

# **APOLLO CONSOLIDATED LIMITED**

## **ACN 102 084 917**

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### **ENTITLEMENT ISSUE PROSPECTUS**

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For a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.025 per Share to raise up to approximately \$895,348 (based on the number of Shares on issue as at the date of this Prospectus) (together with one (1) free attaching option for every two (2) Shares subscribed for and issued) (**Offer**).

#### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Mr Roger Steinepreis  
*Non-Executive Chairman*

Mr Nick Castleden  
*Managing Director*

Mr George Ventouras  
*Non-Executive Director*

Mr Stephen West  
*Non-Executive Director*

Mr Robert Gherghetta  
*Non-Executive Director*

### Registered Office

Level 1, 44 Ord Street  
West Perth WA 6005

Website: [www.apolloconsolidated.com.au](http://www.apolloconsolidated.com.au)

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

### Company Secretary

Mr Alex Neuling

### Share Registry\*

Computershare Investor Services Pty Limited  
Level 2, Reserve Bank Building  
45 St Georges Terrace  
Perth, WA 6000

Telephone: 1300 850 505 (within Australia)  
Facsimile: +61 8 9323 2033 (Perth, Australia office)

### Auditor\*

Deloitte Touche Tohmatsu  
Woodside Plaza  
Level 14, 240 St Georges Terrace  
Perth, WA 6000

\* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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## 2. TIMETABLE

Lodgement of Prospectus with the ASIC	17 June 2015
Lodgement of Prospectus & Appendix 3B with ASX	17 June 2015
Notice sent to security holders	18 June 2015
Ex date	19 June 2015
Record Date for determining Entitlements	23 June 2015
Prospectus sent to Shareholders & Company announces despatch has been completed	26 June 2015
Closing Date*	7 July 2015
Securities quoted on a deferred settlement basis	8 July 2015
ASX notified of under subscriptions	10 July 2015
Issue of holding statements	14 July 2015
Quotation of Securities issued under the Offer*	15 July 2015

\*The Directors may extend the Closing Date by giving at least 3 Business Days notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

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### **3. IMPORTANT NOTES**

This Prospectus is dated 17 June 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **3.1 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or

anticipated in these statements. These risk factors are set out in section 4 of this Prospectus.

### **3.2 Photographs and diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this prospectus are illustrative only and may not be drawn to scale.

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## **4. DETAILS OF THE OFFER**

### **4.1 The Offer**

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.025 per Share (based on the number of Shares on issue as at the date of this Prospectus) (together with one (1) free attaching option for every two (2) Shares subscribed for and issued). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) an estimated maximum of 35,813,910 Shares and 17,906,955 Options will be issued pursuant to this Offer to raise up to \$895,348 (with the exact amount to be determined subject to rounding of entitlements). No funds will be raised from the issue of the free attaching Options.

As at the date of this Prospectus the Company has 42,588,022 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6 for further information regarding the rights and liabilities attaching to the Shares.

All of the free attaching Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.2 of this Prospectus.

All Shares issued on conversion of the free attaching Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

### **4.2 Minimum subscription**

The minimum subscription under the Offer is \$110,000. No Shares will be allotted or issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application Monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application Monies.

### **4.3 Acceptance**

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
  - (i) complete the Entitlement and Acceptance Form; and

- (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
  - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.025 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

#### 4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Apollo Consolidated Limited – Entitlement Issue Account**" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

#### 4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.** Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

One (1) free attaching Option with an exercise price of \$0.05 and an expiry date of 30 June 2017 will be issued for every two (2) Shares subscribed for and issued under the Offer.

#### **4.6 Underwriting**

The Offer is partially underwritten (for no fee) for a total \$110,000 by Workpower Pty Ltd (a company associated with a director, Mr Roger Steinepreis) and Cratonix Pty Ltd (a company associated with a director, Mr Nick Castleden) (**Underwriters**). Refer to Section 8.5 for details regarding the terms of the underwriting.

#### **4.7 Shortfall Offer**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.025 being the price at which Shares have been offered under the Offer.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion.

