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APOLLO ACQUIRES AURENERE PROJECT ALONG STRIKE FROM COUFLENS

Highlights

- Apollo Minerals has entered into an agreement to acquire a 75% interest in the Aurenere tungsten-gold project in northern Spain
- The Aurenere Project is contiguous with the Company's Couflens Project in neighbouring France, and provides an extension of strike along a highly prospective corridor for tungsten and gold
- The acquisition follows impressive recent field campaigns at the Couflens Project that identified numerous exploration targets and confirmed the presence of widespread tungsten (up to 8.25% WO₃) and high grade gold (up to 24.5 g/t) in the region
- An initial reconnaissance field campaign has been carried out at Aurenere with the results to be released once verified

Apollo Minerals Limited ("**Apollo Minerals**" or "**Company**") is pleased to advise that the Company has entered into an agreement to acquire a 75% interest in the Aurenere tungsten-gold project ("**Aurenere Project**") in northern Spain, along strike and consistent with the geology from its Couflens Project in France.

The Aurenere Project comprises an Investigation Permit application that covers a 55km² area directly adjacent to the Company's Couflens Project in France, which includes the historic Salau mine, previously one of the world's highest-grade tungsten mines when it operated from 1971 to 1986.

The acquisition of the Aurenere Project, when combined with the 42km² Couflens Project, increases the Company's landholding to 97km² in this highly prospective region of the Pyrenees.

The Company's acquisition of the Aurenere Project follows recent work programs at its Couflens Project in France which led to an enhanced understanding of the geology and regional scale exploration potential of the area.

Field campaigns carried out within the Couflens licence area confirmed the presence of widespread tungsten (up to 8.25% WO₃) and high grade gold (up to 24.5 g/t).

These campaigns highlighted significant potential for shear hosted gold mineralisation to be associated with large fault structures extending to the west of the Salau mine area towards the Aurenere Project.

