

**APOLLO CONSOLIDATED LIMITED**  
**ACN 102 084 917**

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**PROSPECTUS**

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This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

**SPONSORING BROKER**



**IMPORTANT INFORMATION**

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. The Shares offered by this Prospectus should be considered highly speculative.

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### **Note - Exposure Period**

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

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## 1. CORPORATE DIRECTORY

### Directors

**Roger Steinepreis**  
Chairman

**Nick Castleden**  
Executive Director

**George Ventouras**  
Director

**Stephen West**  
Proposed Non-executive Director

**Robert Gherghetta**  
Proposed Non-executive Director

**Company Secretary**  
Mr Alex Neuling

### Registered Office

Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

Website: [www.apolloconsolidated.com.au](http://www.apolloconsolidated.com.au)

### 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)

### ASX Code

AOP

### Solicitors

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Independent Geologists

#### *Australia*

Boonjarding Resources Ltd  
Tiara Labuan  
Jalal Tanjung Batu  
87000 F.T. Labuan  
Malaysia

### Ivorian solicitors to the Company

Cabinet Jean-François Chauveau  
Avocats à la Cour  
Au Barreau de Cote d'Ivoire

### *Ivory Coast*

SEMS Exploration  
Imm. Danny Centre  
Rue des Jardins, Deux Moteaux  
Abidjan, Ivory Coast

### Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd  
38 Station St  
SUBIACO WA 6008

\* This entity is included for information purposes only. They have not been involved in the preparation of this Prospectus.

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## **2. IMPORTANT NOTICE**

This Prospectus is dated 23 January 2012, 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 Shares 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 you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

### **2.1 Web Site – Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.apolloconsolidated.com.au](http://www.apolloconsolidated.com.au). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company. 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.

### **2.2 Website**

No document or information included on our website is incorporated by reference into this Prospectus.

### **2.3 Competent Persons Statement**

The information in this Prospectus 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 Reserves", is based on information compiled by Mr. Nick Castleden (in respect of Aspire Minerals Pty Ltd and the Rebecca Project), who is a director of the Company and a Member of the Australian Institute of Geoscientists. Mr. Nick Castleden 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 Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve". Mr. Nick Castleden consents to the inclusion in this Prospectus of the relevant matters attributed to him based on this information in the form and context in which it appears.

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### **3. KEY INFORMATION**

#### **3.1 General**

As announced to ASX on 6 September 2011, final terms have been agreed between Apollo Consolidated Limited (ASX: AOP) (**Apollo** or the **Company**), Aspire Minerals Pty Ltd (**Aspire**) and the major shareholders of Aspire, for the Company to acquire 100% of the issued share capital of Aspire (**Transaction**).

The final agreement has been reached in response to a delayed timeline in the initial grant of an exploration permit at the lead Seguella Project. On 19 July 2010, the Company announced it had entered into a terms sheet with Aspire to make offers of options to acquire an interest in the Aspire Projects (defined below) and entered into option agreements to acquire the Aspire Shares held by the Major Shareholders (AOP ASX announcement "Option to Acquire Exceptional West African Gold Acreage" dated 19 July 2010).

A pre-condition to these options was the initial grant of an exploration permit at the lead Seguella project. As a result of a delay in the grant of this permit, these options were extended, and the parties have now reached a final agreement reflected in the Aspire Agreement. As part of the Aspire Agreement, the parties agreed that the previous terms sheet entered into between the parties on or about 16 July 2010 (and announced to ASX on 19 July 2010) is superseded.

Apollo is confident that the exploration permits will be granted over time and is encouraged by statements from the Energy and Mines Minister of Cote d'Ivoire supportive of increased gold production and the timely grant of permits. Aspire (through Apollo) and its local partners will continue to engage with the Ministry in the coming months.

#### **3.2 Effect of the Transaction**

The effect of the Transaction is that the nature of the activities of the Company will change, and it proposes to focus on exploration of its Ivorian projects and on the advanced Rebecca Project following completion. At the Rebecca Project, the Company intends to carry out RC drilling to follow-up open mineralised positions. Further, the Company is seeking to acquire exploration assets in Burkina Faso, Africa, which neighbours Cote d'Ivoire, however, at this stage, the Company has only progressed discussions with a third party and has not concluded any acquisition.

The purchase of Aspire is an event which requires the Company to re-comply with the requirements of chapters 1 and 2 of the ASX Listing Rules, including seeking Shareholder approval to the acquisition of the Aspire Shares, issuing a prospectus, consolidating its capital (on a ratio to be set at 30:1 as included in the Notice of General Meeting) and obtaining shareholder spread in accordance with those rules.

The effect of the Transaction is set out in the capital structure table below, and the Investigating Accountant's Report which sets out the pro-forma balance sheet as at 30 June 2011.

#### **3.3 The Offer**

The Company invites applications for 10,000,000 Shares at an issue price of \$0.20 per Share to raise \$2,000,000. The Company may accept oversubscriptions of up

to a further 2,500,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$500,000.

The Company is also making an offer to the Aspire Shareholders under this Prospectus, to acquire all of their shares in Aspire on the terms of the Aspire Agreement. The Aspire Offer is set out in Appendix 1.

### 3.4 Purpose of Offer

The purpose of this Prospectus is to:

- (a) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules; and
- (b) raise \$2 million (up to \$2.5 million if over-subscriptions are accepted) pursuant to the Offer.

The Company is aiming to apply the funds raised in the Offer in the manner detailed in Sections 3.13 and 3.14 below.

The Board believes that the funds raised from the Offer, combined with existing funds, will provide the Company with sufficient working capital at anticipated expenditure levels to achieve these objectives as shown in the table in this Section.

### 3.5 Background on Aspire Minerals Pty Ltd

Aspire is a private Australian company founded in early 2009 for the purpose of building a world class minerals exploration portfolio in Cote d'Ivoire, West Africa. Aspire holds the rights to three projects in northern and central Cote d'Ivoire: Seguela (two exploration permits), Tengrela West (two exploration permits) and Korhogo (one exploration permit) (**Aspire Projects**).

The acquisition will place Apollo in a strong position with respect to high quality exploration ground in one of the least explored terrains of the West African goldfields. Aspire holds rights to earn up to 90% in the three projects - **Seguela, Tengrela and Korhogo** held under five large exploration licence applications and underlying geochemical-stage tenure (reconnaissance or prospecting permits). Details of the Company's mining interests and their status are set out in the Solicitors Reports.

Each project is located in regional structural zones that host existing million ounce plus gold deposits, geological settings showing structural complexity and host-rock alteration and has evidence of historic or active artisanal gold workings.

Despite strong prospectivity, the projects have had limited previous exploration and no drilling activity. Apollo sees strong potential to deliver exploration success in respect of these projects through low-cost geochemical-based target definition and exploration drilling. There are walk-up drill targets on the lead Seguela project and good early stage gold anomalism on the remaining tenure, and accordingly, if the grant of exploration licences can be progressed quickly, this work can be undertaken. Sampling infill and validation sampling is continuing on all permits, and additional trenching has been carried out at the Barana and Gabbro prospects within the Seguela Project area.

Promising new gold assays have been obtained from an initial 1km x 1km LAG geochemical program on the northern permits, including individual results of up to 1.08g/t Au at the Korhogo prospect. Sampling was carried out alongside existing access tracks and paths and was designed as a first-stage approach. While the density of this initial sampling is very broad and requires validation and grid sampling to establish geological context, it is apparent that some areas could be rapidly progressed via surface geochemical techniques. Validation LAG sampling has been completed over anomalous sample points on both permits, and results will be reported in more detail as they come to hand.

A summary on each of the Company's projects, including its existing project in Western Australia, the Rebecca Project, is set out below and in the Independent Geologists Reports.

### 3.6 Summary of Aspire Agreement

On 5 September 2011, the Company entered into an agreement with Aspire, Cresthaven Investments Pty Ltd (**Cresthaven**), Stephen West (**West**), and Robert Gherghetta (**Gherghetta**) (Cresthaven, West and Gherghetta together the **Major Shareholders**) pursuant to which the Company will acquire all of the issued fully paid ordinary shares in the capital of Aspire (**Aspire Shares**) by making offers of an option to acquire all of their Aspire Shares to each of the shareholders of Aspire (**Aspire Shareholders**) (**Aspire Agreement**).

As part of the Aspire Agreement, the parties agreed that the previous terms sheet entered into between the parties on or about 16 July 2010 (and announced to ASX on 19 July 2010) is superseded.

The parties then agreed to vary the Aspire Agreement (**Variation Agreement**) to, amongst other matters, vary the proposed consideration payable to the Aspire Shareholders.

The key terms of the Aspire Agreement (as varied by the Variation Agreement) are as follows:

- (a) Apollo agrees to make offers to each of the Aspire Shareholders to acquire 100% of their Aspire Shares.
- (b) The Major Shareholders covenant and agree to accept the offers in relation to the Aspire Shares (both held in their own name and in entities which they control) when made and will use their best efforts to procure the other Aspire Shareholders to accept the offers as soon as practicable after they are made.
- (c) The consideration for the acquisition of all of the Aspire Shares will be:
  - (i) the issue of 5,000,000 Apollo Shares on a post-Consolidation basis (Consideration Shares);
  - (ii) the issue of 7,500,000 Deferred Consideration Shares on a post-Consolidation basis; and
  - (iii) the issue of 7,500,000 Performance Shares on a post-Consolidation basis,

(together, the **Consideration Securities**) to the Aspire Shareholders in proportion to their respective holdings of Aspire Shares.

- (d) Completion of the acquisition of all of the Aspire Shares is subject to and conditional on:
- (i) Apollo obtaining all necessary regulatory approvals and shareholder approvals required to complete the acquisition of the Aspire Shares, to undertake a consolidation, to grant the Apollo Options and to issues shares under a capital raising;
  - (ii) Apollo preparing a prospectus for a capital raising sufficient to enable Apollo to be re-instated to quotation on ASX (and ASX granting approval for Apollo's securities to be re-instated to official quotation), lodging the prospectus with the ASIC and receiving sufficient applications to meet the minimum subscription under the prospectus;
  - (iii) Apollo becoming entitled to acquire 100% of the Aspire Shares as a result of each Aspire Shareholder accepting the offer from Apollo; and
  - (iv) as at the settlement date of the Aspire Agreement, no material adverse change (as defined in the Aspire Agreement) occurs and no material adverse matter becomes known to either Apollo or Aspire (as applicable),
- (together, the **Conditions**).
- (e) If the Conditions are not satisfied or waived in accordance with the provisions of the Aspire Agreement on or before 28 February 2012 (or such later date as agreed by the parties in writing), the Aspire Agreement will be deemed to be at an end and of no force or effect.
- (f) At settlement of the Aspire Agreement, Apollo must:
- (i) allot and issue the Consideration Shares and Performance Shares to the Aspire Shareholders and deliver the Aspire Shareholders holding statements for those Consideration Shares and Performance Shares in consideration for the transfer of 100% of the issued capital of Aspire; and
  - (ii) appoint Stephen West and Robert Gherghetta to the Board as non-executive directors with each of them as non-executive director earning a directors fee of \$36,000 per annum.
- (g) The Deferred Consideration Shares will be issued if, within a period of 3 years from the Settlement Date, one or more of the Seguela, Vavoua, Korhogo, Tengrela North or Tengrela West exploration licences are granted or commencement of RC/diamond drilling on any tenement occurs and title is transferred to Aspire and Geoservices CI/Golden Oriole (as the case may be on the terms described in the Material Agreements), or into a partnership company established by Aspire and Geoservices CI/Golden Oriole (as the case may be on the terms described in the Material Agreements).

### 3.7 Capital Structure

The effect of the acquisition on the capital structure of the Company, on a post-Consolidation basis is as follows:

<b>Securities</b>	<b>Post-Consolidation</b>
Existing Fully Paid Shares	23,317,864
Vendor Shares to Aspire Shareholders	5,000,000
Capital Raising*	10,000,000
<b>Total</b>	<b>38,317,864</b>
Deferred Consideration Shares	7,500,000
Performance Shares Tranche 1	3,750,000
Performance Shares Tranche 2	3,750,000
Facilitation Shares**	333,333
Consultant Shares**	362,400

<b>Options</b>	
Existing Options***	1,011,675
Facilitation Options**	333,333
New Options****	15,000,000

Notes:

\*Assumes a \$2,000,000 capital raising, notwithstanding that the Company may raise up to \$2,500,000 to allow for oversubscriptions.

\*\*There is a further obligation to issue 362,400 Shares (post consolidation) to consultants to Aspire and 333,333, Shares and 333,333 Consultant Options (see terms in Schedule 2) to a party who facilitated the Transaction.

\*\*\* The Company has the following options currently on issue:

1,000,671 Options exercisable at 15 cents on before 31 December 2012. It is expected that these options will be exercised prior to re-instatement on ASX.

11,004 Options exercisable at \$330.00 on or before 1 February 2012.

\*\*\*\* These options are the Related Party Options, the terms of which are set out in Schedule 3. These Related Party Options are to be granted to the nominees of Roger Steinepreis (6m), Nick Castleden (6m), Stephen West (1.5m) and Robert Gherghetta (1.5m), as set out in the Notice of General Meeting.

### **3.8 Seguela Project**

The Seguela project comprises a total of 920 square kilometres held under two permits, Seguela and Vavoua.

The Seguela permit covers 35km strike of a north-south trending greenstone belt with known gold mineralisation. Previous exploration work in the central portion of the permit has defined an area of continuous >50ppb gold anomalism over 6.3km in strike and up to 1.4km in width. The anomaly encompasses broad zones of >200ppb gold soil anomalism coincident with a major shear corridor that extends the length of the project and shallow artisanal workings. Within the anomalous area trench sampling has confirmed bedrock gold mineralisation in predominantly felsic intrusive host rocks at the Gabbro prospect, Porphyry and Agouti prospects within the Seguela permit. Additional trench sampling is planned to extend each of these prospects into soil-covered areas. Initial trench sampling is also planned at the Boulder and Barana prospects within the Seguela permit.

Portions of the Gabbro and Porphyry prospects are drill ready and suitable for RC Drilling or diamond drilling as soon as permitting allows.

Elsewhere in the Seguela permit area, Aspire has extended soil sampling a further 8km north and south of the previous grid – the results of which have defined significant new anomalism at the Goma prospect in the southern grid; with >50ppb gold anomalism extending for at least 3km and individual values returned up to 0.93 grams gold per tonne. There are no known artisanal workings in this area and infill sampling is underway ahead of mapping and trench sampling. In the northern grid, patchy anomalous values extend the length of the shear corridor. Infill sampling is required to place these results into geological context.

There is no previous drilling on the Seguela permit within the Seguela Project area. The results generated thus far represent significant future drill targets and the Company is confident that continued trench sampling, mapping and infill soil sampling will add to the number of high-priority drill targets here.

The Vavoua permit lies to the southwest of the Seguela permit and is largely unexplored despite its location on the Seguela structural corridor. Aspire has collected over 5,700 first-pass soil samples covering the entire permit at 800m line-spacing and infill sampling is underway over four areas of anomalous results.

### **3.9 Tengrela West Project**

At the Tengrela West Project, Aspire has rights to two adjoining permits that cover a combined 1,000 square kilometres of proven gold terrain. Perseus Mining Limited's 1.2m ounce Sissingue gold deposit lies immediately to the east of the permits, and the Syama gold deposit of Resolute Mining Limited is located 25km to the northeast. Within the Tengrela West permits, promising structural targets, including shear corridors and internal granite intrusions, point to greenfield prospectivity, while artisanal workings confirm the presence of gold mineralisation.

Significant areas of the Tengrela West permit area are overlain by a blanket of lateritic material, a setting that would have restricted artisanal prospecting activities. Despite this, artisanal miners have extracted alluvial and bedrock gold in places, however Aspire understands it will require the application of modern geochemical exploration to fully assess the project's potential.

Aspire has collected in excess of 3,000 LAG samples (gravel-sized material from the surface) along available access tracks and pathways. Composite samples at a 1km spacing were analysed, returning >50ppb Au results in a number of locations. Validation sampling has been completed and results are awaited. Anomalism returned in the first pass work will be subject to auger and/or RAB drilling, as will the existing artisanal areas.

### **3.10 Korhogo Project**

Korhogo is a large, early-stage project situated at the regional intersection of two strongly-endowed greenstone belts and their structural corridors. The 4.3Moz Tongon project of Randgold Resources Limited (a company incorporated in the United Kingdom) is located 40km along strike to the north-east and Gryphon Minerals Limited's 2.0m ounce Banfora project lies a further 30km along strike. The Sissingue deposit lies 50km to the north. The confluence of two proven belts represents excellent greenfield prospectivity.

Aspire has carried out a similar LAG geochemical program to Tengrela West, using existing tracks and roads as sample traverses. Over 1,900 individual samples were collected over the 1,000 square kilometre project and submitted for assay as four-point composite samples at a 1km spacing. Promising individual results of up to 1.08g/t Au were obtained, as well as clusters of >50ppb Au results. Validation LAG sampling has been completed over anomalous sample points and results are awaited. Grid sampling will be undertaken as required to establish geological context.

### 3.11 Rebecca Project

The Rebecca Gold Project is located in the southern Laverton Tectonic Zone, 150km east of Kalgoorlie, Western Australia. The Laverton Tectonic Zone is a structural corridor with substantial gold endowment in the south Laverton area and is recognised as having regional prospectivity.

Apollo has built a 250 square km 100%-owned tenement position in the area of the Rebecca Project and will continue to make additional tenement applications or acquisitions over areas where it sees exploration potential. The combined ground position offers a mix of advanced and greenfield structural targets.

On E28/1610 within the Rebecca Project previous wide-spaced drilling has defined broad zones of gold mineralisation in granite and gneissic host rocks, associated with disseminated sulphides. The Company sees good potential to extend and quantify known mineralisation at the Duke, Redskin and Bombora prospects, and to locate new mineralised positions along strike. Significant historical drill results include:

- (a) Redskin: 11m @ 3.24 g/t Au from 15m;
- (b) Duke: 30m @ 1.39g/t Au from 303m; and
- (c) Bombora: 28m @ 2.18g/t Au from 65m,

with the detailed results set out in the Independent Geologists Report in Section 6.

The Bombora prospect in particular is open along strike and at depth and forms a priority drill target.

Auger sampling at the Duke prospect during 2009 identified a surface anomaly extending for over 1km from historical drilling, and follow-up mapping has confirmed this area as a drill-target below shallow soil cover.

Heritage surveys have been completed over the key target areas within the Rebecca Project and environmental approvals have been obtained ahead of drill-testing. The Company regards the Rebecca Project as a high-quality advanced gold project and plans to progress exploration through focussed RC and/or diamond drilling.

### 3.12 Material Agreements – Aspire Transaction

Briefly, Apollo will acquire up to 90% in the joint venture companies which hold the three projects it holds in partnership, directly, or through its wholly owned subsidiary Aspire Minerals Cote d'Ivoire (**AMCI**), with its Ivorian partners Geoservices Cote d'Ivoire (**GCI**) and Golden Oriole Cote d'Ivoire (**GOCI**):

## ***Seguela Project***

### Mont Fouimba Seguela Project (**Seguela**)

On 16 October 2009, GCI and Aspire entered into an agreement setting out the terms for the establishment of a partnership between the parties for the exploration, exploitation and development of the Seguela gold project through the formation of a joint venture company (**Seguela JV Co**). At the establishment of the partnership it was agreed GCI would hold 49% of the shares in Seguela JV Co and Aspire would hold 51% of the shares in Seguela JV Co.

Under the agreement, GCI agreed to transfer to Seguela JV Co an exploration licence (Permit de Research) for the exploration of gold in the region of Mont Fouimba, Seguela.

Aspire has the option to acquire a further share in Seguela JV Co pursuant to the agreement on the occurrence of the following events:

- (a) should there be a change of control of GCI, Aspire may acquire all of the shares in Seguela JV Co held by GCI at fair market value;
- (b) if Aspire spends US\$2million within 3 years of the grant of the exploration licence, Aspire has the option to acquire 29% of the shares in Seguela JV Co owned by GCI; and
- (c) if Aspire pays 100% of the cost of a feasibility study on the exploration licence, Aspire has the option to acquire another 20% of the shares in Seguela JV Co owned by GCI.

If Aspire exercises the above options, Seguela JV Co would be liable to pay a future royalty from any commercial production from the area to GCI.

If a feasibility survey of the area concludes that the deposit is viable and Seguela JV Co decides to pursue the project, Seguela JV Co is required to apply for an Exploitation Permit for the area. The parties agree to allocate 10% of the share capital of Seguela JV Co to the Cote d'Ivoire state for nil consideration upon receiving the grant of an Exploitation Permit for the area.

### *Vavoua permit*

On 21 October 2009, GCI and Aspire entered into an agreement setting out the terms for the establishment of a partnership between the parties for the exploration, exploitation and development of the Vavoua gold project through the formation of a joint venture company (**Vavoua JV Co**). At the establishment of the partnership it was agreed GCI would hold 49% of the shares in Vavoua JV Co and Aspire would hold 51% of the shares in Vavoua JV Co.

Under the agreement, GCI agreed to transfer to Vavoua JV Co an exploration licence (Permit de Research) for the exploration of gold in the region of Vavoua.

Aspire has the option to acquire a further share in Vavoua JV Co pursuant to the agreement on the occurrence of the following events:

- (a) should there be a change of control of GCI, Aspire may acquire all of the shares in Vavoua JV Co held by GCI at fair market value;

- (b) if Aspire spends US\$2million within 3 years of the grant of the exploration licence, Aspire has the option to acquire 29% of the shares in Vavoua JV Co owned by GCI; and
- (c) if Aspire pays 100% of the cost of a Feasibility Study on the exploration licence, Aspire has the option to acquire another 20% of the shares in Vavoua JV Co owned by GCI.

If Aspire exercises the above options, Vavoua JV Co will be liable to pay a future royalty from any commercial production from the area to GCI.

If a feasibility survey of the area concludes that the deposit is viable and Vavoua JV Co decides to pursue the project, Vavoua JV Co is required to apply for an Exploitation Permit for the area. The parties agree to allocate 10% of the share capital of Vavoua JV Co to the Cote d'Ivoire state for nil consideration upon receiving the Exploitation Permit for the area.

### ***Tengrela Project***

#### *Tengrela North (C8) Permit*

On 6 and 11 January 2010, GOCl and AMCl entered into an agreement setting out the terms for the establishment of a partnership between the parties for the exploration, exploitation and development of the Tengrela North (C8) gold project through the formation of a joint venture company (**Tengrela North JV Co**). At the establishment of the partnership it was agreed GOCl will hold 49% of the shares in Tengrela North JV Co and AMCl will hold 51% of the shares in Tengrela North JV Co.

GOCl currently holds a reconnaissance authorisation licence which it agreed to hold on trust for the parties, and not to exercise any rights it has as registered holder of the reconnaissance authorisation licence without the consent of Aspire. GOCl has applied for an exploration permit (Permit de Research) for the area, and when granted it has agreed to transfer the exploration permit to the Tengrela North JV Co. Until the transfer of the exploration occurs, GOCl has agreed to hold that exploration permit on trust and not to exercise any rights it has as registered holder of the exploration permit without the consent of Aspire.

AMCl has the option to acquire a further share in Tengrela North JV Co pursuant to the agreement on the occurrence of the following events:

- (a) should there be a change of control of GOCl, AMCl may acquire all of the shares in Tengrela North JV Co held by GOCl at fair market value;
- (b) if AMCl spends US\$1.5million within 3 years of the grant of the Exploration Permit, AMCl has the option to acquire 29% of the shares in Tengrela North JV Co owned by GOCl; and
- (c) if AMCl spends US\$1million within 6 years of the grant of the Exploration Permit, AMCl has the option to acquire a further 10% of the shares in Tengrela North JV Co owned by GOCl.

The parties agree to allocate 10% of the share capital of Tengrela North JV Co to the Cote d'Ivoire state for nil consideration upon receiving grant of an Exploitation Permit for the area.

### *Tengrela South (C13) Permit*

On 6 and 11 January 2010, GOCl and AMCl entered into an agreement setting out the terms for the establishment of a partnership between the parties for the exploration, exploitation and development of the Tengrela South (C13) gold project through the formation of a joint venture company (**Tengrela South JV Co**). At the establishment of the partnership it was agreed GOCl would hold 49% of the shares in Tengrela South JV Co and AMCl would hold 51% of the shares in Tengrela South JV Co.

GOCl currently holds a reconnaissance authorisation licence which it agreed to hold on trust for the parties, and not to exercise any rights it has as registered holder of the reconnaissance authorisation licence without the consent of Aspire. GOCl has applied for an exploration permit for the area, and when granted it is agreed to transfer the exploration permit to the Tengrela South JV Co. Until the transfer of the exploration occurs GOCl has agreed to hold that exploration permit on trust and not to exercise any rights it has as registered holder of the exploration permit without the consent of Aspire.

AMCl has the option to acquire a further share in Tengrela South JV Co pursuant to the agreement on the occurrence of the following events:

- (a) should there be a change of control of GOCl, AMCl may acquire all of the shares in Tengrela South JV Co held by GOCl at fair market value;
- (b) if AMCl spends US\$1.5million within 3 years of the grant of the Exploration Permit, AMCl has the option to acquire 29% of the shares in Tengrela South JV Co owned by GOCl; and
- (c) if AMCl spends US\$1million within 6 years of the grant of the Exploration Permit, AMCl has the option to acquire a further 10% of the shares in Tengrela South JV Co owned by GOCl.

The parties agree to allocate 10% of the share capital of Tengrela South JV Co to the Cote d'Ivoire state for nil consideration upon receiving grant of an Exploitation Permit for the area.

### ***Korhogo Project***

#### *Korhogo (C23) Permit*

On 6 and 11 January 2010, GOCl and AMCl entered into an agreement setting out the terms for the establishment of a partnership between the parties for the exploration, exploitation and development of the Korhogo (C23) gold project through the formation of a joint venture company (**Korhogo JV Co**). At the establishment of the partnership it was agreed GOCl would hold 49% of the shares in Korhogo JV Co and AMCl would hold 51% of the shares in Korhogo JV Co.

