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.</i> 	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey
Drilling techniques	<ul style="list-style-type: none"> <i>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).</i> 	<ul style="list-style-type: none"> NQ2 diamond drilling Holes were cased with 40mm ID PVC for DHEM survey
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> 	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey

Criteria	JORC Code explanation	Commentary
	<p><i>make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Not relevant to reporting of DHEM geophysical survey
Location of data points	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Locations of DHEM surface loops positioned using a Garmin GPS with an accuracy ~3m which is sufficient for interpreting results • Data were recorded in AMG 1984, Zone 51 projection. • Topographic control using the same GPS with an accuracy <10m
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Three component DHEM data were collected on 10m station intervals down hole from surface to approximately EOH, then at 5m intervals where conductive features logged • The DHEM survey was completed using a Digi Atlantis B-field sensor and a GTX30 transmitter system supplying 95 amperes into two turns of a 200x200m loop.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have</i> 	<ul style="list-style-type: none"> • Orientation of surface loops was determined on the basis of known geological orientations at both areas

Criteria	JORC Code explanation	Commentary
	<i>introduced a sampling bias, this should be assessed and reported if material.</i>	
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Not relevant to reporting of DHEM geophysical survey
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Contractor's data were reviewed by Newexco Services Pty Ltd

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Rebecca is a group of granted exploration licences located 150km east of Kalgoorlie. The Company owns 100% of the tenements. There are no impediments to exploration on the property Tenure is in good standing and has more than 3 years to expiry
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Previous exploration was carried out on a similar permit area by Placer Ltd, Aberfoyle Ltd, and Newcrest Ltd during the early to late 1990's. Aberfoyle carried out systematic RAB and aircore drilling on oblique and east-west drill lines, and progressed to RC and diamond drilling over mineralised bedrock at the Redskin and Duke prospects. Minor RC drilling was carried out at Bombora. No resource calculations have been carried out in the past but there is sufficient drilling to demonstrate the projects have considerable zones of gold anomalism associated with disseminated sulphides. Regional mapping and airborne geophysical surveys were completed at the time, and

Criteria	JORC Code explanation	Commentary																														
		<p>parts of the tenement were IP surveyed.</p> <ul style="list-style-type: none">• The project has a good digital database of previous drilling, and all past work is captured to GIS.• The quality of the earlier work appears to be good.																														
Geology	<ul style="list-style-type: none">• <i>Deposit type, geological setting and style of mineralisation.</i>	<ul style="list-style-type: none">• Dominantly granite and gneiss with minor zones of amphibolite and metamorphosed ultramafic rocks.• Mineralisation is associated with zones of disseminated pyrite and pyrrhotite associated with increased deformation and silicification. There is little relationship between quartz veining and gold.																														
Drill hole Information	<ul style="list-style-type: none">• <i>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:</i><ul style="list-style-type: none">○ <i>easting and northing of the drill hole collar</i>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i>○ <i>dip and azimuth of the hole</i>○ <i>down hole length and interception depth</i>○ <i>hole length.</i>• <i>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.</i>	<ul style="list-style-type: none">• Details below. Grid is AGD84 Zone 51 <table><tr><th>Hole ID</th><th>Prospect</th><th>Precollar ID</th><th>AMG51 E</th><th>AMG51 N</th><th>Dip</th><th>Azi</th><th>RC m</th><th>Core m</th><th>Total Depth</th></tr><tr><td>RHD04</td><td>Bombora</td><td>RCLR00184</td><td>486692</td><td>6641262</td><td>-72</td><td>93</td><td>88</td><td>128</td><td>216</td></tr><tr><td>RHD05</td><td>Bombora</td><td>RCLR00168</td><td>486680</td><td>6641310</td><td>-60</td><td>90</td><td>142</td><td>74</td><td>216</td></tr></table>	Hole ID	Prospect	Precollar ID	AMG51 E	AMG51 N	Dip	Azi	RC m	Core m	Total Depth	RHD04	Bombora	RCLR00184	486692	6641262	-72	93	88	128	216	RHD05	Bombora	RCLR00168	486680	6641310	-60	90	142	74	216
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Data aggregation methods	<ul style="list-style-type: none">• <i>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</i>	<ul style="list-style-type: none">• Not relevant to reporting of DHEM geophysical survey																														

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	<p><i>stated.</i></p> <ul style="list-style-type: none"> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	<ul style="list-style-type: none"> • Not relevant to reporting of DHEM geophysical survey.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Appropriate diagrams are in body of this report
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • The body of the announcement is considered to be a balanced report on the results of the DHEM surveys

Criteria	JORC Code explanation	Commentary
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> • Loop size: 200m x 200m, two turns • Station Spacing: 10m then 5m where conductive features logged • Frequency: 1 Hz • Transmitter: GTX30 • Max Current/Voltage: 95 Amp/500 volts • Receiver: EMIT SMARTeM24 • Sensor: EMIT Digi Atlantis B-field sensor
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Next stage of exploration work may consist of further DDH drilling to drill test open DHEM conductors • Surface MLEM surveys may be commissioned