



**APOLLO CONSOLIDATED LIMITED**  
**ABN 13 102 084 917**

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**INTERIM FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

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## Corporate Directory

### Directors

Mr. Roger Steinepreis – Non-Executive Chairman  
Mr. Nick Castleden – Managing Director  
Mr. George Ventouras – Non-Executive Director  
Mr. Robert Gherghetta – Non-Executive Director  
Mr. Stephen West – Non-Executive Director

### Company Secretary

Mr. Alex Neuling  
Mrs. Natalie Madden

### Registered and Principal Administrative Office

1202 Hay Street  
West Perth  
WA 6005  
Australia

### Auditors

Deloitte Touche Tohmatsu  
Tower 2, Brookfield Place  
123 St Georges Terrace  
Perth WA 6000  
Australia

### Securities Exchange Listing

Australian Securities Exchange  
Home Exchange: Perth, Western Australia  
Code: AOP

### Bankers

National Australia Bank Limited  
Level 13, 100 St Georges Terrace  
Perth WA 6000

### Share Registry

Computershare Investor Services Pty Limited  
Level 11  
172 St Georges Terrace GPO Box D182  
Perth WA 6000 Perth WA 6840  
Telephone: 08 9323 2000  
Fax : 08 9323 2033

## Directors' Report

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

### Directors

The names of the Directors of Apollo Consolidated Limited in office during the half-year and until the date of this report are:

Mr. Nick Castleden – Executive Director  
Mr. Roger Steinepreis – Non-Executive Chairman  
Mr. George Ventouras – Non-Executive Director  
Mr. Robert Gherghetta – Non-Executive Director  
Mr. Stephen West – Non-Executive Director

### Principal Activities

Apollo Consolidated Ltd is an Australian company listed on the Australian Securities Exchange (ASX code AOP). The principal activities of the Company during the half-year ended 31 December 2017 were mineral exploration in Western Australia and Côte d'Ivoire.

### Summary Review of Operations

Apollo is a gold exploration company based in Perth, Western Australia. Its exploration focus is Western Australia, where the Company has a wholly owned advanced gold project at Rebecca, and greenfield projects at Yindi and Larkin. The Company is also active in the under-explored country of Côte d'Ivoire where it has over 600km of granted 100% owned exploration tenure. The Company has continued to make excellent progress with its projects during the half-year, in particular with the outstanding results at the **Bombora** prospect, where the **161 Lode** is becoming a key asset. Activities in Côte d'Ivoire have also now yielded a significant new gold anomaly in the SE portion of the Boundiali permit.

The Company has ended 2017 with \$8.3M cash and is in a strong financial position to continue an aggressive exploration campaign and take advantage of additional opportunities as they arise. On 2 March 2018, the Company announced that a multi-rig exploration campaign was underway both in Australia at Rebecca and Côte d'Ivoire where targets at Boundiali and Korhogo would be tested.

### WA - Rebecca Gold Project (Apollo 100%)

At the Company's key Rebecca Project, located 150km NE of Kalgoorlie Western Australia an initial reverse circulation (RC) and diamond drilling program at the promising **Bombora** prospect returned strong gold intercepts, and initiated immediate follow-up drilling. The **161 Lode** discovery now continues to develop into a high-grade gold discovery. Structural study work points to a south-plunging geometry in a west-dipping suite of gneiss & intrusive rocks. The setting supports potential for long-lived shoots typical of high metamorphic grade gold system and December 2017 Reverse Circulation (RC) drilling has expanded the known mineralised system for at least 150m southward. Excellent initial metallurgical results also indicate potential for >90% recovery through conventional processing.

## Directors' Report

The **161 Lode** is a structurally controlled zone of alteration and disseminated sulphides within the >750m Bombora prospect, which is one of three prospects at the Rebecca Gold Project. Apollo owns 100% of the project, with a 1.5% NSR royalty held by a third party.

Reverse circulation (**RC**) drilling is currently underway at **Bombora** as well as an auger geochemical program extending west and southward to the **Duke** and **Redskin** prospects.