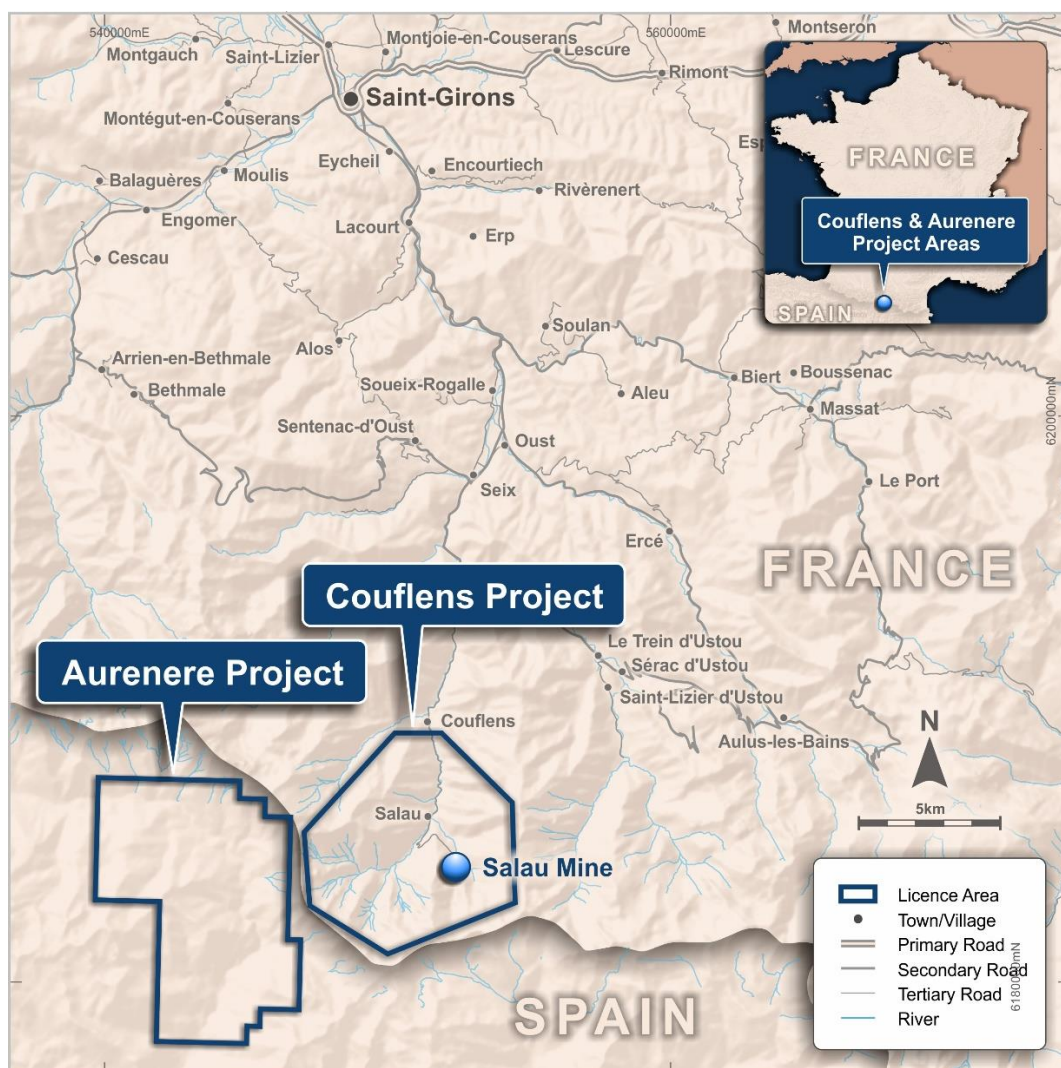


Figure 1: Couflens and Aurenere Projects Location Plan

The Company has entered into a Share Purchase and Shareholders Heads of Agreement (“HoA”) whereby it will acquire 75% of the share capital of NeoMetal Spania S.L (“NeoMetal”), which holds the rights to the 100% interest in the Aurenere Project. The commercial terms of the acquisition of the upfront 75% interest in Neometal include €100,000 cash upfront and a further €150,000 upon the grant of the Investigation Permit. Further details on the terms of the acquisition are included below in Commercial Terms.

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AURENERE PROJECT OVERVIEW

The Aurenere Project is located in north east Spain, in the province of Lleida.

The Project comprises an Investigation Permit (*Permiso de Investigación*) application that covers a 55km² area along strike from, and adjacent to, the Company's Couflens Project across the border in France, which includes the historic Salau mine, previously one of the world's highest-grade tungsten mines when it operated from 1971 to 1986.

Geological Setting and Exploration Potential

The Salau deposit, located approximately 6km to the east of the Aurenere Project, is a tungsten-bearing (primarily scheelite) skarn developed at the contact between Devonian carbonate-bearing sediments and a Permian-aged granodiorite stock. The skarn formed within both the carbonate-bearing sediments and, to a much lesser degree, the granodiorite.

Within the Salau mine and surrounding area, 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% WO₃), gold (up to 24.5 g/t) and copper (up to 0.94%).

The thick package of prospective carbonate-bearing sediments which host the Salau deposit strike in an east-west direction through the Couflens Project area and extend across the border into the Aurenere Project.

A number of small outcropping granodioritic bodies are observed to intrude these prospective host rocks within both the Couflens and Aurenere Project areas. Scheelite and/or pyrrhotite mineral occurrences are noted in the vicinity of these granodiorite intrusions.

