

ASX ANNOUNCEMENT

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Nickel-Copper Sulphide Targets Identified at Rebecca – Sulphides and Strong Geochemistry in Historical Work

Apollo Consolidated Limited (ASX: AOP, the Company) has added a new dimension to its exploration activities at its Rebecca Project, located 150km east of Kalgoorlie, with evidence of nickel sulphide mineralisation identified on its tenements.

➤ **Nickel-Copper Sulphides in Past Drilling**

Research into previous nickel exploration activity within the more recent tenements in the western part of the Rebecca project has highlighted an area now known as the **Addis Nickel Prospect** (Figure 1). In this area three shallow diamond drillholes were drilled during the early 1970's to test near-surface coincident nickel and copper anomalism. Significantly, all three holes intersected segments of **disseminated nickel sulphides** (pyrrhotite, pentlandite and chalcopyrite) in ultramafic rocks, including a best assay result of **11m @ 0.43% Ni and 0.23% Cu**.

The holes confirmed that nickel and copper anomalism (up to 0.25% Ni and 0.5% Cu) identified in short-hole percussion drilling was caused by weathering of sulphide mineralisation. Whilst no massive sulphides were identified in the 1970's work, the prospect is only lightly-explored and importantly no surface or down-hole EM surveying has been carried out over the occurrence.

The Prospect is of importance to the Company because it demonstrates that the ultramafic stratigraphy carries magmatic nickel sulphides in this location, and therefore equivalent ultramafic sills/flows in the broader project area can be considered to have good potential to host additional nickel sulphide mineralisation.

➤ **Strong Geochemical Target**

As an example of the scope for ongoing work, an excellent nickel-copper geochemical target has been identified 1km northwest of Addis where 1970's short-hole percussion drilling over a soil-covered magnetic feature located strongly anomalous nickel sulphide pathfinder geochemistry. Key features of this anomaly are:

- **Coincident results to 0.93% Ni and 0.36% Cu in the oxide profile**
- **Open ended Ni/Cu anomaly 400m long and 100m wide at >1000ppm Ni, >400ppm Cu**
- **Drill-chips in the anomaly area logged as meta-dunite**
- **Coincident magnetic anomaly**

This anomaly is stronger than that at Addis but it was located on the boundary of former mineral claims owned by competing 1970's nickel explorers, and the exploration programs of that period appear to be incomplete and/or not fully reported. Site investigation has located limited evidence of past exploration in the anomaly area and there has been no modern-day drilling.

Although a trial six-line EM survey at this location did not identify late-time conductors the Company is of the view that the strong coincident nickel-copper pathfinder geochemistry over ultramafic rocks indicates excellent potential for the discovery of sulphide mineralisation in the vicinity.

