

APOLLO CONSOLIDATED LIMITED

ACN 102 084 917

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.05 per Share to raise approximately \$636,273 (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**).

The Offer is conditionally underwritten by BBY Limited (ACN 006 707 777) AFSL: 238095 (**Underwriter**). Refer to section 8.5 for details regarding the terms of the Underwriting Agreement.



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 Shares 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

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 787 272 (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

Registered Office

Level 1, 44 Ord Street
West Perth WA 6005

Website: www.apolloconsolidated.com.au

Solicitors

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

Underwriter and Lead Manager

BBY Limited
Level 17
60 Margaret St
Sydney, NSW 2000

* 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.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	1 April 2014
Lodgement of Prospectus & Appendix 3B with ASX	1 April 2014
Notice sent to security holders	3 April 2014
Ex date	4 April 2014
Record Date for determining Entitlements	10 April 2014
Prospectus sent to Shareholders & Company announces despatch has been completed	14 April 2014
Closing Date*	1 May 2014
Securities quoted on a deferred settlement basis	2 May 2014
ASX notified of under subscriptions	5 May 2014
Issue of holding statements	7 May 2014
Quotation of Securities issued under the Offer*	8 May 2014

*The Directors may extend the Closing Date by giving at least 6 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.

3. IMPORTANT NOTES

This Prospectus is dated 1 April 2014 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.

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 four (4) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.05 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 12,725,467 Shares and 6,362,733 Options will be issued pursuant to this Offer to raise \$636,273 (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 31,058,333 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 in respect of the Offer is \$636,273 (being the full subscription). No shares will be 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 \$0.05 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 2016 will be issued for every two (2) Shares subscribed for and issued under the Offer.

4.6 Underwriting

The Offer is conditionally underwritten by BBY. BBY is not a related party of the Company. Refer to section 8.5 of this Prospectus for details of the terms of the underwriting.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20% (assuming no Options are exercised), as compared to their holdings and number of Shares on issue as at the date of the Prospectus.

4.7 Sub-underwriting

A trustee company associated with a Director, Mr Roger Steinepreis (Ranchland Holdings Pty Ltd) has agreed with the Underwriter to sub-underwrite a total of \$100,000 of the Shortfall Securities. Refer to Section 8.6 for further details.

4.8 Lead Manager

BBY has also been appointed as lead manager to the Offer (**Lead Manager**). The terms of the appointment as Lead Manager are summarised in section 8.7 of this Prospectus.

4.9 Shortfall Offer

The offer of the Shortfall is a separate offer pursuant to this Prospectus. A portion of the Shares not taken up by Eligible Shareholders will form part of the Shortfall Offer. The issue price of any Shares offered pursuant to the Shortfall Offer will be \$0.05 each, which is the issue price at which the Offer has been made to Eligible Shareholders.

Allocation of the Shortfall Securities is at the discretion of the Directors and is subject to the terms of the Underwriting Agreement and sub-underwriting agreements. In this regard, only Shortfall Securities which make up the Underwriter's underwriting commitment will form part of the Shortfall Offer. As such, there is no guarantee that Eligible Shareholders will receive the Shortfall Securities applied for.

Shortfall Securities will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any Shortfall in subscriptions. The Directors reserve the right to place the Shortfall at their discretion within 3 months after the close of the Offer subject to the Listing Rules and any restrictions under any applicable law.

The Directors and the Underwriter reserve the right to reject any application for Shortfall Securities or to issue a lesser number of Shortfall Securities than applied for. If the number of Shares issued is less than the number applied for in an Entitlement and Acceptance Form or Shortfall Application Form, surplus Application Monies will be refunded in full as soon as practicable after the closing date of the Shortfall Offer. Interest will not be paid on Application Monies refunded.

Shareholders should be aware that the Company has the capacity to issue Securities under its 15% capacity pursuant to ASX Listing Rule 7.1, and it also received approval from its Shareholders at its annual general meeting in November 2013 to issue an additional 10% of its Securities under ASX Listing Rule 7.1A. The Board reserves the right to issue additional Securities under this capacity if it so determines to do so.

Eligible Shareholders

Eligible Shareholders may, in addition to their Entitlement, apply under the Shortfall Offer, regardless of the size of their present holding.

Eligible Shareholders who wish to apply for Shortfall Securities above their Entitlement can complete the appropriate boxes on the Entitlement and Acceptance Form accompanying this Prospectus and return it together with a cheque for the value of those Shortfall Securities (at \$0.05 per Shortfall Share) to the Share Registry or make a BPAY® in excess of the total value of your Entitlement.