### WA - Yindi (Apollo 100%) (Gold)

The Yindi project covers greenfield gold targets close to the Mulgabbie Shear, 25km SE of Saracen Minerals' >1Moz Carosue Dam gold deposits. The project is located approximately 40km north of Breaker Resources Ltd (ASX-BRB) Lake Roe project, and on the same structural zone. Historical intercepts up to 11m @ 2.15g/t Au at the Airport prospect indicates mineralising fluids have been active in the area.

Aircore drilling is required to complete first-pass testing through a >10m thick transported gravel profile in the target area. This work is scheduled for the first half of calendar 2018.

### WA – Louisa (Apollo 100%) (Nickel-Copper)

The Louisa nickel sulphide project is situated in the King Leopold mobile belt of the southern Kimberley region of WA, in a geological setting similar to the Fraser Range belt. The Louisa property covers a string of aeromagnetic features considered to be mafic-ultramafic intrusive bodies, most of which have received no previous exploration.

First field exploration is planned in the 2018 dry season and the Company is liaising with local native title owners with regard timing of heritage surveys. Initial work will validate intrusions and assess their potential to host magmatic nickel-copper mineralisation.

### WA - Larkin (Apollo 100%) (Gold)

The greenfield Larkin Project sits in strong structural setting along the western margin of the Laverton Tectonic Zone, approximately midway between the Rebecca project and Mount Morgans (Dacian Gold Ltd ASX-DCN). Hawthorn Resources Ltd (ASX- HAW) have reported maiden Indicated and Inferred resources at Box Well of 2.76Mt @ 1.46g/t Au for 130,000oz Au 1.2km to the NE of the tenement.

The main target on the licence is a ~6km untested soil-covered structural corridor south of strongly deformed mafic, ultramafic and sedimentary rocks & minor shear-hosted gold workings at Gardner's Find.

During the period assay results were returned from an auger program. No significant anomalism was identified (see ASX- AOP announcement 10 Jan 2018). A further field review of regolith profiles will be carried out ahead of next work.

## Directors' Report

### Côte d'Ivoire - Boundiali (AOP 100%)

Field activities recommenced at this project in NW Côte d'Ivoire following the end of the 2017 wet season. Infill soil sampling was carried out along 23 traverses, to build on new soil anomalism reported in September 2017. This work has defined a promising high-tenor gold anomaly in the SE part of the permit, with spot results up to 744ppb Au (0.74g/t Au) in soil (see ASX – AOP announcement 12 February 2018). An aircore drilling program is currently underway at the Granodiorite and Antoinette SE prospect areas.

### Côte d'Ivoire - Korhogo (AOP 100%)

Once drilling has been completed at Boundiali, it is expected that the aircore rig will mobilise to Korhogo. Drilling will test the **Liberty** soil anomaly, a regional scale geochemical feature extending over more than 20km strike and the key exploration target on the property. The anomaly contains three areas of stronger soil anomalism and developing underlying bedrock gold mineralisation (see ASX-AOP announcement 24th July 2017).

### Côte d'Ivoire - Seguela Project (Royalty)

Apollo holds a 1.2% net smelter royalty over the Seguela property which is owned by a subsidiary of Newcrest Mining Limited. Newcrest continues active exploration at the property, including RC and diamond drilling at Antenna discovery where results to 51m @ 8.4g/t Au from surface have been reported (ASX-NCM announcement 26th October 2017), and an initial resource calculated at 430,000oz grading 2.3g/t Au (ASX-NCM announcement 31<sup>st</sup> January 2018).

## Results

The Consolidated Entity recorded a net profit for the half-year ended 31 December 2017 of \$300,932 (2016: profit \$2,510,314).

## Subsequent Events

There has not been any matter or circumstance, other than disclosed elsewhere in this report, the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## Future Developments

The Directors believe that disclosure of further information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly, this information has not been disclosed in this report.

## **Directors' Report**

### **Auditor's Independence Declaration**

The Auditor's independence declaration is included on page 6 of the half-year financial report.

