

**ASX ANNOUNCEMENT**

By e-lodgement

11 December 2015

**Apollo and Newcrest Sign Heads of Agreement  
on Seguela Gold Project, Cote d'Ivoire**

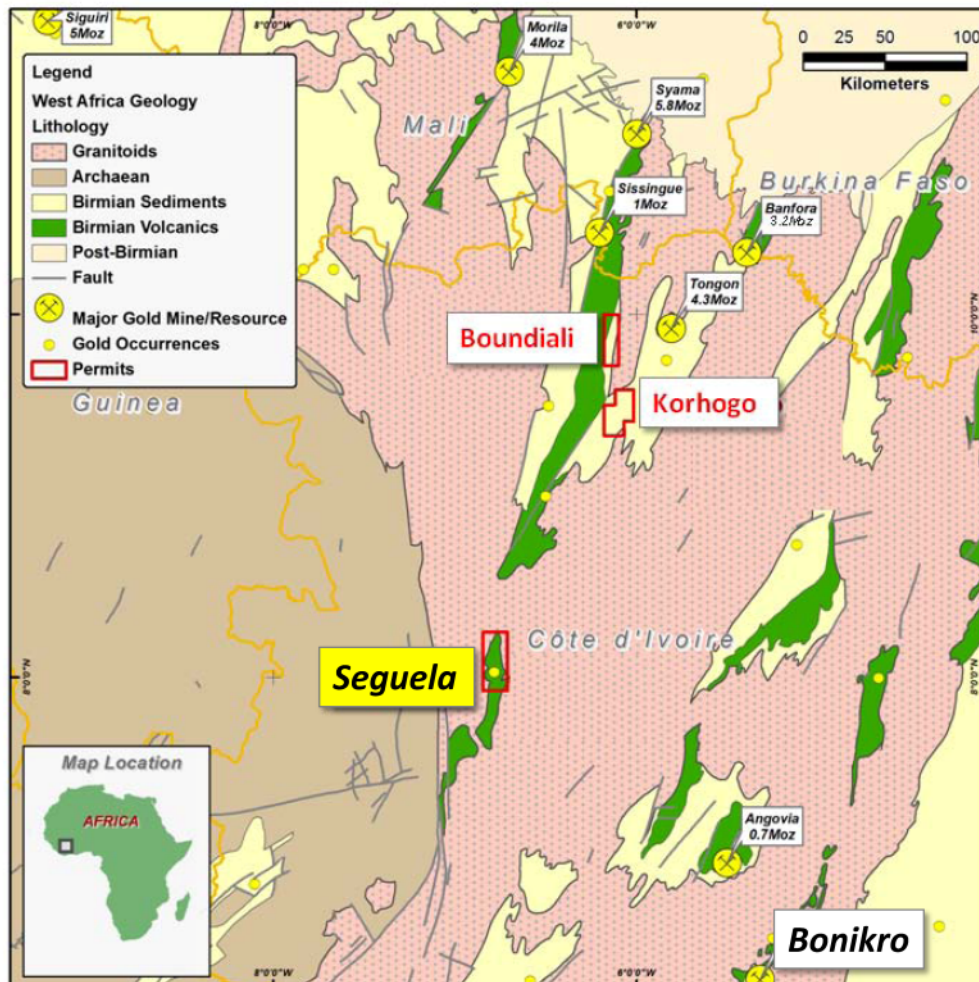
- **Apollo and Newcrest execute non-binding Heads of Agreement for an Option to Purchase the Seguela gold project**
- **Newcrest to bring strong technical and financial capacity to the project. Exploration during the Option period to be led by Newcrest's highly experienced West African exploration team**
- **Funds received by Apollo would be applied to exploration at its promising wholly-owned gold permits in Cote d'Ivoire and to consider new Ivorian exploration opportunities**

Apollo Consolidated Limited (**ASX:AOP**, 'Apollo' or 'the Company') is pleased to announce the signing of a Non-Binding Heads of Agreement ('HoA') with a subsidiary of the global gold producer Newcrest Mining Limited (**ASX:NCM** 'Newcrest') for a potential Option to Purchase ('Option') the Company's 80% owned **Seguela** permit.