Other Investors

Other investors can apply for Shortfall Securities by completing the Shortfall Application Form attached to this Prospectus and returning it together with a cheque for the value of those Shortfall Securities (at \$0.05 per Shortfall Share) to the Share Registry.

4.10 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.

4.11 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.

4.12 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 or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities act (Overseas Companies) Exemption Notice 2002.

Shareholders resident in Australia or New Zealand 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.

4.13 Enquiries

Any questions concerning the Offer should be directed to Alex Neuling, Company Secretary, on (08) 9321 0771.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise \$636,273. No funds will be raised from the issue of the free attaching Options.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	RC Drilling Program on the Seguela Project	350,000	55.0
2.	Additional Trenching Program on the Seguela Project	40,000	6.3
3.	Expenses of the Offer ¹	65,454	10.3
5.	Working capital ²	180,819	28.4
	Total	\$636,273	100

Notes:

1. Refer to section 8.11 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 \$570,819 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 50,901,868 as at the date of this Prospectus to 63,627,335 Shares following complete of the Offer; and
- (c) increase the number of Options on issue from 31,058,333 as at the date of this Prospectus to 38,921,066 (which includes those to be issued to BBY as a fee) Options following completion of the Offer.

5.3 Pro-forma balance sheet

The unaudited pro-forma balance sheet as at 31 December 2014 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.

	<i>Note</i>	31-Dec 2013 \$	Proforma \$
Assets			
Current assets			
Cash and cash equivalents	1	1,488,379	2,059,198
Trade and other receivables		120,630	120,630
Other current assets		21,511	21,511
Total current assets		1,630,520	2,201,339
Non-current assets			
Capitalised exploration and evaluation expenditure		3,598,205	3,598,205
Property, plant and equipment		2,355	2,355
Total non-current assets		3,600,560	3,600,560
Total assets		5,231,080	5,801,899
Liabilities			
Current liabilities			
Trade and other payables		121,740	121,740
Total current liabilities		121,740	121,740
Non-current liabilities			
Deferred tax liabilities		468,856	468,856
Total non-current liabilities		468,856	468,856
Total liabilities		590,596	590,596
Net assets		4,640,484	5,211,303
Equity			
Issued capital	2	39,206,179	39,719,698
Reserves	3	4,086,236	4,143,536
Accumulated losses		-38,629,207	-38,629,207
Total equity attributable to owners of the Company		4,663,208	4,663,208
Non-controlling interests		-22,724	
Total equity		4,640,484	4,663,208

Notes:

1. Cash and cash equivalents

	\$
As at 31 December 2013	1,488,379
Proceeds of the Offer	636,273
Less costs	-65,454
Proforma	2,059,198

2. Issued Capital

As at 31 December 2013	39,206,179
Proceeds of the Offer	636,273
Less costs	-65,454
Accounting value of BBY options	-57,300
Proforma	39,776,998
3. Reserves	
As at 31 December 2013	4,086,236
Accounting value of BBY options	57,300
Proforma	4,143,536

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	50,901,868 ¹
Shares offered pursuant to the Offer	12,725,467
Total Shares on issue after completion of the Offer	63,627,335

Note:

1. 6,090,349 Shares are subject to escrow restrictions until 11 April 2014.

Options

	Number
Options currently on issue:	
Unlisted Options exercisable at \$0.20 each on or before 31/12/16	20,558,333
Unlisted Options exercisable at \$0.05 each on or before 31/12/18	10,500,000
New Options offered pursuant to the Offer:	
Listed Options exercisable at \$0.05 on or before 30 June 2016	6,362,733
Unlisted Options to be issued to BBY exercisable at \$0.075 each on or before 30 June 2016	1,500,000
Total Options on issue after completion of the Offer	38,921,066

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	%
Mr Robert Gherghetta	4,249,046	8.34
Mr Stephen West	3,735,639	7.34

Mr Roger Steinepreis ¹	2,333,334	5.15
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Note:

¹. A trustee company associated with Director Roger Steinepreis (Ranchland Holdings Pty Ltd) has agreed with the Underwriter to sub-underwrite a total of \$100,000 of the Shortfall Securities (2,000,000 Shares). This entity will be paid a fee of \$3,000, which is the same fee that all sub-underwriters are being paid, and accordingly is considered to be arms length and on commercial terms.

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

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 2016 (**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**

If admitted to the official list of ASX at the time, 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.

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 50,901,868 currently on issue to 63,627,335 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 last trading price of Shares on ASX prior to the prospectus being lodged of \$0.07 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.