Signed in accordance with a resolution of the Directors made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors



**ROGER STEINEPREIS**

Chairman

Perth, Western Australia

15 March 2018

*The information in this Directors' Report 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 Reserves", 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. Nick 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. Nick Castleden consents to the inclusion in this Directors' Report of the matters based on his information in the form and context in which it appears.*

The Board of Directors  
Apollo Consolidated Limited  
1202 Hay Street  
West Perth WA 6005

15 March 2018

Dear Board Members,

## **Apollo Consolidated 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 Consolidated Limited.

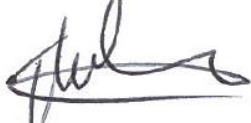
As lead audit partner for the review of the financial statements of Apollo Consolidated Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



**John Sibenaler**  
Partner  
Chartered Accountants



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

We have reviewed the accompanying half-year financial report of Apollo Consolidated Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed statement of profit or loss, 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 gives a true and fair view and 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 Consolidated 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 Consolidated Limited would be in the same terms if given to the directors as at the time of this auditor's review report.

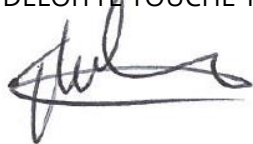
## *Conclusion*

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 Consolidated 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*.

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DELOITTE TOUCHE TOHMATSU



**John Sibenaler**

Partner

Chartered Accountants

Perth, 15 March 2018

**Directors' Declaration**

The Directors declare that:

- a. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- b. in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



**ROGER STEINEPREIS**

Chairman

Perth, Western Australia  
15 March 2018

# APOLLO CONSOLIDATED LIMITED

ABN 13 102 084 917

## Condensed Consolidated Statement of Profit or Loss

For the half-year ended 31 December 2017

	<b>31 December 2017</b>	<b>31 December 2016</b>
<i>Note</i>	<b>\$</b>	<b>\$</b>
Investment income	<b>42,475</b>	<b>24,568</b>
Gain on disposal of Seguela	(3) <b>-</b>	<b>2,677,500</b>
Other income	<b>42,475</b>	<b>2,702,068</b>
Employee benefit expense	<b>(12,000)</b>	<b>(18,899)</b>
Consulting expense	<b>(55,968)</b>	<b>(49,193)</b>
Occupancy expense	<b>(14,508)</b>	<b>(20,939)</b>
Travel and transport	<b>4,858</b>	<b>(1,004)</b>
Compliance & administrative expense	<b>(90,427)</b>	<b>(102,762)</b>
Stakeholder relations	<b>(2,342)</b>	<b>(13,318)</b>
Foreign exchange gains and losses	<b>(33,072)</b>	<b>16,112</b>
Other expenses	<b>(6,940)</b>	<b>(1,751)</b>
(Loss)/Profit from ordinary activities before income tax	<b>(167,924)</b>	<b>2,510,314</b>
Income tax benefit	(4) <b>468,856</b>	<b>-</b>
Profit for the period from continuing operations	<b>300,932</b>	<b>2,510,314</b>
Net profit for the period	<b>300,932</b>	<b>2,510,314</b>
<b>Attributable to:</b>		
Owners of the parent	<b>299,283</b>	<b>1,974,356</b>
Non-controlling interests	<b>1,649</b>	<b>535,958</b>
	<b>300,932</b>	<b>2,510,314</b>
<b>Earnings / (loss) per share</b>		
Basic earnings per share (cents per share)	<b>0.17</b>	<b>1.67</b>
Diluted earnings per share (cents per share)	<b>0.15</b>	<b>1.40</b>

*The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.*

# APOLLO CONSOLIDATED LIMITED

ABN 13 102 084 917

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
<b>Profit for the period</b>	<b>300,932</b>	<b>2,510,314</b>
<b><u>Other comprehensive income</u></b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	<u>22,638</u>	<u>(31,573)</u>
<b>Total other comprehensive income net of income tax</b>	<u>323,570</u>	<u>2,478,741</u>
<b>Total comprehensive income for the period</b>	<u>323,570</u>	<u>2,478,741</u>
<i>Total comprehensive income attributable to:</i>		
Owners of the parent	321,921	1,942,783
Non-controlling interests	<u>1,649</u>	<u>535,958</u>
	323,570	2,478,741