The Seguela permit is located in central west Cote d'Ivoire, 250km NW from Newcrest's **Bonikro** gold operations (**Figure 1**), and has been explored by Apollo over the past five years.

The non-binding HoA outlines the key principles of the Option. Under the terms of the Option Newcrest will manage and fund up to two years' exploration on the property, with the second year of Option at Newcrest's election. If Newcrest decides to exercise the Option it will purchase 100% of the Seguela permit from the existing permit holder Mont Fouimba Resources SA (MFR), an Ivorian holding company 80% owned by Apollo. Entry into the Option is conditional upon Newcrest completing due diligence to its satisfaction and other conditions, including the approval of MFR's 20% shareholder.

During the Option period Newcrest will manage and fund all exploration on the property, utilising its technical and financial resources as an established Ivorian gold miner and led by a well-credentialed West African discovery team.



The Option would provide Apollo with funding that is to be applied to its exciting early-stage gold exploration at its 100% owned **Boundiali** and **Korhogo** permits in Côte d'Ivoire, and allow the Company to consider other early-stage exploration opportunities in the Country. First-ever aircore drilling will shortly commence at its promising soil gold anomalies at 'Antoinette' on the Boundiali permit, and 'Liberty 3' on the Korhogo permit.

## **Summary of key terms of the HoA and proposed Option**

Under the HoA, Newcrest and Apollo agree to negotiate in good faith to seek to reach a binding Option agreement in accordance with the key principles described below. Apollo has agreed to exclusively negotiate with Newcrest until 31 January 2016 (or such other later date as the parties may agree), after which either party may terminate the HoA.

Under the Option:

- MFR shall grant Newcrest an exclusive and non-transferable Option to acquire the permit and all exploration information
- Option period shall run for up to two years with fees up to USD\$1.5M payable to MFR
- Newcrest to manage exploration during the Option period at its sole discretion, funding exploration expenditure sufficient to maintain the permit in good standing
- If Newcrest does not exercise the Option it will have no further rights or interest in the permit
- If Newcrest exercises the Option it will make various progress payments totalling USD\$3.5M, with final payment completing on transfer of full and unencumbered title of the permit to Newcrest
- On transfer of title Newcrest will execute royalty deeds with MFR's shareholders to grant a combined 1.5% NSR over the permit, with Apollo's share being 1.2%. Newcrest will retain rights to repurchase the royalties at fair market value on a decision to mine being made
- The Option will be subject to the completion of due diligence to Newcrest's satisfaction and other conditions
- Full terms of the Option will be released to the ASX on completion of binding documentation

### **About Apollo:**

Apollo Consolidated Ltd (ASX: AOP) is a gold and nickel sulphide exploration company based in Perth, Western Australia. Its exploration focus is in West Africa and in particular the under-explored country of Cote d'Ivoire where it has over 1,000km of granted exploration tenure, including the advanced Seguela Project and strong early stage gold prospects on the Korhogo and Boundiali permits.



In Western Australia the Company has wholly-owned gold exploration properties at Rebecca and Yindi, and nickel sulphide prospects at Rebecca and Louisa.

Latest presentation materials and ASX releases are available on the company website: [www.apolloconsolidated.com.au](http://www.apolloconsolidated.com.au)

*The information in this release that relates to Exploration Results, Minerals Resources or Ore Reserves, as those terms are defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve", is based on information compiled by Mr. Nick Castleden, who is a director of the Company and a Member of the Australian Institute of Geoscientists. Mr. Castleden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve". Mr. Castleden consents to the inclusion of the matters based on his information in the form and context in which it appears.*

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