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.

Date	Description of Announcement
31/03/2014	Seguela Trench Results Add High Priority Drill Targets
25/03/2014	Scheduled Release from Escrow
18/03/2014	Presentation Materials
18/03/2014	Proposed Underwritten Rights Issue to Fund Drilling
14/03/2014	Half-yearly report and accounts
07/03/2014	Clarification – JORC Table 1 Report Disclosures
06/03/2014	Exceptional Grade Soil Anomaly Confirmed at Seguela Project
29/01/2014	Quarterly Activities Report
29/01/2014	Quarterly Cashflow Report
10/01/2014	Trench Program Update – Seguela Project Cote d'Ivoire
05/12/2013	Nickel Sulphide Exploration to Progress at Rebecca Project
04/12/2013	Appendices 3Y x 5
29/11/2013	Appendix 3B
28/11/2013	Results of Meeting
28/11/2013	AOP AGM Presentation
27/11/2013	High Grade Gold Anomalies at Seguela Project
19/11/2013	Significant Trench Program – Seguela Project, Cote D'Ivoire
28/10/2013	Quarterly Cashflow Report
28/10/2013	Quarterly Activities Report
23/10/2013	Notice of Annual General Meeting/Proxy Form
30/09/2013	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.

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	\$0.08	20 March 2014
Lowest	\$0.035	31 January 2014
Last	\$0.07	31 March 2014

8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

8.5 Underwriting Agreement

The Company has entered into a conditional underwriting agreement with BBY Limited (ACN 006 707 777) (**Underwriter**) to fully underwrite the Offer (**Underwriting Agreement**). In consideration for the underwriting, the Company will pay the Underwriter an underwriting fee of 6% of the total amount underwritten (being \$636,273) together with fees associated with reasonable travel and out of pocket expenses incurred by the Underwriter in relation to the Offer.

The Underwriting Agreement is conditional on satisfaction (or waiver by the Underwriter) of the following:

- (a) the Company lodging (amongst other things) a prospectus, ASX announcement and Appendix 3B with the ASX in accordance with the agreed ASX timetable;
- (b) no notification being received from the ASX that official quotation of the securities will not be granted prior to the settlement date; and
- (c) the Underwriter receiving confirmation from the Company that prior to the date of settlement and notification of shortfall in accordance with the Underwriting Agreement, there has been no material breach of the Underwriting Agreement, the representations and warranties are true and correct and the Company has complied with all its obligations under the Underwriting Agreement.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **(Offer Documents)** A statement contained in the Prospectus, ASX announcement, investor presentation and Appendix 3B (**Offer Documents**) is or becomes misleading or deceptive or likely to mislead or deceive, or such materials omit any information they are required to contain.
- (b) **(ASX approval)** Unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success of the Offer) by the ASX for official quotation of the Offer Shares is refused, or is withdrawn on or before the Trading Date.
- (c) **(Certificate)** A certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required or a statement in that Certificate is untrue, incorrect or misleading or deceptive.
- (d) **(Timetable)** Any event specified in the ASX timetable is delayed for more than 2 Business Days without the prior written approval of the Underwriter, unless such delay is caused by the Underwriter.
- (e) **(new circumstance)** a new circumstance arises which is a matter materially adverse to investors in Offer Shares and which would have been required by the Corporations Act to be included in the Offer Documents.
- (f) **(Listing)** the Company ceases to be admitted to the official list of ASX or the ordinary shares in the Company are suspended from trading on, or cease to be quoted on, ASX.
- (g) **(Director)** A director of the Company:
 - (i) is charged with an indictable offence relating to any financial or corporate matter or any regulatory body commences any public action against the director; or
 - (ii) is disqualified from managing a corporation under the Corporations Act.
- (h) **(withdrawal)** The Company withdraws the Offer.
- (i) **(Insolvency)** The Company or any member of the Group is insolvent or there is an act or omission which may result in the Company or any member of the Group becoming insolvent.
- (j) **(debt facilities)** The Company breaches, or defaults under any material debt or financing arrangement.
- (k) **(index fall)** The S&P/ASX Small Resources Index (ASX:XSR) falls more than 10% for 4 consecutive Business Days.

