APOLLO MINERALS
QUARTERLY REPORT

FOR QUARTER ENDING 31 DECEMBER 2010

Highlights:

- **Stage 2 drilling programme at Mount Oscar project in Western Australia completed**
- **Field work conducted at Mt Oscar East Prospect 15km from Mt Oscar**
- **Review of South Australian iron ore project at Commonwealth Hill under way**
- **Assessment of future exploration and project opportunities continues**

Mount Oscar Magnetite Project – Western Australia (100% owned)

The Stage 2 drilling programme at Mount Oscar (Figure 1) was completed during the quarter with four Reverse Circulation (RC) holes completed for 732 metres (Figure 2 and Appendix 1).

This programme tested a portion of the magnetite-bearing banded iron formation termed BIF Unit A which had not been previously drill-tested within Apollo's tenement. It lies along a strike to the east of a third party property which hosts a significant magnetic anomaly (Anomaly 1).

Geological mapping carried out earlier this year within Apollo's ground defined BIF Unit A over a strike length of approximately 1.4km with estimated true width varying between 60m and 120m.

Mapping showed BIF Unit A to have high jasper content (50-70%), alternating with bands of intergrown magnetite and silica. The magnetite within these bands is fine-grained, but some coarser-grained magnetite is observed in BIF Unit A.

Three of the four holes drilled successfully intersected the banded iron formation with down-hole intersections ranging from 66m to 111m (Figure 2), probably representing true widths from 50m to 85m. Logging of the three successful holes indicated that the banded iron formation at depth has similar characteristics to those identified during the surface mapping.

Samples from the drilling have been forwarded to the company's metallurgy team which is managing the analyses and testwork to be carried out. A metallurgical test work programme will be undertaken to assess the metallurgical performance from BIF Unit A ("Zone A") material. Results are expected in the first quarter 2011.

If test results are positive, further drilling will be undertaken to test tonnage potential and provide accurate SG data and samples for comprehensive processing test work.

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 (South Australia). Apollo's projects are located close to existing and proposed infrastructure including rail and ports.

Capital Profile:
Shares on issue: 157m
Market Cap: $16m

Iron Ore Projects:
Mount Oscar- Western Australia
Commonwealth Hill- South Australia

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Figure 1: Mt Oscar Magnetite Project Location, Pilbara Western Australia

