



# **Interim Financial Report for the Half-Year Ended 31 December 2017**

**ABN 96 125 222 924**

## CORPORATE DIRECTORY

### DIRECTORS:

Mr Ian Middlemas – Chairman  
Mr Robert Behets – Non-Executive Director  
Dr Michel Bonnemaison – Non-Executive Director  
Mr Ajay Kejriwal – Non-Executive Director  
Mr Mark Pearce – Non-Executive Director

### COMPANY SECRETARY:

Mr Clint McGhie

### REGISTERED OFFICE:

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### STOCK EXCHANGE LISTING:

Australian Securities Exchange  
Home Branch – Perth  
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152-158 St Georges Terrace  
Perth WA 6000

### ASX CODE:

AON – Fully paid ordinary shares

### SHARE REGISTRY:

Security Transfer Australia Pty Ltd  
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Telephone: +61 8 9315 2333  
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### AUDITOR:

Deloitte Touche Tohmatsu

### SOLICITORS:

DLA Piper

### BANKERS:

Australia and New Zealand Banking Group Limited  
France – Banque Populaire

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## DIRECTORS' REPORT



The Directors of Apollo Minerals Limited present their report for Apollo Minerals Limited ("**Company**" or "**Apollo Minerals**") and the entities it controlled during the half-year ended 31 December 2017 ("**Consolidated Entity**" or "**Group**").

### DIRECTORS

The names and details of the Company's Directors in office at any time during or since the end of the half-year are as follows:

#### Current Directors

Mr Ian Middlemas	Chairman
Mr Robert Behets	Non-Executive Director
Dr Michel Bonnemaison	Non-Executive Director
Mr Ajay Kejriwal	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Unless otherwise shown, all Directors were in office from the beginning of the half-year until the date of this report.

### REVIEW AND RESULTS OF OPERATIONS

#### Overview

Apollo Minerals is focussed on the Couflens tungsten-copper-gold project in the Pyrenees region of southern France, which includes the historical Salau mine.

Apollo Minerals acquired an 80% interest in the Couflens Project in June 2017 and subsequent to the half year the Company entered into an agreement to acquire the remaining 20%, to increase its ownership to 100%.

Within the 42km<sup>2</sup> covered by the Couflens exploration licence lies the historical Salau mine. The mine was one of the world's highest grade tungsten mines, producing approximately 930,000 tonnes at 1.5% WO<sub>3</sub> for around 11,500 tonnes of WO<sub>3</sub> in concentrate, prior to its closure in 1986 following the rapid fall in the tungsten price caused by Chinese dumping of tungsten into global markets.

Apollo Minerals is focussed on two parallel work programs at the Couflens Project:

- (1) Brownfields activities within, and immediately adjacent to, the historical Salau mine. The deposit remains open at depth with previous drilling below the base of the existing underground development confirming continuation of the mineralised system. Both the underground development and infrastructure will be examined to determine the most efficient method to progress mine exploration, development activities and potential mine reactivation; and
- (2) Continuation of an aggressive regional exploration program, focused initially on gold. Exploration will be focussed on the multiple fault structures recognised within the major granodiorite intrusion at Salau and the discovery of shear hosted gold mineralisation associated with large regional fault structures extending along a 5km corridor to the west of the Salau mine area.

Apollo Minerals is developing its projects in accordance with the highest standards of environmental, social, health and safety, and economic management. All work programs are carried out with a strong commitment to both sustainable development and proactive stakeholder engagement as the Company seeks to develop and maintain positive relationships with its host communities and stakeholders.

## **REVIEW AND RESULTS OF OPERATIONS (Continued)**

### **Highlights during and subsequent to the half year**

#### **Couflens Project:**

- **Apollo Minerals to increase ownership of the Couflens Project to 100%**
  - Entered into an agreement to acquire the remaining 20% interest in the Couflens Project in France
  - Majority of the consideration is deferred to the future and payable upon the successful achievement of project milestones including production from the mine, thereby limiting the upfront cash outlay
  - Simplified ownership structure of the Project will enable the Company to accelerate development with streamlined decision making and greater optionality for future funding
- **Surface exploration program confirmed the presence of widespread tungsten (up to 8.25% WO<sub>3</sub>) and high grade gold (up to 24.5 g/t)**
  - Numerous gold occurrences were confirmed around the historical Salau tungsten mine on the margins of the major granodiorite intrusion, best results from the area included 24.50 g/t, 15.65 g/t, 15.20 g/t, 13.15 g/t, 11.05 g/t, 9.79 g/t and 7.65 g/t gold
  - Further high-grade gold mineralisation was identified at the recently discovered gold occurrence located 500m west of the granodiorite, and not associated with tungsten. Best results from this area included 3.34 g/t, 2.55 g/t and 2.33 g/t gold
  - Rock chip samples, which were initially assayed for gold, were subsequently assayed for tungsten and confirmed the presence of widespread high grade tungsten mineralisation, with grades up to 8.25% WO<sub>3</sub>
  - Numerous tungsten skarn occurrences were identified around the historical Salau mine on the margins of the major granodiorite intrusion. Where these occurrences are intersected by fault structures, the mineralisation is typically sulphide-rich and contains substantially higher values of tungsten (up to 8.25% WO<sub>3</sub>) and copper (up to 0.94%)
  - These high grade tungsten-gold occurrences identified at the surface on the flanks of the granodiorite intrusion, represent priority exploration targets
  - Tailings samples from an historical tailings disposal area returned grades up to 8.94 g/t gold, confirming the presence of gold associated with the tungsten ore mined during the latter years of production at the historical Salau tungsten mine
  - The average tungsten grade of the tailings samples was approximately 0.5% WO<sub>3</sub>
- **Digitisation and modelling of historic Salau mine database being completed to increase the Company's knowledge and de-risk upcoming work programs**
  - Database reviewed and digitised: includes assays and logs from over 650 holes and mine level plans and geological mapping for 24 kilometres of underground development
  - Information obtained on production records and on the principal mining and processing methods, including the flowsheet used to produce tungsten concentrate
- **Tungsten market**
  - Global tungsten prices increased during the half year period to levels not seen since late 2014 due to a tightening of supply, particularly in China where environmental inspections impacted production

#### **Pilbara Gold Royalty Interests:**

- **Sale of royalty interests in the Pilbara gold region for A\$1 million in cash**
  - An upfront cash payment of A\$600,000 was received by the Company and a further A\$400,000 in cash is to be received in November 2018, in return for the sale of Apollo's royalty interest over tenement E47/1379
  - The Company retains its royalty interests over two areas located near recent discoveries including Artemis' Mt OscarWits gold prospect

## **REVIEW AND RESULTS OF OPERATIONS (Continued)**

### **Review of Operations**

#### ***Couflens Project, France***

##### Apollo Minerals to Increase Ownership of Couflens to 100%

Apollo Minerals acquired an initial 80% interest in the Couflens Project in June 2017.

