



ASX Code: AON

#### ABOUT APOLLO MINERALS

Apollo Minerals is an iron ore explorer and developer with two key projects in the Australian iron ore provinces of the Pilbara (Western Australia) and Gawler Craton (South Australia). Apollo's South Australian tenements are also highly prospective for base and precious metals.

Apollo's projects are well situated close to existing infrastructure including railways, ports and power.

#### Capital Profile

Shares on issue	157.8m
Options on issue	60.5m
Market Cap	\$11m

#### Iron Ore Projects

Mount Oscar	Western Australia
Commonwealth Hill	South Australia

#### Base and Precious Metals Project

Wirrida	South Australia
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Apollo Minerals Limited  
 ABN 96 125 222 924  
 50 Margaret Street Sydney NSW 2000  
 T: +61 2 9078 7670  
 F: +61 2 9078 7661  
 E: [info@apollominerals.com.au](mailto:info@apollominerals.com.au)

#### Contact

Dominic Tisdell  
 Apollo Minerals Ltd  
 T: +61 2 9078 7667

Tony Dawe  
 Investor Relations  
 T: +61 8 9388 0944  
[www.apollominerals.com.au](http://www.apollominerals.com.au)

## September 2011 Quarterly Report

### Highlights

- **Strategic review confirms priority to push existing iron mineralisation assets towards production**
- **Commonwealth Hill review confirms potential for iron mineralisation in the form of both Direct Shipping Ore style mineralisation and coarse grain magnetite**
  - ✓ **Historical drilling at St Andrews Prospect shows Direct Shipping Ore (DSO) grade, near surface Iron mineralisation:**
    - 24m @56.4% FE from 12m, including
    - 4m @70% FE from 20m
  - ✓ **Magnetic data review has identified other anomalies with a combined strike length in excess of 30km**
- **Initial Exploration Target<sup>1</sup> at Sequoia Prospect has been estimated to range between 40 to 80 million tonnes of magnetic iron mineralisation at an expected grade of 25-35% Fe over a 1km strike length**
- **Apollo progressing three projects**
  - ✓ **Commonwealth Hill (SA) - Direct Shipping Ore (DSO) style mineralisation and coarse grained magnetite**
  - ✓ **Titan Project (SA) - Base and precious metals including Iron oxide, copper and gold systems (IOCG) similar to Prominent Hill and Carrapateena; Challenger type gold deposits; and Ni-Cu-PGE deposits within Archaean komatites such as Kambalda**
  - ✓ **Mt Oscar (WA) - Itabirite iron (higher grade, blended magnetite / haematite banded iron formation)**

Apollo's strategy is to realise maximum value of its assets and new business opportunities by fast-tracking the development of low cost, low capital intensity mines into production. This will be achieved by:

- securing exploration or development assets with modest off-site capital requirements, particularly port and rail infrastructure, and
- focusing on economically attractive, small to medium scale mining development projects that are supported by quality resources able to be scaled up into larger developments through the reinvestment of operating cash flows.

## SUMMARY OF RECENT ACTIVITY

### COMMONWEALTH HILL (IRON) & TITAN (BASE & PRECIOUS METALS), SA (100% OWNED)

#### Access

The Project tenure is located within the "Green Zone" of the Woomera Defence Area (WDA) and a Deed of Access (DoA), granted by the Defence Authorities is required for exploration and mining. The nearby Prominent Hill and Cairn Hill IOCG mines are also situated in the "Green Zone" as is the Peculiar Knob iron ore mine which is currently being sold to OneSteel (along with other nearby iron ore assets) for \$346m.

Apollo submitted an application for a Deed of Access in April of this year and has received correspondence that approval is imminent. Apollo is confident that exploration and ultimately the mining of ores from its properties will be allowed. The Company last held a DoA from Oct 2008 to Oct 2009, during which time initial ground geophysics was completed over twelve exploration targets.