#### **4.8 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

It is not presently intended that the Options will be listed for trading on ASX. In the event the Company is able to grant sufficient Options in marketable parcels, the Board will at that time consider whether to seek quotation of the Options.

#### **4.9 Brokerage Payable**

The Company reserves the right to pay brokerage of 5% (exclusive of goods and services tax) of accepted Shortfall application amounts subscribed to any licensed securities dealers or Australian financial services licensee in respect of any valid Shortfall applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

#### **4.10 Issue**

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act.

The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

#### **4.11 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or the United Kingdom.

The Offer is being made in New Zealand pursuant to the Securities act (Overseas Companies) Exemption Notice 2013.

This Prospectus is not a prospectus for the purposes of the United Kingdom (UK) Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this Prospectus has not been, and will not be, reviewed or approved by the Financial Conduct Authority in the UK and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000 (FSMA)) has been published or is intended to be published in respect of the Securities (or the Shortfall Securities). The Securities (and Shortfall Securities) referred to in this Prospectus will be offered to shareholders in the UK in circumstances in which an approved prospectus is not required pursuant to section 85(5)(a) and Schedule 11A of the FSMA. No Securities (or Shortfall Securities) will be offered to investors in the UK otherwise than in circumstances in which such exemption applies or in which another exemption from the requirements to publish an approved prospectus is available. This Prospectus is being communicated to UK Eligible Shareholders in reliance on the exemption in Article 43 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005.

Shareholders resident in Australia, New Zealand or the United Kingdom holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **4.12 Enquiries**

Any questions concerning the Offer should be directed to Alex Neuling, Company Secretary, on (08) 9320 4700.

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$895,348. No funds will be raised from the issue of the free attaching Options.

As announced on 2 June 2015, the Company has recently completed a placement to an Australian sophisticated investor issuing a total of 8,000,000 Shares at an issue price of \$0.025 (together with one (1) free attaching option for every two (2) Shares subscribed for and issued with an exercise price of \$0.05 each on or before 30 June 2017) raising a total of \$200,000 (**Placement**).

The funds raised from the Offer, together with those funds raised under the recent Placement (being a total of \$1,095,348), are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	RAB/aircore drilling at Korhogo project, follow-up RC as required	340,000	31
2.	RAB/aircore drilling at Boundiali project, follow-up RC as required	250,000	22.8
3.	Trenching and phase two RC drilling Seguela project	180,000	16.4
4.	General tenement expenditure Australia	90,000	8.2
5.	General finance and administration costs	50,000	4.6
6.	Expenses of the Offer <sup>1</sup>	80,000	7.3
7.	Available working capital <sup>2</sup>	105,348	9.6
	<b>Total</b>	<b>\$1,095,348</b>	<b>100</b>

#### Notes:

1. Refer to section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.
2. This is intended to be used towards ongoing administrative and corporate costs to the Company and or other exploration projects.

On completion of the Offer, the Board believes our Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

### 5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$815,348 (after deducting the estimated expenses of the Offer which includes expenses associated with the Placement) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 71,627,820 Shares as at the date of this Prospectus to 107,441,730 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 42,588,022 Options as at the date of this Prospectus to 60,494,977 Options following completion of the Offer.

### 5.3 Pro-forma balance sheet

The unaudited pro-forma balance sheet as at 31 March 2015 shown below has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Note	31-Mar-15 (Unaudited)	Proforma
<b>Current Assets</b>			
Cash	(1)	932,604	1,979,040
Trade and other receivables		28,089	28,089
Other current assets		13,559	13,559
<b>Total current assets</b>		<b>974,252</b>	<b>2,020,688</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure		4,268,977	4,268,977
Property, Plant and equipment		1,689	1,689
<b>Total non-current assets</b>		<b>4,270,666</b>	<b>4,270,666</b>
<b>Total Assets</b>		<b>5,244,917</b>	<b>6,291,353</b>
<b>Current liabilities</b>			
Trade and other payables		(90,048)	(90,048)
<b>Total current liabilities</b>		<b>(90,048)</b>	<b>(90,048)</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		(468,856)	(468,856)
<b>Total non-current liabilities</b>		<b>(468,856)</b>	<b>(468,856)</b>
<b>Total liabilities</b>		<b>(558,904)</b>	<b>(558,904)</b>