Following initial exploration activities on site which delivered promising results the Company commenced discussions to acquire the remaining minority interest in the Couflens Project in order to bring its ownership position to 100%. Subsequent to the reporting period, Apollo Minerals entered into an agreement to acquire the remaining 20% interest in the Couflens tungsten-copper-gold project. Following the completion of the transaction the Company will own 100% of the Project.

The acquisition ensures Apollo Minerals will have full upside to the Couflens Project, just as the Company ramps up its major exploration campaigns and study programs. The transaction clears the way for more streamlined decision making and increases optionality for future funding of the Project.

In accordance with the terms of the Sale and Purchase Agreement dated 7 March 2018, Apollo Minerals will acquire the remaining 20% interest in the Couflens Project through the purchase of Variscan Mines SAS ("**Variscan France**"), a wholly owned subsidiary of Variscan Mines Limited (ASX: VAR).

Apollo Minerals is funding the transaction using a combination of cash and future share payments based on the achievement of project milestones, as well as assuming the liabilities of Variscan France. The majority of the consideration is deferred and is weighted towards share based payments in the future, thereby limiting the upfront cash outlay.

The Company's acquisition of the remaining 20% of the Couflens Project highlights its commitment to the project, which has the potential to once again become a major strategic supplier of tungsten, one of Europe's most critical metals, to French and European industries.

With the terms agreed for 100% ownership of the Couflens Project, Apollo Minerals will now rapidly advance its exploration activities including the definition of a maiden Mineral Resources Estimate for tungsten and commence planning for a maiden drilling campaign targeting both gold and tungsten.

##### Exploration Program and Results

Apollo Minerals is working towards the reactivation of the high grade Salau tungsten mine whilst also conducting exploration programs for gold and tungsten across the surrounding 42km<sup>2</sup> licence area.

In 2016 a surface exploration program resulted in the identification of gold occurrences associated with three main east-west trending fault structures within the Couflens licence area.

In September 2017, a follow-up surface exploration program was completed which was primarily focussed on identifying extensions to the gold occurrences along these fault structures. The majority of samples were collected on the margins of the granodiorite intrusion (Fourque granodiorite) near the historical Salau tungsten mine.

The exploration program included detailed geological and structural mapping, rock chip sampling of outcrop, and input of the data into an ArcGIS software package to facilitate data integration and interpretation.

A total of 222 select rock chip samples were collected during the field campaign and subsequently submitted for gold and multi-element (including tungsten and copper) analysis.

Assay results from the gold samples were received first and were reported to the market on 29 November 2017, demonstrating widespread gold occurrences with grades of up to 24.5 g/t.

Assay results from all other elements, including tungsten and copper, were subsequently received and were reported to the market on 5 February 2018 (Figure 1).

## **REVIEW AND RESULTS OF OPERATIONS (Continued)**

The tungsten assay results confirmed the presence of widespread, outcropping, high grade skarn mineralisation around the margins of the Fourque granodiorite.

Where the skarns are observed to be intersected by east-west trending fault structures/shear zones, the mineralisation is typically sulphide-rich (mainly massive pyrrhotite, chalcopyrite and sphalerite) and contains substantially higher values of tungsten (up to 8.25% WO<sub>3</sub>), gold (up to 24.5 g/t) and copper (up to 0.94%).

A number of quality targets have been identified around the margins of the Fourque granodiorite in addition to the surface exposure of the Bois d'Anglade and Veronique deposits mined during the historical production (Figure 2).

Outcropping skarn mineralisation impregnated by massive sulphides, observed at the north-eastern margin of the Fourque granodiorite has returned high grade tungsten and gold assays results including:

- 8.25% WO<sub>3</sub> with 1.97 g/t gold
- 4.24% WO<sub>3</sub> with 7.65 g/t gold
- 3.24% WO<sub>3</sub> with 1.65 g/t gold
- 2.06% WO<sub>3</sub> with 9.79 g/t gold
- 1.67% WO<sub>3</sub> with 2.20 g/t gold

High grade tungsten-gold mineralisation was confirmed along the western margin of the Fourque granodiorite in spatially close association with the Bois de la Fourque fault. Best results from this target area include 1.29% WO<sub>3</sub> with 11.05 g/t gold and 1.21% WO<sub>3</sub> with 24.50 g/t gold.

An area of identified skarn mineralisation along eastern margin of the Fourque granodiorite returned high grade assay results including 2.27% WO<sub>3</sub> with 1.81 g/t gold and 1.12% WO<sub>3</sub> with 1.11 g/t gold.

Widespread high grade skarn mineralisation impregnated by massive sulphides was identified within the Bois d'Anglade embayment at the south-eastern margin of Fourque granodiorite, spatially close to the extension of the Veronique fault, with numerous samples also recording high gold values. Best results include:

- 4.62% WO<sub>3</sub> with 0.12 g/t gold
- 3.46% WO<sub>3</sub> with 1.86 g/t gold
- 3.32% WO<sub>3</sub> with 0.02 g/t gold
- 3.15% WO<sub>3</sub> with 3.33 g/t gold
- 3.15% WO<sub>3</sub> with 0.15 g/t gold
- 2.64% WO<sub>3</sub> with 0.70 g/t gold
- 2.46% WO<sub>3</sub> with 0.08 g/t gold
- 1.93% WO<sub>3</sub> with 1.53 g/t gold
- 1.85% WO<sub>3</sub> with 15.65 g/t gold