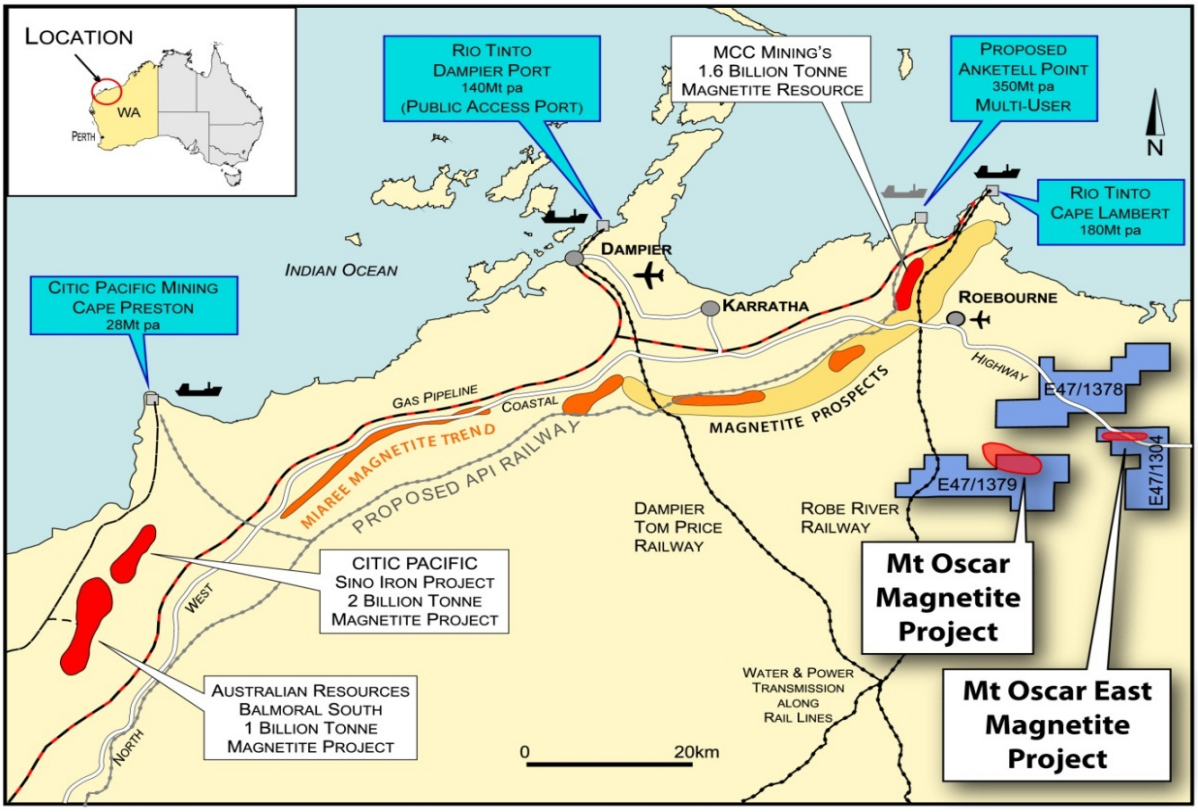
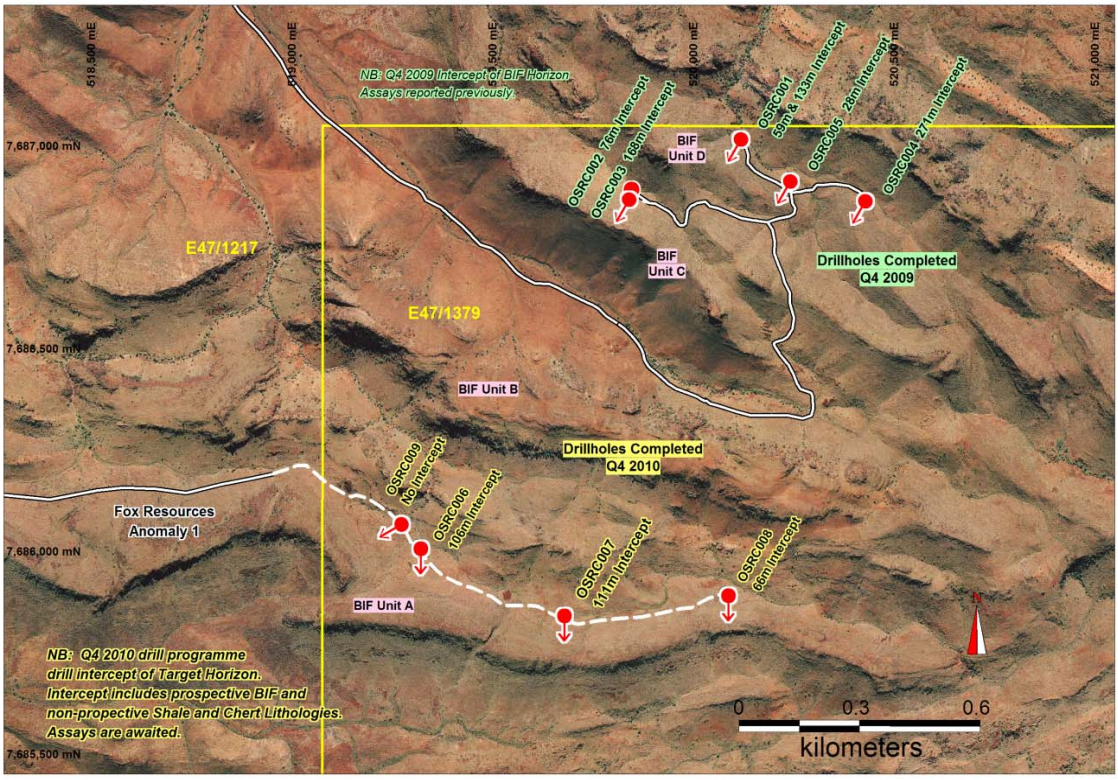


Figure 2: Mt Oscar - Drill Hole Location Map



Mount Oscar East Magnetite Project - Western Australia (100% owned)

Mount Oscar East comprises prospective Cleaverville Formation BIF within E47/1304 which is located approximately 15km east of the larger Mount Oscar Project (Figure 1). The iron prospectivity of Mount Oscar East complements that of Mount Oscar and both share the project development and economic benefits that their location provides.