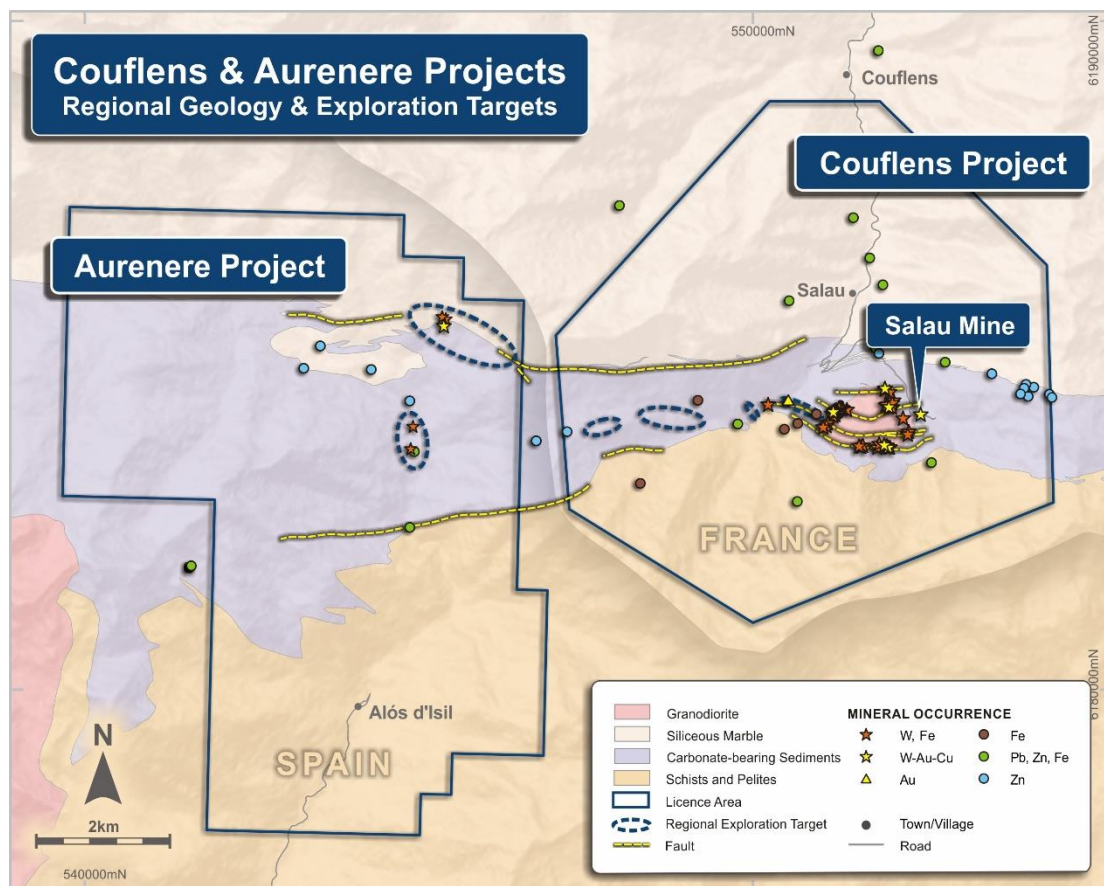


Figure 2: Regional Geology of Couflens and Aurenere Projects



Within the Aurenere Project area specifically, a small outcrop (approximately 100m²) of pyrrhotite rich skarn located at the contact between a granodiorite and carbonate-bearing sediments has been mapped at Aurenere. Systematic rock chip sampling has been undertaken over the skarn outcrop and the assay results for tungsten and gold will be released once verified.

A scheelite and pyrrhotite mineral occurrence, with accompanying lead, zinc and molybdenum, has also been recorded within the carbonate-bearing sediment package at Indice 8 to the south.