GOCl currently holds a reconnaissance authorisation licence which it agreed to hold on trust for the parties, and not to exercise any rights it has as registered holder of the reconnaissance authorisation licence without the consent of Aspire. GOCl has applied for an exploration permit (Permit de Research) for the area, and when granted it is agreed to transfer the exploration permit to the Korhogo JV Co. Until the transfer of the exploration occurs GOCl has agreed to hold that exploration permit on trust and not to exercise any rights it has as registered holder of the exploration permit without the consent of Aspire.

AMCI has the option to acquire a further share in Korhogo JV Co pursuant to the agreement on the occurrence of the following events:

- (a) should there be a change of control of GOCI, AMCI may acquire all of the shares in Korhogo JV Co held by GOCI at fair market value;
- (b) if AMCI spends US\$1.5million within 3 years of the grant of the Exploration Permit, AMCI has the option to acquire 29% of the shares in Korhogo JV Co owned by GOCI; and
- (c) if AMCI spends US\$1million within 6 years of the grant of the Exploration Permit, AMCI has the option to acquire a further 10% of the shares in Korhogo JV Co owned by GOCI

The parties agree to allocate 10% of the share capital of Korhogo JV Co to the Cote d'Ivoire state for nil consideration upon receiving grant of an Exploitation Permit for the area.

### 3.13 Estimated Exploration Budget

The Company has prepared alternative budgets, to account for the fact that the Aspire Project permits have not yet been granted. For this reason, set out below is a budget assuming grant of a tenement over the lead Seguela project, together with work that will be undertaken on the other projects, including the Rebecca project (refer to Budget 1), plus a budget solely for the Rebecca Project, assuming that the other tenements are not granted in respect of the Aspire Projects (refer to Budget 2). The tables below (including the table in Section 3.14) are a statement of current intentions of the Board as of the date of this Notice. 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.

#### BUDGET 1 – ASPIRE PROJECT AND REBECCA PROJECT

Year 2012	Seguela	Vavoua	Korhogo	Tengrela	Rebecca E28/1610
<b>Project Administration</b>	\$37,000	\$18,000	\$18,000	\$18,000	\$20,000
<b>Geological Activities</b>	\$34,000	\$7,000	\$44,000	\$15,000	\$29,000
<b>Geophysical Activities</b>	\$10,000	\$5,000	\$5,000	\$8,000	\$2,000
<b>Geochemical Activities</b>	\$67,000	\$10,000	\$44,000	\$11,000	\$0
<b>Drilling</b>	\$180,000	\$0	\$0	\$0	\$39,000
<b>Assay</b>	\$65,000	\$5,000	\$22,000	\$7,000	\$6,000
<b>Field Costs &amp; capital Expenditure</b>	\$49,000	\$27,000	\$26,000	\$26,000	\$36,000
<b>Total for Year 2012</b>	<b>\$442,000</b>	<b>\$72,000</b>	<b>\$159,000</b>	<b>\$85,000</b>	<b>\$132,000</b>

Year 2013	Seguela	Vavoua	Korhogo	Tengrela	Rebecca E28/1610
Project Administration	\$37,000	\$18,000	\$18,000	\$18,000	\$20,000
Geological Activities	\$11,000	\$17,000	\$15,000	\$44,000	\$29,000
Geophysical Activities	\$15,000	\$5,000	\$5,000	\$5,000	\$2,000
Geochemical Activities	\$22,000	\$18,000	\$21,000	\$30,000	\$0
Drilling	\$180,000	\$0	\$0	\$0	\$92,000
Assay	\$21,000	\$16,000	\$7,000	\$20,000	\$13,000
Field Costs & capital Expenditure	\$16,000	\$10,000	\$10,000	\$11,000	\$12,000
<b>Total Year 2013</b>	<b>\$302,000</b>	<b>\$84,000</b>	<b>\$76,000</b>	<b>\$128,000</b>	<b>\$168,000</b>
<b>Combined Total</b>	<b>\$744,000</b>	<b>\$156,000</b>	<b>\$235,000</b>	<b>\$213,000</b>	<b>\$300,000</b>
<b>COMBINED TOTAL</b>	<b>\$1,648,000</b>				

#### BUDGET 2 – REBECCA PROJECT ONLY

Year 2012 Rebecca Project	Proposed Expenditure	Year 2013 Rebecca Project	Proposed Expenditure
Project administration	\$34,000	Project administration	\$34,000
Geological activities	\$141,000	Geological activities	\$141,000
Geophysical activities	\$30,000	Geophysical activities	\$30,000
Geochemical activities	\$0	Geochemical activities	\$0
Drilling	\$305,000	Drilling	\$712,000
Assay	\$38,000	Assay	\$88,000
Field costs & capital expenditure	\$85,000	Field costs & capital expenditure	\$28,000
<b>Total Year 2012</b>	<b>\$633,000</b>	<b>Total Year 2013</b>	<b>\$1,033,000</b>
		<b>COMBINED TOTAL</b>	<b>\$1,666,000</b>

### 3.14 Use of Funds

The intended use of funds for the period of 2 years, assuming the raising of \$2,000,000 under the Offer, completion of the acquisition of Aspire, the expenditure of funds under Budget 1 in Section 3.13 and existing cash reserves of approximately \$1,130,000 is as follows:

<b>Item of Expenditure</b>	<b>Amount (\$)</b>
Costs of the Issue	255,000
Exploration – Year 1 – refer section 3.13 – Budget 1	890,000
Exploration – Year 2 – refer section 3.13 – Budget 1	758,000
General and Administration Expenses – Year 1	606,000
General and Administration Expenses – Year 2	583,000
Working capital – Year 1 and 2	38,000
<b>TOTAL</b>	<b>3,130,000</b>

The intended use of funds for the period of 2 years, assuming the raising of \$2,000,000 under the Offer, completion of the acquisition of Aspire not occurring, the expenditure of funds under Budget 2 in Section 3.14 and existing cash reserves of approximately \$1,130,000 is as follows:

<b>Item of Expenditure</b>	<b>Amount (\$)</b>
Costs of the Issue	255,000
Exploration – Year 1 – refer section 3.13 – Budget 2	633,000
Exploration – Year 2 – refer section 3.13 – Budget 2	1,033,000
General and Administration Expenses – Year 1	606,000
General and Administration Expenses – Year 2	583,000
Working capital – Year 1 and 2	20,000
<b>TOTAL</b>	<b>3,130,000</b>

In the event oversubscriptions are accepted, the additional funds raised will be applied to working capital, but the expenses of the offer will increase by 6% of the excess raised due to commissions payable to brokers.

### **3.15 Change to Board of Directors**

The Board of Directors currently comprises:

- (a) Mr Roger Steinepreis;
- (b) Mr Nick Castleden; and
- (c) Mr George Ventouras.

Mr Nick Castleden has agreed to take on an executive role in the Company post-completion of the Aspire Agreement.

Subject to approval at the General Meeting, Stephen West and Robert Gherghetta will be appointed to the Board of Apollo as non-executive Directors. Mr Ventouras will remain a member of the Board in the short term to rationalise and wind down the existing Ellipse business.

Details of Mr West and Mr Gherghetta are outlined below:

***Stephen West, Non-executive Director***

Mr Stephen West holds a Bachelor of Business in Accounting and Business Law from Curtin University in Perth, Western Australia and is a member of the Institute of Chartered Accountants in Australia.

Stephen has over 17 years financial and corporate experience gained in public practice, investment banking and the oil and gas industry. During his career Stephen has held management and executive positions with Horwath Chartered Accountants Australia, Price Waterhouse Coopers Australia, Barclays Capital London and Regal Petroleum PLC.

Stephen is also a co-founder and current Managing Director of Zeta Petroleum Plc, a London-based oil and gas exploration and production company.

Mr West will be entitled to 1,507,657 Shares (including his existing Shares), 2,227,985 Deferred Consideration Shares and 2,227,985 Performance Shares on completion although the final number of shares may be subject to a minor adjustment at completion of the Transaction depending on the conversion of loan funds. Mr West will also be granted 1,500,000 Related Party Options.

***Robert Gherghetta, Non-executive Director***

Mr Robert Gherghetta holds a Bachelor of Commerce in Accounting and Finance from the University of Western Australia and is a member of the Institute of Chartered Accountants in Australia and the Financial Services Institute of Australia. He has also completed the Corporate Finance Programme at the London Business School.

Robert was co-founder of Valiant Petroleum PLC, a London-based oil and gas exploration and production company that successfully listed on the Alternative Investment Market (AIM) in 2008 with a market capitalisation of £200m.

Robert has over 15 years financial and corporate experience gained in public practice and investment banking including Horwath Chartered Accounts Australia, Credit Suisse First Boston London and Royal Bank of Scotland London. During his time at the Royal Bank of Scotland PLC, Robert was involved in project finance origination and financial modelling within the power and natural resources sector.

Mr Gherghetta will be entitled to 1,979,059 Shares (including his existing Shares), 2,269,987 Deferred Consideration Shares and 2,269,987 Performance Shares on completion, although the final number of shares may be subject to a minor adjustment at completion of the Transaction depending on the conversion of loan funds. Mr Gherghetta will also be granted 1,500,000 Related Party Options.

Details of the existing Directors are as follows:

***Mr Roger Steinepreis  
Chairman***

Roger Steinepreis graduated from the University of Western Australia where he completed his law degree. He was admitted as a barrister and solicitor of the Supreme Court of Western Australia in 1987 and has been practising as a lawyer for in excess of 24 years.

He is the legal adviser to a number of public companies on a wide range of corporate related matters. His areas of practice focus on company restructures, initial public offerings and takeovers. Mr Steinepreis is a non-executive director of Imugene Limited, Adavale Resources Limited and Avonlea Minerals Limited and the Chairman of Firestrike Resources Limited.

***Mr Nick Castleden***  
***Executive Director***

Nick Castleden is a geological consultant with 19 years' experience in the Australian and overseas mineral exploration and development industry. He has worked with active Australian mining companies including Mt Isa Mines, Perilya Mines, MPI Mines, LionOre and Breakaway Resources in various exploration, geological and management capacities.

Mr Castleden has worked on projects in Australia and North and South America, and in project generative and acquisition roles. He has particular experience in the gold and nickel and base metal exploration business and has participated in the discovery and delineation of new nickel-sulphide and gold systems that have progressed through feasibility studies to mining.

***Mr George Ventouras***  
***Non-Executive Director***

George Ventouras is a marketing consultant with over 20 years' experience in marketing, business development and general management roles.

He has consulted with companies both nationally and internationally, in relation to the development and capitalisation of projects, the supply of infrastructure and equipment and provision of administrative and logistical support. Mr Ventouras has experience in various market categories including industrial (particularly aquaculture), consumer and luxury goods.

### **3.16 Risks**

The following matters set out below are some key risks associated with the Company's projects and therefore the approval of the re-compliance.

The list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. These factors, and others not specifically referred to, may in the future materially affect the financial performance of the Company and the value of the Company's Shares. Therefore, the Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

#### **Risks Associated with operating in West Africa**

Aspire's Seguela, Tengrela West and Korhogo projects are located in Cote d'Ivoire, West Africa. As a result of completing the Aspire transaction, the Company will be 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 the mining projects are now operational, however we cannot guarantee that such circumstances will not arise in the future.

Importantly, Aspire's tenements are not yet granted, and there can be no certainty that these tenements will be granted as the permits currently held do not confer a right to have more superior mining tenements granted.

The project permits are at various stages of the application process, the most advanced being Seguela which has passed COMINE and is pending Presidential orders, however the timeline to grant this tenement is not prescribed and further delay would adversely affect the Company's exploration plans.

It is understood that the Ministry of Mines and Energy is planning an audit of all tenements under application in the country.

While Aspire's expenditure and exploration activities should ensure 'good standing' the parameters of the audit are not known and the outcomes of the audit may also adversely affect the Company's operations. Accordingly, the Company cannot guarantee that the outcome of an audit of the tenements comprising the Aspire Projects will produce a favourable outcome.

The Company has sought to minimise this risk by granting Deferred Consideration Shares on the terms set out in this Notice, with the milestone for the issue of these Shares being the grant of one tenement in respect of the Aspire Project areas.

### **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**

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.

## **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. In particular, the Tenements held by the Company provide only surface rights to search for minerals and the exploration licences applied for will provide the opportunity to undertake more intrusive exploration. 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.

### 3.17 Timeline

As a result of the Consolidation and the change of nature and scale of activities, the securities of the Company were placed into voluntary suspension on the day of the General Meeting, and trading will be re-instated following the Company re-complying with Chapters 1 and 2. An indicative timetable of events relating to the transaction is outlined below. The timetable is indicative only and is subject to change.

<b>Completed Actions</b>	<b>Date</b>
Suspension of Apollo's securities from trading on ASX at the opening of trading	*23 December 2011
General Meeting of Shareholders – approval for all resolutions received	
Last day for pre-Consolidation trading	28 December 2011
Post-Consolidation trading starts on a deferred settlement basis	29 December 2011
Last day for Company to register transfers on a pre-Consolidation basis	5 January 2012
First day for Company to send notice to each holder of the change in their details of holdings	6 January 2012
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements	
Dispatch date. Deferred settlement market ends.	12 January 2012
Last day for Securities to be entered into holders Security holdings	
Last day for the Company to send notice to each holder of the change in their details of holdings	
<b>Actions</b>	<b>Date</b>
Lodgement of Prospectus with the ASIC	23 January 2012
Anticipated closing date under Prospectus	14 February 2012
Anticipated date the suspension of trading is lifted and Apollo's securities commence trading again on ASX	28 February 2012

Notes:

\* The Company's securities will continue to remain suspended from Official Quotation until such time as the transaction the subject of this Notice of Meeting has been completed and the Company has complied with all pre-quotation requirements of ASX. Accordingly, there will be no trading in the Company's Securities until the Company has been reinstated to Official Quotation.

### 3.18 Disclosure of Interests

Directors are not required under the Company's Constitution to hold any Shares. After completion of the Transaction, the Directors will have relevant interests in Securities (on a post-consolidation basis) as set out in the table below:

Directors	Shares
Roger Steinepreis	1,333,333*
Nick Castleden	666,666**
George Ventouras	500,000***
Stephen West (proposed)	See Section 3.15
Robert Gherghetta (proposed)	See Section 3.15

\*These shares are held by related parties to Mr Steinepreis, and it is assumed the holder will also exercise 5m pre-consolidation options owned prior to completion. Mr Steinepreis or his nominee has also been granted 6,000,000 Related Party Options, which on exercise convert into a further 6,000,000 options with an exercise price of 40 cents each on or before 31 January 2017. Mr Steinepreis or his nominee, has the right to subscribe for up to 1,250,000 Shares under this Offer.

\*\* These shares are held by related parties to Mr Castleden, and it is assumed the holder will also exercise 5m pre-consolidation options owned prior to completion. Mr Castleden or his nominee has also been granted 6,000,000 Related Party Options which on exercise convert into a further 6,000,000 options with an exercise price of 40 cents each on or before 31 January 2017.

\*\*\* These shares are held by related parties to Mr Ventouras, and it is assumed the holder will also exercise 5m pre-consolidation options owned prior to completion.

### 3.19 Remuneration

The Company's Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors has been set at an amount not to exceed \$250,000 per annum.

The remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee.

Mr Castleden will be appointed under a consultancy agreement for a term of 2 years on completion at an annual amount of \$140,000. The terms of that agreement have not been settled however it will be structured on normal commercial terms.

The annual remuneration (inclusive of superannuation) payable to each of the Directors was as follows:

Directors	Remuneration 2011	Remuneration 2010
Roger Steinepreis	\$24,000	\$18,000
Nick Castleden	\$87,389	\$53,840
George Ventouras	\$60,000	\$58,000
Stephen West (proposed)	Nil	Nil
Robert Gherghetta (proposed)	Nil	Nil

### 3.20 Related Party Arrangements

#### *General*

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

#### *Deeds of indemnity, insurance and access*

Our Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, our Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. Our Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

#### *Aspire Agreement*

The proposed directors, Stephen West and Robert Gherghetta are parties to the Aspire Agreement and will receive consideration under that agreement as set out in section 3.15. They will each be granted 1,500,000 Related Party Options, subject to shareholder approval as set out below.

### 3.21 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

#### *As at the date of the Prospectus:*

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Roger Steinepreis <sup>1</sup>	1,166,666	166,666	5%	5.48%

<sup>1</sup> The Shares and Options are controlled by entities associated with Roger Steinepreis, a Director.

***On completion of the Offer (assuming a \$2m capital raising, exercise of existing options, on a fully diluted basis – exercise of all options, no take up of the Offer by the relevant party, no issue of the Deferred Consideration Shares and no conversion of the Performance Shares):***

Shareholder (controller)*	Shares	Related Party Options	Piggyback Related Party Options	% (undiluted)	% (fully diluted)
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Roger Steinepreis	1,333,333	6,000,000	6,000,000	3.4%	19.23%
Nick Castleden	666,666	6,000,000	6,000,000	1.7%	18.27%
Stephen West	1,482,753	1,500,000	1,500,000	3.7%	6.46%
Robert Gherghetta	1,975,157	1,500,000	1,500,000	5.0%	7.18%

\*The securities are or will be held by entities which are related parties of the person set out. Note that the percentage interest held by Mr West and Mr Gherghetta would increase if the Deferred Consideration Shares were issued and the Performance Shares were converted.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares re-commencing trading on ASX.

### **3.22 Restricted Securities**

Subject to the Company being re-instated to admission to the Official List, certain Shares and Options will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

Our Company will announce to the ASX full details (quantity and duration) of the Shares and Options required to be held in escrow prior to the Shares commencing trading on ASX.

### **3.23 Financial Information**

Following the change in the nature of its activities, the Company will be focused on exploring the Rebecca Project and Aspire Projects. Therefore, the Company's past operational and financial historical performance will not be of significant relevance to the go forward activities.

As a result, the Company is not in a position to disclose any key financial ratios other than its balance sheet which is set out in the Investigating Accountant's Report. Investors should read the Investigating Accountant's Report in full.

The initial funding for the Company's future activities will be generated from the offer of Shares pursuant to this Prospectus. The Company expects to raise further funding from the issue of securities in the future. If the Company's proposed exploration is successful and the Company chooses to develop its projects then the Company may also consider debt funding.

### **3.24 Dividend Policy**

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company. At the date of issue of this Prospectus, the Company does not intend to declare or pay any dividends in the immediately foreseeable future.

We anticipate that significant expenditure will be incurred in the evaluation and development of our Company's projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

### 3.25 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

### 3.26 Corporate Governance

To the extent applicable, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (2nd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 5 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 5 of this Prospectus.

In addition, the Company's full Corporate Governance Plan is available from the Company's website ([www.apolloconsolidated.com.au](http://www.apolloconsolidated.com.au)).

### 3.27 Expenses of the Offer

The total expenses of the Offer are estimated to be \$255,000 and are expected to be applied towards the items set out below:

Item of Expenditure	Amount (\$)
ASIC fees	2,137
ASX fees	25,000
Australian Legal Fees	35,000
Ivorian Legal Fees – Title Report	8,500
Capital Raising Commissions and Sponsoring Broker Fee	140,000
Investigating Accountant Report	10,000

Independent Geologists Reports	32,000
Printing and other Expenses	2,363
<b>TOTAL</b>	<b>255,000</b>

Notes:

This table is based on the Company raising \$2 million pursuant to the Offer. If \$2.5 million is raised under the Offer, any broker commission will increase by 6% of the amount raised in excess of \$2 million.

### **3.28 Not underwritten – Sponsoring Broker**

The Offer is not underwritten however an agreement has been signed with BBY Limited (**BBY**) appointing BBY as Sponsoring Broker. The terms of this agreement are set out in Section 9.6.

### **3.29 Share Register and Enquiries**

If you have any questions regarding this Share Offer, please contact the Company's Share Registry as follows:

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)

Otherwise, investors should contact their stockbroker or professional adviser.  
Copies of the Prospectus are available at [www.apolloconsolidated.com.au](http://www.apolloconsolidated.com.au).

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## **4. DETAILS OF THE OFFER**

### **4.1 The Offer**

#### **4.1.1 General Offer**

Pursuant to this Prospectus, the Company invites applications for 10,000,000 Shares at an issue price of \$0.20 per Share to raise \$2,000,000.

The Company may accept oversubscriptions of up to a further \$500,000 through the issue of up to a further 2,500,000 Shares at an issue price of \$0.20 each under the Offer. The maximum amount which may be raised under this Prospectus is therefore \$2,500,000.

#### **4.1.2 Aspire Offer**

The Company is making an offer to the Aspire Shareholders to acquire all of their shares in Aspire on the terms set out in the Aspire Agreement. The terms of the Aspire Offer are set out in Appendix 1.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

### **4.2 Minimum subscription**

The minimum subscription for the Offer is \$2,000,000. If the minimum subscription has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

### **4.3 CHESS**

The Company participates in the Clearing House Electronic Subregister System (**CHESS**).

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares allotted 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 CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. 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.

### **4.4 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules**

The Company's shares were suspended from quotation on the ASX on 23 December 2011, the date of its general meeting which approved the transaction associated with a change to the nature and scale of the Company's activities. The Company's shares will not be reinstated to Official Quotation until ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

In the event that the Company does not receive conditional approval for re-quotations on ASX, it will not proceed with the Offer and will repay all application monies received. Should this occur, then the change to the nature and scale of the Company's activities will not eventuate and the Company's securities may remain suspended from quotation on ASX.

#### **4.5 Applications**

Applications for Shares under the Offer must be made using the Application Form.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to "**Apollo Consolidated Limited**" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

#### **4.6 ASX listing**

The Company will apply to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares offered under this Prospectus. If the Shares are not admitted to quotation on ASX within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In that circumstance, all applications will be dealt with in accordance with the Corporations Act.

The fact that ASX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

#### **4.7 Restricted Securities**

The ASX may determine that some or all of the securities offered to the Aspire Shareholders, related parties and promoters should be treated as restricted securities under the Listing Rules. If so, those Shareholders whose securities are to be treated as restricted securities will be required to enter into restriction agreements with the Company under which those Shareholders (and each of their controllers) undertake not to dispose of such of their Shares for that period as may be determined by the ASX.

#### **4.8 Risk Factors**

You should read this entire Prospectus, including the risk factors before making any decision to invest. Investment in the Shares should be considered speculative, and may not be suitable as an investment for investors who require security of capital or income.

#### **4.9 Allotment**

Subject to the minimum subscription to the Offer being reached and ASX granting conditional approval for the Company to be admitted to the Official

List, allotment of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares 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.

The Directors will determine the allottees of all the Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

#### **4.10 Applicants outside Australia**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

#### **4.11 Not underwritten – Sponsoring Broker**

The Offer is not underwritten however an agreement has been signed with BBY Limited (**BBY**) appointing BBY as Sponsoring Broker. The terms of this agreement are set out in Section 9.6.

#### **4.12 Enquiries**

Enquiries relating to this Prospectus or requests for additional copies of this Prospectus should be directed to the Company Secretary of the Company by telephoning (08) 9321 0771.

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## 5. DIRECTORS AND CORPORATE GOVERNANCE

### 5.1 Directors

Disclosure of the Directors and their background is contained at the beginning of this Prospectus in the Key Information section.

### 5.2 Corporate Governance

The Directors monitor the business affairs of the Company on behalf of Shareholders and have formally adopted a corporate governance policy which is designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct.

To the extent applicable, our Company has adopted *The Corporate Governance Principles and Recommendations (2nd Edition)* as published by ASX Corporate Governance Council (**Recommendations**) and any departures from those principles are set out below.

In addition, the Company's full Corporate Governance Plan is available from the Company's website ([www.apolloconsolidated.com.au](http://www.apolloconsolidated.com.au)).

### 5.3 The Board of Directors

The Company's Board of Directors are responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

#### **5.4 Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisors, has been committed to by the Board.

#### **5.5 Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

#### **5.6 Remuneration arrangements**

The remuneration of an Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

The total maximum remuneration of Non-executive Directors is the subject of a Shareholder resolution in accordance with the Company's 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 limit, which may only be varied by Shareholders in general meeting, is an aggregate amount of \$250,000 per annum.

The Board may award additional remuneration to Non-executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

#### **5.7 External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

#### **5.8 Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

## 5.9 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

## 5.10 Departures from Recommendations

Following re-instatement to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out on the following pages.