#### Review of historic exploration

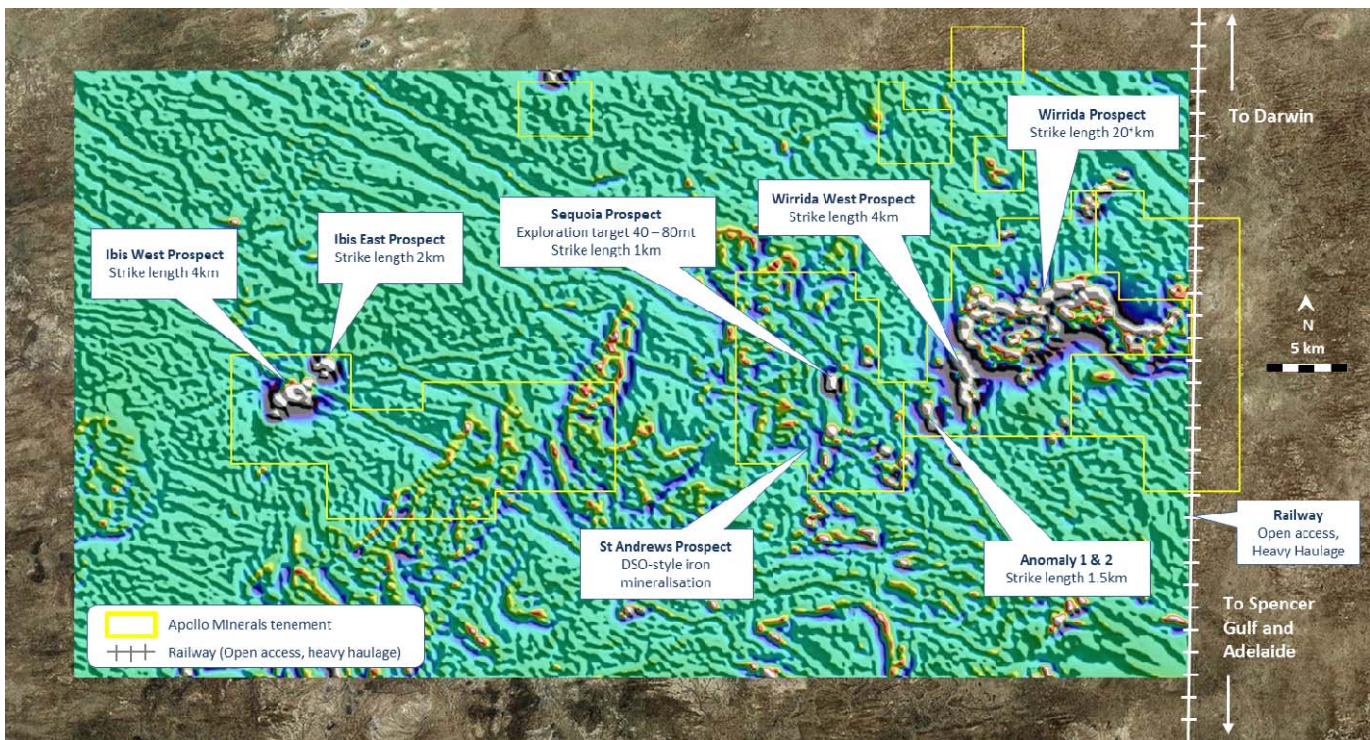
#### Iron Ore

Review has confirmed potential for iron mineralisation (Figure 1) in the form of both Direct Shipping Ore (DSO) style mineralisation and coarse grained magnetite with historical drilling at St Andrews prospect demonstrating DSO grade, near-surface iron mineralisation:

- 24m @ 56.4% Fe from 12m, including
- 4m @ 70% Fe from 20m

Test work showed Sequoia mineralisation is readily beneficiated to a premium quality concentrate or liberated sinter fines. Concentrate testing at a  $P_{80}$  of 63 $\mu$ m gave a Fe recovery of 88% and a grade of 70.3% Fe, 3.7%  $SiO_2$ , 0.3%  $Al_2O_3$  and 0.005% P from a head grade of 37.2% Fe, 41.0%  $SiO_2$ , 1.4%  $Al_2O_3$  and 0.079% P. Sinter fines testing at a  $P_{80}$  of 215  $\mu$ m gave 64.7% Fe, 7.4%  $SiO_2$ , 0.6%  $Al_2O_3$  at a mass yield of 44.7%.