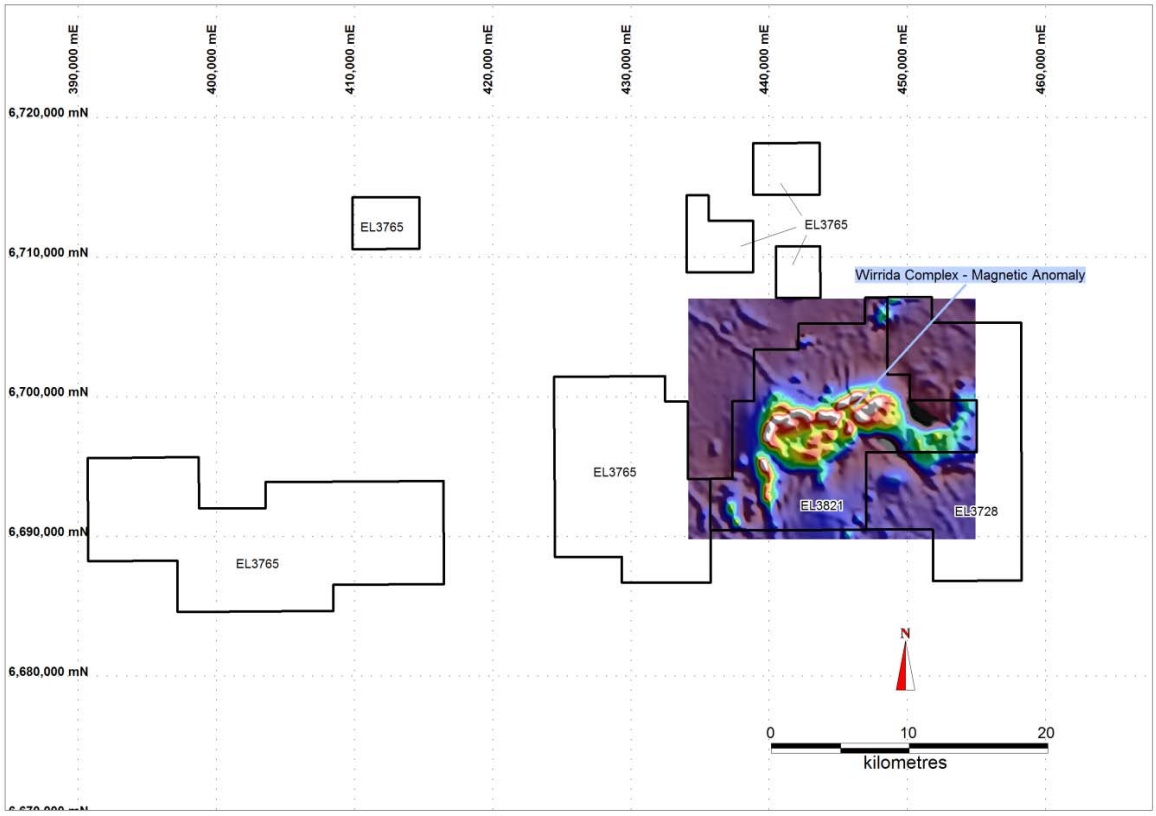
Geological mapping and rock chip sampling of the BIF within E47/1304 was undertaken towards the end of 2010.

Commonwealth Hill Iron Ore Project, South Australia (100% owned)

During the quarter the Company conducted a review on the Wirrida Complex which lies within Apollo's Commonwealth Hill tenements (Figure 3).

The Wirrida Complex contains a strong positive magnetic anomaly which extends for approximately 8km in length.

Figure 3 – Magnetic Image of the Wirrida Complex within Apollo Minerals' Exploration Licences



The Wirrida Complex hosts the potential for a significant magnetite mineralised zone. Apollo will conduct further work and design a programme of exploration as soon as it has re-gained access and authorisation to explore.

The tenements held by Apollo Minerals lie within the Woomera Prohibited Area (WPA). Apollo is awaiting the outcome of the Federal Government review on access to the WPA before determining the specific programme of work for this project. Ultimately, Apollo plans to conduct further detailed exploration studies and drilling within the project area.

Corporate

Apollo is currently focused on enhancing the value of its two key iron ore projects in WA and SA.
A number of major investments have recently been made by Chinese and overseas investors on projects adjacent to or near Apollo's projects which confirms the board's strategy to continue to add value to the Mt Oscar and Commonwealth Hill Projects. In addition, Apollo is also assessing a number of opportunities in the mineral sector with the aim of increasing shareholder value.

The company has attracted two strategic Chinese investors which are keen to see Apollo develop iron ore projects that have the potential to provide a source of iron ore and other minerals to the growing Chinese market.

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Appendix 1

Mount Oscar Drilling – November 2010

Hole No	MGA East	MGA North	Azi/DIP	BIF Horizon Intercept From – To (m)	Intercept Width (m)	E.O.H (m)
OSRC006	519,300	7,686,021	180/-55	84-88 97-100 111-210	4 3 99	246
OSRC007	519,662	7,685,862	180/-70	66-177	111	186
OSRC008	520,069	7,685,894	180/-70	56-122	66	144
OSRC009	519,263	7,686,074	260/-55		0	156

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.