*The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

# APOLLO CONSOLIDATED LIMITED

ABN 13 102 084 917

## Condensed Consolidated Statement of Financial Position

As at 31 December 2017

	Note	31 December 2017 \$	30 June 2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		8,287,748	9,203,822
Trade and other receivables		47,364	12,446
Other current assets	(5)	76,648	47,499
<b>Total current assets</b>		<b>8,411,760</b>	<b>9,263,767</b>
<b>Non-current assets</b>			
Capitalised exploration and evaluation expenditure	(7)	3,877,202	2,946,460
Other assets	(8)	13,454	1,190,783
<b>Total non-current assets</b>		<b>3,890,656</b>	<b>4,137,243</b>
<b>Total assets</b>		<b>12,302,416</b>	<b>13,401,010</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		378,757	407,225
Current provisions		3,269	3,169
Other current liabilities	(9)	272,242	865,547
<b>Total current liabilities</b>		<b>654,268</b>	<b>1,275,941</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	(4)	-	468,856
<b>Total non-current liabilities</b>		<b>-</b>	<b>468,856</b>
<b>Total liabilities</b>		<b>654,268</b>	<b>1,744,797</b>
<b>Net assets</b>		<b>11,648,148</b>	<b>11,656,213</b>
<b>Equity</b>			
Issued capital	(10)	45,221,470	44,378,422
Reserves		3,941,619	4,832,482
Accumulated losses		(37,514,941)	(37,814,224)
<b>Total equity attributable to owners of the Company</b>		<b>11,648,148</b>	<b>11,396,680</b>
Non-controlling interests		-	259,533
<b>Total equity</b>		<b>11,648,148</b>	<b>11,656,213</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

# APOLLO CONSOLIDATED LIMITED

ABN 13 102 084 917

## Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2017

	Share Based Capital	Share Based Payment Reserve	Other Reserve	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Attributable to owners of the entity	Non-controlling interests	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2016</b>	<b>42,401,617</b>	<b>4,176,976</b>	-	<b>339,030</b>	<b>(54,146)</b>	<b>(39,367,673)</b>	<b>7,495,804</b>	<b>35,844</b>	<b>7,531,648</b>
Profit for the period	-	-	-	-	-	1,974,356	1,974,356	535,958	2,510,314
Other comprehensive income net of income tax	-	-	-	-	(31,573)	-	(31,573)	-	(31,573)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31,573)</b>	<b>1,974,356</b>	<b>1,942,783</b>	<b>535,958</b>	<b>2,478,741</b>
Placement	1,620,000	-	-	322,500	-	-	1,942,500	-	1,942,500
Options exercised	547,561	-	-	-	-	-	547,561	-	547,561
Share issue costs	(429,472)	-	-	-	-	-	(429,472)	-	(429,472)
<b>Balance at 31 December 2016</b>	<b>44,139,706</b>	<b>4,176,976</b>	<b>-</b>	<b>661,530</b>	<b>(85,719)</b>	<b>(37,393,317)</b>	<b>11,499,176</b>	<b>571,802</b>	<b>12,070,978</b>
<b>Balance as at 1 July 2017</b>	<b>44,378,422</b>	<b>4,512,476</b>	-	<b>339,030</b>	<b>(19,024)</b>	<b>(37,814,224)</b>	<b>11,396,680</b>	<b>259,533</b>	<b>11,656,213</b>
Profit for the period	-	-	-	-	-	299,283	299,283	1,649	300,932
Other comprehensive income net of income tax	-	-	-	-	22,638	-	22,638	-	22,638
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,638</b>	<b>299,283</b>	<b>321,921</b>	<b>1,649</b>	<b>323,570</b>
Difference arising on additional interest in subsidiary (see note 11)	-	-	(913,501)	-	-	-	(913,501)	(261,182)	(1,174,683)
Options exercised	845,026	-	-	-	-	-	845,026	-	845,026
Share issue costs	(1,978)	-	-	-	-	-	(1,978)	-	(1,978)
<b>Balance at 31 December 2017</b>	<b>45,221,470</b>	<b>4,512,476</b>	<b>(913,501)</b>	<b>339,030</b>	<b>3,614</b>	<b>(37,514,941)</b>	<b>11,648,148</b>	<b>-</b>	<b>11,648,148</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