### *Tailings*

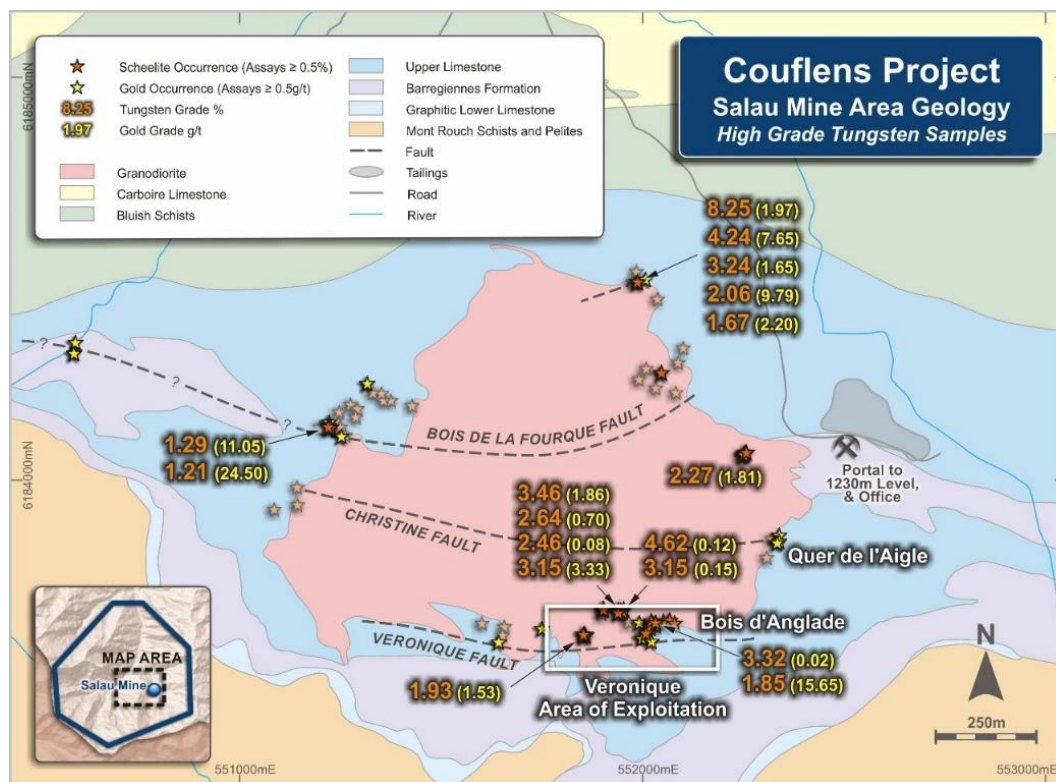
A total of 34 tailings samples were collected from the historical tailings disposal area adjacent to the mine portal (1230m level) during the field campaign.

These tailings samples returned gold assays up to 8.94 g/t, confirming the presence of high grade gold associated with the tungsten ore mined at the historical Salau mine. A number of tailing samples returned tungsten assay results >1% WO<sub>3</sub>, with the average value of the tailings samples being 0.49% WO<sub>3</sub> (assays ranged from 0.13 – 4.04% WO<sub>3</sub>, with one outlier excluded).

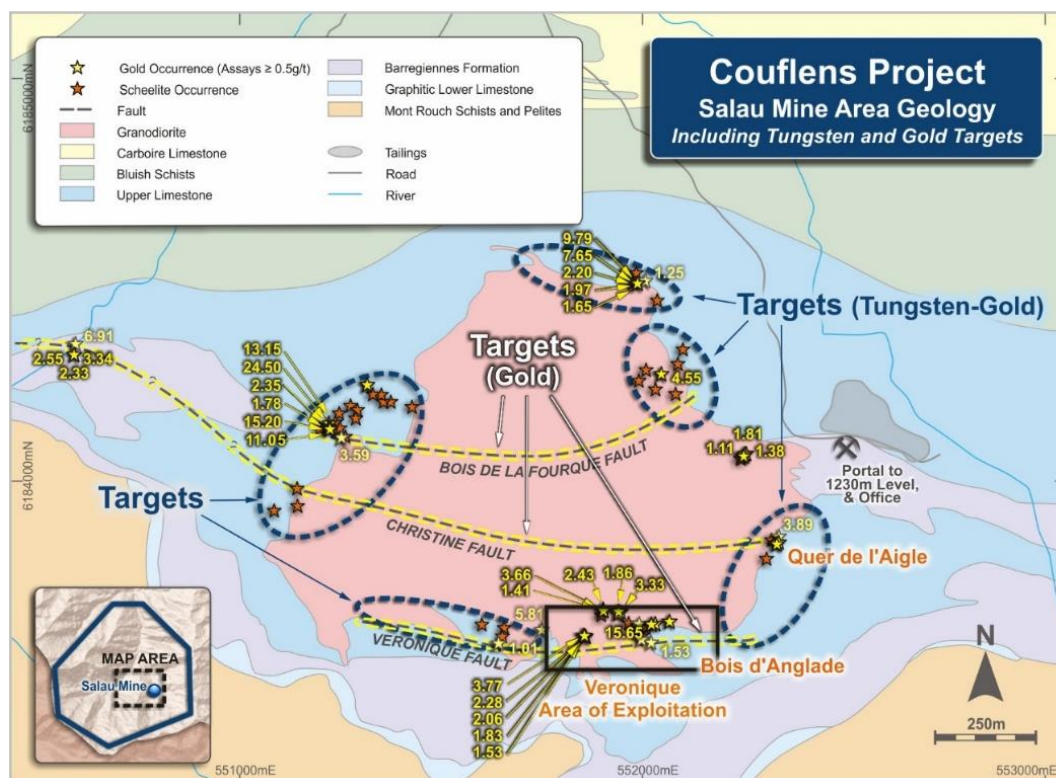
Whilst very early stage in nature, the Company plans to study the potential to reprocess the tailings to extract the tungsten and gold whilst at the same time restoring the natural landscape and habitat and improving soil conditions left over from the historical tungsten operations.



**REVIEW AND RESULTS OF OPERATIONS (Continued)**



**Figure 1: High grade tungsten results, with associated gold values, from 2017 rock chip sampling program**



**Figure 2: Salau Mine Area - Geology and Exploration Targets**

## REVIEW AND RESULTS OF OPERATIONS (Continued)

### Continued 3D Modelling of Historical Drill Hold Database

The database relating to the historical Salau mine is extensive and comprises a combination of high quality geological and drilling data (over 650 holes for ~50,000m of drilling), as well as underground mining and processing data, covering all exploration and production during the mine's 15 years in operation.