	PRINCIPLES AND RECOMMENDATIONS	COMMENT
1.	<b><i>Lay solid foundations for management and oversight</i></b>	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Company's Corporate Governance Plan includes a section on performance evaluation practices adopted by the Company.  The chair will monitor the Board and the Board will monitor the performance of any senior executives who are not Directors, including measuring actual performance against planned performance.
1.3	Companies should provide the information indicated in the <i>Guide to reporting on Principle 1</i> .	Explanation of departures from Principles and Recommendations 1.1 and 1.2 (if any) are set out above. The Company has also explained any departures from Principles and Recommendations 1.1 and 1.2 (if any) in its annual reports.  No performance evaluation of senior executives has taken place to date. Future annual reports will disclose whether such a performance evaluation has taken place in the relevant reporting period and whether it was in accordance with the process disclosed.  The Corporate Governance Plan, which includes the Board Charter, is posted on the Company's website.
2.	<b><i>Structure the board to add value</i></b>	
2.1	A majority of the Board should be independent directors.	A majority of the Board are not independent directors.
2.2	The Chair should be an independent director.	The Company is currently not in compliance with this recommendation as Roger Steinepreis is a substantial holder via a

		controlled entity.
2.3	The roles of Chair and chief executive officer should not be exercised by the same individual.	The Company has not appointed a chief executive officer. Nick Castleden is the sole executive director of the Company. The Chairman is Roger Steinepreis.
2.4	The Board should establish a nomination committee.	No formal nomination committee has been established by the Company as yet. The Board, as a whole, currently serves as the nomination committee. The Company's Corporate Governance Plan includes a Nomination Committee Charter, which discloses the specific responsibilities of the committee. Where necessary, the Board will seek advice of external advisers in connection with the suitability of applicants for Board membership.
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	The Company's Corporate Governance Plan includes a section on performance evaluation practices adopted by the Company. The Chair will review the performance of the Board, its committees (if any) and individual directors to ensure that the Company continues to have a mix of skills and experience necessary for the conduct of its activities.
2.6	Companies should provide the information indicated in the <i>Guide to reporting on Principle 2</i> .	The Company has provided details of each director, such as their skills, experience and expertise relevant to their position in this Prospectus and in its annual reports. Explanation of departures from Principles and Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 (if any) are set out above. The Company will also explain any departures from Principles and Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 (if any) in its future annual reports. No performance evaluation of the Board, its committees and individual directors has taken place to date. Future annual reports will disclose whether such a performance evaluation has taken place in the relevant reporting period and whether it was in accordance with the process disclosed. The Corporate Governance Plan, which includes the Nomination Committee Charter, is posted on the Company's website.
<b>3.</b>	<b><i>Promote ethical and responsible decision-making</i></b>	
3.1	Companies should establish a code of conduct and disclose the	The Company's Corporate Governance Plan includes a <i>Corporate Code of</i>

	<p>code or a summary of the code as to:</p> <ul style="list-style-type: none"> <li>• the practices necessary to maintain confidence in the company's integrity</li> <li>• the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders</li> <li>• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</li> </ul>	<p><i>Conduct</i>, which provides a framework for decisions and actions in relation to ethical conduct in employment.</p>
3.2	<p>Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.</p>	<p>The Company's Corporate Governance Plan includes a '<i>Diversity Policy</i>', which provides a framework for establishing measureable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.</p>
3.3	<p>Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.</p>	<p>This disclosure has not yet been made. Future annual reports will disclose the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.</p>
3.4	<p>Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.</p>	<p>This disclosure has not yet been made. Future annual reports will disclose the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.</p>
3.5	<p>Companies should provide the information indicated in the <i>Guide to reporting on Principle 3</i>.</p>	<p>Explanation of departures from Principles and Recommendations 3.1, 3.2, 3.3 and 3.4 (if any) are set out above. The Company will also explain any departures from Principles and Recommendations 3.1, 3.2, 3.3 and 3.4 (if any) in its future annual reports.</p> <p>The Corporate Governance Plan, which includes the Corporate Code of Conduct and Diversity Policy, is posted on the Company's website.</p>
<b>4.</b>	<p><b><i>Safeguard integrity in financial reporting</i></b></p>	
4.1	<p>The Board should establish an audit committee.</p>	<p>The Board, as a whole, currently serves as the audit committee.</p>
4.2	<p>The Audit Committee should be structured so that it:</p>	<p>Whilst the Audit Committee is not structured in the manner set out in the Principles and</p>

	<ul style="list-style-type: none"> <li>• consists only of non-executive directors</li> <li>• consists of a majority of independent directors</li> <li>• is chaired by an independent Chair, who is not chair of the Board</li> <li>• has at least three members.</li> </ul>	<p>Recommendations, the Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive.</p> <p>As the operations of the Company develop the Board will reassess the formation of the audit committee.</p>
4.3	The Audit Committee should have a formal charter.	The Company's Corporate Governance Plan includes an Audit and Risk Committee Charter, which discloses its specific responsibilities.
4.4	Companies should provide the information indicated in the <i>Guide to reporting on Principle 4</i> .	<p>Explanation of departures from Principles and Recommendations 4.1, 4.2 and 4.3 (if any) are set out above. The Company will also explain any departures from Principles and Recommendations 4.1, 4.2 and 4.3 (if any) in its future annual reports.</p> <p>The Corporate Governance Plan, which includes the Audit &amp; Risk Committee Charter, is posted on the Company's website.</p>
<b>5.</b>	<b><i>Make timely and balanced disclosure</i></b>	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has a continuous disclosure program in place designed to ensure the compliance with ASX Listing Rule disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.
5.2	Companies should provide the information indicated in <i>Guide to Reporting on Principle 5</i> .	<p>The Company has not currently departed from Principle and Recommendation 5.1. The Company will provide an explanation of any departures from Principle and Recommendation 5.1 (if any) in its future annual reports.</p> <p>The Corporate Governance Plan, which includes a continuous disclosure program, is posted on the Company's website.</p>
<b>6.</b>	<b><i>Respect the rights of shareholders</i></b>	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their	The Company's Corporate Governance Plan includes a shareholders communication strategy, which aims to ensure that the shareholders are informed of all major developments affecting the Company's

	participation at general meetings and disclose their policy or a summary of that policy.	state of affairs.
6.2	Companies should provide the information indicated in the <i>Guide to reporting on Principle 6</i> .	The Company has not currently departed from Principle and Recommendation 6.1. The Company will provide an explanation of any departures from Principle and Recommendation 6.1 (if any) in its future annual reports.  The Corporate Governance Plan, which includes a shareholders communication strategy, will be posted on the Company's website.
<b>7.</b>	<b><i>Recognise and manage risk</i></b>	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Company's Corporate Governance Plan includes a risk management policy.  The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The Company's Corporate Governance Plan includes a risk management policy.  The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board Meetings.
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Reports on risk management are to be provided to the Board by management or the executive director(s) responsible for the management of the individual risk.  The Board will seek the relevant assurance from the management and the executive directors (or their equivalents) at the relevant time.
7.4	Companies should provide the information indicated in <i>Guide to Reporting on Principle 7</i> .	The Company has not currently departed from Principles and Recommendations 7.1, 7.2 and 7.3. The Company will provide an explanation of any departures from Principles and Recommendations 7.1, 7.2 and 7.3 (if any) in its future annual reports.  The Corporate Governance Plan, which

		includes a risk management policy, is posted on the Company's website.
<b>8.</b>	<b><i>Remunerate fairly and responsibly</i></b>	
8.1	The Board should establish a Remuneration Committee.	<p>The Board has not established a formal Remuneration Committee at this point in the Company's development. It is considered that the size of the Board along with the level of activity of the Company renders this impractical and the Board, acting without the affected director participating in the decision making process, currently serves as a remuneration committee.</p> <p>The Company's Corporate Governance Plan includes a Remuneration Committee Charter, which discloses its specific responsibilities.</p> <p>Remuneration to the directors is set by the Board to an amount it considers to be commensurate for a company of its size and level of activity.</p> <p>There is currently no link between performance and remuneration, however, it is the intention of the Board to re-assess this once the Company commences its new operations. Further there are no schemes for retirement benefits in existence.</p>
8.2	<p>The Remuneration Committee should be structured so that it:</p> <ul style="list-style-type: none"> <li>• consists of a majority of independent directors</li> <li>• is chaired by an Independent Director</li> <li>• has at least three members</li> </ul>	<p>Although no formal remuneration committee has been established, the Board currently serves as the remuneration committee.</p> <p>The Board is not comprised of a majority of independent directors.</p>
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	<p>The Board has distinguished the structure of non executive director's remuneration from that of executive directors and senior executives.</p> <p>The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum set by the constitution and subsequently varied by resolution at a general meeting of shareholders.</p> <p>The Board is responsible for determining the remuneration of executive directors and senior executives (without the participation of the affected director). It is the Board's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating executive directors and senior executives fairly and appropriately with reference to relevant employment market conditions and by linking the nature and amount of executive directors' and senior executives</p>

		emoluments to the Company's financial and operational performance.
8.4	Companies should provide the information indicated in the <i>Guide to reporting on Principle 8</i> .	<p>Explanation of departures from Principles and Recommendations 8.1, 8.2 and 8.3 (if any) are set out above. The Company will also provide an explanation of any departures from Principles and Recommendations 8.1, 8.2 and 8.3 (if any) in its future annual reports.</p> <p>The Corporate Governance Plan, which includes the Remuneration Committee Charter, is posted on the Company's website.</p>

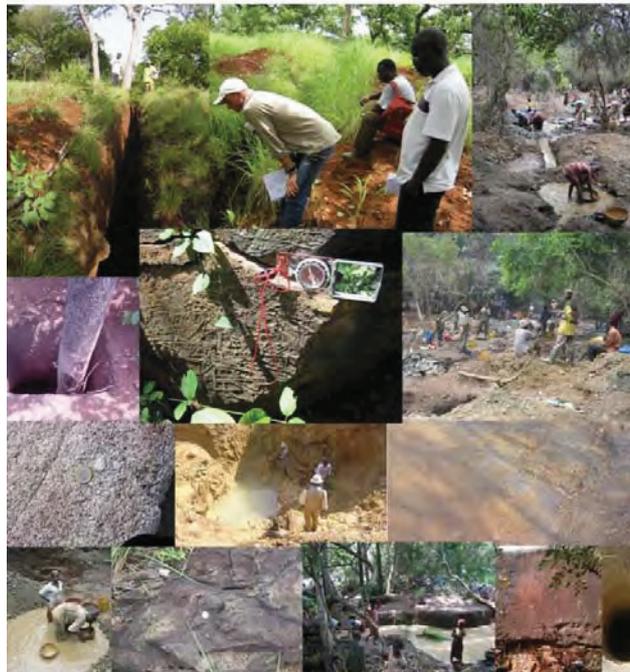
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**6. INDEPENDENT GEOLOGISTS REPORTS**



# ASPIRE MINERALS IVORY COAST PROPERTIES

*West Africa*



## INDEPENDENT GEOLOGICAL REPORT

PREPARED BY:



Imm. Danny Centre,  
Rue des Jardins, Deux Plateaux,  
Abidjan, Ivory Coast.

[www.sems-exploration.com](http://www.sems-exploration.com)

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## Independent Geological Report

### Aspire Minerals

# Ivory Coast Properties

## West Africa

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### **Apollo Consolidated Ltd**

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### **SEMS Exploration Services Ltd.**

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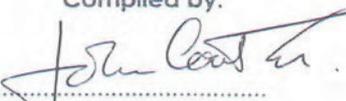
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Web Site: [www.sems-exploration.com](http://www.sems-exploration.com)

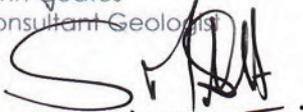
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**November 15, 2011**

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Compiled by:

  
.....  
John Coates  
Consultant Geologist

  
.....  
Simon Meadows Smith (IOM3)  
Managing Director

Contributions by: Stanislas de Stabenrath

## Summary

SEMS Pty Ltd (“SEMS”) has been commissioned by Apollo Consolidated Limited (“Apollo” or the “Company”) to provide an Independent Geologist’s Report on the mineral rights (“Projects” or the “Properties”) held by Aspire Minerals Pty Ltd (“Aspire”), located in Cote d Ivoire, West Africa and in which Apollo has agreed to acquire 100% of the issued shares. This report is to be included in a Prospectus to be lodged with the Australian Securities and Investments Commission (“ASIC”) on or about the 20th December 2011, offering for subscription 10,000,000 million Ordinary Shares at an issue price of 20c cents per Ordinary Share through a Prospectus, to raise a total of \$2,000,000 (before costs associated with the issue). The Company may also accept oversubscriptions for up to a further 2,500,000 shares at an issue price of 20 cents per Ordinary Share to raise up to an additional \$500,000. The funds raised will be used for the purpose of exploration and evaluation of the Cote d Ivoire mineral assets and its projects in Australia.

SEMS is the leading full-service, mineral exploration and mining consultancy company in West Africa. With offices in Cote d’Ivoire, Burkina Faso and Ghana, and a workforce of 80 employees, we offer a wide range of technical services including; geological consultancy, geospatial services (GIS and remote sensing), resource estimations, open pit and underground mine modelling, database management, surveying, software training, investment advice and project management.

SEMS has based its review of the Projects on information provided by the Company, along with technical reports prepared by Government agencies and previous tenements holders, and other relevant published and unpublished data. A listing of the principal sources of information is included in the Independent Geologist’s Report. A Site visit was undertaken to the Seguela Projects and the writer has had many years experience in the Birimian goldfields of West Africa, and Cote d Ivoire geology.

The Cote d Ivoire Projects are understood to consist of rights held by Aspire to earn-in to the Seguela, Tengrela, Korhogo and Vavoua projects, comprising five permits and/or permit applications covering an area of approximately 3000 square kilometres. Aspire has been providing funding and technical assistance to the companies that hold permit applications in order to progress exploration during the grant process. Assumptions have been made by SEMS that the Projects’ permits, permit applications and associated agreements are current, in good standing and the permits are lawfully accessible for exploration.

The **Seguela** property is located on the southern extent of the Syama-Sissingue volcanosedimentary belt which hosts a number of significant gold occurrences and a producing mine. Previous exploration was carried out by Randgold during the period 1996 to 1998. During this time, five gold prospects were identified through mapping and soil geochemistry. Subsequent trenching has defined two areas with potentially economic grade; the Magnetite Gabbro and Western Porphyry prospects. The former has a strike of 900 metres, open to the north and south, and demonstrates a validated maximum thickness of 16 metres grading 3.16g/t gold. The host is a sheared gabbro, with brittle fracturing, cut by felsic dykes. The latter prospect, extending 800 metres and open at both ends, contains 1.05g/t gold over 10 metres. Mineralisation occurs along the sheared margin of a porphyry intrusion.

The main mineralising structure within the Seguela property consists of a major shear, some two kilometres wide. This shear displays episodes of both dextral and sinistral movement. Soil sampling over this structure has proven the continuity of gold mineralisation for the full length of the property.

Approximately 25% of the property has been covered by known exploration activities since 1996 which has resulted in the definition of five gold prospects.

The two **Tengrela** permits have a combined area of 1000km<sup>2</sup>. The Tengrela project is located on the western margin of the Syama-Sissingue mineralised corridor hosting the Syama (5.8 million ounces) and Sissingue (1 million ounces) gold deposits.

Little is known of the permit geology due to ubiquitous laterite cover. However, polyphase granitoid intrusives are exposed including a granodiorite-diorite suite, which intrude a varied assemblage of metasediments. Although covered by laterite old artisanal workings in the centre and northern part of the permit testify to the presence of gold. Favourable environments for detailed assessment include the sheared margins of granitoids, seen as a possible genetic source of gold in addition to extensional openings along shears. First pass lag sampling surveys have been completed however results are yet to be validated by follow-up sampling.

The **Korhogo** permit has an area of 1,000km<sup>2</sup> and lies immediately east of the Syama -Sissingue volcano-sedimentary belt. The central and southern portion of the permit overlies the SSW continuation of the Nogbelle (Gryphon Minerals: 2.0Mozs) and Tongon (Randgold Resources: +4.3Mozs) gold deposits.

In similarity to the Tengrela permit, there is a pervasive laterite cover over most of the Korhogo permit. Mapping, supported by airborne geophysics and Landsat imagery has identified polyphase granitoid bodies such as syn-tectonic granodiorites and diorites as well as later stage monzonites and tonalitic lavas. The granitoids intruded volcanoclastic and terrigenous sediments associated with small belts of andesitic lavas.

Although artisanal workings are not documented, the presence of gold is reported on geological survey maps which appears to occur at the schist-argillite contact with a meta-granodiorite.

The **Vavoua** permit has an area of 423km<sup>2</sup> and lies immediately east of the Sassandra shear which separates the Archaean craton to the west from Proterozoic lithologies. Reconnaissance studies associated with a recently completed soil survey prove the presence of granodiorite and metavolcanic rocks on the property. During this survey, rock chip sampling reportedly returned a maximum value of 4.0g/t gold. Artisanal workings are noted in the extreme north-west of the permit, close to the Sassandra shear. Results from soil sampling indicate an anomalous north south trend in the south eastern portion of the property which may represent the southern extension of gold mineralisation identified at Seguela. A clustering of soil anomalies also occurs in the west-central portion of the permit.

The Projects, in which the Company has an interest, are considered to be "Exploration Projects" which is inherently more speculative in nature. SEMS considers that the Projects have been retained or acquired on the basis of sound technical merit, and are considered to be sufficiently prospective, subject to varying degrees of exploration risk to warrant further exploration and assessment of their economic potential, and are consistent with the Company's proposed program.

A final draft of the report was provided to the Company, along with a written request to identify any material errors or omissions prior to lodgement, prior to lodgement. Where appropriate, and in accordance with ASIC Regulatory Guide 55, consent has been obtained to quote data and opinions expressed in unpublished reports prepared by other professionals. The technical assessment of the Projects is initially based upon technical, tenement and cost information provided by the Company

and this information has been accepted by SEMS as being true and accurate and the Company has not retained any material information relevant to the reporting assessment of the Projects.

This report was prepared by Simon Meadows Smith (Geologist), John Coates (Geologist) and Stanislas de Stabenrath (Geologist) and was reviewed by Joe Amanor (Geologist) in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports (the VALMIN Code) which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM"), the Australian Institute of Geoscientists ("AIG"), and the rules and guidelines issued by such bodies as the ASIC and Australian Stock Exchange ("ASX"), which pertain to Independent Expert Reports.

All references to currency in this report, is in Australian Dollars (A\$), unless otherwise specified.

The Company intends to raise \$2,000,000, and at least half the liquid assets held, or funds proposed to be raised by the Company, are understood to be committed to acquisition, exploration, development and administration of Apollo's Australian and Cote d'Ivoire projects, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b).

Two-year exploration and evaluation programs summarised in the Report amount to a total expenditure of approximately \$1,350,000, of which the Company plans to spend approximately \$590,000 in the first year of assessment. SEMS is satisfied that if the minimum subscription is raised the Company will have sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

The Company has provided reasonably comprehensive work programs and budgets covering the initial two years of exploration. Where proposed exploration strategies have been stated, the proposed programs are considered to be broadly consistent with the potential of the Projects. The corresponding budgets are generally adequate to cover the anticipated costs of the programs. SEMS considers that sufficient exploration has been undertaken within the last 2 years and where this is not the case the relevant areas have sufficient technical merit, to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(a).

The Independent Geologist's Report has been prepared on information available up to and including 30<sup>th</sup> November 2010. SEMS has provided consent for the inclusion of the Independent Geologist's Report in the Company Prospectus, in the form and context in which the report and those statements appear, and has not withdrawn that consent before lodgement of the Prospectus with the ASIC.

Neither SEMS nor those involved in the preparation of this report have any material interest in the companies or mineral assets considered in this report. SEMS is remunerated for this report by way of a professional fee which is not determined by the outcome of this report.

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## 1.0 INTRODUCTION

Apollo Consolidated Ltd (Apollo) has requested that SEMS Exploration Service Ltd (SEMS) prepare an Independent Geological Report of certain mineral properties in the Ivory Coast, West Africa.

The mineral properties considered in this report are:

- The Seguela Permit de Research application known as the Seguela Project
- The Vavoua Permit de Research application referred to as the Vavoua Project.
- The Tengrela North and Tengrela West Permit de Research applications which comprise the Tengrela Project.
- The Korhogo Permit de Research application referred to as the Korhogo Project.

These five mineral assets are held by two Ivorian companies, GeoServices Sarl (Geoservices) and Golden Oriole Sarl (Golden Oriole) that have agreements in place with Aspire Minerals Pty Ltd (“Aspire”), an Australian private company or its wholly-owned Cote d’Ivoire company Aspire Minerals Cote d’Ivoire Sarl (Aspire CI). Aspire holds rights to earn into each Permits de Research, under separate Partnership Agreements, and has been providing funding and technical assistance to progress exploration during the application process. Apollo in turn has agreed to acquire 100% of the issued shares in Aspire. SEMS has made an attempt to independently verify the ownership and legal standing of the mineral properties as far as is possible under the Ivorian Mineral Code. These matters were addressed in a separate SEMS Independent Valuation Report commissioned by the Company and dated September 2010.

SEMS has satisfied itself that Apollo has disclosed all material information pertaining to its mineral assets. Apollo has agreed to indemnify SEMS from any liability arising from its reliance upon the information provided or from information not supplied. A draft version of this report was provided to the Directors of Apollo for comment in respect of omission and factual accuracy.

SEMS is the leading full-service, mineral exploration and mining consultancy company in West Africa. With offices in Cote d’Ivoire, Burkina Faso and Ghana, and a workforce of 80 employees, we offer a wide range of technical services including; geological consultancy, geospatial services (GIS and remote sensing), resource estimations, open pit and underground mine modelling, database management, surveying, software training, investment advice and project management.

This report was prepared by Simon Meadows Smith (Geologist), John Coates (Geologist) and Stanislas de Stabenrath (Geologist) and was reviewed by Joe Amanor (Geologist) in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports (the VALMIN Code).

Neither SEMS nor those involved in the preparation of this report have any material interest in the companies or mineral assets considered in this report. SEMS is remunerated for this report by way of a professional fee which is not determined by the outcome of this report.

## 2.0 OVERVIEW OF THE IVORY COAST

The Republic of Ivory Coast is located in West Africa on the Gulf of Guinea (Figure 1) and shares borders with Liberia and Guinea to the West, Mali and Burkina Faso to the North and Cote d'Ivoire to the East. To the south is the Gulf of Guinea, part of the Atlantic Ocean. Ivory Coast has a total land area of approximately 322,462 square kilometres or approximately 32,246,200 hectares which is equivalent to approximately 60% of France. In 2009, the total population of the country was estimated at 20,617,068, most of whom are French-speaking.

Ivory Coast gained its independence from France on the 7<sup>th</sup> of August 1960. Yamoussoukro was appointed the Administrative Capital of the country in 1983 and is located in the southern central portion of Ivory Coast. The city of Abidjan, located in the south east of the country, on the coast, is the economic capital and is still the centre of all political administration.

Ivory Coast is comprised of 19 regions as depicted in Figure 1. The regions are subdivided into 81 departments.



Figure 1: Location of Ivory Coast



Figure 2: Regions of Ivory Coast

Geologically, the Côte d'Ivoire consists almost entirely of NNE-SSW striking belts of metamorphosed volcano-sedimentary rocks and granite-gneisses of early Proterozoic Birimian age along with small isolated areas of younger Tarkwaian sediments. It therefore has a very similar geology to the surrounding gold-rich countries of Cote d'Ivoire, Burkina Faso, Mali and Senegal. The western margin of the country is underlain by the Archean Man Craton as displayed in Figure 3 below.

Ivory Coast contains approximately one third of the exposed Birimian geology in West Africa which is considered the most prospective lithology for gold mineralisation. However, the Archean craton is associated with gold, diamond, iron ore and base metal occurrences elsewhere in the sub region so must also be considered to hold potential for economic mineral occurrences in Ivory Coast.

Tarkwaian rift-fill sediments are of very limited extent being found in isolated occurrences at Yaoure (200km NW of Abidjan) and in the southward extension of the Syama Belt.

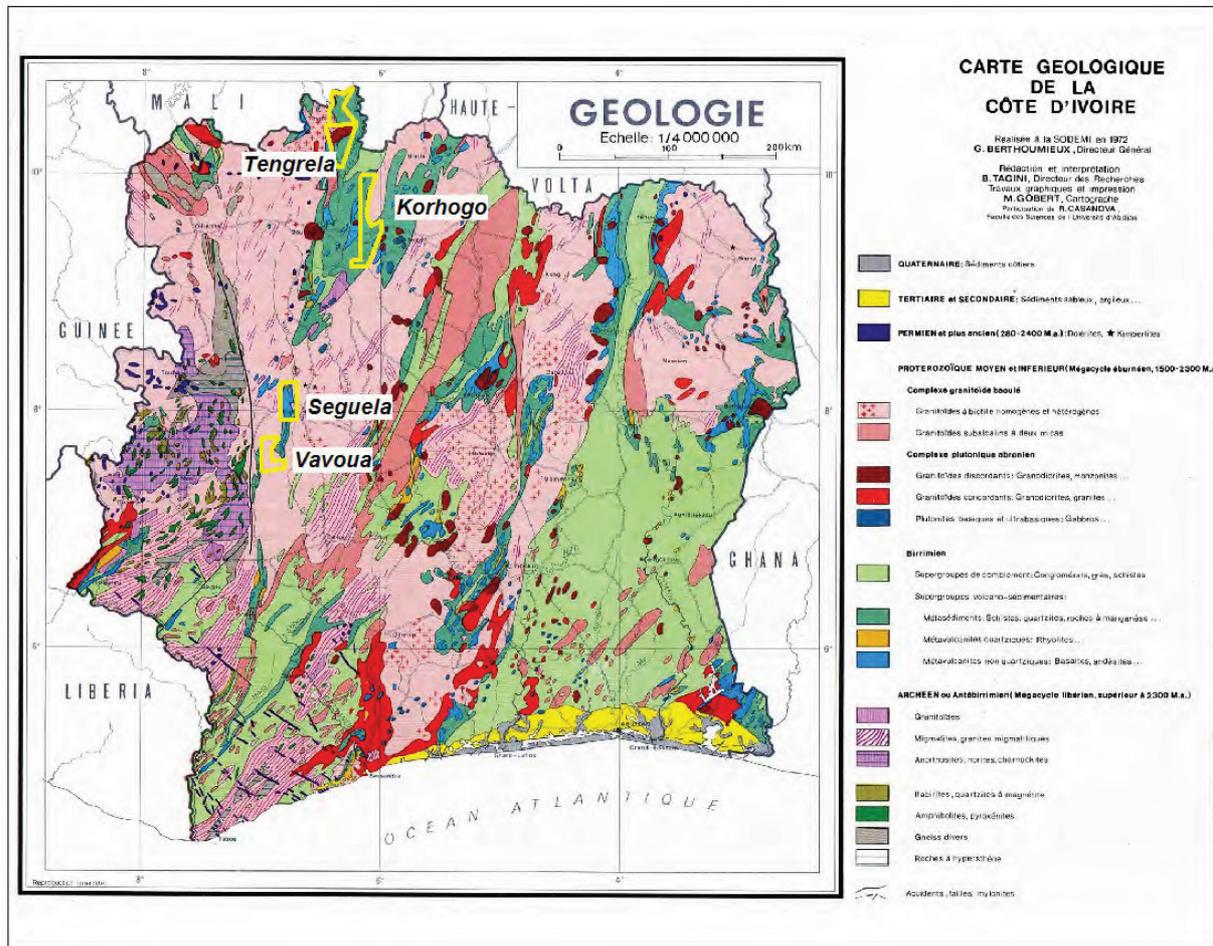


Figure 3: Simplified Geology of Ivory Coast and Location of Apollo Projects

Theassandra fault separates the older Archean Liberian Craton to the west from a younger sequence to the east referred to as the Birimian Supergroup. The Birimian consists of a package of volcanic belts and associated tuffs together with sedimentary rocks deposited in NNE-SSW trending basins. This assemblage was deformed and intruded by several phases of igneous activity during the Eburnean Orogeny (1.8 billion years). The sedimentary basins and volcanic belts formed on granitic basement.