<b>Net Assets</b>		<b>4,686,014</b>	<b>5,732,450</b>
Issued Capital	(2)	39,565,435	40,611,871
Reserves		4,256,946	4,256,946
Non-controlling interests		(17,366)	(17,366)
Retained earnings		(39,119,001)	(39,119,001)
<b>Total Equity</b>		<b>4,686,014</b>	<b>5,732,450</b>

## Notes

### 1. Cash and cash equivalents

	\$	
As at at 31 March 2015		932,604
Proceeds of the Placement		200,000
Proceeds of the Offer		895,348
Less costs		(48,912)
Proforma		<u>1,979,040</u>

### 2. Issued Capital

As at 31 March 2015	39,565,435
Proceeds of the Placement	200,000
Proceeds of the Offer	895,348
Less costs	(48,912)
Proforma	<u>40,611,870</u>

## 5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

### Shares

	Number
Shares currently on issue	71,627,820
Shares offered pursuant to the Offer	35,813,910
<b>Total Shares on issue after completion of the Offer</b>	<b>107,441,730</b>

### Options

	Number
Options currently on issue:	42,588,022
4,000,000 unlisted Options exercisable at \$0.05 expiring on or before 30 June 2017	
6,363,022 unlisted Options exercisable at \$0.05 expiring on or before 30 June 2016	
1,500,000 unlisted Options exercisable at \$0.075 expiring on or	

before 30 June 2016 10,500,000 unlisted Options exercisable at \$0.05 expiring on or before 31 December 2018 15,000,000 unlisted Options exercisable at \$0.20 expiring on or before 31 December 2016 5,225,000 unlisted Options exercisable at \$0.05 expiring on or before 30 June 2015	
Options to be issued under the Offer 17,906,455 Options exercisable at \$0.05 expiring on or before 30 June 2017	17,906,955
<b>Total Options on issue after completion of the Offer</b>	<b>60,494,977</b>

**Note:**

The Company also has 7,500,000 unvested performance shares on issue.

## 5.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Yarraandoo Pty Ltd as trustee for the Yarraandoo Super Fund A/C	8,000,000	11.17
Yi Weng & Ning Li	7,168,763	10.00
Mr Robert Gherghetta	5,311,309	7.41
Mr Stephen West	3,735,639	5.21
Mr Roger Steinepreis	3,433,093	4.79

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

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## **6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

### **6.1 Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the

sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 6.2 Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Quoted**

The Company is entitled to apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## **7. RISK FACTORS**

### **7.1 Introduction**

- (a) The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.
- (b) There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **7.2 Risks**

#### **Dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 71,625,820 currently on issue to 107,438,730 Shares. This means that each Share will represent a lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The trading price of Shares on ASX on that day prior to the date the prospectus being lodged of \$0.027 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

#### **Risks Associated with operating in West Africa**

The Company and its projects are subject to the risks associated with operating in West Africa. Such risks can include economic, social or political change, changes of law affecting foreign ownership, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, drilling and field development and operations safety, labour relations as well as government control over mining properties or government regulations.

Changes to Cote d'Ivoire's minerals exploration and development or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

In particular, Cote d'Ivoire has had a long history of political instability, significant and unpredictable changes in government policies and laws, war and civil conflict, illegal mining activities, lack of law enforcement and labour unrest. In this regard, there has been a period of significant civil unrest at the start of 2011

resulting in the election of a new President. As a result, a number of mining projects in the country were forced to suspend operations. The Company understands that most of those mining projects are now operational, however we cannot guarantee that such circumstances will not arise in the future.

The change in Government post 2011 has resulted in a more stable environment, however the Company is still experiencing delays in the grant of its applications (other than Seguela which has been granted and transferred to a special purpose entity). There is no certainty that the applications made by the Company will be granted, or that the grant will be on terms acceptable to the Company.

### **The Legal Environment in Cote d'Ivoire**

Cote d'Ivoire is considered to be a developing country and its legal, policy and political systems, are developing. This could result in the following risks:

- (a) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (b) a higher degree of discretion held by various government officials or agencies;
- (c) the lack of political or administrative guidance in implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- (d) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (e) relative inexperience of the judiciary and court in matters affecting the Company.