**Figure 1: Main iron anomalies (background image represents 1<sup>st</sup> VD TMI magnetics)**

## Base and Precious Metals

Review of the potential for non-iron ore commodities identified strong potential for large base metals, gold, and PGM mineralisation systems. Apollo has identified more than 15 exploration targets at the newly named “Titan Project”. These targets, the largest being the Wirrida Anomaly (central zone 1.5km by 800 metres), are based on gravity, magnetic surveys, soil sampling and drilling conducted by previous explorers and Apollo Minerals.

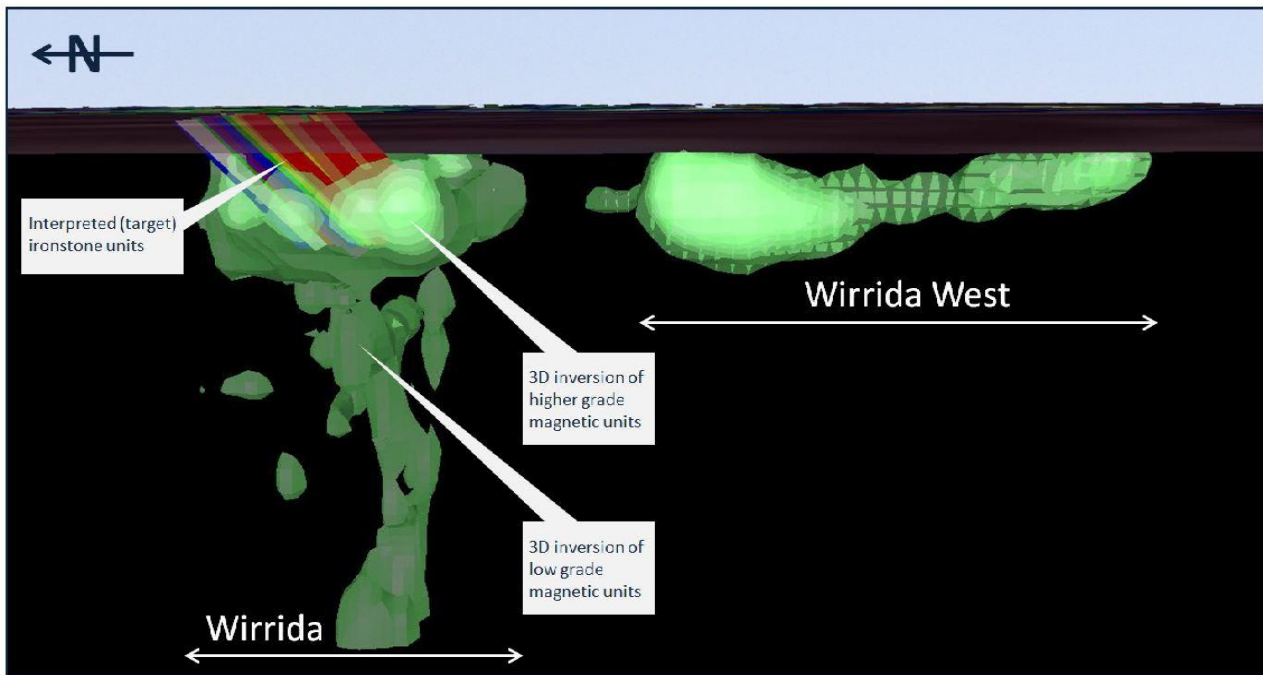
Work conducted on the project area has confirmed the presence of copper, nickel, gold and iron ore from drilling, soil sampling and magnetic and gravity interpretations. Various four metre composites include metal assays of up to 700ppm Cu, 2.45g/t Au, 70% Fe, 0.21% Nickel and 0.12% Zn.