### Artisanal Workings:

Old and modern artisanal gold activities may be referred to as “Galamsey” or “Orpailleur” in the literature. Artisanal workers are skilled at finding surface concentrations of gold. This usually focuses on alluvial concentrations located within old gravel beds along streams and rivers. These concentrations represent erosion of primary gold, with subsequent transport and deposition in the gravel beds. The importance of artisanal workings on a permit cannot be understated.

Most gold mines in West Africa, with one or two exceptions such as Newmont’s Ahafo mine in Ghana, are associated with old workings that may date back to before the 1890’s.

### 3. SEGUELA

#### 3.1 Location and Access

The Seguela permit is located in the west – central part of Cote d'Ivoire, some 75km NNE of the Vavoua permit, and encompasses 500 square kilometres. The nearest main town is Seguela, located in the east-central portion of the licence, with a population of 18,000. Access from Abidjan is by motorway via Toumoudi (198km), Yamoussoukro (45km) then west by primary tarred road through Bouafle (60km) to Daloa (83km). From Daloa, the primary road is followed north through Vavoua (56km) and continuing for 75km to Seguela.

There is a small airstrip close to the town suitable for light aircraft although there are no scheduled internal flights from Abidjan. Although the capital of the Worodougou District, amenities are limited. There is one hotel with eight rooms providing spartan but clean accommodation.

Within the permit, access in the north is reasonable along dirt tracks requiring 4x4 capabilities in the wet season. Away from the motorable tracks and in the south of the permit, access is confined to footpaths linking villages and farms.

#### 3.2 Topography, drainage and environment

The permit is transitional to a more equatorial zone compared to the savannah of Tengrela and Korhogo. Grasslands are well developed with open canopy trees and thick bush (Plate 1). The rainy season occurs between July and mid-October.

*Plate 1: Seguela: Typical lush vegetation and hilly terrain (Exposure of porphyry)*



Topography along the eastern and western flanks of the permit is flat to gently undulating, associated with lateritic plateaux. The central part of the permit is characterised by gently rounded to moderately steep sided hills. These form a pronounced ridge in the south trending NNE-SSW but

veering to NE-SW at the southern extremity. Drainage is, in part, dendritic but changes over the plateau areas to a well-defined rectangular pattern. Linear segments trend ENE-WSW in the north and central parts of the permit varying to NE-SW. Major drainages trend NNW-SSE in the north. The southern drainages are controlled by the ridge of hills which form a watershed.

Farmlands, comprising less than 5% of the permit, are mainly located along the tracks and close to small settlements. The main crops grown are yam and cashew nuts.

### 3.3 Regional geological setting

The Seguela area comprises a volcanic-volcaniclastic assemblage, of Birimian age, intruded by a varied suite of granites. The permit's location is related to the Syama-Sissingue volcanosedimentary belt, either as a direct extension or as a splay at its southern end (Figure 3) .

### 3.4 Property geology

A small exploration programme, carried out in 1968, reported the presence of gold close to the Kwenko village (Locko, 1968). Further work in 1969 culminated in a detailed geology map of the Kwenko area. Lithologies encountered in the Kwenko area are:

- i. Metadolerites forming hills trending NNE-SSW or NW-SE
- ii. Calc-schists striking N060°E and dipping steeply northwest. These are found 2.2km northwest of Kwenko and contain altered plagioclase, biotite, muscovite cut by calcite veins with epidote. The schists are locally cut by quartz veins, up to 1m thick and 200m long striking N110-160°E.
- iii. Jasper and "jasperoidal quartzites"
- iv. Undifferentiated schists formed by sheared tuffs and lavas
- v. Lamprophyres
- vi. Granodiorite forming an intrusion with the long axis trending N-S for 3km and 2km wide. The granodiorite occurs in two types; a north-south margin with biotite and hornblende containing enclaves of altered- amphibolitic- lava, and a coarse grained facies.

The presence of jasper and "jasperoidal quartzite" draws a possible parallel with quartzites reported in the Korhogo permit. These jaspers are tentatively interpreted as siliceous outpourings and the quartzitic character is a result of later metamorphic recrystallisation. Lamprophyres are often associated with gold deposits and represent intrusion along very deep-seated faults. These faults may have acted as plumbing systems for gold-silica enriched hydrothermal solutions. The presence of lamprophyres are related to late-stage orogenic activity and occur in areas of crustal thickening.

Old exploration pits are noted 1.3km west of Kwenko. In the southwest, 4.8km from Kwenko, eluvial workings are associated with pisolitic laterite in plateau terrian where finely particulate gold is hosted by a pisolitic bed 10-20cm thick.

Apart from continuing artisanal activity, no further exploration work has been reported on the Seguela property until the arrival of Randgold in April, 1996. From this time until September 1998, Randgold carried out an airborne magnetic survey and interpretation of Landsat TM and SPOT imagery as well as a program of systematic ground-truth mapping.

Guided by the presence of artisanal workings, their remote data interpretations and the results of first pass geological mapping, Randgold undertook a first phase of fieldwork which entailed geological mapping at 1:50,000 scale and first-pass soil sampling on a grid with 1km or 500m spaced

lines and with a sample interval of 50 metres. Results defined six prospects within the permit: Barana, Porphyry, Antenna, Gabbro, Agouti and Boulder.

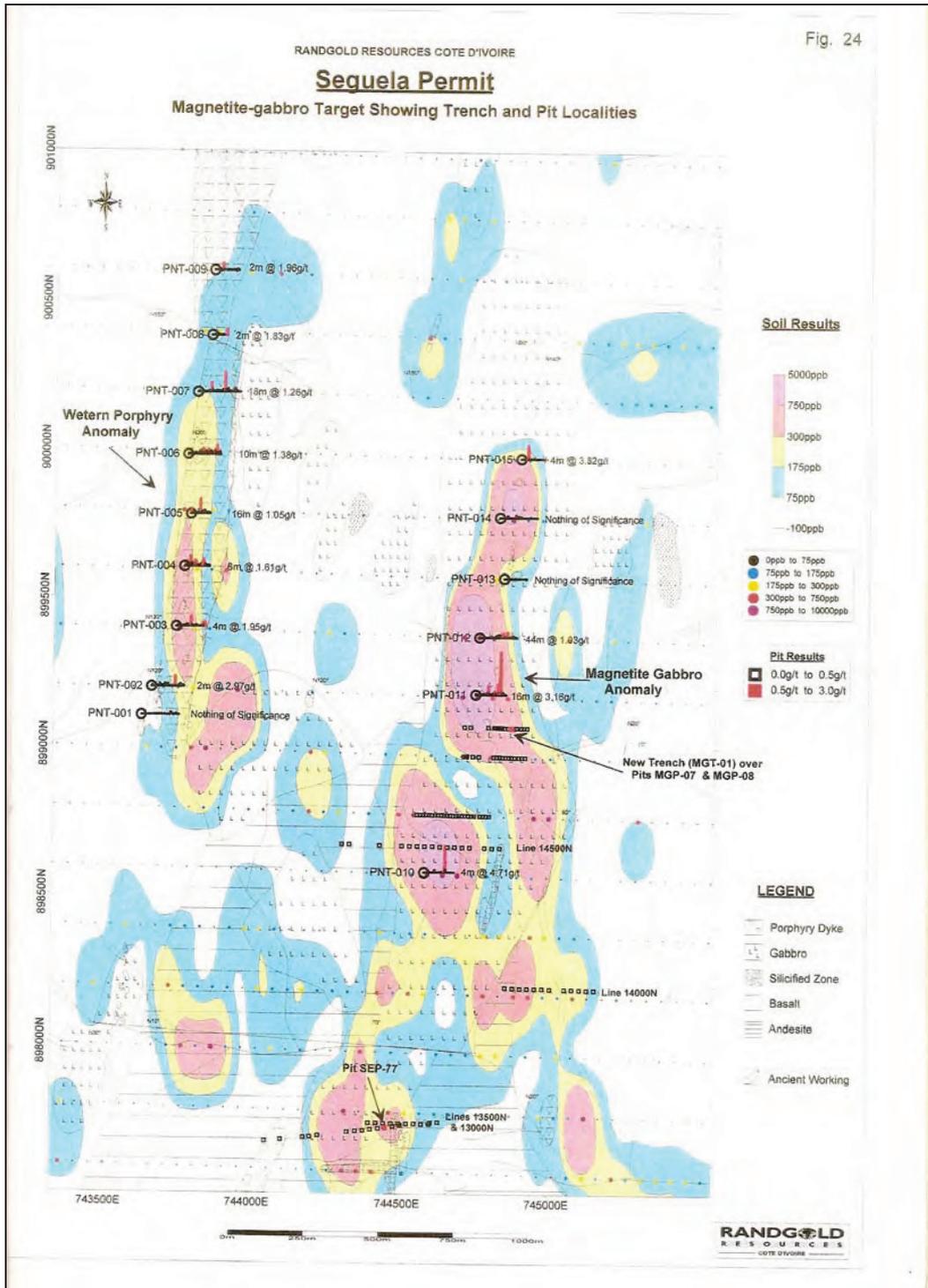


Figure 4: Magnetite-Gabbro Prospect: Randgold contoured soil data, location of pits and trenches with gold results

A second phase of exploration, undertaken between December 1997 and September 1998, culminated in an infill soil grid over selected targets at a spacing of 200 x 50m combined with trenching and mapping at 1:10,000 scale closing to 1:2,000 in areas of interest. This work focused on the Western Porphyry, Magnetic Gabbro and Agouti prospects.

Gold in the Magnetite Gabbro prospect is related to the intrusion of sub-vertical felsic dykes within a sheared gabbro. Quartz veining is not common. The felsic dykes, up to several metres thick, display sharp contacts with the gabbro. The felsite is non-magnetic, non-calcareous and shows euhedral feldspar and plagioclase up to 2mm. Pyrite is less than 3% and occurs as euhedral crystals as well as amorphous globules. Although unproven, there is a possible genetic link between the felsites and the porphyry hosting the Western Porphyry prospect.

Trench No	Mineralised zone				Highest grade interval				
	From	To(m)	Length (m)	Grade (g/t)Au	From	To(m)	Length (m)	Grade (g/t Au)	Highest grade
<b>West Porphyry</b>									
PNT 1	Not significant								0.64
PNT 2	Not significant				78	80	2	2.97	
PNT 3	48	52	4	1.95					2.84
PNT 4	20	72	52	0.76	34	38	4	1.37	2.96
					60	66	6	1.61	
PNT 5	30	46	16	1.05	30	32	2	4.3	
PNT 6	46	98	52	0.75	88	98	10	1.38	2.71
PNT 7	74	102	18	1.26	90	94	4	3.5	5.77
PNT 8	Not significant				48	50	2	1.83	1.83
PNT 9	Not significant				26	28	2	1.96	1.96
<b>Powerline</b>									
TAW1-6	No significant intersections								=<0.89
TAW 7			10		4	6	2	1.59	1.59
TAW 8-10	No significant intersections								=<0.75
TAW 11			6		0	2	2	2.54	2.54
TAW 12			28		0	4	4	1.10	1.23
TAW 13			50		40	50	10	2.59	9.10
TAW 14			5		2	5	3	1.21	1.27
TAW 15			8		4	8	4	1.34	1.77
TAW 16			10		2	10	8	1.5	2.21
TAW17-23	No significant intersections								=<0.72
TAW 24			100		10	12	2	3.55	3.55
TAW 25			23		6	8	2	1.41	1.41
TAW26			8		6	8	2	1.41	1.41
TAW 27			14		4	14	10	2.67	4.86
TAW 28	No significant intersection								0.34
TAW 29			30		20	28	8	1.52	2.64
TAW30-31	No significant intersection								=<0.55
TAW 32			8		0	8	8	2.23	5.52
TAW 33			20		0	12	12	1.79	2.80
TAW 34			8		2	4	2	1.17	1.17
TAW35-38	No significant intersections								=<0.97
<b>Magnetite-Gabbro</b>									
PNT 10	66	72	6	3.41	66	70	4	4.71	7.59
PNT 11	39	94	58	1.24	72	88	16	3.16	12.36
PNT 12	56	100	44	1.03	56	58	2	12.9	12.9
PNT 13-14	No significant intersections								
PNT 15					20	24	2	3.82	4.13
<b>Agouta</b>									
PST 1					4	8	4	1.16	1.77
PST 2					158	160	2	1.98	1.98
PST 3	No significant intersections								
PST 4					28	34	4	1.44	2.16
PST 5					32	34	2	2.35	2.35
PST 6	No significant intersections								
PNT 16					12	14	2	82.1	82.1
PNT 17	No significant intersections								0.77
PNT 18					24	26	2	1.62	1.62
<b>Barana</b>									
BAT 2			10		No significant intersections				0.77
BAT 3			10		4	10	6	1.94	2.44
BAT 4			8		0	6	6	1.71	3.71
BAT 5			6		0	6	6	1.02	1.30

Table 1: Results of trenching carried out by Randgold

Although the permit displayed highly encouraging results, it was relinquished by Randgold due, in part, to their discovery at Tongon in the north but also because of civil conflict at the time.

### 3.5 Lithologies and structure

Dolerite-gabbro outcrops form well-defined grass covered rounded hills. These occurrences assume importance in the northern part of the permit, within the Magnetite-Gabbro prospect. The basic intrusives are sheared and, display thermal alteration to amphibolites close to the contact with granitoids. This suggests an origin of the basic intrusives unrelated to the differentiation of granodiorite complexes. They are older than the granites and possibly represent intrusion during an extensional phase of deformation. Both andesitic and basaltic lavas are encountered showing various degrees of shearing. Pillow lavas are very tentatively noted.

Granodiorite is already described in connection with the Kwenko area and this shows gradation to a dioritic composition. Importantly, granite porphyry intrusions are found in the northwest of the property where they occur in close spatial association with felsic dykes.

Plateau laterite forming the eastern and western borders of the permit is believed to be in-situ although areas of transported laterite cannot be precluded. It should be noted that gold-in-soil results show a very subdued response over the laterite with a threshold of 10ppb gold.

Structural information has been taken from satellite imagery and airborne geophysics combined with field mapping. Although complex, the main features are:

- A central shear trending N020°E with inflection, probably associated with granite intrusions.
- Major faulting immediately to the east and sub-parallel to the shear. Probably controlled, in part, by the border of the granite intrusive.
- A system of NE-SW trending faults from the main shear. These are extensional within a dextral shear movement.
- Curved splay faults west of the shear suggesting sinistral movement.

Evidence of sinistral movement within the main shear is associated with C-S fabric.

Work carried out by Randgold and Geoservices on behalf of Aspire have proved the following environments for gold mineralisation at Seguela:

- i. Porphyry and volcanic-schist contacts.
- ii. Felsic intrusives within sheared gabbros.
- iii. Sheared volcanic-gabbro contacts.
- iv. Margins to granodiorite intrusions, especially in the Kwenko area.

### 3.6 Recent Exploration activities

Exploration has been reactivated during 2009 and 2010 following the commencement of a Partnership Agreement between Geoservices and Aspire. Exploration works are funded by Aspire and have been completed by Geoservices on behalf of Aspire.

#### Soil geochemistry

Soil geochemistry carried out by Aspire encompasses ground to the north and south of the permit (Figure 5), extending from the margin of previous Randgold sampling. The central portion of the soil anomaly in the Seguela property is not re-assessed in this report. A detailed assessment of Aspire soil geochemistry results from the Seguela property was presented to Apollo in a separate QAQC document prepared by SEMS. The northern sample grid contains a central band of anomaly clusters comprising three Populations. The main anomalous zone trends approximately N-S through the centre of the permit and corresponds to the main Seguela shear, with a width of approximately two kilometres (Figure 5).

To the east and west of this central zone, anomalies and sub-threshold clusters trend NNE-SSW. In the west and extreme east, Population 1 is dominant. This could reflect a lithological control from the parent rock at depth. However, the presence of plateau laterite east and west of the shear could be masking or subduing the geochemical signature.

Areas containing results below the 70<sup>th</sup> percentile range represent marshy ground or suppression of the signature due to laterite capping.

The Seguela shear continues through the southern portion of the Aspire sample grid but is less well defined. The trend continues in a north south orientation with a width of two kilometres decreasing to one kilometre in the extreme south. Anomalous clusters flanking the main anomaly in the east and west are thin and sinuous with a marked NE-SW trend.

#### Verification of historical trench intersections

Aspire have re-sampled and validated the gold intersections reported by Randgold from selected trenches on the Magnetite Gabbro prospect (Figure 6). A maximum mineralised width of 16m at 3.16g/t Au was reported and the highest grade intersection is 12.9g/t Au over 2 metres (Table 1).

Aspire are currently extending historical trenches to the west and additionally broadening trenches PNT 13 and 14 to the east and west. These last two trenches, excavated by Randgold, were narrow and did not intersect mineralisation.

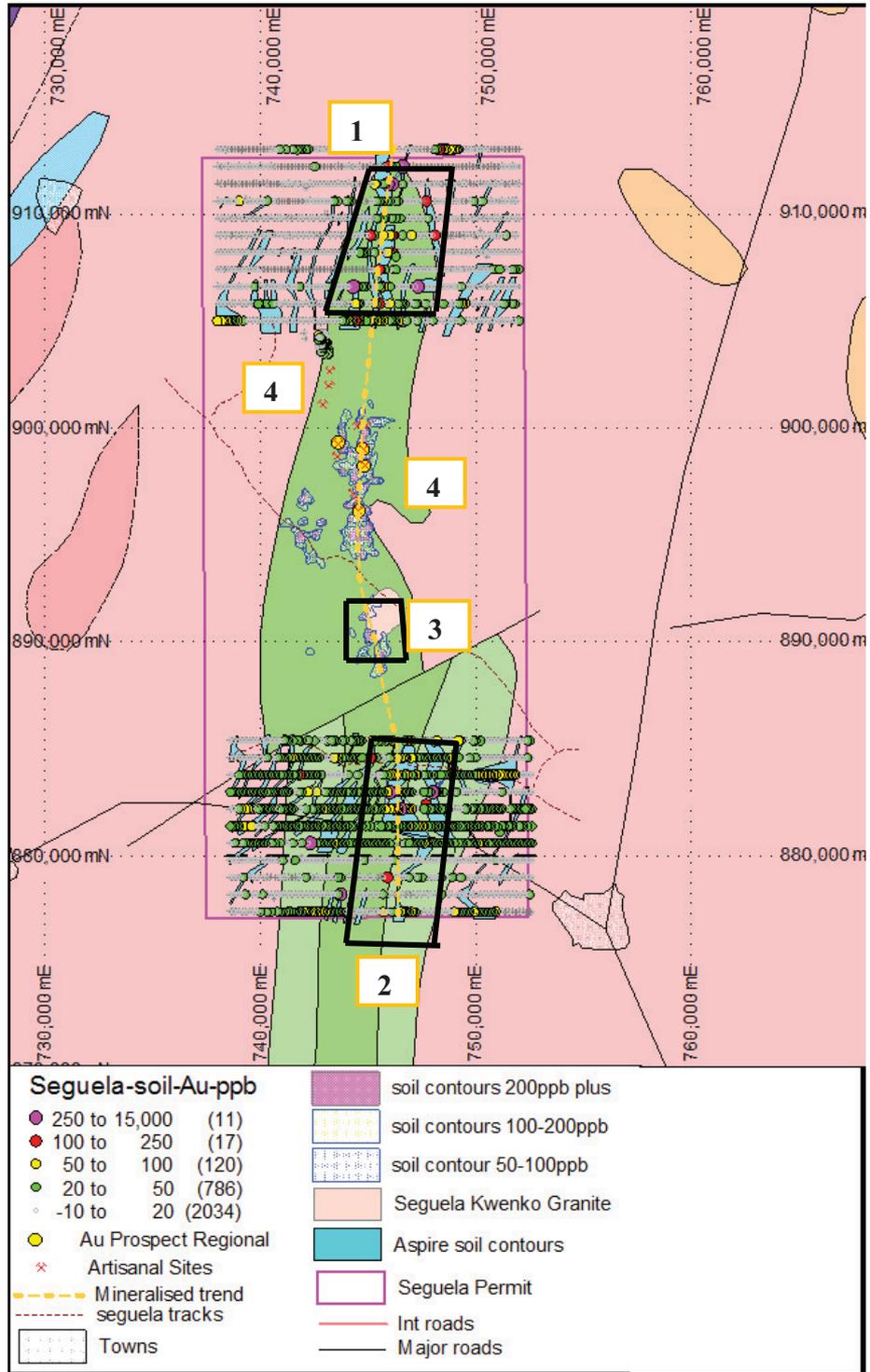


Figure 5: Seguela – Aspire soil sampling results and recommended target areas (1-4) outside known prospects

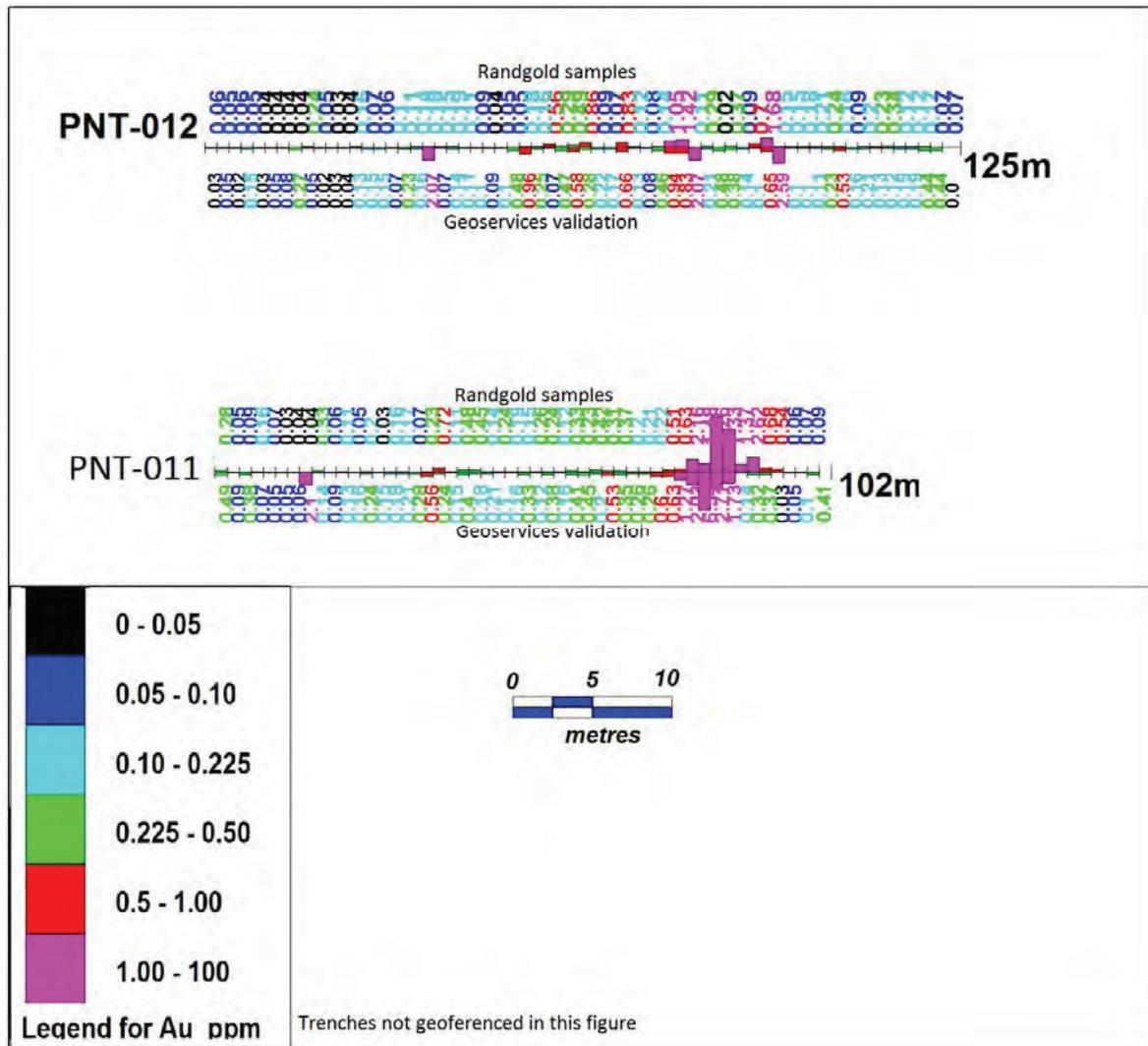


Figure 6: Validation of trenches (RandGold and Aspire)

### 3.7 Artisanal gold mining activity

The main centre for artisanal activity lies a few kilometres north of Kwenco village (Loc: 745570E 892238N). Palaeo-gravels are associated with a stream which cuts the Kwenco granite and flows east. Gravels are dominantly well rounded basalt up to 40cm diameter with white, brecciated, vein quartz. The area is worked by round pits which intersect a gravel bed approximately 3m thick about 2m from the surface. The workings as shown in Plate 2 stretch for 1km along the stream.

### 3.8 Future work recommendations

The most prospective of the targets already defined within the Seguela permit is the Magnetite Gabbro prospect. Here, trenches should be extended to the east and west, especially in the northern portion of the prospect where gold mineralisation was not intersected in two trenches.