	<i>Note</i>	<b>31 December 2017</b>	<b>31 December 2016</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(240,470)	(226,279)
<b>Net cash outflow from operating activities</b>		<b>(240,470)</b>	<b>(226,279)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation expenditure		(903,607)	(906,624)
Proceeds from repayment of loans to other parties		12,009	-
Interest received		42,475	24,568
Payment for acquisition of non-controlling interest	(11)	(587,021)	-
Seguela sale		-	1,297,999
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(1,436,144)</b>	<b>415,943</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares and options		845,026	2,050,069
Less costs of issue		(1,978)	(100,058)
<b>Net cash inflow from financing activities</b>		<b>843,048</b>	<b>1,950,011</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(833,566)</b>	<b>386,765</b>
Cash and cash equivalents at the beginning of the period		9,203,822	981,124
Effects of exchange rate changes on the balance of cash held in foreign currencies.		(82,508)	(15,461)
<b>Cash and cash equivalents at the end of the period</b>		<b>8,287,748</b>	<b>5,326,402</b>

The above condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.



**Notes to the Condensed Consolidated Financial Statements**

For the half-year ended 31 December 2017

**1. Significant accounting policies****Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act and with AASB 134 "Interim Financial Reporting" (AASB 134). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual report.

**Basis of preparation**

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the financial year ended 30 June 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**Standards and interpretations affecting amounts in the current year (and/or prior years)**

The Group has applied all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1048 *Interpretation of Standards*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016*

The application of these amendments does not have any material impact on the disclosures or the amounts recognised in the Company's financial statements.

**Standards and interpretations in issue not yet adopted**

At the date of authorisation of the financial statements, the following applicable Standards and Interpretations that were issued but not yet effective are listed below.

**Notes to the Condensed Consolidated Financial Statements (cont'd)**

For the half-year ended 31 December 2017

<b>Standard/Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>
AASB 9 <i>Financial Instruments</i>	1 January 2018
AASB 15 <i>Revenue from Contracts with Customers</i> , AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> , AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective date of AASB 15</i> and AASB 2016-3 <i>Amendments to Australian Accounting Standards Clarification to AASB 15</i> .	1 January 2018
AASB 16 <i>Leases</i>	1 January 2019
AASB 2016-5 <i>Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018

The Group has not yet determined the impact of adoption of the above standards.

**Critical accounting estimates and judgments**

In preparing this Financial Report the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

**Exploration & Evaluation Expenditure**

Costs incurred during exploration and evaluation related to an area of interest are accumulated. Costs are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities in the area of interest have not at balance date reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. In these instances the entity must have rights of tenure to the area of interest and must be continuing to undertake exploration operations in the area.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Impairment indicators include:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment

**Notes to the Condensed Consolidated Financial Statements (cont'd)**

For the half-year ended 31 December 2017

loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and is then reclassified to mine properties and development.

**2. Segment Information****(i) Description**

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The function of the chief operating decision maker is performed by the Board collectively. Information reported to the Board for the purposes of resource allocation and assessment of performance is focused broadly on the Group's diversified activities across different sectors.

The Group's reportable segments under AASB 8 are therefore as follows:

- Mineral Exploration – Australia
- Mineral Exploration – Côte d'Ivoire

Information regarding the activities of these segments during the current and prior financial period is set out in the following tables.

**(ii) Segment revenues and results**

		<b>Segment revenue</b>		<b>Segment profit/(loss)</b>	
		<b>Half-year ended 31/12/17</b>	<b>Half-year ended 31/12/16</b>	<b>Half-year ended 31/12/17</b>	<b>Half-year ended 31/12/16</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Mineral exploration	- Australia			(254)	(325)
	- Côte d'Ivoire	-	2,677,500	(21,171)	2,671,643
Total for continuing operations		-	2,677,500	(21,425)	2,671,318
Interest income				42,475	24,568
Central administration costs and directors' salaries				(188,974)	(185,573)
<b>(Loss)/profit before tax (continuing operations)</b>				<b>(167,924)</b>	<b>2,510,314</b>

