

**ASX ANNOUNCEMENT**

By e-lodgement

21<sup>st</sup> May 2019

## In-Specie Distribution – Information for Shareholders

Apollo Consolidated Limited (ASX: AOP, the Company) refers to the in-specie distribution to Shareholders of Exore Resources Ltd shares which was completed on 10 April 2019 (**ERX Distribution**).

As set out by the Company in its Notice of Meeting to approve the ERX Distribution, the distribution consists of a return of share capital component (**Capital Reduction Entitlement**) and a dividend component (**Dividend Entitlement**).

The AOP Board, with reference to a specialist independent valuation of the ERX shares at distribution date and relevant specialist tax advice, has completed its estimation of the likely Capital Reduction Entitlement and Distribution Dividend Entitlement arising under the ERX distribution as follows:

|                               | Per AOP Share (cents per share) | Per ERX share (cents per share) |
|-------------------------------|---------------------------------|---------------------------------|
| Capital Reduction Entitlement | 1.849                           | 3.933                           |
| Dividend Entitlement          | 1.583                           | 3.367                           |
| Distribution Entitlement      | 3.431                           | 7.300                           |

**No ruling from the Australian Taxation Office has been sought in relation to the ERX Distribution.** The views expressed in this summary are not intended as specific advice to Shareholders. The application of tax legislation may vary according to the individual circumstances of Shareholders.

The Australian Taxation Office has the power to apply integrity provisions to adjust the above proportions where they determine some or all of the Capital Reduction Entitlement is properly to be treated as an assessable dividend.

This summary does not apply to Shareholders:

- who hold their Shares on capital account (broadly Shares which are/have not been held for the purpose of resale or as trading stock);
- whose Shares are subject to the employee share acquisition scheme tax rules and Shareholders who are not the beneficial owners of their Shares in the Company;
- who are not residents of Australia for tax purposes; and
- to whom the Taxation of Financial Arrangements ('TOFA') provisions apply.

It should be emphasised that these comments are general in nature, may not be applicable to your individual circumstances and cannot be relied upon for accuracy or completeness.

**You should therefore seek and rely on your own taxation advice in relation to the taxation consequences of the distribution. Neither the Company nor any of its officers, or its advisers accept liability or responsibility with respect to such consequences.**

We recommend that non- resident Shareholders seek specific advice by reference to their own circumstances so as determine their Australian income tax position.

The taxation consequences to Shareholders (resident and non-resident) who may hold AOP Shares on revenue account or through a company or superannuation fund will depend on their specific circumstances and, accordingly, Shareholders such as banks, insurance companies, share traders and professional investors should seek their own specific advice.

The following is an overview of the Australian tax implications that should arise as a consequence of the Distribution for an Australian resident Shareholder who holds Shares on capital account.

|  |  |
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| Capital gain/loss  | <p>A capital gain will arise for a Shareholder as a result of the return of capital under the Distribution to the extent that the Capital Reduction Entitlement for a Share exceeds the CGT cost base of that share.</p> <p>A capital loss will not arise if the Capital Reduction Entitlement is less than the CGT cost base of the Shares.</p> |
| CGT discount   | <p>If the Apollo shares were acquired by the shareholder more than 12 months before the Distribution, a capital gain may qualify as a discount capital gain.</p>   |
| CGT cost base  | <p>The CGT cost base and reduced cost base of a Share will be reduced (but not below nil) by the Capital Reduction Entitlement.</p> <p>The CGT cost base of the Exore shares will be equal to the Distribution Entitlement.</p>  |
| Dividend   | <p>The Distribution Dividend Entitlement will be an assessable unfranked dividend to Shareholders.</p>   |
| Sale of Shares post Record Date but before Distribution Date | <p>There may be CGT implications for Shareholder who dispose of their Shares after the Record Date but prior to the Distribution Date.</p>   |