The origin of gold occurrences associated with the margin of the Kwenko granite has not been explained. Previous exploration did not cover the eastern margin of this granite in an area of

suspected quartzites and lamprophyre dykes so should be considered a high priority target for future soil sampling.

Following an initial program of clarification trenching, all prospects within the Seguela permit require an immediate transition to RC drilling combined with selected diamond core holes to verify lithology and structure.

The four target areas displayed in Figure 5 exclude those prospects already defined. Targets 1 and 2 represent the untested soil anomalies that lie to the north and south of the trenched areas. Target 3 is the Kwenko granite and target 4 represents the areas covered by laterite.

Plate 2: Kwenco artisanal activity



## 4.0 TENGRELA

### 4.1 Location and Access

Tengrela is divided into two contiguous permits; Tengrela North, with an area of 1000km<sup>2</sup>. The permits are located in the extreme north of Cote D'Ivoire, close to the Mali border. The main town is Tengrela, lying in the northern part of the permit.

Access is by good paved road from Abidjan to Korhogo (549km) with a journey time of seven hours. The road passes through Yamoussoukro (243km), the administrative capital of Cote d'Ivoire, and thence to Bouake. Bouake is the divide between the "Northern" and "Southern" political boundary of the country. Ordinarily, it poses no constraints on travel. From Korhogo, the route is to the west as far as Boundiali (1.5 hours: 95km). From Boundiali, an improved dirt road affords access to Tengrela town (2-3 hours: 118km).

There is a small airstrip immediately east of Tengrela suitable only for light aircraft. Alternative access is possible from Mali via Bougouni and Kadiani. The road is poor and not passable during the rainy season. Within the permit, access is good along dirt tracks requiring 4x4 capabilities in both the dry and wet seasons

## 4.2 Topography, drainage and environment

The permits lie within savannah grasslands with low, often thick, bush and small copses of mainly open canopy trees (Plate 3). The rainy season occurs between July and mid-October. Ordinarily rainfall is periodic but can be torrential. Daily temperature during the rains may fall to 22°C but increases to 30-40°C during the dry season.

Plate 3: Typical terrain: Tengrela



Topography is all but flat with very gentle plateaux. Rivers are not encountered but small streams develop in the rainy season and these may be fast-flowing during flash floods and lead to swampy areas.

Agriculture in the area is restricted to small allotments for subsistence and cash farming of cassava, mangoes and cashew nuts. Small cotton fields are present. The town of Tengrela has a population of 39,000 but away from the town the permit is very sparsely populated with only small homesteads associated with subsistence farming. The permit is devoid of parks, areas of conservation or other sites of National Heritage that might preclude exploration or mining. A high tension electricity line extends to Tengrela.

## 4.3 Regional geological setting

The regional geology setting is shown in Figure 3. Tengrela is located immediately west of the Syama-Boundiali greenstone belt with both volcanics and their sedimentary products. The belt trends NNE-SSW for some 400km and is spatially related to the Syama mine (5.8Moz) in Mali and Sissingue (1Moz) and Tabakoroni (0.75Moz) in Cote d'Ivoire (Figure 7).

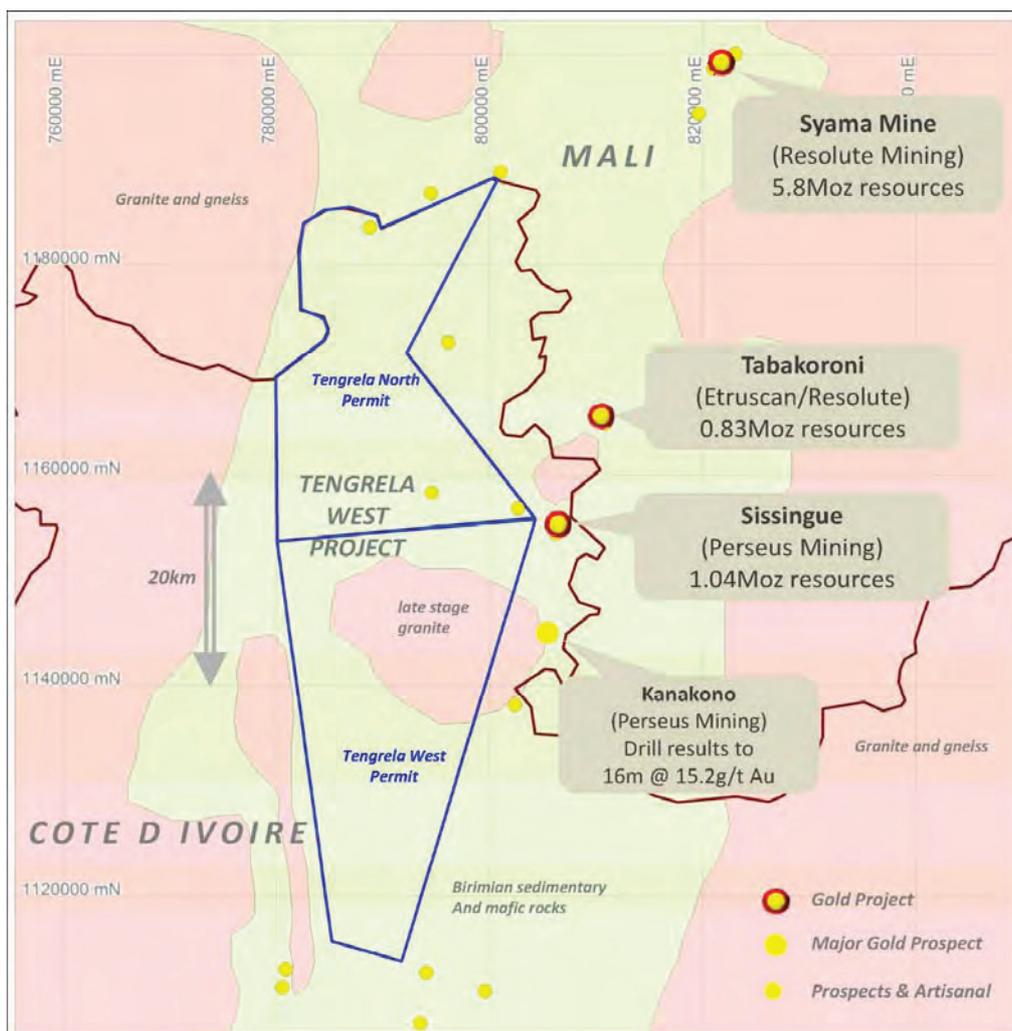


Figure 7: The Tengrela Project's relationship to known gold mineralisation and artisanal workings

These deposits are located within and on the western margin of the belt which is flanked by Eburnian granites and earlier granite gneiss to the east. Rocks are associated with low pressure-temperature metamorphism (greenschist facies) however amphibolite facies metamorphism has been present against the Eburnian granites.

#### 4.4 Property geology

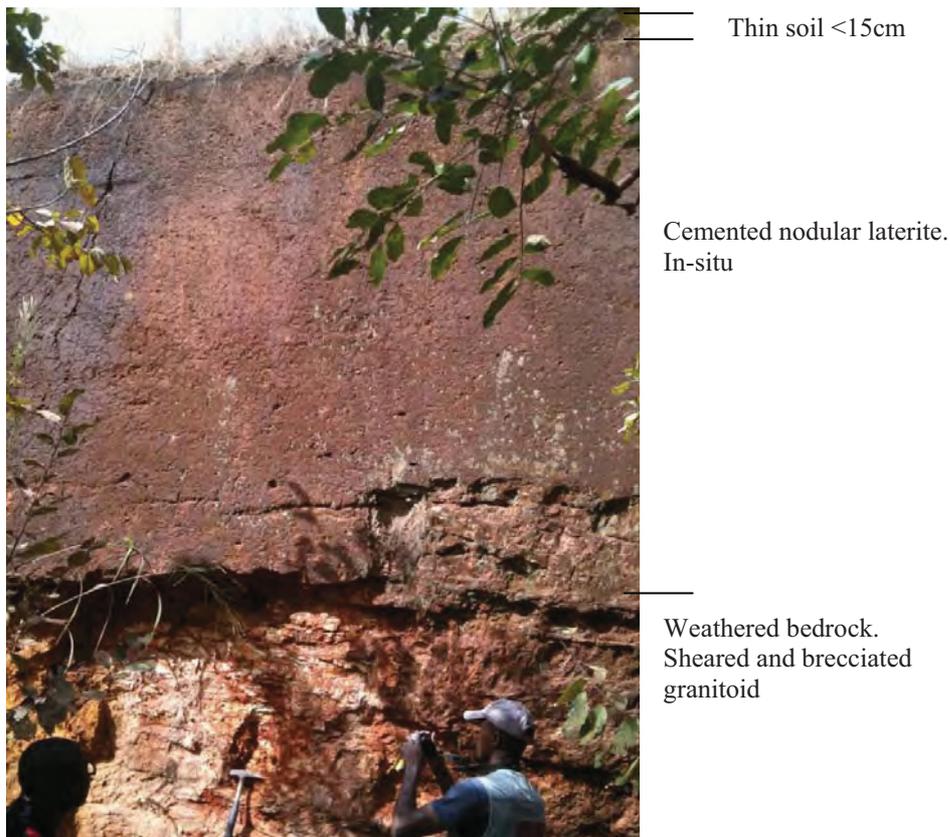
Although part of the northern portion of this project was held by Perseus Mining, no records of previous work were seen by the Writer. The area has not been flown by airborne geophysics and Landsat imagery, although available, was unseen. The current geological map of the permit is derived from the regional geological map. Detailed geological and structural mapping was not performed due to the paucity of exposure which is less than five percent. In the absence of good exposure, the lithologies and their disposition, may differ significantly from those portrayed in the regional map. Stream sediment sampling was not carried out.

An exposure map was prepared by Aspire. Additionally, a regolith map was prepared in combination with lag sampling throughout the permit. Faults are tentatively defined from air photo interpretation.

#### 4.5 Lithologies and structure

The permit is blanketed by laterite with a variable but undetermined maximum thickness. In many areas, the laterite forms plateaux at varying elevations. These plateaux are locally capped by “ferricrete”. Plate 4, taken from Tengrela West, shows the development of laterite 4.5m thick with a sharp contact to underlying, sheared and brecciated bedrock.

Plate 4: Laterite profile: Tengrela West



In response to their competence, granitoids are the main lithology exposed at surface on the Tengrela permit. Compositionally, they are biotite granites showing evidence of a dimensionally preferred mineral orientation indicating syntectonic intrusion (Intrusion during deformation). There is also evidence of shearing indicating late or post-emplacement deformation. Immediately east of the permit boundary, felsic intrusives and porphyry dykes trend NW-SE. These have a thickness up to 10m and are late-stage, cross cutting existing lithologies. The intrusives have moderate to steep dips to the southeast.

The remainder of the permit is underlain by what is collectively referred to as “Metasediments” on the regional map and “Volcaniclastics” in the literature. Spatial association with sediments immediately adjacent to the Tengrela permits, in ground held by Occidental, reports the presence of sandstones, mudstones and conglomerates interpreted as turbidity flows. Neither lavas nor their associated sedimentary associations have been reported.

With little exposure, structural assessment of the area poses severe constraints. However, interpretation of remotely sensed data clearly indicates a strong set of generally NE-SW and WNW-ESE trending faults or shears. These may represent a conjugate fault pattern. In the regional setting, this may have led to dextral movement along NNE-SSW trending shears. In this situation, there will be relative movement along the old lines of weakness and movement will be dextral. Extensional openings within the Tengrela permit will be approximately NNE-SSW and WNW-ESE.

In-situ gold is yet to be identified on the Tengrela permit. The litho-structural framework, combined with evidence east of the permit, suggests one or more controls on mineralisation:

- i. Sheared contacts between early syntectonic granitoids and surrounding rock.
- ii. Alteration associated with gold-enriched fluids (*Hydrothermal alteration*) genetically related to late-stage granitoids.
- iii. Entrapment of hydrothermal fluids within extensional structures trending NNE-SSW and WNW-ESE

#### 4.6 Recent Exploration Activities

Exploration on the permit has been undertaken during 2009 and 2010 following the commencement of a Partnership Agreement between Golden Oriole and Aspire. Exploration works are managed and funded by Aspire and have been completed by Golden Oriole on behalf of Aspire.

##### Lag sampling

With good vehicle access in the area along dirt tracks, lag samples were collected from surface material close to the tracks. Approximately 2kg of sample was collected from the surface at 250m intervals along tracks. Every four samples were composited to provide one sample for every kilometre travelled. In compositing, each of the four 2kg samples were added together, mixed by hand and then coned and quartered to provide one 2kg sample for analysis. Approximately 1 in 40 samples were duplicated by taking the opposite quarter of the cone and submitting separately for analysis.

A total of 846 first-pass LAG samples were collected and assayed by Aspire. Anomalous results were returned in several sites and a validation infill lag sampling program has been carried out over these areas. A total of 246 validation samples have been collected, the results of which were not available at the time of writing.

#### 4.7 Artisanal gold mining activities

Location of artisanal workings is shown in Figure 8. At the moment, there is no proven lithological or structural relationship associated with these gold workings.



This is a typical example of an exploratory artisanal pit sunk through ferricrete into cemented nodular laterite. Note the lateral extensions of exploration at the base of the workings. In many cases, gold is won from the basal parts of the profile, especially at the interface between underlying bedrock and laterite. In some cases, this may reflect old gravels. Sinking of artisanal pits is guided by the presence of resistant quartz at surface. The surface layer (ferricrete) may be devoid of gold and this has import in the interpretation of surface soil or lag sampling

Plate 5: Tengrela – typical artisanal pit

#### 4.8 Future work recommendations

In the absence of a reliable permit geology map, exploration targets have been tentatively proposed and are assigned priority numbers as displayed in Figure 8 below.

Target 1 comprises a zone of east-west and NE-SW trending lineaments and the margins of an internal granite in the central portion of the Project.

Target 2 comprises a zone of sinuous NE-SW to NNW-SSE trending topography and artisanal workings in the north of the Project.

Target 3 comprises poorly-defined possibly NE-SW structures and artisanal workings in the south of the Project.

It is recommended that these three areas be prioritised for first pass geological mapping and geochemical surveys. Stream geochemistry should be completed at a sample density of greater than or equal to one sample per km<sup>2</sup>. This survey is best carried out in the dry season.

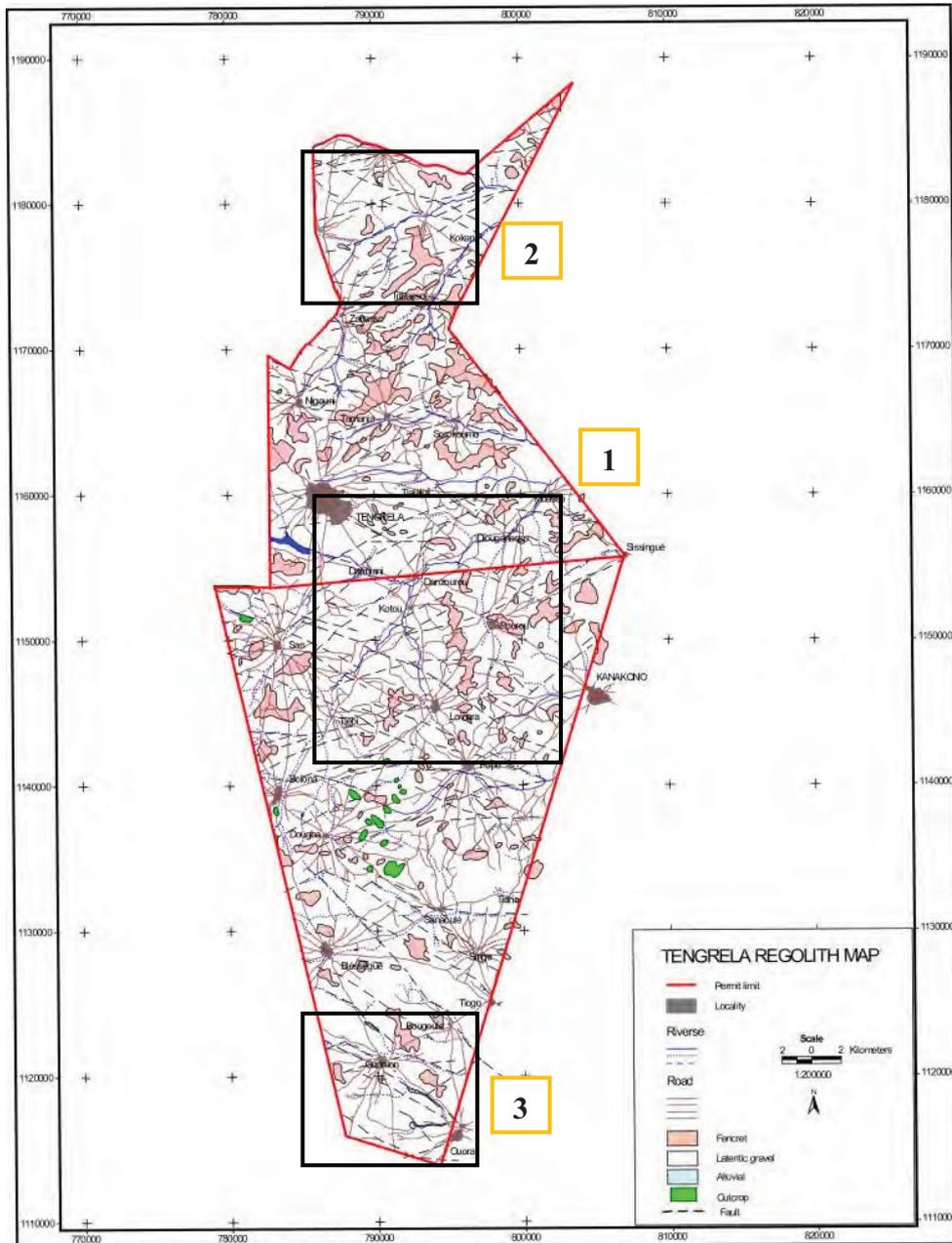


Figure 8: Tengrela regolith map and recommended target areas

## 5.0 KORHOGO

### 5.1 Location and Access

The Korhogo permit has an area of 1,000km<sup>2</sup> and is located in north Cote D'Ivoire. The main town is Korhogo, lying in the south of the permit at an elevation of 380 metres. This is the capital of the Senufo people and has a population of 174,000. It affords logistic supplies to neighbouring towns. Access is the same as to Tengrela; 549km from Abidjan. There is an airstrip 2,100m long affording access to light aircraft.

Within the permit, access is moderately good along dirt tracks requiring 4x4 capabilities in both the dry and wet seasons

## 5.2 Topography, drainage and environment

Topography of the Korhogo permit is very similar to that of Tengrela. Average annual rainfall is 1,240mm with an average temperature of 26.6°C with the hottest months between February and April. Although classified as savannah terrain, vegetation is somewhat thicker than found in Tengrela with a greater percentage of low trees such as in Plate 6.

Topography is mainly flat to gently undulating but sharper relief is associated with sub-crop of granitoids. The main river courses in the south of the permit trend NE-SW and capture radial drainage channels trending NW-SE. These trends are probably related to structure. Main drainages are bordered by alluvial tracks which become swampy in the rains.

Agricultural activities involve the growing of subsistence and cash crops comprising cotton, kapak, rice, millet, peanuts and yams. Farming is carried out over less than five percent of the permit and offers no constraints to exploration. Diamonds in the area are also reported in the literature. Away from Korhogo, the population is sparsely distributed.

*Plate 6: Korhogo: Typical terrain and access track*



Korhogo is the regional capital and provides good logistic support for exploration activities. There are several reasonable hotels with internet access. Fuel is readily available and a high tension line runs close to the permit. The Korhogo permit has the same acquisition history as Tengrela

## 5.3 Regional geological setting

In contrast to Tengrela, Korhogo lies on the immediate eastern border of the Syama-Boundiali greenstone belt formed of volcanics and metasediments (Figure 3). This belt is spatially related to the Syama mine (5.8Moz) in Mali and Sissingue (1Moz) and Tabakoroni (0.75Moz) in Cote d'Ivoire.

The Korhogo property also lies approximately sixty five kilometres southwest of the Tongon gold mine in Northern Cote d'Ivoire (Figure 9).

#### 5.4 Property geology

Exposure of less than one percent is restricted to more resistant granites found in the south-central part of the permit. Notwithstanding the paucity of exposure, the published geological map shows an assemblage of sediments, volcanics and volcanoclastics intruded by gabbroic bodies and several generations of granitoids. In the south of the property granites trend NE-SW demonstrating a structural control.

Exposure and regolith maps, combining exposure mapping from lag sampling traverses, have been prepared by Aspire. Faults are tentatively defined from air photo interpretation.

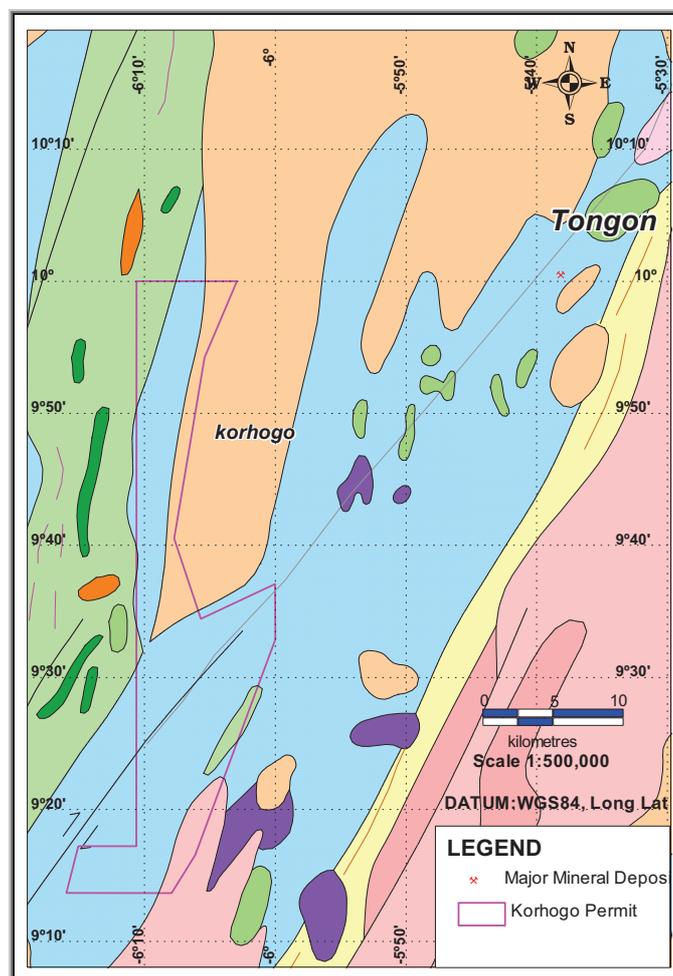


Figure 9: Korhogo geological setting

#### 5.5 Lithologies and structure

The permit differs little from the pervasive laterite cover and ferricrete plateaux found in the Tengrela area. The thickness of laterite is not defined.

Granite borders the permit in the northwest and is in contact with metasilites and meta-arenites. The boundary is curved but trends approximately NNE-SSW. The granite is a saussuritised biotite

granite, implying a breakdown of albite and feldspars suggesting a “true” granite with free quartz. Saussuritisation is a common phenomena resulting from regional metamorphism. The intrusive is therefore pre or syn - tectonic and probably introduced early in the evolutionary history of the area.

Polyphase intrusions are seen in the central part of the licence, where meta-granodiorite is in contact with monzonite to the north. The contact trends NE-SW and mimics the same trend as the southern contact of the meta-granodiorite against metasilites. In the southwest, the meta-granodiorite intrudes a N-S trending belt of metabasic rocks with andesite and undifferentiated schist.

A late stage tonalite occurs in the south of the permit. Immediately west of the permit, andesites trend N-S and are bordered by undifferentiated schist.

The sedimentary sequence was not observed in outcrop by the Writer; their presence is taken from the published geological map of the area. Meta-argillites and arenites are the dominant lithology in the north and south of the permit. This is probably a mixed assemblage comprising not only terrigenous sediments but also volcanoclastic deposits associated with extrusion of the andesite. The parent of the “Undifferentiated schist” is unknown. In part, the schistosity may be related to N-S shearing.

In the extreme south, there is a small wedge of quartzite. This trends NE-SW and is apparently structurally controlled between schist in the northwest and tonalite in the southeast. In this environment, quartzites associated with the tonalite may represent recrystallised chemical sediments.

With little exposure, structural assessment of the area poses severe constraints. However, interpretation of remotely sensed data clearly indicates strong linear features trending WNW-ESE with subordinate NE-SW and E-W trends. These trends conform with the secondary drainage pattern while the NE-SW trend mimics the major drainages. These linaments, interpreted as faults, are compatible with major compression ( $\sigma^1$ ) directed approximately E-W.

### **Mineralisation**

Gold is reported on the geological map sheet for this area and occurs at the schist-argillite contact and within the meta-granodiorite. Nickel anomalism is also reported in the granodiorite. Mercury is present along the schist-monzonite contact.

## **5.6 Recent exploration activities**

Exploration on the permit has been undertaken during 2009 and 2010 following the commencement of a Partnership Agreement between Golden Oriole and Aspire. Exploration works are managed and funded by Aspire and have been completed by Golden Oriole on behalf of Aspire.

### **Lag sampling**

The same methodologies for lag sampling at Tengrela were maintained at Korhogo. Motorable dirt tracks were used to gain access. The work culminated in 622 composited samples collected over 576 kilometres at a sample interval of one kilometre. Site coordinates were taken by hand-held GPS. Anomalous results were returned in several sites and a validation infill lag sampling program has been carried out over these areas. A total of 180 validation samples have been collected, results are not available at the time of writing.

## 5.7 Future work recommendations

Follow up geochemical sampling programs will be based upon the interpretation of lag sample results. It is recommended that a mechanical auger may be the best method of geochemical sample collection beneath the laterite ferricrete that covers much of the Korhogo permit.