### **Changes in Government Policy**

Adverse changes in government policy in Cote d'Ivoire and other jurisdictions in which the Company may operate from time to time affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations and mining and exploration activities may affect the operations of the Company.

It is possible that the current system of exploration and mine permitting in Cote d'Ivoire may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. In addition, there is the possibility that the Company's agreements with governments or joint venture partners may be unenforceable against such parties.

### **Mandatory Relinquishment of Tenement Area**

The mining laws of Cote d'Ivoire require that upon each renewal of a tenement part of the area of the tenement (usually 50%) is relinquished. Although the Company will use its best efforts to ensure that, in each case, the area retained has greater exploration, development and production potential than the area relinquished, there can be no assurance that the area relinquished will not ultimately have greater potential than the area retained.

## **Potential Increase in Royalties Payable to Government of Cote d'Ivoire**

There can be no guarantee that the rate of mineral royalties in Cote d'Ivoire will not be increased in the future. An increase in the royalty rate would have an adverse effect on the potential income generated by the Projects.

## **Exploration and Development Risks**

### ***General***

The Tenements are at various stages of exploration, and Shareholders should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Tenements and obtaining all required approvals for its activities. There may be significant delays and uncertainty in connection with the Company being granted the required approvals and tenure to undertake its proposed activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the cash reserves of the Company and possible relinquishment of the Tenements.

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

### **West Australian Projects**

The tenements comprising the West Australian projects are subject to the applicable mining acts and regulations in Western Australia. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Interests in tenements in Western Australia are governed by the mining acts and regulations of that state and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the tenements comprising the West Australian projects if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

### **Operating risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

### **Resource Risks**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

### **Price of Gold**

Changes in the market price of gold, which in the past have fluctuated widely, will affect the potential profitability of the Company's projects which would adversely affect the Company's operations and its financial conditions. The viability of the Company's projects will depend on the market price of gold which is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand for precious metals, expectations with respect to the rate of inflation and deflation, interest rates, currency exchange rates, the global and regional supply and demand for jewellery and industrial products containing gold, production levels, inventories, costs of substitutes, changes in global or regional investments or consumption patterns, sales by central banks and other holders, speculators and producers of gold in response to any of the above factors and global and regional economic and political factors.

The decline in the market price for gold would have a material adverse impact on the Company's projects and anticipated future operations of the Company.

### **Commodity Price Volatility and Exchange Rate Risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious

and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

### **Environmental Risks**

The Company is subject to environmental laws and regulations in connection with operations it may pursue in the mining industry, which operations are currently in West Africa and Western Australia. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

### **General Economic and Political Risks**

In addition to the specific risks of operating in Cote d'Ivoire, changes in the general economic and political climate in West Africa, Australia and on a global basis could impact on economic growth, the minerals prices, interest rates, the rate of inflation, taxation and tariff laws and domestic security and this may affect the value and viability of any mineral mining activity that may be conducted by the Company.

### **Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

### **Market Conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; and terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

## **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

### **7.3 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **8.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

12/06/2015	Change of Share Registry Address
11/06/2015	Ceasing to be a substantial holder
03/06/2015	Becoming a substantial holder
02/06/2015	Updated Presentation Materials
02/06/2015	Replacement Appendix 3B (Placement)
02/06/2015	Appendix 3B (Placement)
02/06/2015	Placement and Rights Issue to Fund Cdl Drilling
30/04/2015	Quarterly Activities Report
30/04/2015	Quarterly Cashflow Report
21/04/2015	Updated Presentation Materials
08/04/2015	Significant Gold Anomalies Emerging on New Permits Cdl
16/03/2015	Half Year Accounts
30/01/2015	Quarterly Cashflow Report
30/01/2015	Quarterly Activities Report
23/01/2015	Exploration Underway on Key Cdl Permits
08/01/2015	Option expiry
08/01/2015	Barana Gold Zone Continues to Develop
17/11/2014	Results of Meeting
17/11/2014	2014 AGM Presentation Materials
17/11/2014	Seguela Update
03/11/2014	Key Permits Issued in Cdl, Open Gold Anomalies
27/10/2014	Quarterly Cashflow Report
27/10/2014	Quarterly Activities Report
17/10/2014	Notice of Annual General Meeting/Proxy Form
17/10/2014	Update on Rebecca Project
30/09/2014	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.apolloconsolidated.com.au](http://www.apolloconsolidated.com.au).