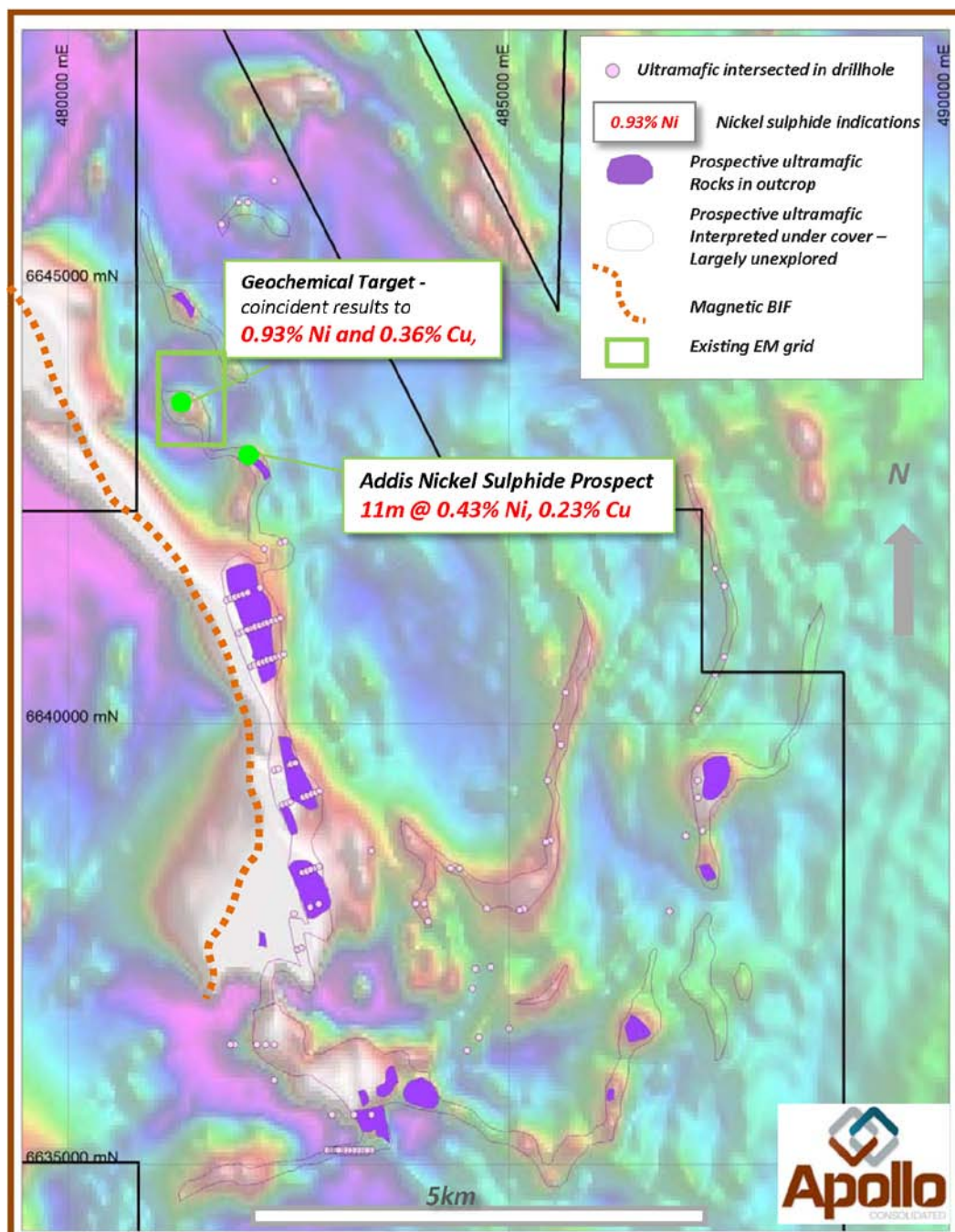


Figure 1 Aeromagnetic image at Rebecca showing extent of interpreted ultramafic and location of Addis Nickel Sulphide Prospect

A suitable exploration program is being considered to bring forward this target that may initially involve RAB geochemical drilling to map geological contacts and track the trend of anomalism; followed by targeted RC and down-hole EM surveying.

In the wider Rebecca Project area the Addis Nickel Prospect represents a small section of the predominantly soil and sand-covered ultramafic sequence under tenure. Historical geochemical exploration in the area is limited, and is concentrated over areas of ultramafic outcrop, leaving the remaining areas where there is at least 15km strike of folded ultramafic rocks effectively unexplored (Figure 2).