## 6.0 VAVOUA

### 6.1 Location and Access

The Vavoua property, covering 423km<sup>2</sup>, is located in the west-central part of Cote D'Ivoire. The area is very sparsely populated with the main village, Prozi 1, located immediately east of the Tenou River. This village offers little support for exploration apart from field labour. Vavoua is the closest town, located some 15km east of the permit, but administrative and logistic support for exploration is minimal.

Access from Abidjan is by motorway via Toumodi (198km), Yamoussoukro (45km) then west by primary tarred road through Bouafle (60km) to Dalao (83km). From Dalao, the primary road is followed north to Vavoua (56km) before branching west on a secondary road for 15 kilometres. Journey time is seven hours.

Within the permit, access is moderately good in the north and south along dirt tracks requiring 4x4 capabilities in both the dry and wet seasons. Away from the tracks and in the central part of the permit, access is limited to footpaths.

### 6.2 Topography, drainage and environment

Topography is very subdued with a relief less than 50 metres. Hilly terrain is restricted to ground southwest of Prozi village and west of the Tenou River. Secondary drainages, trending ENE to NE and WSW to E-W, are captured by the Tenou River which flows to the SSW. Subsistence farming of yam and millet is the main activity in the north and south of the permit where farms are preferentially located along tracks and around small hamlets.

### 6.3 Regional geological setting

The permit lies on the southerly extrapolation of the greenstone belt associated with mineralisation at Sissingue. From Sissingue, the belt passes through Apollo's Seguela permit. The regional geological map (Figure 3) shows the property covered by undifferentiated granites lying immediately east of the N-S trending Sassandra fault. In the absence of airborne geophysics or satellite imagery, information on property geology is sparse. This is restricted to summary accounts in monthly reports submitted by Geoservices on behalf of Aspire. Metavolcanics are identified and this suggests southern continuity of the Sissingue-Seguela belt into the permit.

### 6.4 Permit geology

Geoservices carried out a stream sediment sampling programme which provided "encouraging results". Selective rock chip sampling of quartz veins returned a maximum of 4 g/t Au although the location is not mentioned.

Granodiorite, exposed on a hill close to Sonigbe village, displays oriented biotite probably related to syntectonic intrusion. Shearing is noted in the area by Geoservices but the relationship to drainage channels is unclear. The Tenou river, trending NNE-SSW, suggests a structural control. Importantly, the secondary drainages trending WSW-ESE mimic the direction of prominent gold-in-soil anomalies from the re-assessed data. Old artisanal alluvial workings are restricted to the extreme northwest of the permit.

## 6.5 Recent Exploration Activities

Exploration commenced during 2009 and 2010 following the signing of a Partnership Agreement with Geoservices, Exploration works are funded by Aspire and have been completed by Geoservices on behalf of Aspire.

Geoservices have carried out regional stream sediment and soil sampling throughout the permit. Soil sampling lines were oriented N090°E with a separation of 800m and a sample interval of 100m along lines. Soils were collected from a depth of approximately 35cm with a sample weight of 2 kilogrammes. Samples were prepared by ALS Chemix's sample preparation facility at Yamoussoukro before final analysis at ALS in Bamako (Ref. App. 1).

From the total dataset, 64 samples exceeded 100ppb Au with a maximum of 3,287ppb gold. Threshold for the highest population (Pop. 3) was 42ppb Au with a maximum anomaly contrast ratio of 1643 (ACR = Result/42). Vavoua soil geostatistics were provided to Apollo in a separate document.

## 6.6 Future work recommendations

Two broad areas of soil anomalism have been delineated for follow-up studies. Flexures associated with the contours trend approximately ENE-WSW and parallel a tenuous trend associated with the main anomalies within the area. The reason for this latter trend is not known. It could be related to secondary faults from a major NNE-SSW trending shear.

## 7.0 SEMS RECOMMENDATIONS

All four of the project areas discussed in this report are considered highly prospective for gold mineralisation.

Exploration work on the Seguela property is more advanced than the other three, having defined significant bedrock intersections in trenches. Soil sampling on the Vavoua property has defined a number of anomalous zones which require further assessment to determine their significance. The Tengrela and Korhogo properties are situated in prospective locations with respect to known gold deposits.

It is recommended that the Seguela exploration program be prioritised as the most advanced of the four projects and the most likely to produce significant drill intersections in the near future. The main prospect areas, identified by trenching, should be drilled as soon as possible to better understand their geological setting and to provide a good stimulus to further exploration investment. At the same time it is recommended that a parallel exploration program be conducted

on other portions of the Seguela property to better understand soil anomalism that has not yet been trenched.

Both the Korhogo and Tengrela projects as well as portions of the Seguela and Vavoua properties are covered by laterite gravels and plateaux. Future exploration work in these laterite environments must penetrate surface cover to produce a residual saprolite sample. It is recommended that regional target areas within the Tengrela and Korhogo properties are explored by subsurface methods such as RAB drilling or mechanical augering.

Previous exploration campaigns on the Seguela and Vavoua properties have undertaken analysis of soil samples using both low-level (ppb) and standard (ppm) detection limits with Fire Assay on a 35g charge. The most appropriate method for the analysis of soil samples in the Birimian is BLEG (Bulk Leach Extractable Gold) utilising a minimum 1kg sample. It is recommended that all future geochemical sampling be analysed by BLEG.

## 8.0 APOLLO PROPOSED PROGRAM AND BUDGET

Apollo has developed exploration programs on the Projects with the primary objectives of progressing geochemical sampling and geological understanding ahead of drill-testing. Drilling on the projects is expected once Permit de Research applications are granted and title is transferred.

Specifically exploration programs will include:

- Defining and expanding the existing gold mineralisation on the Seguela permit;
- Preparation of drilling programs on advanced targets at the Seguela permit;
- Investigating structural targets and new geochemical anomalies on all permits;
- Prioritizing prospect areas for future geochemical sampling and drilling;
- Establishment of company offices and equipment in Cote d' Ivoire, and
- Identifying priority areas prospective for definition of similar style deposits.

Exploration proposed by APOLLO for the first year will initially focus on:

- Continued infill and first-pass soil sampling at Seguela and Vavoua;
- Validation LAG sampling and systematic soil sampling at Tengrela and Korhogo ;
- Trench sampling and mapping at advanced targets on the Seguela project; and
- Geological mapping and interpretation over emerging geochemical anomalies.

APOLLO has provided reasonably comprehensive work programs and conditional budgets covering the initial two years of exploration on each of the projects areas. The programs and budget is conditional on the grant and transfer of title of the Permits de Research and exploration work programs are considered to be justified, given the potential of the Projects to develop the currently defined resources and to generate additional gold resources. The conditional budget includes geochemical exploration on all permits and RC and/or diamond drilling over advanced targets on the Seguela project.

Proposed Exploration Expenditure		
Year 1	Year 2	Total
A\$758,000	A\$590,000	A\$1,348,000

On a project by project basis expenditure is budgeted as follows:

Year 2012	Seguela	Vavoua	Korhogo	Tengrela
Project Administration	\$37,000	\$18,000	\$18,000	\$18,000
Geological Activities	\$34,000	\$7,000	\$44,000	\$15,000
Geophysical Activities	\$10,000	\$5,000	\$5,000	\$8,000
Geochemical Activities	\$67,000	\$10,000	\$44,000	\$11,000
Drilling	\$180,000	\$0	\$0	\$0
Assay	\$65,000	\$5,000	\$22,000	\$7,000
Field Costs & capital Expenditure	\$49,000	\$27,000	\$26,000	\$26,000
<b>Total for Year 2012</b>	<b>\$442,000</b>	<b>\$72,000</b>	<b>\$159,000</b>	<b>\$85,000</b>

Year 2013	Seguela	Vavoua	Korhogo	Tengrela
Project Administration	\$37,000	\$18,000	\$18,000	\$18,000
Geological Activities	\$11,000	\$17,000	\$15,000	\$44,000
Geophysical Activities	\$15,000	\$5,000	\$5,000	\$5,000
Geochemical Activities	\$22,000	\$18,000	\$21,000	\$30,000
Drilling	\$180,000	\$0	\$0	\$0
Assay	\$21,000	\$16,000	\$7,000	\$20,000
Field Costs & capital Expenditure	\$16,000	\$10,000	\$10,000	\$11,000
<b>Total Year 2013</b>	<b>\$302,000</b>	<b>\$84,000</b>	<b>\$76,000</b>	<b>\$128,000</b>
<b>Combined Total</b>	<b>\$744,000</b>	<b>\$156,000</b>	<b>\$235,000</b>	<b>\$213,000</b>
<b>COMBINED TOTAL</b>	<b>\$1,348,000</b>			

The budgeted expenditure of approximately \$758,000 and \$590,000 on the Projects in Years 1 and 2 respectively is considered adequate to cover the cost of the proposed geochemical and drilling programs.

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## 10.0 GLOSSARY

“A\$”	Australian dollar
“amsl”	above mean sea level
“Au”	gold
“Az”	azimuth
“BLEG”	bulk leach extractable gold
“BP”	before present
“°C”	degrees centigrade
“cm”	centimetres
“°”	degree
“DD”	diamond drilling
“DGPS”	differential global positioning system
“g” or “gm”	gram
“Ga”	billions of years ago
“g/m <sup>3</sup> ”	grams per cubic metre
“GPS”	global positioning system
“g/t”	grams per tonne
“ha”	hectare
“kg”	kilogram
“km”	kilometre
“Lag”	the concentration of coarse particles on the surface as a result of erosional removal of fine material
“m”	metre
“m <sup>3</sup> ”	cubic metres
“Ma”	millions of years ago
“ml”	millilitre
“mm”	millimetre
“oz”	ounce
“ppb”	parts per billion
“ppm”	parts per million
“RC”	reverse circulation
“RQD”	rock quality designation
“sq km”	square kilometres
“UTM”	Universal Transverse Mercator
“WGS 84”	World Geodetic Survey 1984

**SEMS Exploration contact details**

17 Orphan Crescent Labone, P. O. Box 2805, Osu Accra, Ghana  
Ph:+233 302 784 124, Email: ghana@sems-exploration.com

**CERTIFICATE of QUALIFICATION**

To accompany the report entitled  
**INDEPENDENT GEOLOGIST'S REPORT**

**For Apollo Consolidated Limited dated 31<sup>st</sup> October 2011**

**I, Simon Edward Meadows Smith, do hereby certify that:**

1. I reside at 7 Orchard Gardens, Cantonments, Accra, GHANA
2. I graduated from Nottingham University, England in 1988 with a BSc Degree in Geology. I have continually practiced my profession since that time.
3. I am a member of the Institute of Materials, Minerals and Mining (IOM3) with Membership number 49627
4. I am the Managing Director of SEMS Exploration Services Ltd, which is a West African based firm of consulting Geologists, Mining Engineers and Surveyors with contracts and work experience in Mali, Cote d'Ivoire, Burkina Faso, Ghana, Senegal, Liberia, Guinea, Sierra Leone and Congo. The company's head office is located at 17 Orphan Crescent, Labone, Accra, GHANA.
5. I have twenty years of experience working in Pre Cambrian terrains of West Africa and Western Australia primarily involved in exploration for gold. I have been involved with several independent geologist's reports on shear hosted gold mineralised systems in Birimian aged rocks in West Africa since 1995.
6. I believe I am a 'Competent Person' as defined by the JORC Code of the Joint Ore Reserves Committee of Australasia.
7. I have not visited any of the Aspire permits in Cote d'Ivoire but other members of the SEMS Exploration team have visited all of the three project areas in Cote d'Ivoire over the last twelve months.
8. I have no personal knowledge, as of the date of this Certificate, of any material fact or change, which is not reflected in this report, the omission to disclose that would make this report misleading.
9. Neither I, nor any affiliated entity of mine, is at present, or under an agreement, arrangement or understanding expects to become, an insider, associate, affiliated entity or employee of Apollo Consolidated Ltd and / or any associated or affiliated entities.
10. Neither I, nor any affiliated persons or entity of mine, own, directly or indirectly, nor expect to receive, any interest in the properties or securities of Apollo Consolidated Ltd. or any associated or affiliated companies.
11. I consent to the filing of this Report with the relevant securities commission, stock exchange and other regulatory authorities as may be demanded, including general publication in hardcopy and electronic formats to shareholders and to the public.



**Simon E. Meadows Smith, IOM3**

Dated at Accra, Ghana this 08th day of November 2011



**BOONJARDING RESOURCES LTD**

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**INDEPENDENT GEOLOGIST'S REPORT**

**Rebecca Project**

for

**APOLLO CONSOLIDATED LTD.**

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Prepared by: Gary R. Powell  
Date: 26 November 2011

# BOONJARDING RESOURCES LTD

Mining & Mineral Exploration Consultant Services

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Tiara Labuan  
Jalan Tanjung Batu  
87000 F.T. Labuan  
Malaysia

Tel: (+60 87) 416518  
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26 November 2011

## THE BOARD OF DIRECTORS

### APOLLO CONSOLIDATED LTD.

Level 4, The Read Buildings  
16 Milligan Street  
Perth 6000  
Western Australia  
AUSTRALIA

Dear Sirs

### INDEPENDENT GEOLOGIST'S REPORT – REBECCA PROJECT, WESTERN AUSTRALIA

Boonjarding Resources Ltd ("BRL") has been commissioned by Apollo Consolidated Ltd ("Apollo" or the "Company") to provide an Independent Geologist's Report on the Rebecca Project ("Project" or the "Property"), located in Western Australia, and in which Apollo has acquired a 100% equity. This report is to be included in a Prospectus to be lodged with the Australian Securities and Investments Commission ("ASIC") on or about the 20<sup>th</sup> December 2011, offering for subscription 10,000,000 Ordinary Shares at an issue price of 20 cents per Ordinary Share through a Prospectus, to raise a total of \$2,000,000 (before costs associated with the issue). The Company may also accept oversubscriptions for up to a further 2,500,000 shares at an issue price of 20 cents per Ordinary Share to raise up to an additional \$500,000. The funds raised will be used for the purpose of exploration and evaluation of the Rebecca Project, and identification of new Projects.

BRL understands that the Company has, or is acquiring equity in various mineral assets in Africa, and which are to be included as part of its portfolio of mineral assets for the purposes of the Prospectus. BRL has not been requested to provide an Independent Geological Report on its African Mineral Assets, nor has it been requested to provide an Independent Valuation of the Project or of any of its minerals assets, nor have we been asked to comment on the Fairness or Reasonableness of any vendor or promoter considerations, and we have therefore not offered any opinion on these matters.

BRL has based its review of the Project on information provided by the Company, along with technical reports prepared by Government agencies and previous tenements holders, and other relevant published and unpublished data. A listing of the principal sources of information is included in the Independent Geologist's Report. A Site visit was not undertaken to the Project, as the writer has had many years experience in the

Eastern Goldfields of Western Australia and previously authored an independent geologist's report on the granted tenements of the Property in 2004, thus it was considered that a site visit would not be required.

A final draft of the report was provided to the Company, along with a written request to identify any material errors or omissions prior to lodgement. Where appropriate, and in accordance with ASIC Regulatory Guide 55, consent has been obtained to quote data and opinions expressed in unpublished reports prepared by other professionals.

The Rebecca Project is understood to consist of one granted exploration licence, one granted prospecting licence and four licence applications, covering an area of approximately 254 square kilometres. Assumptions have been made by BRL that the Project's tenement and associated agreements are current, in good standing and the tenements are lawfully accessible for exploration.

The technical assessment of the Project is initially based upon technical, tenement and cost information provided by the Company and this information has been accepted by BRL as being true and accurate and that the Company has not retained any material information relevant to the reporting assessment of the Project.

The Independent Geologist's Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The Valmin Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM"), the Australian Institute of Geoscientists ("AIG"), and the rules and guidelines issued by such bodies as the ASIC and Australian Stock Exchange ("ASX"), which pertain to Independent Expert Reports.

The Project, in which the Company has an interest, is considered to be an "Exploration Project" which is inherently more speculative in nature. BRL considers that the Project has been retained or acquired on the basis of sound technical merit, and is considered to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with the Company's proposed program.

All references to currency in this report, is in Australian Dollars (AUD), unless otherwise specified. Exploration and evaluation programs summarised in the Report amount to a total expenditure of approximately \$1,666,000, of which the Company plans to spend approximately \$633,000 in the first year of assessment. A second, conditional two year budget has been included in the event that certain African gold projects become available for exploration expenditure. The African gold projects are not the subject of this report.

Company intends to raise a minimum of \$2,000,000, and at least half the liquid assets held, or funds proposed to be raised by the Company, are understood to be committed to acquisition, exploration, development and administration of the Project, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b).

BRL is satisfied that if the minimum subscription is raised the Company will have sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

The Company has provided reasonably comprehensive work programs and budgets covering the initial two years of exploration. Where proposed exploration strategies have been stated, the proposed programs are considered to be broadly consistent with the potential of the Project. The corresponding budgets are generally adequate to cover the anticipated costs of the programs. BRL considers that sufficient exploration has been undertaken within the last 2 years and where this is not the case the relevant areas have sufficient technical merit, to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(a).

The Independent Geologist's Report has been prepared on information available up to and including 20<sup>th</sup> November 2011. BRL has provided consent for the inclusion of the Independent Geologist's Report in the Company Prospectus, in the form and context in which the report and those statements appear, and has not withdrawn that consent before lodgment of the Prospectus with the ASIC.

Boonjarding Resources Ltd is an exploration, mining and resource consulting firm, which has been providing services to the international mining and exploration industry since 1998. This report has been compiled by Mr. Gary R. Powell, who is a professional geologist with more than 25 years experience in the exploration, development and mining, and evaluation of mineral properties within Australia, South America, Central Asia and South East Asia. Mr. Powell is a Member of the AusIMM and the AIG and has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" under definitions provided in the Valmin Code.

Neither Boonjarding Resources Ltd, nor the author of this report, have or have previously had any material interest in Apollo Consolidated Ltd, AC Minerals Pty Ltd, or the Project in which the Company has an interest. The relationship with Apollo Consolidated Ltd is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

In accordance with section 716(2) of the Corporations Act, Mr. Gary Powell consents to:

- (a) being named in the prospectus, which was prepared by Boonjarding Resources Ltd and which is proposed to be lodged with ASIC on or about the 20<sup>th</sup> December 2011 for the initial public offer of up to 10,000,000 fully paid ordinary shares in the capital of the Company at an issue price of \$0.20 per Share, to raise up to \$2,000,000, and oversubscriptions of up to a further 2,500,000 shares at an issue price of \$0.20 per Share to raise up to a further \$500,000 may be accepted;
- (b) the inclusion of statements contained in Section 6 of the Prospectus, and
- (c) the distribution of electronic and paper copies of the Prospectus.

Boonjarding Resources Ltd have not authorised or caused the issue of the Prospectus and to the maximum extent permitted by law, expressly disclaim and take no responsibility for any other part of the Prospectus.

Boonjarding Resources Ltd have not withdrawn this consent prior to lodgement of the Prospectus with ASIC.

Yours faithfully

**BOONJARDING RESOURCES LTD**

  
Gary R Powell  
BAppSc(Geol), MAusIMM, MAIG

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**SUMMARY**

Apollo Consolidated Ltd. (“Apollo” or the “Company”) through its 100% owned subsidiary AC Minerals Pty Ltd, has acquired a 100% interest in the Rebecca Project which is located in and the Eastern Goldfields of Western Australia (figure 1).



Figure 1. Rebecca Project Location Plan

The Rebecca Project is situated some 140 kilometers east-northeast of Kalgoorlie, Western Australia and comprises one granted exploration licence, one granted prospecting licence, two exploration licence applications, and one prospecting licence application covering a combined area of approximately 254 square kilometres.

The Rebecca Project has been explored by various companies since the 1960s for commodities such as gold, nickel and base metals. Previous exploration has delineated three zones of strong bedrock gold geochemistry anomalism hosted by sulphide-rich lodes in felsic intrusive rocks and gneiss, namely the Redskin, Duke and Bombora prospects.

A recent program of infill auger geochemical sampling, by Apollo, east of the Duke prospect delineated a new zone of gold anomalism. The zone is parallel to structural trends evident in aeromagnetic imagery and is potentially spatially related to the gold mineralised horizon at Duke. This program defined a >20ppb gold-in-soil anomaly over a strike length of 3 kilometres, including a coherent zone of >50ppb Au anomalism extending for over 1 kilometre with individual spot values up to 202ppb Au.

Field investigation and rock-chip sampling by Apollo confirmed that the soil anomaly is derived from an in-situ source (i.e. not transported) and corresponds to areas of highly micaceous and/or ferruginous scree material in a shallow soil profile.

Exploration potential is recognised for strike and depth extensions of the mineralisation at the three prospects, as well as identifying new mineralised zones under surficial cover.

Apollo has developed a focused exploration and resource evaluation program with the primary objectives of:

- Upgrading and expanding the existing gold mineralisation;
- Defining resources and reserves capable of development in the mid-term future;
- Investigating structural targets and new geochemical anomalies;
- Prioritizing prospect areas for future expenditure and development, and
- Identifying priority areas prospective for definition of similar style deposits.

Exploration proposed by Apollo for the first year will initially focus on:

- Infill RC drilling at Duke, Redskin and Bombora;
- Carry out an analysis of airborne magnetic data and existing soil geochemical anomalies;
- Definition of first-pass targets for RAB drilling;
- IP surveys, and
- Diamond core drilling at Bombora.

Apollo has provided reasonably comprehensive work programs and budgets covering the initial two years of exploration on each of the project areas. The exploration work programs are expected to be conducted over a 2 year period and are considered to be justified, given the potential of the Project to develop the currently defined resources and to generate additional gold resources.

<b>Proposed Exploration Expenditure</b>		
<b>Year 1</b>	<b>Year 2</b>	<b>Total</b>
\$633,000	\$1,033,000	\$1,666,000

The proposed budget, totaling an estimated \$1,666,000 is considered adequate to cover the anticipated costs of the programs, and expenditure requirements of the Western Australian Department of Mines and Petroleum.

## **1. TERMS OF REFERENCE**

Boonjarding Resources Ltd (“BRL”) has been commissioned by Apollo to provide an Independent Geologist’s Report on the Rebecca Project, located in the Eastern goldfields of Western Australia. This report is to be included in a Prospectus to be lodged with the Australian Securities and Investments Commission (“ASIC”) on or about the 20<sup>th</sup> December 2011.

### **1.1 Sources of Information and Report Basis**

This report is compiled from: reports and electronic database provided by Apollo; various published technical papers; information available on the website of the Western Australian Department of Mines and Petroleum (“DMP”) and the Geological Survey of Western Australia (“GSWA”); and various Internet sources.

As this is primarily an exploration project, all existing information has been taken at face value. BRL has undertaken limited independent confirmation of currently available data, based on examination of historic reports and summaries, and has accepted that data as correct.

BRL has prepared this report on the understanding that the Project’s exploration license is currently in good standing and that the Company has legal and unrestricted access to the tenement. BRL has not attempted to establish the legal status of tenements within each project area with respect to potential environmental and access restrictions. BRL has not independently verified ownership and current standing of the tenements and is not qualified to make legal representations in this regard. Apollo confirmed the tenement schedule tabled in this Report as being current as at the date of this report, and the information is presented without warranty.

### **1.2 Field Involvement of Qualified Person**

Mr. Gary Powell (the “author”) has not undertaken field verification of the Project, as the writer has had many years experience in the Eastern Goldfields of Western Australia and previously authored an independent geologist’s report on the same Project in 2004, thus it was considered that a site visit would not be required.

### **1.3 Reporting Code**

The Independent Geologist’s Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports (“The Valmin Code”), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (“AusIMM”), the Australian Institute of Geoscientists (“AIG”), and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (“ASIC”) and Australian Securities Exchange (“ASX”), which pertain to Independent Expert Reports.

## 2. RELIANCE ON OTHER EXPERTS

BRL has not independently verified the ownership and current standing of Apollo's tenements and is not qualified to make legal representations in this regard. BRL has relied upon information provided by Apollo. BRL has prepared this report on the understanding that the mineral title constituting Apollo's Project is currently in good standing. BRL has not attempted to establish the legal status of the mineral title with respect to potential environmental and access restrictions.

Comments relating to environmental, climatic, sociological and other similar non-geological areas are, of necessity, outside the expertise of BRL and are included on the basis that they are generally publicly available and relevant for the reader to place the project in an overall perspective.

BRL specifically disclaims responsibility for these aspects of the due diligence for the purpose of this Report.

The opinions in this report are based on information supplied to BRL by Apollo as well as that gathered by BRL during a previous technical review in 2004. BRL does not accept responsibility for any errors or omissions in the supplied information.

As recommended in the Valmin Code, Apollo has provided BRL with an indemnity under which BRL is to be compensated for any liability and/or additional work or expenditure resulting from extra work required which results from BRL's reliance on information provided (or not) by Apollo or extra workload resulting from further inquiries arising from this report.

### 3. REBECCA PROJECT

#### 3.1 INTRODUCTION

The Rebecca Project comprises one granted Exploration License, which is situated in the Pinjin region of the Eastern Goldfields of Western Australia and lies immediately to the southeast of Lake Rebecca, a large lacustrine, salt lake system. The project area lies at the southern end of the Laverton Tectonic Zone (“LTZ”) a regionally significant tectonic zone, which comprises several large gold mines, including the Sunrise-Cleo, Wallaby, Lancefield and Granny Smith gold camps

##### 3.1.1 Location, Access, Climate and Physiography

The Project area is accessed some 150 kilometres east-northeast of the regional mining centre of Kalgoorlie via the unsealed Kurnalpi–Pinjin Road, past the Kanowna Belle mining centre, for 120 kilometres to the Yindi Station homestead thence 30 kilometres to the east via various station tracks to the project area. Within the Project’s tenement, access is gained via numerous, previously cleared grid lines that are now partly overgrown (figure 2). The grid lines are orientated predominantly ESE-WNW.