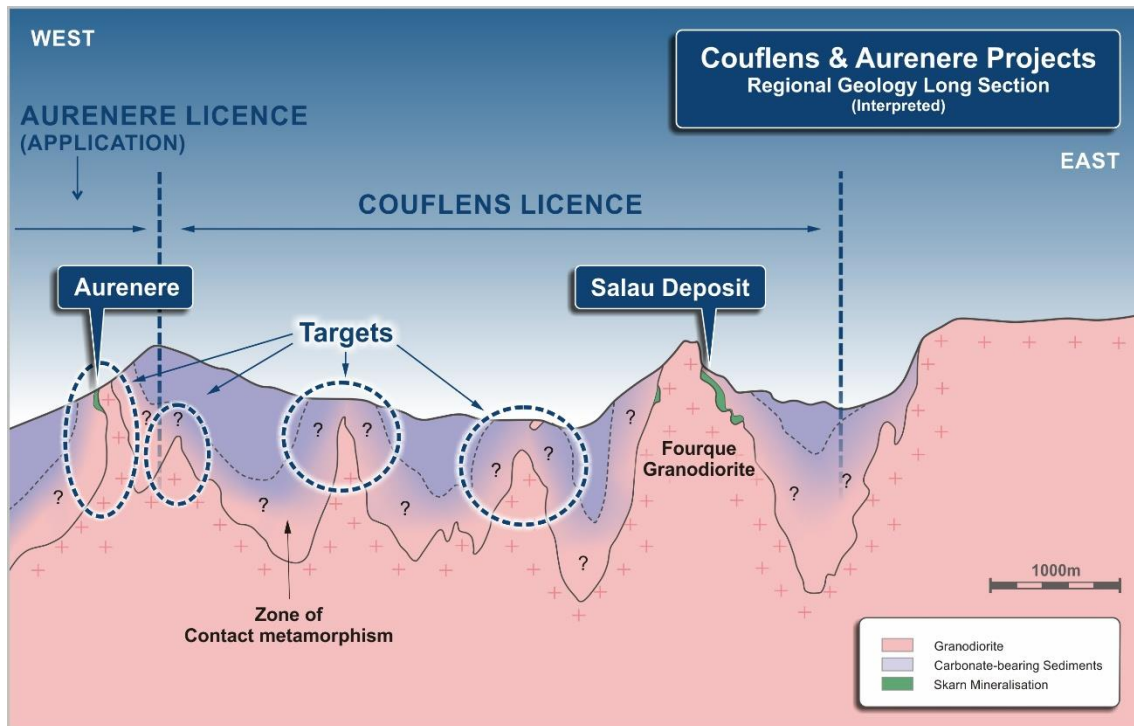


Figure 3: Interpreted Regional Long Section and Exploration Targets

The presence of a thick package of carbonate-bearing sediments, locally intruded by small granodioritic bodies with associated scheelite and/or pyrrhotite mineral occurrences, highlights the potential for new tungsten-gold discoveries within the highly prospective corridor extending for over 10km along strike to the west of the Salau deposit into the Aurenere Project area (Figures 2 and 3).

Potential also exists for shear hosted gold mineralisation to be associated with large fault structures extending to the west of the Salau mine area towards the Aurenere Project.



Investigation Permit

The Aurenere Project comprises an Investigation Permit application which covers an area of 55km².

The Investigation Permit (Permiso de Investigación del “Alt d’Aneu”) application was submitted by NeoMetal Spania S.L (“NeoMetal”) to the General Directorate of Energy, Mines and Industrial Security (*Dirección General de Energía, Minas y Seguridad Industrial*) of the Government of Catalonia in March 2016, and is pending grant.

Apollo Minerals, through its wholly owned subsidiary Apollo Minerals (UK) Limited, will acquire 75% of the share capital of NeoMetal.

In accordance with the Spanish Mining Code, Investigation Permits have a maximum duration of three years, but can be extended for up to another three years, and in special cases for subsequent terms.

The Investigation Permit is still under application and there can be no assurance that it will be granted, however the Company believes that there is a reasonable prospect that the application will be granted.

COMMERCIAL TERMS OF THE ACQUISITION

Apollo Minerals (UK) Limited (“Apollo Minerals UK”), a wholly owned subsidiary of Apollo Minerals Limited, has entered into a Share Purchase and Shareholders Heads of Agreement (“HoA”) whereby it will acquire 75% of the share capital of NeoMetal Spania S.L (“NeoMetal”) from NeoMetal SAS (“NM France”), forming an incorporated joint venture (“JV”). NeoMetal and NM France are private companies, unrelated to the Australian listed company Neometals Ltd (ASX: NMT).

The HoA is dated 20 March 2018, and completion is expected to occur 20 business days from this date or as otherwise agreed by the parties (“Completion”).

Under the HoA, Apollo Minerals UK acquires an upfront 75% interest in Neometal from the date of Completion, in consideration for:

1. €100,000 to payable to NM France or NeoMetal (as directed by NM France) on Completion; and
2. Deferred Consideration of €150,000 payable to NM France on or before the date that is 10 business days from the granting of the Investigation Permit (“Deferred Consideration”). The Deferred Consideration will be reduced by an amount equal to 50% of any expenditure by Apollo Minerals UK in excess of €50,000 to facilitate the grant of the Investigation Permit.