At Sequoia, an initial Exploration Target<sup>1</sup> has been estimated to range between 40 and 80 million tonnes of magnetic iron mineralisation at an expected grade of 25 - 35% Fe over a 1km strike length. Over 30km of similarly prospective strike has also been identified.

Near-surface IOCG targets have been identified within the large Wirrida anomaly through 3D inversion of magnetics and co-assessment of ground gravity data (refer Figure 2).

<sup>1</sup>The estimates of exploration target sizes mentioned in this release should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

Overall, the geophysical modelling exercises undertaken by GeoTarget Exploration Research and more recently SGC, as well as the results of the drilling program undertaken by SASE in 1996, have provided tonnage estimates for the BIF at Sequoia that are possibly accurate to +/- 25%. However they should be considered accurate to +/- 50% for planning purposes, and are broadly indicative at best.



**Figure 2: 3D profile of Wirrida intrusive's magnetic signature at the Titan Project**

### **MOUNT OSCAR IRON ORE PROJECT, WA (100% OWNED)**

#### Drill and metallurgy results

Metallurgical analysis of drill samples from Unit A showed that this magnetite is capable of producing saleable product i.e. >60% Fe, <8% ( $\text{Al}_2\text{O}_3 + \text{SiO}_2$ ).

RC holes at Unit A intersected mineralisation demonstrated a cumulative interval of 287m at 33.1% Fe including 101m at 33.6% Fe in drill hole OSRC006, 112m at 33.9% Fe in OSRC007 and 66m at 31.2% Fe in OSRC008. It is estimated that these results represent true widths ranging from 50m to 85m.

Test work also identified an opportunity to produce saleable concentrates at coarser grinds than previously thought possible with QEMSCAN analysis showing that 91% of all iron oxides in Composite 13 were available for recovery at a grind of  $P_{80}$  75 $\mu\text{m}$ .

### **PROPOSED IRON ORE EXPLORATION & DEVELOPMENT PROGRAMME**

Upcoming iron ore exploration and development work will focus on detailed interpretation of the iron mineralisation through geophysics and the goal to define a JORC compliant resource at Sequoia to enable the fast tracking of a medium-scale mining project into production. Other activities will include:

- Initiation of environmental baseline studies required to support a mining application
- Discussions focused on securing outbound logistics and port access, and
- Engineering and metallurgical test work to support a scoping study on the Project.

## ABOUT APOLLO'S PROJECTS

Apollo Minerals Ltd (ASX Code: AON) is an iron ore and minerals explorer and developer with projects in South Australia and Western Australia.

The Company's key focus is to develop an iron ore project at each of Apollo's project sites, namely the Pilbara, WA and the Gawler Craton, SA.

The Commonwealth Hill site lies on the northwest margin of the Gawler Range Volcanics Domain, where the older basement rocks are interpreted as Archaean gneisses of the Mulgathering Complex, which are intruded by late syntectonic granitoids of Palaeoproterozoic age. In the southeast of the Project, Mesoproterozoic Gawler Range Volcanics overlie the older basement and coeval Hiltaba Suite granitoids intrude both the volcanics and the older basement. Major northwest and northeast trending fault structures are evident from aeromagnetic data.

The Titan Base Metals and Precious Metals Project is part of Apollo's large Commonwealth Hill holding (including the namesake Commonwealth Hill Iron Project) covering an area of approximately 750 km<sup>2</sup> across three tenements in the central Gawler Craton of South Australia. This site straddles the Adelaide to Darwin Railway line, 100km south west of the opal mining centre of Coober Pedy, 30km east of Challenger Gold Mine, 70km south-west of Cairn Hill and 100km west of Prominent Hill IOCG mines and 100km west of the Peculiar Knob DSO iron ore mine.