The Kalgoorlie region has a dry climate with hot summers and cool winters. The average annual rainfall is 260mm on an average of 65 days and, while the average rainfall is fairly evenly distributed throughout the year, there is considerable variation from year to year. January is the hottest month with an average maximum temperature of 34°C and July the coldest with an average maximum temperature of 16°C. June is the wettest month with an average 32mm on 9 days. Thunderstorms provide most of the summer rainfall, often producing heavy localised falls in short periods.

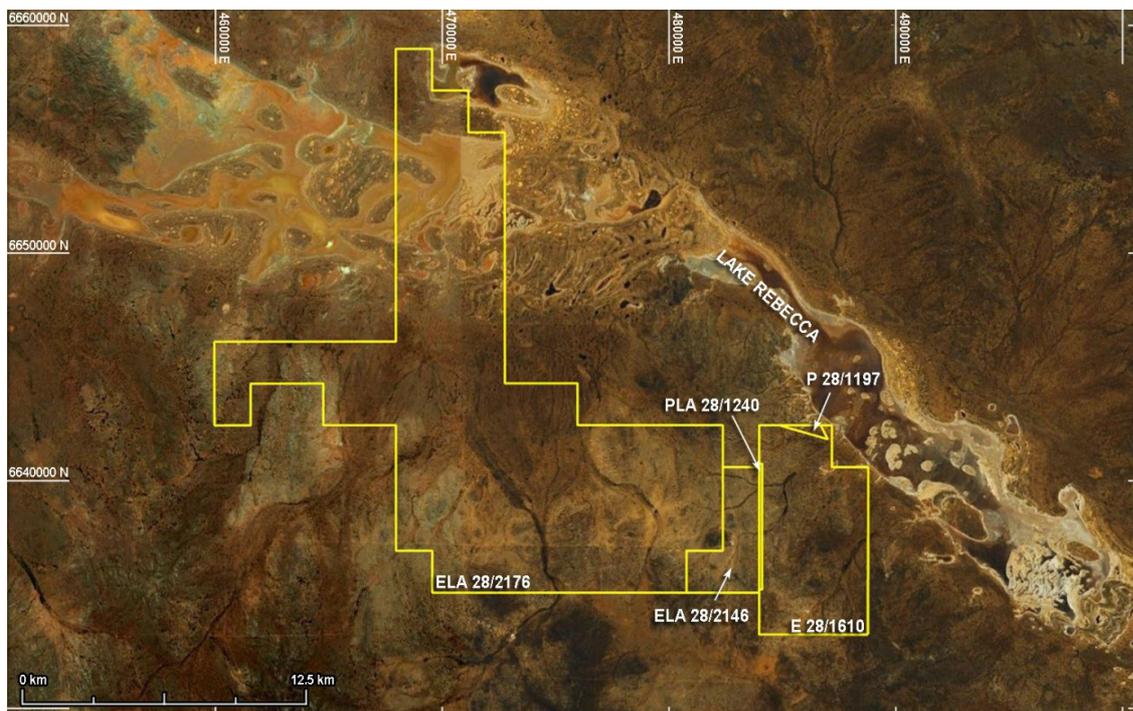


Figure 2. Rebecca Project tenements

The area encompassing the Project comprises low rolling hills passing into sandy areas marginal to Lake Rebecca. Vegetation is generally open and consists of eucalypts, mulga and saltbush away from Lake Rebecca, with spinifex being more common in the sandy areas.

### **3.2 TENURE**

The Mt Rebecca Project comprises one granted Exploration Licence (E28/1610), two Exploration Licence applications (E28/2146 & E28/2176), one granted Prospecting Licence (P28/1197), and one Prospecting Licence application (P28/1240) covering a combined area of approximately 254 square kilometres (figure 1), located in the shire of Kalgoorlie-Boulder City.

E28/1610 was originally granted to Drake Resources Ltd (“Drake”) and Maincoast Holdings Pty Ltd (“Maincoast”) on 25th October 2006. In September 2009, Drake’s 80% equity was purchased by AC Minerals Pty Ltd (“ACM”), a wholly-owned subsidiary of ASX listed company Apollo Consolidated Ltd, and management of the project was assumed by Apollo. In March 2010 Maincoast’s 20% equity was purchased by ACM. Maincoast retains a 1.5% net smelter return royalty. 100% of the title to the tenement was transferred to ACM in August 2010.

All other tenements are 100% owned by ACM.

Table 1. Rebecca Project – Tenement Schedule

<b>Tenement ID</b>	<b>Date Granted</b>	<b>Date Expiry</b>	<b>Area (sub-blocks)</b>	<b>Area (km<sup>2</sup>)</b>	<b>Current Year Expenditure Commitment</b>
E28/1610	26/10/2006	25/10/2011*	14	41.45	\$30,000
E28/2176	Date Application – 18/07/2011		68	201.33	\$68,000 upon granting
E28/2146	Date Application – 21/02/2011		4	11.84	\$20,000 upon granting
P28/1197	04/10/2010	3/10/2014	N/A	0.56	\$2,000
P28/1240	Date of Application – 04/03/2011		N/A	0.76	\$2,000

\*application for extension of term has been lodged

The Project’s tenement is subject to the Regulatory Laws of the State Government of Western Australia.

#### **3.2.1 Agreements and Encumbrances**

A 1.5% net smelter return royalty covering the area of E28/1610 is held by Maincoast Pty Ltd (“Maincoast”), a private company registered in Western Australia. There are no agreements or encumbrances associated with the remaining tenements.

A detailed description of the tenements and tenement applications, agreements and/or encumbrances are included in the Independent Solicitor’s Report on Mining Tenements, located elsewhere in the Prospectus.

### 3.2.2 Native Title

This subject does not form part of the terms of reference of this report, but is addressed in the Native Title section of the Independent Solicitor's Report on Mining Tenements, located elsewhere in the Prospectus.

### 3.3 GEOLOGICAL SETTING

The Rebecca Project lies within the Eastern Goldfields Province of the Archaean Yilgarn Craton of Western Australia, and is located at the southern portion of the Laverton Tectonic Zone ("LTZ"), a regional scale shear/fault system that extends as a set of NNE and NNW trending structures, within the NNE to NNW trending greenstone stratigraphy, from Laverton toward the Pinjin area. This regionally significant tectonic zone is particularly well-endowed, hosting over 20 individual gold deposits, including the Sunrise-Cleo, Wallaby, Lancefield and Granny Smith gold camps, which cumulatively contain in excess of 27 million ounces of gold. The two largest gold deposits situated within the LTZ are the 10+ million ounce Sunrise Dam gold deposit and the 5+ million ounce Wallaby gold deposit.

#### 3.3.1 Regional Geology & Mineralisation

The main structural features of the region encompassing the Project are:

- The Pinjin Fault which separates the Edjudina Domain (linear, lower greenschist facies, classic greenstone stratigraphy) in the west from the Pinjin Domain (folded, upper greenschist to amphibolite facies stratigraphy and granite gneiss). The fault has an overall NNE strike and exhibits several major flexures in the SE. It is interpreted to be dextral in nature with west side down movement. In the Round Hill area, west of the Project's granted tenements, it forms as a complex zone at least 1km wide with truncated and en-echelon folds;
- The apparent folding of stratigraphy to the east of the Pinjin Fault, especially at its southeastern extremity, where it is in contact with the granite batholith. The folding has several possible explanations:
  - (i) It is simple drag folding associated with dextral movement on the Pinjin Fault forming a shallow, north plunging syncline;
  - (ii) It is a manifestation of NW dipping thrusts propagating off the Pinjin Fault, which repeats the stratigraphy;
  - (iii) The granite gneiss has intruded as NW dipping sheets and the remaining stratigraphy is draped around it, or
  - (iv) A combination of the explanations described above.
- Southeast striking dykes parallel to the south east extension of the Kieth-Kilkenny Lineament.

The Edjudina Domain, to the west of the Pinjin Fault, has a linear character and is comprised of greenschist facies mafics, ultramafics, intermediate volcanics, banded iron formation and sediments predominantly derived from felsic volcanics. The stratigraphy to the east of the Pinjin Fault (Pinjin Domain) consists of folded and intercalated mafics, ultramafics and granite gneiss with minor felsic

volcanics and volcanoclastics. This zone is generally less than 5 kilometres wide and is transitional with the Kirgella granitoid gneiss. The metamorphic grade is upper greenschist to lower amphibolite facies increasing to upper amphibolite facies along the Pinjin Domain – Kirgella granitoid gneiss boundary.

Two gold mineralisation trends are recognised in this region, namely the Oaks–Anglo Saxon trend, which continues over 3km strike and the Harbour Lights–King Pin trend, which is traceable over a 12km strike.

The Harbour Lights–King Pin trend lies immediately to the west of the Pinjin Fault, and traverses through the eastern part of the exploration licence application. In September 1995 Aurifex quoted reserves of 500,000 tonnes @ 3.0 g/t Au (48,000 oz) from several resources at Pinjin. This mineralisation lies within the adjacent Edjudina Domain and the bulk of it is hosted in feldspar phyrlic, biotite-rich, felsic and ultramafic schists. Mineralisation occurs in at least three trends associated with shears sub- parallel to and or splaying off the Pinjin Fault. Mineralisation is associated with disseminated pyrite and carbonate alteration in and adjacent to fine irregular quartz-carbonate-biotite veins. Au-As-Cu-Zn association has been reported from the area.

The Oaks–Anglo Saxon trend of gold mineralisation lies on the regional Pinjin Fault, hosted by lithologies, which include feldspar-phyric and biotite- felsic schists. The schists contain disseminated pyrite and carbonate alteration in and adjacent to fine irregular quartz-carbonate-biotite veins.

In recent years since 2005, Newmont Exploration Pty Ltd (“Newmont”), carried out exploration over the Pinjin and Rebecca palaeo-channel gold occurrences located approximately 25km to the north of the project. Newmont undertook initial RAB and aircore drilling in 2007 which resulted in the discovery of mineralisation at “Target 12” with drill intersections including 10m @ 1.0g/t gold and 1m @ 30g/t gold. A six metre wide mineralised vein system was intersected in subsequent diamond drilling, with fine visible gold, returning 5.9 metres @ 7.2g/t gold from 89.7 metres.

### **3.3.2 Project Geology & Mineralisation**

Rocks within the granted tenements area are dominated by gneiss interleaved with slivers of upper amphibolite facies remnant greenstone terrain and cut by numerous granite and pegmatite dykes, sheets and veins at all scales. The predominance of gneiss and distribution of granite and pegmatite is not apparent in interpretations based from magnetic imagery, with slices of metamorphosed mafic and ultramafic rocks contributing strong magnetic responses and delineating the folding present in the area. Previous explorers have interpreted granite, tonalite and granodiorite intrusions into the sequence, associated with magnetic low signatures. Drilling has also intersected garnet-rich narrow sedimentary units.

In outcrop there are subdued ridges of fresh and oxidized amphibolite and ultramafic dispersed within sub-cropping gneiss and granite, but drilling has shown that non-gneiss rocks to be a modest component of the belt. All rocks have common K-feldspar rich granite/pegmatite veins & segregations have indistinct contacts with the host rocks and are probably metamorphic “sweats” derived from a K rich source rock.

Regolith is variable, with a generally shallow sandy, calcareous or pisolithic red-soil transported profile over variably stripped oxidation profile. In general the Redskin and Duke areas have minor sub-cropping oxidised bedrock overlain by sandy and calcareous soils. Auger geochemical sampling would be effective here. The Bombora area lies in a relatively restricted area of transported cover that is part of a NE trending palaeo-drainage into Lake Rebecca. At Bombora there may be up to 30m of cover on oxidised bedrock and surface geochemical sampling would be unlikely to be effective.

Sandy aeolian soils generally increase toward the Lake and appear to on-lap a stripped regolith profile. In these areas soil geochemistry may be of limited value.

The bedrock oxidation profile generally comprises pale kaolinitic clays over felsic rocks and shallower typical clay profiles over amphibolite and ultramafic. Oxidation varies between 20 and 60m in depth.

The NNW striking Pinjin Fault is not a simple structure as it is comprised of several sub-parallel shears some of which may be primary controls on gold mineralisation. Both NNE and NW striking structures appear to have had an influence upon mineralisation.

Core logging has derived the following structural elements:

- 030° and 160° striking magnetic lineaments.
- 030° and 160° striking trends in the surface and compiled down hole geochemistry.
- 180° striking veins/pegmatitic segregations.
- 190° striking geological contacts.
- 155° striking foliation.

Within the granted tenements of the Project area, gold mineralisation is dominantly hosted by zones of silicification and disseminated/veinlet sulphides in gneiss and felsic intrusive rocks. Anomalous gold is usually accompanied by elevated Cu, Ag and sometimes Zn geochemistry.

Three zones of significant bedrock mineralisation have been defined: Redskin, Duke and Bombora prospects. Current RC drill-density is approximately 100m x 50m within these zones.

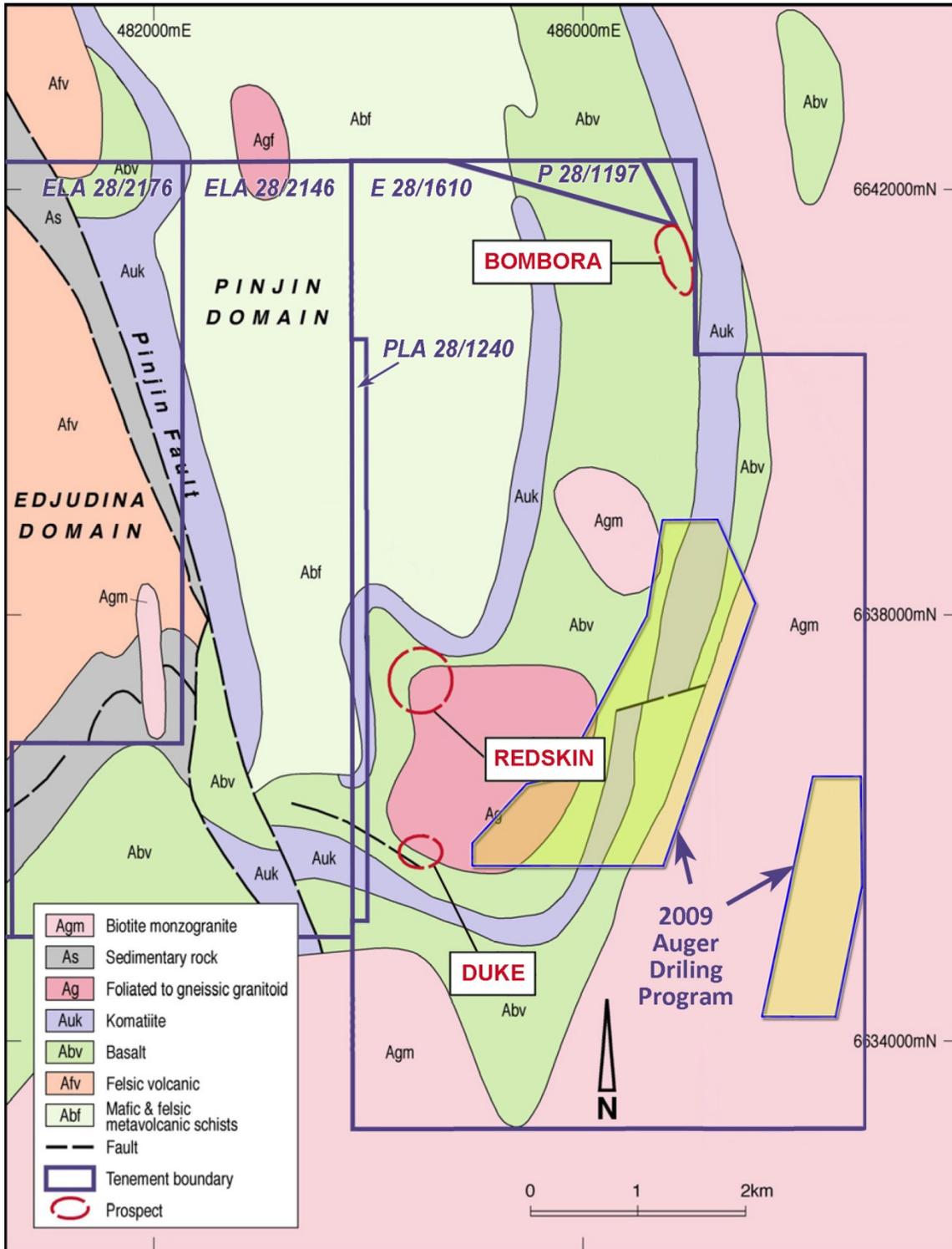


Figure 3. Rebecca Project – Geology & 2009 auger drilling area

### 3.4 EXPLORATION & MINING HISTORY

Historical exploration and mining history is reported predominantly for the granted tenements: E28/1610 and P28/1197. There has been similar amount of exploration activities conducted on the area of the exploration licence application 28/2111, with limited success.

There are no historical gold workings located within the Project area, and the nearest historical mining centre, the Pinjin Mining Centre, is situated 35km to the north-northwest of E28/1610, and 15km north-northeast of ELA28/2176, and operated predominantly between 1904 and 1916. Recorded production from the major producing workings of the mining centre totals some 16,495 tonnes of ore, which gave a production of 9,480 ounces of gold at an average grade of 18.55 g/t Au. The Anglo Saxon mine was the biggest producer in the center, with approximately 5,950 ounces of gold recovered up until 1940. Since then, small-scale ore production in the late 1980s from a small open cut operation was reportedly trucked to the Porphyry plant, located some 54 km to the northwest of Yarri homestead. Production statistics are not available for this period.

Since the 1960s, numerous companies have systematically explored for gold, nickel and base metals within the Lake Rebecca Area. In the late 1960's and early 1970's, Chevron, Endeavour Minerals and Noranda explored for nickel and base metal mineralisation in the general area, completing gridding, geophysical studies, soil and rock chip sampling, costean excavation, percussion drilling and diamond drilling. Some of the nickel exploration costeans are still evident within the tenement area. No nickel sulphide mineralisation was reported.

CSR Pty. Ltd. ("CSR") and Placer Exploration Ltd. ("Placer") carried out extensive exploration for copper and gold in the Lake Rebecca area from 1982 to 1992. During this time BLEG stream sediment sampling, soil sampling, ground magnetics, RAB drilling, RC drilling and diamond drilling programs were completed. The sampling programs defined gold soil anomalism up to 4 kilometres in length, averaging over 20 ppb Au (the "Redskin Prospect"). RC drilling over the Redskin soil geochemistry anomaly returned significant intersections, including 15 metres @ 1.5 g/t Au and 5 metres @ 0.52% Cu. Other areas of anomalous gold mineralisation were identified and include the Duke (formerly known as the Redskin SE prospect) and Bombora prospects.

From 1994 to 1995, gold exploration by Central Kalgoorlie Gold Mines N.L. ("CKGM") consisted of soil sampling, rock chip sampling, aerial magnetic data acquisition and re-sampling of previous RC drill holes at the Redskin Prospect. The rock chip sampling program returned assays ranging up to 1.35 g/t Au and 1,600 ppm Cu. Re-sampling of the CSR–Placer RC drill holes returned a best intercept of 23 metres @ 1.32 g/t Au from 50 metres, including 5 metres @ 2.3 g/t Au from 55 metres, in hole LRC13.

In 1995, Aberfoyle Resources Limited ("Aberfoyle") entered into a joint venture agreement with CKGM and during 1995-97 carried out an extensive program of gridding, surveying, aerial and ground magnetic and IP surveys, petrological and mineralogical studies, and comprehensive RAB and RC drilling. This period of work led to drill-definition of the Redskin, Duke and lastly Bombora mineralised zones, on a 100m x 50m drill hole pattern.

Significant intercepts reported by Aberfoyle from the Redskin and Duke Prospects are included in Table 2 (drill holes prefixed RCLR).

In 2001, Newcrest Operations Limited ("Newcrest") entered into an agreement with CKGM to acquire and take an option to purchase the project. Subsequent activities included data compilation,

interpretation of geophysical and geological data, RC drilling (9 drill holes for total 2,406 metres) and diamond core drilling (3 holes for total 1,118.3 metres), Au and multi-element geochemical analysis, and petrographic studies on selected samples from the diamond core. Results indicated that the Duke anomaly, upon which the second diamond drill hole was targeted, has a strike length of at least 300 metres with true width intercepts of 10 to 30 metres, grading up to 1.5 g/t Au, down to a depth of at least 250 metres.

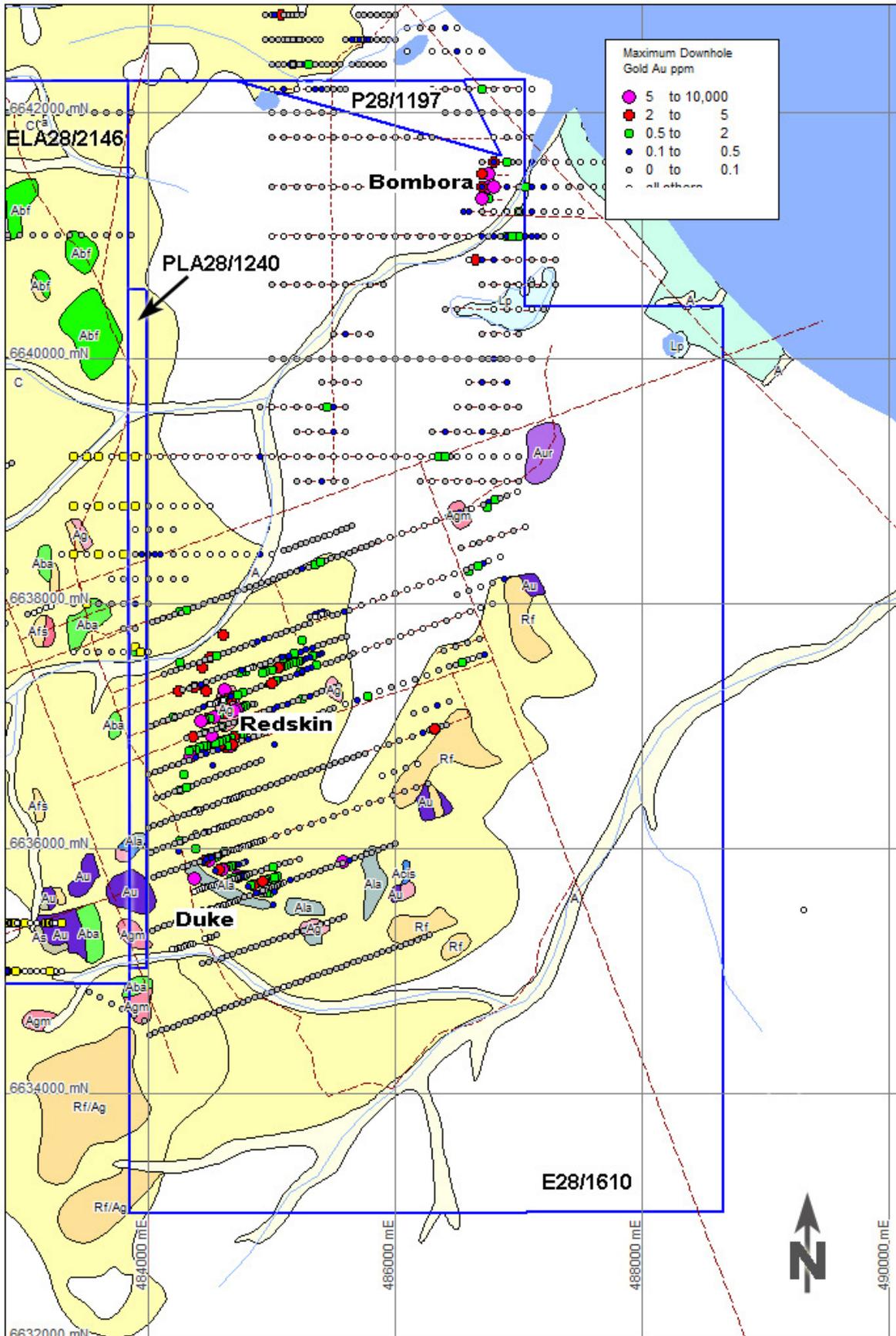
In 2006, Drake and Maincoast made an application for E28/1610. Drake managed exploration to September 2009, completing a detailed aeromagnetic survey and geological compilation. No drilling was carried out.

In summary, there has been a considerable amount of exploration work carried out by various companies since the 1960s, namely:

- Geophysics: aeromagnetic surveys, ground magnetics, IP survey.
- Stream Sediments: regional coverage, -5mm, 3-5kg BLEGS.
- Soil Geochemistry: -10# to +20# at 25m intervals and comp over 50m on 200-500m spaced lines.
- Auger: 1-2kg from pedogenic carbonate horizon at 0.5-2m depth on 50 x 500m intervals.
- RAB drilling: 866 holes for 20,036m, with average depth of 23m.
- AC drilling: 17 holes for 603m, with average depth of 35m.
- RC drilling: 224 holes for 13,783m, with average depth of 72m.
- Diamond drilling: 6 holes for 1,526m of core.
- Metallurgy: Four samples submitted in 1997 by Aberfoyle for bottle roll CN-leach tests.

### **3.4.1 AC Minerals' Exploration**

Since September 2009, Apollo carried out field investigation of various generations of regolith and fact mapping to prioritise areas for auger geochemical sampling. For much of the project area it was recognised by Apollo that carbonate nodule development would be a stronger sampling medium than the earlier, and more comprehensive soil sampling campaigns, especially where there is a component of aeolian sands on deeper calcrete nodule profile.



Geology sourced from GSWA

Figure 4. Previous Drilling & Peak Down hole Gold

The area to the east and north of Duke was selected for immediate auger sampling as the previous soil sampling orientation was also oblique to geological trends.

### **Auger Geochemistry**

A 278 sample auger program was completed on 200m spaced lines and 50m intervals in an area of residual soils and sub-crop extending to the east and north of Duke (figures 3 & 5). Samples were submitted to LabWest in Malaga Perth for Au and 20 element ICPOES analysis.