### 8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.038	5 May 2015
Lowest	\$0.012	27 March 2015
Last	\$0.027	16 June 2015

### 8.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

#### **Security holdings**

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement Shares	Entitlement Options	\$
Roger Steinepreis <sup>3</sup>	3,433,093	8,549,880	1,794,985	897,493	44,875
Nick Castleden <sup>4</sup>	1,083,336	11,108,335	541,668	270,834	13,542
George Ventouras	583,335	1,041,667	291,668	145,834	7,292
Stephen West <sup>2</sup>	3,735,639	2,500,000	1,867,820	933,910	46,695

Robert Gherghetta <sup>1</sup>	5,311,309	3,031,132	2,655,655	1,327,827	66,391
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**Note:**

1. Mr Gherghetta also holds 1,134,993 Tranche 1 Performance Shares and 1,134,993 Tranche 2 Performance Shares.
2. Mr West also holds 1,113,991 Tranche 1 Performance Shares and 1,113,991 Tranche 2 Performance Shares.
3. Workpower Pty Ltd (ACN 060 681 352) (**Workpower**), a company associated with Mr Roger Steinepreis, a director of the Company, has agreed to underwrite a total of \$100,000 under the Offer, being a total of 4,000,000 Shares.
4. Cratonix Pty Ltd (ACN 123 946 412) (**Cratonix**), a company associated with Mr Nick Castleden, a director of the Company, has agreed to underwrite a total of \$10,000 under the Offer, being a total of 400,000 Shares.

The Directors reserve the right to participate in the Offer.

**Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2015 \$	2014 \$
Roger Steinepreis	24,000	24,000
Nick Castleden	124,000	124,000
George Ventouras	24,000	24,000
Stephen West	24,000	24,000
Robert Gherghetta	24,000	24,000

**8.5 Underwriting**

The Company has entered into agreements with Workpower Pty Ltd (ACN 060 681 352) (**Workpower**), a company associated with Mr Roger Steinepreis, a director of the Company to underwrite a total of \$100,000 under the Offer, being a total of 4,000,000 Shares and Cratonix Pty Ltd (ACN 123 946 412) (**Cratonix**), a

company associated with Mr Nick Castleden, a director of the Company, to underwrite a total of \$10,000 under the Offer, being a total of 400,000 Shares (**Underwriters**) and such Shares hereby referred to as the **Underwritten Shares (Underwriting Agreements)**.

Workpower is a related party of the Company by virtue of being controlled by Mr Roger Steinepreis, a director of the Company and Cratonix is a related party of the Company by virtue of being controlled by Mr Nick Castleden, a director of the Company.

The Underwriters will not be paid a fee nor will they receive a commission for their services.

The obligation of the Underwriters to underwrite the Offer is subject to certain events of termination. The Underwriters may terminate the Underwriting Agreement in the event any of the termination events set out below:

- (a) **Prospectus:** any of the following occurs in relation to the Prospectus:
  - (i) it is not lodged with ASIC by 17 June 2015 (or such later date agreed in writing by the Underwriter);
  - (ii) the Underwriters reasonably form the view that there is a material omission, it contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive;
  - (iii) the Underwriters reasonably form the view that any projection or forecast in the Prospectus becomes, to a material extent, incapable of being met or unlikely to be met in the projected time;
  - (iv) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act; or
  - (v) any person other than the Underwriters who consents to being named in the Prospectus withdraws that consent;
- (b) **Supplementary Prospectus:** the Underwriters reasonably form the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by the Underwriters;
- (c) **ASX listing:** ASX does not give approval for the Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- (d) **Index changes:** the All Ordinaries Index or the S&P/ASX Small Ordinaries Index as published by ASX is at any time after the date of the Underwriting Agreements is 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;