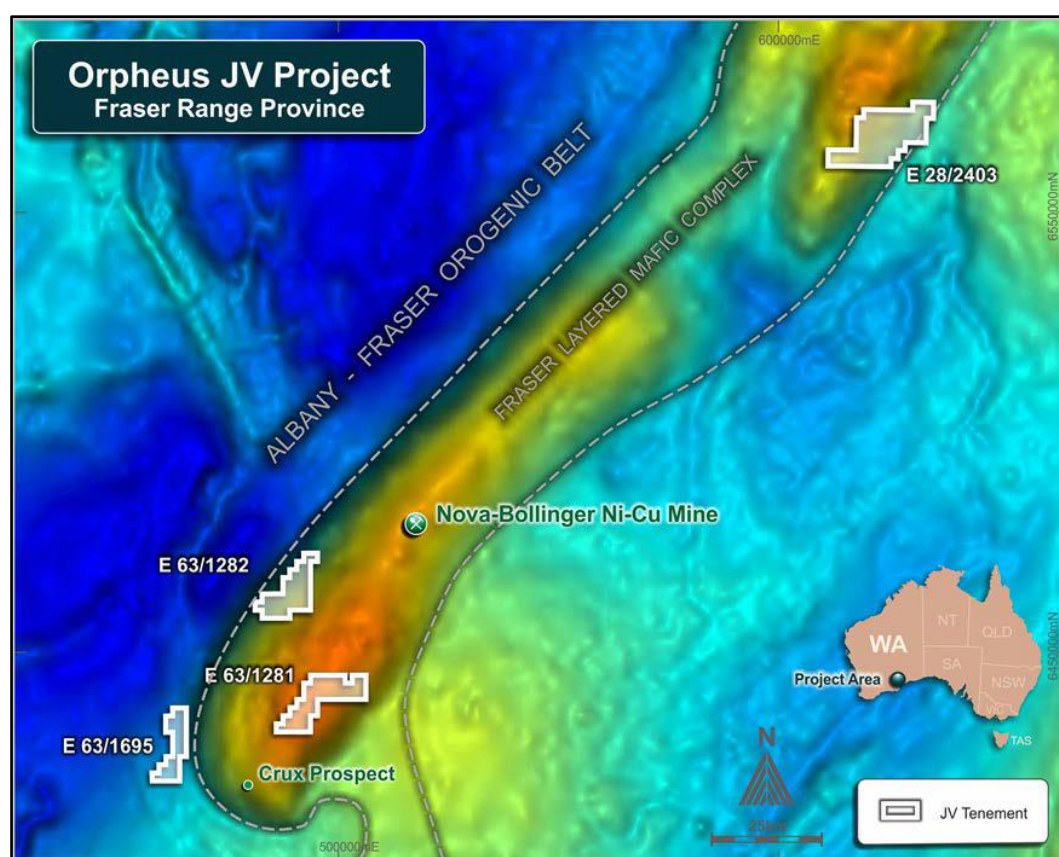
The development of a 3D model of the Salau mine area incorporating all available historical data has continued during the period and now is nearing completion.

The historical database and 3D modelling is enabling the Company to readily define high priority exploration targets and has the potential to accelerate the definition of a maiden mineral resource estimate, subject to verification of the historical drill data by Company geologists.

### ***Orpheus JV Project – Fraser Range***

The Company holds a 70% interest in the nickel, copper and gold prospective Orpheus JV Project in the Fraser Range province in south eastern Western Australia (Figure 3).

The Project area consists of four tenements covering over 500km<sup>2</sup> in a prospective portion of Fraser Range exploration district, host to Independence Group's (ASX: IGO) major Nova nickel and copper deposit.



**Figure 3: Tenement Plan – Orpheus JV Project, Fraser Range province on gravity image**



## **REVIEW AND RESULTS OF OPERATIONS (Continued)**

The Fraser Range province is prospective for nickel, copper and gold, and has attracted significant exploration since the discovery of the Nova deposit in 2012. The bulk of the Project is strategically located along strike and mid-way between the Nova deposit to the northeast and Independence Company's Crux nickel prospect to the southwest.

During the period a number of field programs were completed assessing the recently identified conceptual and empirical gold and nickel sulphide targets generated on E28/2403, E63/1281 and E63/1282.

On E28/2403, gravity surveys have resulted in the identification of two priority nickel-copper sulphide targets. These targets are a high priority for ground based electromagnetic ("EM") follow-up work.

Field assessment of twelve priority targets identified on E63/1281 and E63/1282 confirmed three of these targets required further ground work as a high priority and include two nickel sulphide targets and one gold target.

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

During the period, the Company entered into an agreement for the sale of Apollo's royalty interest over tenement E47/1379 in the Pilbara gold region for A\$1 million in cash.

The Company received an upfront cash payment of A\$600,000 and a further A\$400,000 in cash is due to be received in November 2018.

Apollo Minerals retains its royalty interests over two areas located near recent discoveries including Artemis' Mt OscarWits gold prospect.

### ***Kango North Iron Project***

Following a review of all available information, the exploration licence at the Kango North Iron Project was allowed to lapse in February 2018.

## **Operating Results**

The Group recorded an operating loss before tax of \$935,141 for the half-year ended 31 December 2017 (31 December 2016: \$692,187).

The loss for the period includes \$1,338,530 (2016: \$294,864) in exploration expenditure. A gain on disposal of a royalty interest of \$1,000,000 was also recognised.

Share based payment expenses totalling \$106,015 were recognised during the period (2016: \$79,708). The fair value of Incentive Options granted during the reporting period were recognised on the grant date as there were no vesting conditions.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

On 7 March 2018, Apollo Minerals entered into an agreement to acquire the remaining 20% interest in the Couflens Project through the acquisition of 100% of the shares in Variscan Mines SAS ("**Variscan France**"), a subsidiary of Variscan Mines Limited ("**Variscan Australia**") (ASX: VAR), which holds a 20% interest in Mines du Salat SAS ("**MdS**").