**Notes to the Condensed Consolidated Financial Statements (cont'd)**

For the half-year ended 31 December 2017

**(iii) Segment assets and liabilities**

		31/12/17	30/06/17
		\$	\$
<b>Segment assets</b>			
Mineral exploration	- Australia	1,887,562	1,129,224
	- Côte d'Ivoire	6,236,663	5,368,283
Total segment assets		8,124,225	6,497,507
Unallocated		4,178,191	2,881,848
<b>Consolidated total assets</b>		<b>12,302,416</b>	<b>13,401,010</b>
		31/12/17	30/06/17
		\$	\$
<b>Segment liabilities</b>			
Mineral exploration	- Australia	-	-
	- Côte d'Ivoire	44,913	7,941
Total segment liabilities		44,913	7,941
Unallocated		609,355	1,736,856
<b>Consolidated total liabilities</b>		<b>654,268</b>	<b>1,744,797</b>

**(iv) Other segment information**

		<b>Additions to non-current assets</b>	
		Half-year ended 31/12/17	Half-year ended 31/12/16
		\$	\$
Mineral exploration	- Australia	711,463	235,637
	- Côte d'Ivoire	153,986	718,167
		<b>865,449</b>	<b>953,804</b>

**Notes to the Condensed Consolidated Financial Statements (cont'd)**

For the half-year ended 31 December 2017

**3. Other income**

An Option to Purchase arrangement with a subsidiary of Newcrest Mining limited was exercised over the Company's 80% owned Seguela property during the comparative half-year period. This transaction resulted in the recognition of a gain in the Condensed Statement of Profit or Loss, calculated as follows

	31 December 2017 \$	31 December 2016 \$
Seguela option fees and sale revenue	-	6,671,950
Less: Carrying value of Exploration and Evaluation expenditure written off (refer note 7)	-	(3,994,450)
Gain recognised on disposal of Seguela	-	2,677,500

\*figure represents the total income relating to the Seguela sale which was recognised during the six months to 31 December 2016 upon the option having been irrevocably exercised.

**4. Income taxes relating to continued operations**

*Income tax recognised in profit or loss*

	31 December 2017 \$	31 December 2016 \$
<u>Current tax</u>		
In respect of the current year	-	-
<u>Deferred tax</u>		
Deferred tax liability derecognised on disposal of Seguela (note 3)	468,856	-
<b>Total income tax benefit recognised in current year relating to continuing operations</b>	<b>468,856</b>	<b>-</b>

**5. Other Current Assets**

	31 December 2017 \$	30 June 2017 \$
Prepayments	76,648	47,499
<b>Total other current assets</b>	<b>76,648</b>	<b>47,499</b>

**Notes to the Condensed Consolidated Financial Statements (cont'd)**

For the half-year ended 31 December 2017

**6. Dividends**

No dividend has been paid or is proposed in respect of the half-year ended 31 December 2017 (2016: None).

**7. Capitalised exploration and evaluation expenditure**

	<b>Total</b>
	<b>\$</b>
<b>Balance at 1 July 2016</b>	<b>5,309,543</b>
Additions	1,610,607
Seguela sale	(3,994,450)
Effects of foreign currency exchange differences	20,760
<b>Balance at 30 June 2017</b>	<b>2,946,460</b>
Additions	865,449
Effects of foreign currency exchange differences	65,293
<b>Balance at 31 December 2017</b>	<b>3,877,202</b>

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and exploitation, or alternatively sale of the respective area of interest. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

During the prior period the Option to Purchase arrangement with a subsidiary of Newcrest Mining limited was exercised over the Company's 80% owned Seguela property. The \$3,994,450 represents exploration and evaluation expenditure relating to the Seguela property recognised as an expense on sale.

**8. Other non-current assets**

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Other	13,454	16,101
Share purchase <sup>1</sup>	-	1,174,682
	<b>13,454</b>	<b>1,190,783</b>

1. Acquisition of the remaining shares held by minority interest in Mont Fouimba Resources Côte D'Ivoire SA (MFR)

**9. Other current liabilities**

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Share purchase <sup>2</sup>	272,242	865,417
Shares to be issued <sup>1</sup>	-	130
	<b>272,242</b>	<b>865,547</b>

1. Funds received for the exercise of options are shown as other current liabilities until the shares are issued.

**Notes to the Condensed Consolidated Financial Statements (cont'd)**

For the half-year ended 31 December 2017

2. Represents an allowance for future contingent obligations under an Advance Payment Agreement with minority interest in connection with the acquisition of the remaining shares in Mont Fouimba Resources Côte D'Ivoire S.A. (MFR), pending finalisation of accounting and tax matters relevant to the sale.