- (e) **Share Price:** the Shares finish trading on the ASX under the ASX code of AOP on any three (3) consecutive trading days with a closing price that is the issue price of the Offer or below;
- (f) **indictable offence:** a director of the Company or any Related Corporation (as defined in the Underwriting Agreements) is charged with an indictable offence;
- (g) **return of capital or financial assistance:** the Company or a Related Corporation takes any steps to undertake a proposal contemplated under section 257A of the Corporations Act or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriters;
- (h) **banking facilities:** the Company's bankers terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
- (i) **alteration of capital structure or constitution:** except as described in the Prospectus, the Company alters its capital structure or its Constitution without the prior written consent of the Underwriters;
- (j) **hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreements involving one or more of Australia, Philippines, Indonesia, Japan, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China, other than hostilities involving Afghanistan or Iraq, any country bordering Afghanistan or Iraq or any Arab country (being a country the majority of whose inhabitants are of Arab ethnicity);
- (k) **extended Force Majeure:** a Force Majeure which prevents or delays an obligation under this Underwriting Agreements, lasting in excess of 2 weeks occurs;
- (l) **default:** the Company is in material default of any of the terms and conditions of this Underwriting Agreements or breaches any warranty or covenant given or made by it under the Underwriting Agreements (in any material respect);
- (m) **adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Related Corporation (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Corporation);
- (n) **investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Corporation;
- (o) **due diligence:** there is a material omission from the results of the due diligence investigation performed in respect of the Offer or the results of the investigation or the verification material are false or misleading;

- (p) **Prescribed Occurrence:** a Prescribed Occurrence (as defined in the Underwriting Agreements) occurs, other than as disclosed in the Prospectus;
- (q) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (r) **Event of Insolvency:** an Event of Insolvency (as defined in the Underwriting Agreements) occurs in respect of a Related Corporation; or
- (s) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of the Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (t) **Judgment against a Related Corporation:** a judgment in an amount exceeding \$100,000 is obtained against the Company or a Related Corporation and is not set aside or satisfied within 7 days.

In the event that any of the above termination events occurs, then the obligations of the Underwriters will cease and neither will be required to underwrite any Underwritten Shares.

Neither of the Underwriters will end up holding a post-Offer relevant interest in the Company that will exceed 20%.

## 8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. Mr Steinepreis is the Chairman of Partners of this firm. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$39,270 (excluding GST and disbursements) for legal services provided to the Company.

Workpower and Cratonix have acted as the underwriters to the Company in relation to the Offer. Neither Workpower nor Cratonix will be paid a fee for these services and have not received any fees for services to the Company during the 24 months preceding lodgement of the Prospectus.

## 8.7 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Workpower and Cratonix have given their written consent to being named as underwriters to the Company in this Prospectus. Workpower and Cratonix have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

## 8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer (including costs associated with the Placement) are estimated to be approximately \$48,912 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,290
ASX fees	4,508
Registry fees	10,000
Brokerage on Placement	10,000
Other Placement expenses	1,614
Legal fees	15,000
Printing and distribution	3,500
Miscellaneous	2,000
<b>Total</b>	<b>48,912</b>

## 8.9 Electronic prospectus

The Corporations Act permits the distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the

ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 (08) 9321 0771 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.apolloconsolidated.com.au](http://www.apolloconsolidated.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **8.10 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

#### **8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **8.12 Privacy Act**

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

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**9. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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**Roger Steinepreis**  
**Chairman**  
**For and on behalf of**  
**APOLLO CONSOLIDATED LIMITED**

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## 10. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

**Application** means an application to subscribe for Shares under this Prospectus.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**Application Monies** means money submitted by Applicants in respect of Applications.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means Apollo Consolidated Limited (ACN 102 084 917).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Ineligible Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

**Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Securities** means Shares and/or free attaching Options offered pursuant to the Entitlement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Application Form** means the shortfall application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in section 4.7 of this Prospectus.

**Shortfall Securities** means those Securities issued pursuant to the Shortfall.

**Underwriters** means Workpower Pty Ltd and Cratonix Pty Ltd.

**WST** means Western Standard Time as observed in Perth, Western Australia.