The Share Sale Agreement ("**Agreement**") to acquire Variscan France includes consideration as follows:

1. An upfront cash payment on signature of A\$200,000
2. Subject to item 4 below, staged cash payments to Variscan Australia over an 8-month period:
  - (a) Up to A\$300,000 on completion
  - (b) Up to A\$250,000 on the date that is 4 months from the date of completion
  - (c) Up to A\$250,000 on the date that is 8 months from the date of completion
3. Subject to item 4 below and shareholder approval, issuing Variscan Australia new fully paid ordinary shares ("**Shares**") in Apollo Minerals based on the achievement of certain milestones at the Couflens Project:
  - (a) First Milestone: the earlier of
    - (i) Tungsten Resource Milestone: A\$250,000 of Shares in Apollo Minerals upon the announcement of a Mineral Resource Estimate 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) Mineral Resource Milestone: A\$125,000 of Shares in Apollo Minerals upon the announcement of a Mineral Resource Estimate for tungsten for the Couflens Project at levels below those of the Tungsten Resource Milestone, or a Mineral Resource Estimate for gold;
  - (b) Second Milestone: A\$500,000 of Shares in Apollo Minerals upon the announcement by the Company to ASX of a Scoping Study;
  - (c) Third Milestone: A\$500,000 of Shares in Apollo Minerals upon the announcement by the Company to ASX of a Pre-Feasibility Study;
  - (d) Fourth Milestone: A\$500,000 of Shares in Apollo Minerals upon the announcement by the Company to ASX of a Definitive-Feasibility Study; and
  - (e) Fifth Milestone: A\$873,671 of Shares in Apollo Minerals upon the commencement of production at the Couflens Project.

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.

4. Apollo Minerals has agreed to assume up to EUR400,000 of Variscan France liabilities. Any liabilities over EUR400,000 will be deducted from the staged future cash payments and share payments referred to in 2 and 3 above.

Completion of the acquisition of Variscan France must occur on or before 30 September 2018 and is subject to standard conditions precedent for acquisition of a company in France, including government agency approvals, extinguishment of intercompany debts, Variscan Australia not accepting a superior offer from employees in accordance with their rights under the French Commercial Code which provides employees a right to make an offer to acquire VM France and completion under a separate agreement whereby Variscan Australia retains a 100% interest in 6 other tenements in France (and associated liabilities) that were held by Variscan France. The effect of this separate agreement is that only the 20% interest in Couflens Project will remain in Variscan France upon acquisition by Apollo Minerals.

The Agreement also contains usual warranties provided by the parties associated with an acquisition of this nature. The Agreement may be terminated by the Company if the conditions precedent are not satisfied by 30 September 2018 or if there is a breach of the Agreement or warranties provided by Variscan Australia. Variscan Australia can only terminate the Agreement if the Company is in breach of the Agreement.

Other than as disclosed above, at the date of this report there were no significant events occurring after balance date requiring disclosure.

## **AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires our auditors, Deloitte Touche Tohmatsu, to provide the Directors of Apollo Minerals Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is on page 22 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



**ROBERT BEHETS**  
**Non-Executive Director**

14 March 2018

## **Forward Looking Statements**

*This report may include forward-looking statements. These forward-looking statements are based on Apollo Minerals' 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 Apollo Minerals, which could cause actual results to differ materially from such statements. Apollo Minerals makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.*

## **Competent Persons Statement**

*The information in this report that relates to Exploration Results at the Couflens Project is extracted from ASX announcements on 29 November 2017 and 5 February 2018. These announcements are available to view on [www.apollominerals.com.au](http://www.apollominerals.com.au). The information in the original announcements 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 announcements. 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 Exploration Results at the Orpheus JV Project is extracted from ASX announcements on 26 October 2017 and 29 January 2018. These announcements are available to view on [www.apollominerals.com.au](http://www.apollominerals.com.au). The information in the original announcements that related to Exploration Results were based on, and fairly represents, information compiled by Mr Andrew Boyd of Cairn Geoscience Limited, a Competent Person who is a Member of the Australian Institute of Geoscientists. 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. 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.*

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT  
OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017



	Notes	Half-Year Ended 31 December 2017 \$	Half-Year Ended 31 December 2016 \$
<b>Income</b>			
Interest income	4(a)	28,875	36,610
Gain on disposal of royalty interest	4(a)	1,000,000	-
<b>Total income</b>		<b>1,028,875</b>	<b>36,610</b>
<b>Expenses</b>			
Exploration and evaluation expenses		(1,338,530)	(294,864)
Corporate and administrative expenses		(331,337)	(209,814)
Business development expenses		(138,134)	(94,411)
Share based payments expense	4(b)	(106,015)	(79,708)
Impairment of exploration and evaluation expenditure		(50,000)	(50,000)
<b>Loss before income tax</b>		<b>(935,141)</b>	<b>(692,187)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(935,141)</b>	<b>(692,187)</b>
<b>Other comprehensive income, net of income tax:</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on foreign entities		197,103	-
<b>Other comprehensive income for the period, net of income tax</b>		<b>197,103</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(738,038)</b>	<b>(692,187)</b>
<b>Loss attributable to:</b>			
Owners of the parent		(719,336)	(692,187)
Non-controlling interests		(215,805)	-
		<b>(935,141)</b>	<b>(692,187)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the parent		(557,008)	(692,187)
Non-controlling interests		(181,030)	-
		<b>(738,038)</b>	<b>(692,187)</b>
<b>Loss per share attributable to the ordinary equity holders of the Company</b>			
Basic loss per share (cents per share)		(0.51)	(0.66)
Diluted loss per share (cents per share)		(0.51)	(0.66)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION**  
AS AT 31 DECEMBER 2017



		31 December 2017	30 June 2017
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		2,741,939	3,741,309
Trade and other receivables	5	666,695	122,926
<b>Total Current Assets</b>		<b>3,408,634</b>	<b>3,864,235</b>
<b>Non-current Assets</b>			
Exploration and evaluation assets	6(a)	6,846,339	6,667,645
Property, plant and equipment		196,308	4,835
<b>Total Non-current Assets</b>		<b>7,042,647</b>	<b>6,672,480</b>
<b>TOTAL ASSETS</b>		<b>10,451,281</b>	<b>10,536,715</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		967,128	420,539
<b>Total Current Liabilities</b>		<b>967,128</b>	<b>420,539</b>
<b>TOTAL LIABILITIES</b>		<b>967,128</b>	<b>420,539</b>
<b>NET ASSETS</b>		<b>9,484,153</b>	<b>10,116,176</b>
<b>EQUITY</b>			
Issued capital	7(a)	44,072,803	44,072,803
Reserves	8(a)	2,392,738	2,124,395
Accumulated losses		(37,968,256)	(37,248,920)
<b>Equity Attributable To Members of Apollo Minerals Limited</b>		<b>8,497,285</b>	<b>8,948,278</b>
Non-controlling interests		986,868	1,167,898
<b>TOTAL EQUITY</b>		<b>9,484,153</b>	<b>10,116,176</b>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