- (l) **(disruption in financial markets)** Any of the following occurs:
- (i) a general moratorium on commercial banking activities in Australia, the United States, Canada, Germany or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
 - (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange, the Frankfurt Stock Exchange or the Toronto Stock Exchange is suspended or limited in a material respect; or
 - (iii) the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, China, a member of the European Union, or the United States or elsewhere or any change or development involving a prospective adverse change in any of those conditions or markets.
- (m) **(misrepresentation)** A representation or warranty becomes, untrue or incorrect.
- (n) **(breach)** The Company fails to perform or observe any of its obligations under the Underwriting Agreement.
- (o) **(hostilities)** Hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia the United States or the People's Republic of China, or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world.
- (p) **(adverse change)** There is an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company group.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

8.6 Sub-underwriting Agreement

A trustee company associated with a Director, Mr Roger Steinepreis (Ranchland Holdings Pty Ltd) has agreed with the Underwriter to sub-underwrite a total of \$100,000 of the Shortfall Securities (2,000,000 Shares). This entity will be paid a fee of \$3,000, which is the same fee that all sub-underwriters are being paid, and accordingly is considered to be arms length and on commercial terms.

8.7 Lead Manager Mandate

On 13 March 2014 the Company entered into an agreement with BBY to act as Lead Manager to Offer and, subject to the execution of an underwriting agreement, to act as underwriter (**Mandate**).

BBY will be paid an underwriting fee of 6% (plus GST) of the underwritten amount of the Offer and issue BBY 1,500,000 options exercisable at \$0.075 each expiring on or before 30 June 2016. The Company will also be required to cover the Lead Manager's reasonable out-of-pocket expenses.

8.8 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 ³	2,333,334	8,000,000 ⁴	583,334	291,667	29,167
Nick Castleden	866,668	11,000,000 ⁵	216,667	108,334	10,833
George Ventouras	500,001	1,000,000 ⁶	125,000	62,500	6,250
Stephen West ²	3,735,639	2,500,000 ⁷	933,910	466,955	46,696
Robert Gherghetta ¹	4,249,047	2,500,000 ⁸	1,062,262	531,131	53,113

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. Please note, a trustee company associated with a Director, Mr Roger Steinepreis (Ranchland Holdings Pty Ltd) has agreed with the Underwriter to sub-underwrite a total of \$100,000 of the Shortfall Securities (2,000,000 Shares). This entity will be paid a fee of \$3,000, which is the same fee that all sub-underwriters are being paid, and accordingly is considered to be arms length and on commercial terms.
4. Of which:
6,000,000 are exercisable at \$0.20 each on or before 31/12/2016; and
2,000,000 are exercisable at \$0.05 each on or before 31/12/2018.
5. Of which:
6,000,000 are exercisable at \$0.20 each on or before 31/12/2016; and
5,000,000 are exercisable at \$0.05 each on or before 31/12/2018.
6. Exercisable at \$0.05 each on or before 31/12/2018.
7. Of which:
1,500,000 are exercisable at \$0.20 each on or before 31/12/2016; and
1,000,000 are exercisable at \$0.05 each on or before 31/12/2018.
8. Of which:
1,500,000 are exercisable at \$0.20 each on or before 31/12/2016; and
1,000,000 are exercisable at \$0.05 each on or before 31/12/2018.

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	2014	2013	2012
Roger Steinepreis	\$24,000	\$34,000	\$26,000
Nick Castleden	\$124,000	\$155,353	\$123,195
George Ventouras	\$24,000	\$24,000	\$60,000
Stephen West	\$24,000	\$35,496	\$6,000
Robert Gherghetta	\$24,000	\$35,496	\$6,000

8.9 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.

BBY will act as Lead Manager and Underwriter with respect to the Offer and will be paid an underwriting fee of up to \$38,176 and will be issued 1,500,000 options exercisable at \$0.075 expiring on or before 30 June 2016. During the 24 months preceding lodgement of this Prospectus with the ASIC, BBY has been paid fees totalling \$155,000 by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. Mr Steinepreis is the Managing Partner 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 \$91,825 (excluding GST and disbursements) for legal services provided to the Company.

8.10 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;

- (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;
- (c) BBY has given its written consent to being named as lead manager and underwriter to the Offer in this Prospectus, in the form and context in which it is named;
- (d) BBY (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities; and
- (e) 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; and

8.11 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$65,454 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,225
ASX fees	4,553
Underwriting fees	38,176
Legal fees	15,000
Printing and distribution	3,500
Miscellaneous	2,000
Total	65,454

8.12 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.

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.

8.13 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.

8.14 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.

8.15 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.

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.

Roger Steinepreis
Chairman
For and on behalf of
APOLLO CONSOLIDATED LIMITED

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 CHESSE.

BBY means BBY Limited (ACN 006 707 777) AFSL: 238095.

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.

Lead Manager means BBY.

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 4.9 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

Underwriter means BBY.

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