The Mt Oscar Iron Project is located in north-western part of the Pilbara Craton in north-west Western Australia, and is approximately 30 kilometres from the coast. The magnetite-bearing rocks at Apollo's Mt Oscar Project outcrop over an oval shaped area measuring some 5km by 2km. The iron rich horizons are strike-continuous for up to 5.5 kilometres and are locally up to 160m thick with an average interpreted thickness in excess of 60 metres. Apollo has an Exploration Target<sup>2</sup> of 350 to 650 million tonnes of magnetite and haematite bearing banded iron formation ("BIF") grading 30% to 37% iron. Recent metallurgical work has demonstrated that the production of marketable products is possible i.e. >60% Fe, <8% (Al<sub>2</sub>O<sub>3</sub> + SiO<sub>2</sub>).

<sup>2</sup>The estimates of exploration target sizes mentioned in this release should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

## **CORPORATE**

Apollo recently announced the appointment of two new Directors to the Board, Mr Dominic Tisdell as Executive Director and Mr Matthew Rimes as Non-executive Director.

Mr Tisdell also moves from the position of Executive General Manager to take up the role of Chief Operating Officer and will have the responsibility of transforming Apollo from explorer to developer. Initially, this role will involve executing the next phase of exploration, preparing concept mine plans and implementing the Company's annual business plan and long-term strategy.

### **MR TISDELL**

Mr Dominic Tisdell is an MBA qualified mining engineer with over fifteen years' experience in project development, planning and operations, international mergers and acquisitions and business strategy.

Previous to joining Apollo Mr Tisdell had business development responsibilities for international uranium, iron ore and coal investments with a subsidiary of Mitsubishi Corporation. During this time he represented the company on several joint venture development committees and boards associated with mining projects, both in Australia and overseas. Mr Tisdell has also consulted for Accenture where he provided technical and business advice to several major mining companies on a variety of issues including mine development studies, operational excellence and capital project procurement.

He began his career with Rio Tinto Iron Ore where he held management roles at both Hamersley Iron and the Robe River Mining Company, among which were key operational roles associated with the development of the West Angelas Mine Project as well as Hamersley Iron's trial mining and bulk test work programme associated with the development of the Nammuldi Mine.

Mr Tisdell has held directorships with the Australian Uranium Association and MDP Uranium Pty Ltd.

### **MR RIMES**

Mr Rimes joins the Apollo Board after recently serving as Managing Director of Iron Ore Holdings Limited ("IOH"). During his time at IOH, the company successfully progressed a strategy of proving up its iron ore resources in its Pilbara tenements. The company also worked on fast-tracking project feasibility studies and infrastructure access options at its various projects with the aim of establishing valuable technical and commercial development solutions. At the time of Mr Rimes resignation, the company had a market capitalisation of approximately \$220 million.

Mr Rimes is an MBA qualified mining engineer with over thirty years' experience in a range of commodities including gold, copper, nickel and iron ore. He worked with North Ltd from 1989, and then subsequently with the Rio Tinto group following the takeover of North Ltd in 2000. Over the last fifteen years he has held roles with IOH and Robe River Mining Company ("Robe"), including senior executive and operational positions at both of Robe's operations at Pannawonica and West Angelas.

Mr Rimes has held positions on the boards of Robe, Fusion Resources Ltd (formerly Echelon Resources Ltd), Sovereign Metals Ltd and Indo Mines Ltd.



**FOR FURTHER INFORMATION CONTACT:**

Richard Shemesian  
Executive Director  
Apollo Minerals Ltd  
Tel: +61 2 9078 7664

Dominic Tisdell  
Chief Operating Officer  
Apollo Minerals Limited  
Tel: +61 2 9078 7667

Tony Dawe  
Professional Public Relations  
Tel: +61 08 9388 0944 Mob: 0405 989 743  
Email: tony.dawe@ppr.com.au

**Competent Person Declaration**

*The information in this Report that relates to Exploration Results is based on information compiled by John Bridson who is a member of the Australian Institute of Mining and Metallurgy. John Bridson 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. John Bridson consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