**CONDENSED CONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017



	Attributable to the equity holders of the parent						Non-controlling interests	Total Equity
	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total			
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>44,072,803</b>	<b>2,124,395</b>	<b>-</b>	<b>(37,248,920)</b>	<b>8,948,278</b>	<b>1,167,898</b>		<b>10,116,176</b>
Net loss for the period	-	-	-	(719,336)	(719,336)	(215,805)		(935,141)
Other comprehensive income	-	-	162,328	-	162,328	34,775		197,103
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>162,328</b>	<b>(719,336)</b>	<b>(557,008)</b>	<b>(181,030)</b>		<b>(738,038)</b>
<b>Transactions with owners, recorded directly in equity</b>								
Share based payments expense	-	106,015	-	-	106,015	-		106,015
<b>Balance at 31 December 2017</b>	<b>44,072,803</b>	<b>2,230,410</b>	<b>162,328</b>	<b>(37,968,256)</b>	<b>8,497,285</b>	<b>986,868</b>		<b>9,484,153</b>
<b>Balance at 1 July 2016 originally stated</b>	<b>35,940,353</b>	<b>690,188</b>	<b>-</b>	<b>(35,697,397)</b>	<b>933,144</b>	<b>-</b>		<b>933,144</b>
Change in accounting policy opening balance adjustment	-	-	-	(417,786)	(417,786)	-		(417,786)
<b>Balance at 1 July 2016 restated</b>	<b>35,940,353</b>	<b>690,188</b>	<b>-</b>	<b>(36,115,183)</b>	<b>515,358</b>	<b>-</b>		<b>515,358</b>
Net loss for the period	-	-	-	(692,187)	(692,187)	-		(692,187)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(692,187)</b>	<b>(692,187)</b>	<b>-</b>		<b>(692,187)</b>
<b>Transactions with owners, recorded directly in equity</b>								
Issue of ordinary shares	5,219,104	-	-	-	5,219,104	-		5,219,104
Share issue costs	(54,986)	-	-	-	(54,986)	-		(54,986)
Share based payments expense	-	79,708	-	-	79,708	-		79,708
<b>Balance at 31 December 2016</b>	<b>41,104,471</b>	<b>769,896</b>	<b>-</b>	<b>(36,807,370)</b>	<b>5,066,997</b>	<b>-</b>		<b>5,066,997</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED  
STATEMENT OF CASH FLOWS**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017



	Half-Year Ended 31 December 2017 \$	Half-Year Ended 31 December 2016 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(1,486,764)	(695,156)
GST refunds received	47,123	24,219
Interest received	28,875	36,610
<b>Net cash outflow from operating activities</b>	<b>(1,410,766)</b>	<b>(634,327)</b>
<b>Cash flows from investing activities</b>		
Proceeds on disposal of royalty interest	600,000	-
Proceeds on sale of exploration and evaluation assets	-	50,000
Payments for purchase of plant and equipment	(177,155)	-
<b>Net cash inflow from investing activities</b>	<b>422,845</b>	<b>50,000</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	5,219,104
Payments for share issue costs	(11,449)	(54,986)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(11,449)</b>	<b>5,164,118</b>
Net increase/(decrease) in cash and cash equivalents	(999,370)	4,579,791
Cash and cash equivalents at beginning of the period	3,741,309	175,362
<b>Cash and cash equivalents at the end of the period</b>	<b>2,741,939</b>	<b>4,755,153</b>

The above Condensed Consolidated Statement of Cash Flows  
should be read in conjunction with the accompanying notes.

## **1. CORPORATE INFORMATION**

The interim financial report of the Group for the six months ended 31 December 2017 was authorised for issue in accordance with the resolution of the Directors on 13 March 2018.

Apollo Minerals Limited is a limited company incorporated and domiciled in Australia whose shares are publicly traded. The principal activities of the Company and its subsidiaries (the Group) are described in the Directors' Report on page 1.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This general purpose financial report for the interim half year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Apollo Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### **(a) Basis of Preparation of Half Year Financial Report**

The principal accounting policies adopted in the preparation of the financial report have been consistently applied to all the periods presented, unless otherwise stated.

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

#### **Going Concern**

The half year financial report has been prepared on the going concern basis which assumes the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

For the half year ended 31 December 2017, the Consolidated Entity incurred a net loss of \$935,141 (2016: \$692,187) and experienced net cash outflows from operating activities of \$1,410,766 (2016: \$634,327). As at 31 December 2017, the Consolidated Entity had cash and cash equivalents of \$2,741,939 (30 June 2017: \$3,741,309) and net current assets of \$2,441,506 (30 June 2017: \$3,443,696).

The Directors consider that the Consolidated Entity is a going concern and recognise that additional capital will be required during the twelve month period from the date of signing this report to ensure that it can continue to fund its ongoing operations and complete the acquisition of the remaining 20% interest in the Couflens Project. Further details on the acquisition of the remaining 20% interest in the Couflens Project are included in Note 12.

The Directors have prepared a cash flow forecast for the period ending 31 March 2019 which indicates that the Consolidated Entity will have sufficient cash flow to fund its operations during this period. The cash flow forecast has assumed that additional capital is raised, and expenditure can be deferred to coincide with the completion of any such capital raising.

The Directors have been involved in a number of recent successful capital raisings for other listed resource companies at similar stages of development, and accordingly, are confident that they will be able to raise additional capital as required to enable the Consolidated Entity to meet its obligations as and when they fall due, and accordingly, consider that it is appropriate to prepare the half year financial report on the going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**  
**(CONTINUED)**



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(a) Basis of Preparation of Half Year Financial Report (Continued)**

**Going Concern (Continued)**

Should the Consolidated Entity be unable to achieve the matters referred to above, there is a material uncertainty as to whether the Consolidated Entity will be able to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

This half-year financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity be unable to continue as a going concern.

**(b) New Standards, Interpretations and Amendments**

Accounting policies applied by the Consolidated Entity in this consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report for the year ended 30 June 2017.

In the current period, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017. New and revised standards and amendments thereof and interpretations effective for the current half year that are relevant to the Group include:

- AASB 2016-1 Recognition of Deferred Tax Assets for Unrealised Losses;
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107; and
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle.