Apollo Minerals UK will appoint two Directors (NM France one Director) to NeoMetal from the date of Completion.

From the date of Completion, Apollo Minerals UK will be the manager of NeoMetal and NeoMetal will be operated in accordance standard joint venture principles including compliance with budgets, pre-emptive rights, drag and tag along rights and area of interest rights for the JV.

Within 90 days of the granting of the Investigation Permit, or such earlier date as required by Apollo Minerals UK, the parties will use reasonable endeavours to execute a formal Shareholder Agreement for NeoMetal on terms consistent with the HoA.



Earn-in Obligations

Apollo Minerals UK must spend €500,000 within 3 years of the date of granting of the Investigation Permit (“Interim Milestone”) and €2,500,000 (including the Interim Milestone expenditure) within 5 years of the date of granting of the Investigation Permit (“Full Milestone”) to retain its 75% interest in NeoMetal and the Aurenere Project.

Apollo Minerals UK may withdraw from the JV at any time prior to satisfying the Full Milestone by transferring its shares in NeoMetal to NM France for nil consideration. During the Full Milestone period NM France also has a call option to reacquire the shares in NeoMetal if there is a material breach of Apollo Minerals UK’s obligations under the HoA, including failing to comply with its earn-in obligations during the earn-in period. The call option is exercisable by NM France 120 days after Apollo Minerals UK receives a default notice, if the material breach continues to exist and neither party has required that the matter be resolved as dispute in accordance with the HoA. The exercise price for the option is €100,000 if the Interim Milestone or the Full Milestone is not achieved or 80% of the fair value of NeoMetal if Apollo Minerals UK otherwise breaches its obligations under the HoA

Following satisfaction of the Full Milestone, Apollo Minerals UK will continue to sole fund expenditure to the completion of a feasibility study on the Aurenere Project in order to reach a decision to mine.

If a Decision to Mine is made:

- a) NeoMetal shall seek project financing for development of the Aurenere Project;
- b) To the extent sufficient project financing is not received from one or more third parties, Apollo Minerals UK will provide, by way of a shareholder loan and subject to funding being available on acceptable commercial terms, the balance of the funding required by NeoMetal to commence production (“AON Shareholder Loan”);
- c) NeoMetal will repay the AON Shareholder Loan prior to the distribution of any earnings to its shareholders;
- d) Once the AON Shareholder Loan has been repaid, and subject to any other contractual requirements (including repayment of third party project financing, etc) the Board of NeoMetal may then resolve to distribute its Earnings to shareholders (in accordance with their relevant interest in NeoMetal).

Competent Persons Statement

The information in this announcement that relates to Exploration Results is extracted from announcements on 29 November 2017 and 5 February 2018. These announcements are available to view on 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.



About Apollo Minerals

Apollo Minerals Limited is developing the Couflens Project and the Aurenere Project which, when combined, cover a 97km² area in a highly prospective region of the Pyrenees.

The Couflens Project is located in the Pyrenees region of southern France and comprises a 42km² license area, within which lies the high grade historical Salau tungsten mine.

The mine was one of the world's highest grade tungsten mines, producing approximately 930,000 tonnes at 1.5% WO₃ for around 11,500 tonnes of WO₃ 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 tungsten 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;
- (2) Continuation of an aggressive regional exploration program, focused initially on gold. Recent field campaigns have returned grades of up to 24.5 g/t gold from rock chip samples. Exploration will be focused on the multiple fault structures recognised within the major granodiorite intrusion at Salau and the discovery of shear hosted gold mineralisation associated with large fault structures extending along a 5km corridor to the west of the Salau mine area.

Progress made with both work programs enhanced the Company's understanding of the geology and regional scale exploration potential of the area.

As a result, the Company signed an agreement to acquire the remaining 20% of the Couflens Project, which will increase its ownership to 100%, and acquired a 75% interest in the Aurenere tungsten-gold project in the Lleida province in northern Spain.

The Aurenere Project comprises an Investigation Permit under application which covers an area of 55km², along strike from and adjacent to, the Company's Couflens Project. The Aurenere Project hosts an extension of the highly prospective corridor for tungsten and gold which strikes east-west through the Couflens Project and into the Aurenere Project 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.