**10. Consolidated Share Capital**

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
177,551,538 fully paid ordinary shares	45,221,470	44,378,422
(30 June 2017: 160,651,010)		
	<b>45,221,470</b>	<b>44,378,422</b>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to a vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Movements in share capital during the current and prior period were as follows:

**Fully paid ordinary shares**

		<b>Number</b>	<b>\$</b>
<b>As at 1 July 2016</b>		<b>138,414,537</b>	<b>42,401,617</b>
Placement	(a)	12,000,000	1,620,000
Options exercised		10,201,223	547,561
Costs of issue		-	(429,472)
<b>As at 31 December 2016</b>		<b>160,615,760</b>	<b>44,139,706</b>
<b>As at 1 July 2017</b>		<b>160,651,010</b>	<b>44,378,422</b>
Options exercised	(b)	16,900,528	845,026
Costs of issue		-	(1,978)
<b>As at 31 December 2017</b>		<b>177,551,538</b>	<b>45,221,470</b>

(a) On 2 November 2016 the Company announced an institutional share placement of 12 million shares at \$0.135 per share.

(b) During the period 16,900,528 unlisted \$0.05 options were exercised.

**Notes to the Condensed Consolidated Financial Statements (cont'd)**

For the half-year ended 31 December 2017

**Share Options**

Unissued shares under option as at balance date were as follows:

<b>Series</b>	<b>Number of shares under option</b>	<b>Class of shares</b>	<b>Exercise price of option</b>	<b>Expiry date of options</b>
Incentive options	12,200,000	Ordinary	\$0.135	31/12/2030
Incentive options	10,500,000	Ordinary	\$0.05	31/12/2018
	<hr/> 22,700,000			

All options were issued by Apollo Consolidated Limited. No options were issued during the half-year to 31 December 2017.

Share options carry no rights to dividends and no voting rights.

**11. Acquisition of non-controlling interest in subsidiary**

In December 2017, the Group acquired a further 20% interest in Mont Fouimba Resources Côte D'Ivoire SA, increasing its total continuing interest to 100%. The maximum total consideration payable in respect of this acquisition is \$1,174,683, of which \$587,021 was paid in the current period. The maximum remaining amount of \$272,242 has been deferred pending final calculations of Mont Fouimba's obligations over the next 12 months (see note 9)

The difference between the total consideration payable and the amount transferred from non-controlling interests has been recognised directly in equity within Other Reserves:

	<b>\$</b>
Shares acquired	1,174,683
Less: Balance of non-controlling interest on acquisition	(261,182)
Balance recognised in Other Reserves	<hr/> 913,501

**12. Future minimum expenditure commitments****Western Australia**

In order to maintain and preserve rights of tenure to granted exploration tenements, the Group is required to meet certain minimum levels of exploration expenditure specified by the State Government of Western Australia. These commitments are subject to amendment from time to time as a result of changes to the number or area of granted tenements, escalating expenditure with tenement age, a change of tenement type from exploration license to mining lease or other reasons pursuant to the WA Mining Act.

**Côte d'Ivoire**

Under the terms of the exploration permits granted for Korhogo and Boundiali in Côte d'Ivoire, the permit holder Group member, Aspire Nord CI must spend a total of 623,000,000 CFA, approximately AUD \$1.4million, over a 3 year period on each permit.



**Notes to the Condensed Consolidated Financial Statements (cont'd)**

For the half-year ended 31 December 2017

As at balance date the total of these future minimum exploration expenditure commitments as follows:

	31 Dec 17	30 Jun 17
	\$	\$
Not longer than 1 year	1,201,174	854,477
Longer than 1 year and not longer than 5 years	635,373	925,761
Total	<u>1,836,547</u>	<u>1,780,238</u>

**13. Key management personnel**

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

**14. Financial Instruments**

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

**Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required).**

The Group holds the following financial instruments:

	31/12/17	30/06/17
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	8,287,748	9,203,822
Loans and receivables (including trade receivables)	47,364	12,446
<b>Financial liabilities</b>		
Trade and other payables (at amortised cost)	(378,757)	(407,225)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

**15. Events occurring after the balance sheet date**

There has not been any matter or circumstance, other than disclosed elsewhere in this report, the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.