The adoption of new and revised standards and amendments has not affected the amounts reported for the current or prior half year periods.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. 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:

Standard/Interpretation	Application Date of Standard	Application Date for Group
AASB 9 <i>Financial Instruments</i> , and relevant amending standards	1 January 2018	1 July 2018
AASB 15 <i>Revenue from Contracts with Customers</i> , and relevant amending standards	1 January 2018	1 July 2018
AASB 2016-5 <i>Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018	1 July 2018
AASB Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018	1 July 2018
AASB 16 <i>Leases</i>	1 January 2019	1 July 2019
Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019	1 July 2020

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**  
**(CONTINUED)**



**3. 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 has two operating segments, being exploration in France (Couflens Project) and Australia (the Orpheus Joint Venture). Information regarding these segments are reported below.

**(a) Reconciliation of Non-Current Assets by geographical location**

	31 December 2017 \$	30 June 2017 \$
France	6,688,807	6,267,645
Australia	353,840	404,835
	<b>7,042,647</b>	<b>6,672,480</b>

**(b) Reconciliation of Exploration Expenses by geographical location**

	31 December 2017 \$	31 December 2016 \$
France	1,079,025	-
Australia	259,505	294,864
	<b>1,338,530</b>	<b>294,864</b>

**4. INCOME AND EXPENSES**

	Note	31 December 2017 \$	31 December 2016 \$
<b>(a) Income</b>			
Interest income		28,875	36,610
Gain on disposal of royalty interest	(i)	1,000,000	-
<b>(b) Share based payments</b>			
Share based payments		(106,015)	(79,708)

**Note:**

- (i) As announced on the ASX on 1 November 2017, the Group entered into an agreement with African Mango Pty Ltd ("AMPL") in relation to the sale of one of its royalty interests in the Pilbara gold region for \$1,000,000 in cash. An upfront cash payment of \$600,000 was received in November 2017 and a further \$400,000 in cash will be received in November 2018. This amount is included as a receivable at period end (refer to Note 5). Apollo Minerals may terminate the agreement and AMPL must reassign the royalty interest at no cost to Apollo Minerals if the remaining consideration is not paid when due and such default continues for 7 days after receipt by AMPL of a default notice.



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017  
(CONTINUED)



**5. TRADE AND OTHER RECEIVABLES**

	Note	31 December 2017 \$	30 June 2017 \$
GST and VAT receivable		254,551	114,009
Other receivables	(i)	412,144	8,917
		<b>666,695</b>	<b>122,926</b>

**Note:**

- (i) Other receivables includes an amount of \$400,000 receivable in November 2018 following sale of one of the Group's royalty interests in the Pilbara gold region (refer Note 4(a)).

**6. EXPLORATION AND EVALUATION ASSETS**

	Note	31 December 2017 \$	30 June 2017 \$
<b>(a) Areas of Interest</b>			
Couflens (France)		6,496,339	6,267,645
Fraser Range (Western Australia)		350,000	400,000
Commonwealth Hill (South Australia)		-	-
Gabon		-	-
<b>Carrying amount at end of the period</b>	<b>(i)</b>	<b>6,846,339</b>	<b>6,667,645</b>
<b>(b) Reconciliation</b>			
Carrying amount at start of period		6,667,645	500,000
Adjustment to Couflens fair value on acquisition		22,156	6,267,645
Disposal of interest in Commonwealth Hill project		-	(50,000)
Exploration and evaluation expenditure written off		(50,000)	(50,000)
Foreign exchange differences		206,538	-
<b>Carrying amount at end of the period</b>	<b>(i)</b>	<b>6,846,339</b>	<b>6,667,645</b>

**Note:**

- (i) The ultimate recoupment of costs carried for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas.

**7. CONTRIBUTED EQUITY**

**(a) Issued Capital**

	Note	31 December 2017 \$	30 June 2017 \$
139,914,218 fully paid ordinary shares (30 June 2017: 139,914,218)		44,072,803	44,072,803

**(b) Movements in fully paid ordinary shares during the past six months**

There were no movements in fully paid ordinary shares during the six months to 31 December 2017.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**  
**(CONTINUED)**



**8. RESERVES**

**(a) Reserves**

	Note	31 December 2017 \$	30 June 2017 \$
<i>Share based payments reserve:</i>			
1,678,125 (30 June 2017: 1,678,125) \$0.52 Options expiring 28 February 2018		135,868	135,868
1,500,000 (30 June 2017: 1,500,000) \$0.05 Options expiring 30 June 2018		69,233	69,233
2,000,000 (30 June 2017: 2,000,000) \$0.075 Options expiring 30 June 2019		97,195	97,195
1,500,000 (30 June 2017: 1,250,000) \$0.20 Options expiring 30 June 2020		191,480	148,381
1,500,000 (30 June 2017: 1,500,000) \$0.32 Options expiring 30 November 2020		217,896	217,896
1,950,000 (30 June 2017: 1,600,000) \$0.25 Options expiring 30 June 2021		263,171	200,255
<i>Sub-total options</i>	8(b)	974,843	868,828
10,000,000 (30 June 2017: 10,000,000) Class A Performance Shares		593,181	593,181
10,000,000 (30 June 2017: 10,000,000) Class B Performance Shares		197,727	197,727
10,000,000 (30 June 2017: 10,000,000) Class C Performance Shares		197,727	197,727
15,000,000 (30 June 2017: 15,000,000) Class D Performance Shares		148,295	148,295
20,000,000 (30 June 2017: 20,000,000) Class E Performance Shares		118,637	118,637
<i>Sub-total performance shares</i>	8(c)	1,255,567	1,255,567
<b>Total share based payments reserve</b>		<b>2,230,410</b>	<b>2,124,395</b>
<i>Foreign currency translation reserve</i>			
Exchange differences		162,328	-
<b>Total foreign currency translation reserve</b>		<b>162,328</b>	<b>-</b>
<b>Total reserves</b>		<b>2,392,738</b>	<b>2,124,395</b>

**(b) Movements in options during the past six months**

Date	Details	Number of Options	\$
1 Jul 2017	Opening Balance	9,528,125	868,828
17 Oct 2017	Issue of options to consultant	600,000	106,015
31 Dec 2017	Closing Balance	10,128,125	974,843

**(c) Movements in performance shares during the past six months**

There were no movements in performance shares during the six months to 31 December 2017.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**  
**(CONTINUED)**



**9. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

Due to their short-term nature, the carrying amounts of current receivables and current payables is assumed to approximate their fair value.