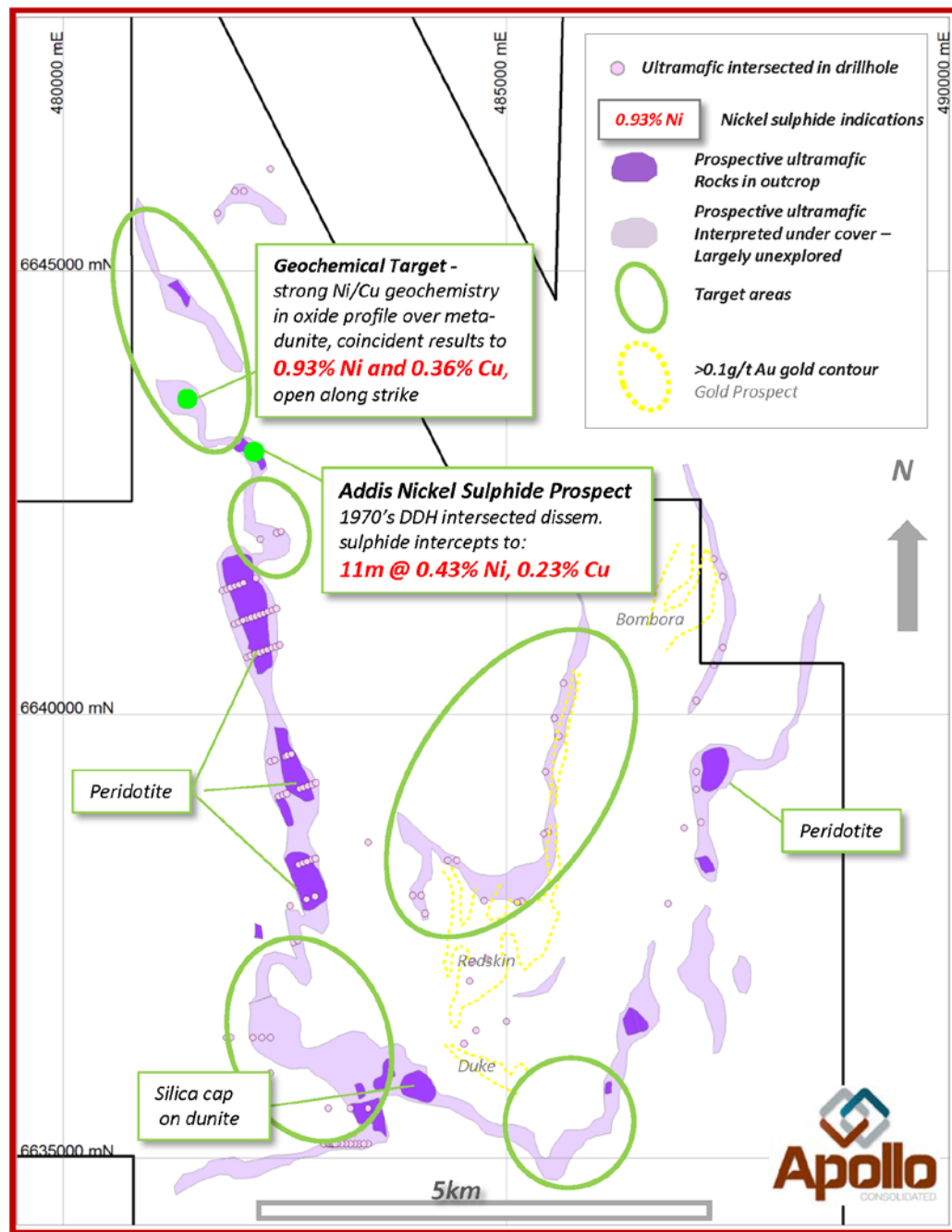


Figure 2 Extent of ultramafic stratigraphy at Rebecca and key nickel-copper geochemical anomalies

In the soil-covered parts of the project the Company has the benefit of an extensive geological database compiled during exploration programs for gold. The gold database provides confirmation that many of the magnetic trends on tenement are caused by ultramafic lithologies, with numerous holes intersecting prospective rocks. Whilst there are few existing nickel analyses, the database will allow for a targeted logging and resampling program, and assist with geophysical targeting.

As a first step Apollo is assessing appropriate EM methods to apply over the key soil-covered ultramafic trends and to follow-up the promising historical results in the Addis Prospect area. This work will be carried out in conjunction with planning for the next phases of gold exploration at the project.

In summary the Company is encouraged by the presence of magmatic nickel sulphides within the tenements and unexplained high-tenor nickel and copper geochemical anomalism nearby. Apollo considers that the historical results point to strong nickel prospectivity in the tenement area and warrants investigation using modern nickel sulphide exploration tools.



Ends

The information in this release that relates to Exploration Results, Minerals Resources or Ore Reserves, as those terms are defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve", is based on information compiled by Mr. Nick Castleden, who is a director of the Company and a Member of the Australian Institute of Geoscientists. Mr. Castleden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve". Mr. Castleden consents to the inclusion of the matters based on his information in the form and context in which it appears.