**10. COMMITMENTS AND CONTINGENCIES**

**(a) Commitments**

	Note	31 December 2017 \$	30 June 2017 \$
<u>Exploration Commitments</u>			
Within one year	(i)	990,923	1,780,363
After one year but not more than five years	(i)	1,099,925	2,430,438
		<b>2,090,848</b>	<b>4,210,801</b>

**Note:**

- (i) The Group has a contractual obligation to spend €2.5 million prior to 11 February 2020 as part of the previous acquisition of Ariege Tungstene SAS which holds an 80% interest in Mines du Salat SAS. Upon completion of the remaining 20% interest (refer Note 12), this obligation will be removed.

**(b) Contingencies**

The Group acquired Ariege Tungstene SAS on 30 June 2017. In accordance with the terms of the Share Sale Agreement, consideration for the acquisition includes A\$250,000 payable upon satisfaction of the Class A Milestone (refer 2017 Annual Report - Note 9(e)) and A\$250,000 payable upon satisfaction of the Class B Milestone (refer 2107 Annual Report - Note 9(e)). Whilst there is a present obligation that can be reliably measured, the obligation is not currently considered probable (more likely than not), and accordingly, no provision for any liability has been recognised in these financial statements for this payment.

There has been no material change in contingent assets and liabilities of the Consolidated Entity during the half-year.

**11. DIVIDENDS PAID OR PROVIDED FOR**

No dividend has been paid or provided for during the half-year (2016: nil).

**12. SUBSEQUENT EVENTS AFTER BALANCE DATE**

On 7 March 2018, Apollo Minerals entered into an agreement to acquire the remaining 20% interest in the Couflens Project through the acquisition of 100% of the shares in Variscan France, a subsidiary of Variscan Australia, which holds a 20% interest in MdS.

The Agreement to acquire Variscan France includes consideration as follows:

1. An upfront cash payment on signature of A\$200,000
2. Subject to the final quantum of liabilities of Variscan France item 4 below, staged cash payments to Variscan Australia over an 8-month period:
  - (a) Up to A\$300,000 on completion
  - (b) Up to A\$250,000 on the date that is 4 months from the date of completion
  - (c) Up to A\$250,000 on the date that is 8 months from the date of completion
3. Subject to item 4 below and shareholder approval, issuing Variscan Australia new fully paid ordinary Shares in Apollo Minerals based on the achievement of certain milestones at the Couflens Project:
  - (a) First Milestone: the earlier of
    - (i) Tungsten Resource Milestone: A\$250,000 of Shares in Apollo Minerals upon the announcement of a Mineral Resource Estimate 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

**12. SUBSEQUENT EVENTS AFTER BALANCE DATE (Continued)**

- (ii) Mineral Resource Milestone: A\$125,000 of Shares in Apollo Minerals upon the announcement of a Mineral Resource Estimate for tungsten for the Couflens Project at levels below those of the Tungsten Resource Milestone, or a Mineral Resource Estimate for gold;
- (b) Second Milestone: A\$500,000 of Shares in Apollo Minerals upon the announcement by the Company to ASX of a Scoping Study;
- (c) Third Milestone: A\$500,000 of Shares in Apollo Minerals upon the announcement by the Company to ASX of a Pre-Feasibility Study;
- (d) Fourth Milestone: A\$500,000 of Shares in Apollo Minerals upon the announcement by the Company to ASX of a Definitive-Feasibility Study; and
- (e) Fifth Milestone: A\$873,671 of Shares in Apollo Minerals upon the commencement of production at the Couflens Project.

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.

- 4. Apollo Minerals has agreed to assume up to EUR400,000 of Variscan France liabilities. Any liabilities over EUR400,000 will be deducted from the staged future cash payments and share payments referred to in 2 and 3 above.

Completion of the acquisition of Variscan France must occur on or before 30 September 2018 and is subject to standard conditions precedent for acquisition of a company in France, including government agency approvals, extinguishment of intercompany debts, Variscan Australia not accepting a superior offer from employees in accordance with their rights under the French Commercial Code which provides employees a right to make an offer to acquire VM France and completion under a separate agreement whereby Variscan Australia retains a 100% interest in 6 other tenements in France (and associated liabilities) that were held by Variscan France. The effect of this separate agreement is that only the 20% interest in Couflens Project will remain in Variscan France upon acquisition by Apollo Minerals.

The Agreement also contains usual warranties provided by the parties associated with an acquisition of this nature. The Agreement may be terminated by the Company if the conditions precedent are not satisfied by 30 September 2018 or if there is a breach of the Agreement or warranties provided by Variscan Australia. Variscan Australia can only terminate the Agreement if the Company is in breach of the Agreement.

Other than as disclosed above, at the date of this report there were no significant events occurring after balance date requiring disclosure.

## DIRECTORS' DECLARATION



In accordance with a resolution of the Directors of Apollo Minerals Limited, I state that:

In the opinion of the Directors:

- (a) the attached financial statements and notes thereto for the period ended 31 December 2017 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half year ended on that date.
- (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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Board

A handwritten signature in black ink, appearing to read "R. Behets", enclosed within a large, loopy oval stroke.

**ROBERT BEHETS**  
**Non-Executive Director**

14 March 2018



## AUDITOR'S INDEPENDENCE DECLARATION



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

14 March 2018

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 review of the financial statements of Apollo Minerals Limited for the half-year ended 31 December 2017, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

A handwritten signature in blue ink that reads "Deloitte Touche Tohmatsu".

**DELOITTE TOUCHE TOHMATSU**

A handwritten signature in blue ink that reads "David Newman".

**David Newman**  
Partner  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited



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

We have reviewed the accompanying half-year financial report of Apollo Minerals Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2017, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Apollo Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



*Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Apollo Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Apollo Minerals Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Material Uncertainty Related to Going Concern*

We draw attention to Note 2 in the half-year financial report, which indicates that the consolidated entity incurred a net loss of \$935,141 and experienced net cash outflows from operating activities of \$1,410,766 during the half-year ended 31 December 2017. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast doubt about the ability of the consolidated entity to continue as a going concern. Our conclusion is not modified in respect of this matter.



**DELOITTE TOUCHE TOHMATSU**



**David Newman**  
Partner  
Chartered Accountants  
Perth, 14 March 2018