Assay results defined 20ppb Au anomalism over 3km, within which a coherent area of greater than 50ppb Au anomalism extends over 1km strike. Individual values were obtained of up to 202ppb Au and 571ppm Cu. Silver values to 1.94g/t were also returned. The anomaly is coincident with the interpreted extension of the Duke stratigraphic and structural position, and is parallel to magnetic trends (figure 5).

Three previous RAB traverses extend through the anomaly area. The drillholes are between 50m and 100m apart on local grid lines at 400m intervals. Due to the oblique grid orientation relative to geology the effective grid line spacing across strike is greater than 500m. Eastern parts of the anomaly have no previous drilling. A single RC hole (RCLR132) on one of the lines returned strong anomalous gold values (45m @ 0.65g/t Au to EOH) demonstrating bedrock gold is present in the area.

Field investigation and rock-chip sampling by Apollo confirmed that the soil anomaly is derived from an in-situ source (i.e. not transported) and corresponds to patches of highly micaceous and/or ferruginous material scree material in a shallow soil profile.

Weak coincident Ni (>100ppm) and Cu (>100ppm) anomalism was returned in samples on 3 consecutive lines, defining a narrow linear anomaly co-incident with the trend of ultramafic outcrop and magnetic response.

## **3.5 PROSPECTS**

### **3.5.1 Redskin**

Widespread anomalous gold has been intersected in an area approximately 1200m long and 400m wide in the central western portion of E28/1610. The anomalous zone trends in a NE direction at the axis of the regional south-plunging fold closure, and possibly along the adjacent eastern fold limb. Mineralisation is hosted by clays in the oxidation profile and broad zones of disseminated sulphide in underlying gneiss, tonalite and granodiorite. While a substantial volume of weakly mineralised (0.10-0.20g/t Au) material has been intersected in previous RC and diamond holes here, the structural controls and orientation of >1g/t Au zones remain to be fully resolved. Mineralisation may relate to locally NNE trending shears that dip toward the west.

Best drill intercepts obtained to date for the Redskin prospect are shown in Table 3.

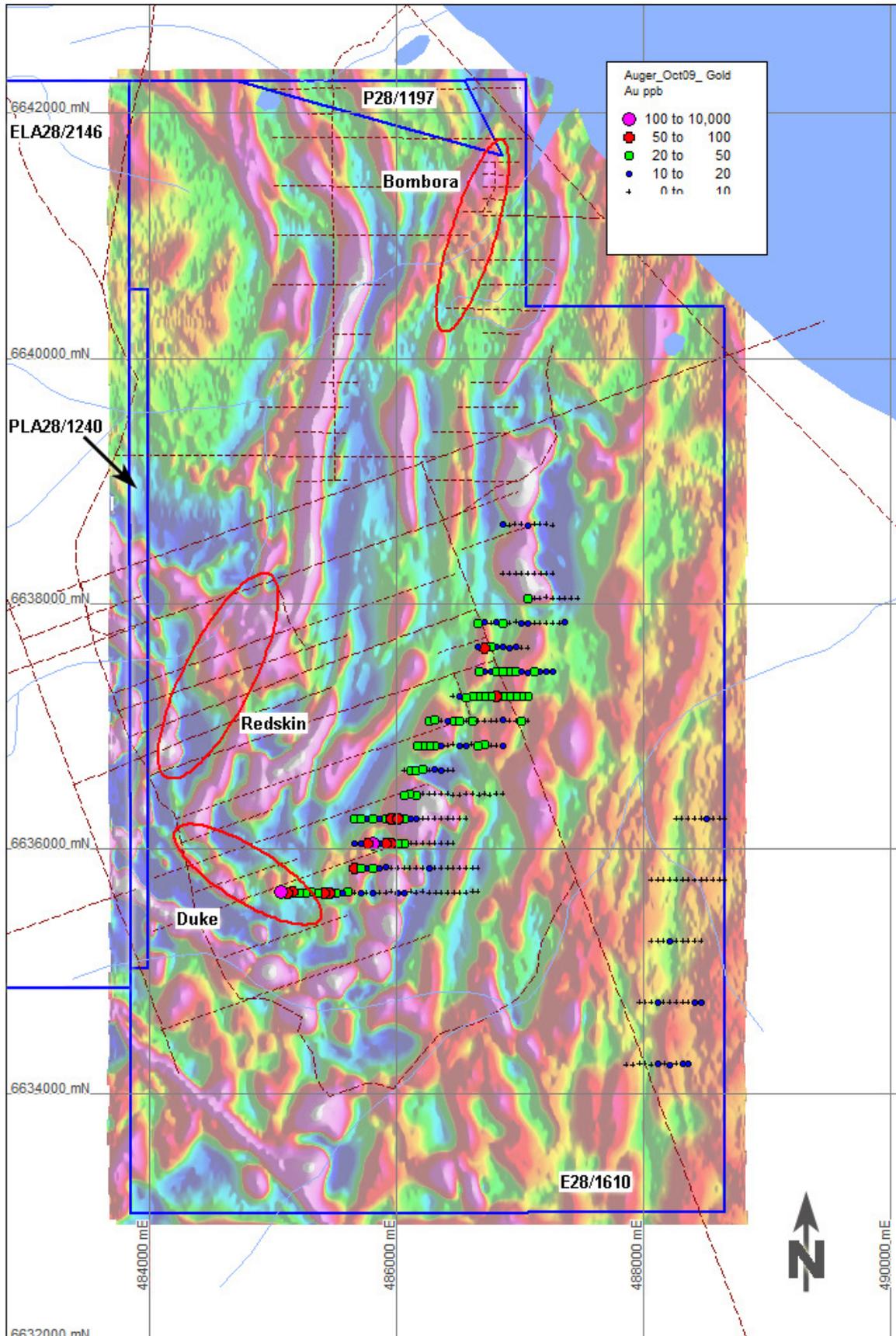


Figure 5. 2009 Auger drilling program – ppb Au overlain on Aeromagnetic (TMI) image

### 3.5.2 Duke

The Duke anomaly (formerly the Redskin SE prospect) is 1km to the south of Redskin and is a well-defined NE-trending strata-bound mineralized zone which lies along the western limb, and adjacent to the fold closure of a regional fold. Mineralisation is characterised by silicification and disseminated sulphides in gneiss. Wide low-grade fresh-rock intercepts (table 3) of up to 30m true width have been returned over a 300 metre strike and to 250 metres depth. The zone is open at depth and along strike to the southeast.

### 3.5.3 Bombora

The Bombora prospect is located in the NE corner of the tenement and has been defined over four lines of RC drilling at 100m line-spacing. Mineralisation is hosted by gneiss and characterized by zones of silicification and disseminated sulphides. Gold anomalism appears to trend N or NNE but the local controls are yet to be resolved. There are several substantial low-moderate grade intercepts at Bombora (Table 3) and mineralisation is currently open in all directions.

Best intercepts reported from the Redskin, Duke and Bombora Prospects include the following:

Table 2. Rebecca Project – Best drill intercepts

<b>Redskin</b>			
Hole No	N (AGD84)	E (AGD84)	Intercept
RCLR0001	6636844	484667	17m @ 1.7 g/t Au from 15m
RCLR0052	6637141	484719	11m @ 3.24 g/t Au from 15m
RCLR0060	6637074	484528	11m @ 3.18 g/t Au from 57m
RCLR0064	6637043	484431	3m @ 10.84 g/t Au from 72m
RCLR0078	6637490	485092	24m @ 0.7 g/t Au from 26m
RCLR0080	6637477	485049	30m @ 0.65 g/t Au from 63m
RCLR0119	6637315	484378	37m @ 0.93 g/t Au from 35m
RCLR0121	6637567	484501	8m @ 2.18 g/t Au from 36m
RCLR0157	6638787	486743	20m @ 1.76 g/t Au from 76m
<b>Duke</b>			
Hole No	N (AGD84)	E (AGD84)	Intercept
RCLR0021	6635841	484622	25m @ 1.59 g/t Au from 4m
RCLR0090	6635908	484488	3m @ 3.74 g/t Au from 47m
RCLR0091	6635900	484464	25m @ 1.32 g/t Au from 59m
RHD002	6635754	484372	30m @ 1.39 g/t Au from 303m
<b>Bombora</b>			
Hole	N (AGD84)	E (AGD84)	Intercept
RCLR0139	6641400	486750	28m @ 2.18 g/t Au from 65m
RCLR0139	6641400	486750	4m @ 3.09 g/t Au from 125m
RCLR0158	6641500	486750	4m @ 5.59 g/t Au from 37m
RCLR0158	6641500	486750	19m @ 1.15 g/t Au from 68m

3.5.4 ELA 28/2176

Within the exploration licence application (ELA28/2176) area, weakly anomalous mineralisation has been encountered by previous explorers. Of more note, is the work carried out by Gutnick Resources N.L. ("GRNL") during the period 1999 to 2004. GRNL carried out reconnaissance geochemistry surveys and RAB drilling of two areas, located at the western and eastern margins of ELA28/2176 (figure 6).

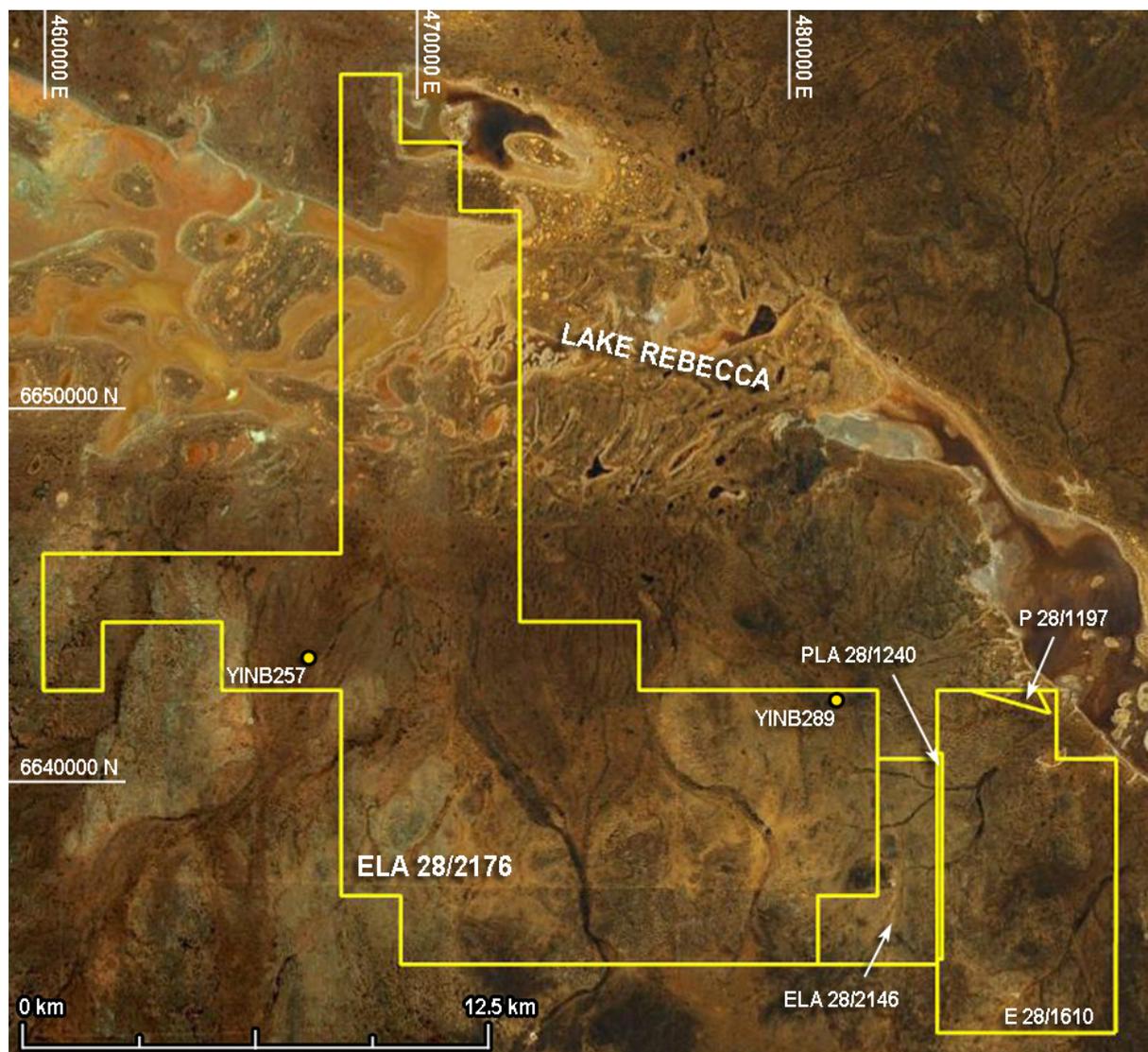


Figure 6. ELA28/2176 – Anomalous Drill hole Intercept Location

Two of GRNL’s drill holes encountered anomalous mineralisation, for which there are no records of these having been followed up (Table 3).

Table 3. ELA28/2176 – Anomalous drill intercepts

Sardine Dam			
Hole	N (AGD84)	E (AGD84)	Intercept

YINB257	6643140	466960	8m @ 1.73 g/t Au from 20m
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<b>Crab Hill</b>			
Hole	N (AGD84)	E (AGD84)	Intercept
YINB289	6642060	481240	4m @ 0.2 g/t Au from 12m

### 3.5.5 Discussion

Gold is predominantly leached in the regolith profile with no substantial supergene enrichment evident in the area. A blanket of sub 0.5g/t Au anomalism is developed over parts of Redskin, but this is not evident at Duke, and the saprolite profile at Bombora is barren. For the most part RAB drill holes encountered little anomalism until close to blade refusal. Subsequent RC drilling often appears to have intersected substantially stronger fresh-rock anomalism than would be indicated by the initial RAB traverses.

Core logging by Newcrest (2002) at Duke and Redskin described the following features observed in fresh-rock mineralisation:

- (i) Sulphide mineralisation is primarily shear related, and to a lesser extent fracture controlled. The sulphide percentage increases to 3–5% proximal to and within the shears from a background of <0.5%. Away from structures the sulphides have a vuggy and/or blebby character. The sulphides are dominantly pyrite with lesser pyrrhotite, chalcopyrite and sphalerite.
- (ii) There is an increase in the degree of silicification at the margins of broad gold anomalous zones and a good correlation overall with increased gold grades.
- (iii) There is only a weak positive association between the quartz vein percentage and gold grades.
- (iv) The alteration associated with gold mineralisation is characterized by silica and biotite.
- (v) There is good positive correlation between gold grades and chalcopyrite, pyrrhotite, sphalerite and pyrite percentages.
- (vi) The intensity of shearing and foliation exhibits positive correlation with gold grades.
- (vii) Mineralisation is restricted to gneiss, granodiorite and tonalite.
- (viii) The lack of significant alteration associated with mineralisation suggests the mineralizing fluid was in, or close to, equilibrium with the host rock and probably not present in large volumes. The fact that it was in, or close to, equilibrium with the host rock suggests it was sourced “nearby”.

#### 4. EXPLORATION PROGRAM & BUDGET

Apollo Consolidated Ltd has prepared a comprehensive exploration program to explore the Project's granted tenements over the next two years. BRL considers that the proposed exploration programs are generally consistent with the status and mineral potential of the Rebecca Project and will meet the Company's stated objectives.

Apollo has also provided comprehensive budgets, covering the initial two years of exploration, to complement the proposed programs, viz:

Table 4. Rebecca Project – Proposed Exploration Expenditure

<b>Year 2012 Rebecca Project</b>	<b>Proposed Expenditure</b>
Project administration	\$34,000
Geological activities	\$141,000
Geophysical activities	\$30,000
Geochemical activities	\$0
Drilling	\$305,000
Assay	\$38,000
Field costs & capital expenditure	\$85,000
<b>Total Year 2012</b>	<b>\$633,000</b>

<b>Year 2013 Rebecca Project</b>	<b>Proposed Expenditure</b>
Project administration	\$34,000
Geological activities	\$141,000
Geophysical activities	\$30,000
Geochemical activities	\$0
Drilling	\$712,000
Assay	\$88,000
Field costs & capital expenditure	\$28,000
<b>Total Year 2013</b>	<b>\$1,033,000</b>
<b>COMBINED TOTAL</b>	<b>\$1,666,000</b>

The budgeted expenditure of \$633,000 and \$1,033,000 on the Rebecca Project in Years 1 and 2 respectively is considered adequate to cover the cost of the proposed drilling and geophysical programs.

The company also provided a secondary budget that would be applied in the event that certain African gold Projects become available for exploration expenditure. At the time of writing the African tenure was in application and have restricted expenditure obligations.

Table 5. Rebecca Project – Provisional Budget (if African Projects are included in IPO)

<b>Year 2012 Rebecca Project</b>	<b>Proposed Expenditure</b>
Project administration	\$20,000
Geological activities	\$29,000
Geophysical activities	\$2,000
Geochemical activities	\$0
Drilling	\$69,000
Assay	\$6,000
Field costs & capital expenditure	\$6,000
<b>Total Year 2012</b>	<b>\$132,000</b>

<b>Year 2013 Rebecca Project</b>	<b>Proposed Expenditure</b>
Project administration	\$20,000
Geological activities	\$29,000
Geophysical activities	\$2,000
Geochemical activities	\$0
Drilling	\$92,000
Assay	\$13,000
Field costs & capital expenditure	\$12,000
<b>Total Year 2013</b>	<b>\$168,000</b>
<b>COMBINED TOTAL</b>	<b>\$300,000</b>

The provisional program and budget presented is considered adequate to cover the cost of proposed drilling and of maintaining the tenements.

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## GLOSSARY OF TECHNICAL TERMS

Terms not listed below are as defined in:

Collins English Dictionary (4th Australian Edition – ISBN 0 00 472219 1), or  
 JORC Code (2004) – <http://www.JORC.com.au>

<b>AAS</b>	Atomic Absorption Spectroscopy – a chemical analysis technique.
<b>aeromagnetic survey</b>	A magnetic survey conducted from an aircraft.
<b>aircore drilling</b>	A rotary drilling technique using a drill-bit, capable of coring soft to medium formations, and where the sample is returned to surface via an inner tube incorporated inside the drill rods.
<b>alteration</b>	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
<b>alteration zone</b>	A zone in which rock-forming minerals have been chemically changed.
<b>auger sampling</b>	A sampling technique utilizing a screw-like tool to obtain shallow samples.
<b>AusIMM</b>	Australasian Institute of Mining and Metallurgy.
<b>BIF</b>	Banded Iron Formation. A rock consisting essentially of alternating bands of iron-oxides and cherty silica.
<b>BLEG</b>	Bulk Leach Extractable Gold – a chemical analysis technique.
<b>bulk sample</b>	A large volume of soil or rock obtained for examination or analysis.
<b>calcrete</b>	Superficial gravels cemented by secondary calcium carbonate.
<b>CIP</b>	Carbon in Pulp. Commercial process used in extraction of gold.
<b>complex</b>	An assemblage of rocks of various ages and origins intricately mixed together.
<b>costean</b>	A trench excavated in the surface for the purpose of geological investigation.
<b>cut-off grade</b>	The lowest or highest assay value that is included in a resource estimate.
<b>DDH</b>	Diamond Drill Hole
<b>diamond drilling</b>	Rotary drilling technique using diamond set or impregnated bits, to cut a solid, continuous core sample of the rock. The core sample is retrieved to the surface, in a core barrel, by a wireline.
<b>dyke</b>	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
<b>EM survey</b>	Electromagnetic survey. A method of measuring the alternating magnetic fields associated with electrical currents artificially or naturally maintained in the subsurface.
<b>felsic</b>	Light coloured rocks containing an abundance of feldspars and quartz.
<b>fire assay</b>	Analytical technique involving heating a sample in a furnace to ensure complete extraction of all contained precious metal.
<b>g</b>	gram.
<b>g/t</b>	grams per tonne.
<b>g/t Au</b>	grams gold per tonne.
<b>geochemistry survey</b>	Systematic collection of data on the variation of chemical elements in rocks and soils.
<b>geophysical survey</b>	Systematic collection of data on the variation of physical properties in rocks and soils.
<b>gossan</b>	A ferruginous deposit remaining after the oxidation of the original sulphide minerals in a vein or ore zone.
<b>greenschist</b>	A schistose metamorphic rock which owes its green colour and schistosity to abundant chlorite and lesser epidote and/or actinolite.

<b>greenschist facies</b>	A classification of the metamorphic grade of a rock, diagnostically defined by the metamorphic formation of chlorite and biotite at generally lower pressures and temperatures.
<b>IP survey</b>	Induced Polarization survey. An electrical geophysical survey technique measuring the magnetic field spontaneously induced in a volume of rock by the application of an electric current. A technique often used to identify disseminated sulphide deposits.
<b>JORC</b>	Joint Ore Reserves Committee. The guidelines of the JORC Code (1999) are observed in the calculation of ore resources and ore reserves.
<b>komatiite</b>	Magnesium-rich mafic to ultramafic extrusive rock.
<b>LandSat imagery</b>	Photographs of the earth's surface collected by satellite and commonly processed to enhance particular features.
<b>lateritisation</b>	An extreme form of weathering common in tropical climates, in which silica and other constituents are removed, leaving a rock characterised by a high proportion of alumina and/or iron oxide.
<b>mafic</b>	Descriptive of rocks composed dominantly of magnesium, iron and calcium-rich rock-forming silicates, and for rocks in which these minerals are abundant.
<b>magnetic anomalies</b>	Zones where the magnitude and orientation of the earth's magnetic field differs from adjacent areas.
<b>magnetic survey</b>	Systematic collection of readings of the earth's magnetic field.
<b>mesothermal</b>	Mineral deposits formed (precipitated) at moderate temperatures.
<b>monzogranite</b>	A granular plutonic rock with a composition between monzonite and granite.
<b>normal fault</b>	A fault along which movement has placed younger rocks over older rocks.
<b>palaeochannel</b>	an ancient alluvial channel of a pre-existing river or creek bed.
<b>PGE, PGM</b>	Platinum Group Elements, Platinum Group Metals: Platinum (Pt), Palladium (Pd), Iridium (Ir), Osmium (Os), Rhodium (Rh) and Ruthenium (Ru). Often associated with Ni-Cu iron-sulphides, and generally hosted by mafic-ultramafic rock types.
<b>phyric</b>	comprising more than 1% phenocrysts.
<b>plunge</b>	The attitude of a line in a plane which is used to define the orientation of fold hinges, mineralised zones and other structures.
<b>ppb</b>	parts per billion.
<b>phenocryst</b>	a relatively large and usually conspicuous crystal distinctly larger than the grains of the rock groundmass of a porphyritic igneous rock.
<b>primary</b>	A rock or mineral that has remained unaltered since it was originally formed.
<b>RAB</b>	Rotary Air Blast. A method of rotary drilling in which sample is returned, using compressed air, to the surface in the annulus between drill-rod and the drill-hole. A relatively inexpensive and less accurate drilling technique.
<b>radiometric</b>	Data relating to the radioactivity emitted by rocks at or near the earth's surface, usually collected by helicopter or fixed wing aircraft.
<b>RC</b>	Reverse Circulation. A method of rotary drilling in which the sample is returned to the surface, using compressed air, inside the inner-tube of the drill-rod. A more accurate drilling technique than RAB, which minimises contamination.
<b>secondary</b>	A rock or mineral formed as a consequence of alteration, usually by oxidation, of pre-existing minerals.
<b>sericite</b>	Fine mica introduced through metamorphism or alteration.
<b>serpentinite</b>	A rock consisting almost wholly of serpentine, a hydrous magnesium silicate ( $Mg_6(Si_4O_{10})(OH)_8$ ), derived from the alteration of pre-existing olivine and pyroxene.

<b>shear zone</b>	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
<b>stockwork</b>	A network of (usually) quartz veinlets produced during pervasive brittle fracture.
<b>stratabound</b>	Occurring parallel to the rock strata, but not necessarily deposited at the same time.
<b>supergene</b>	of, or relating to minerals and mineral deposits or enrichments formed near the surface, generally by descending solutions.
<b>tholeiitic</b>	A term applied to mafic or ultramafic rocks composed predominantly of magnesium-rich feldspar and pyroxene minerals.
<b>tonalite</b>	A coarse grained plutonic rock similar to diorite in composition but containing quartz as 5% to 20% of the light colored minerals.
<b>tpa</b>	tonnes per annum. Usual reference to the through-put, or capacity, of a processing plant.
<b>ultramafic</b>	Igneous rocks consisting essentially of ferro-magnesium minerals and containing less than 45% silica, with trace quartz and feldspar.

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**7. INVESTIGATING ACCOUNTANT'S REPORT**



**APOLLO CONSOLIDATED LTD**  
Investigating Accountant's Report

23 January 2012

23 January 2012

The Directors  
Apollo Consolidated Ltd  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

Dear Sirs

## INVESTIGATING ACCOUNTANT'S REPORT

### 1. Introduction

We have prepared this Investigating Accountant's Report ("**Report**") on historical financial information of Apollo Consolidated Ltd ("**Apollo**") for inclusion in the Prospectus. Broadly, the Prospectus will offer 10 million post-Consolidation Shares at an issue price of \$0.20 each to raise \$2 million before costs ("**the Offer**"). Oversubscriptions of up to a further 2.5 million shares at an issue price of \$0.20 each to raise up to a further \$500,000 may be accepted.

The Offer is subject to and conditional upon a number of conditions requiring shareholder approval relating to the acquisition of Aspire Minerals Pty Ltd ("**Aspire**").

### 2. Basis of Preparation

This Report has been prepared to provide investors with information on the historical statement of comprehensive income, statement of financial position and statement of changes in equity, and the pro-forma statement of financial position and statement of changes in equity as noted in Appendices 1, 2, and 3.

This Report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, nor the risks associated with the investment, and has been prepared based on the complete Offer being achieved. Neither BDO Corporate Finance (WA) Pty Ltd nor its related entities ("**BDO**") has been requested to consider the prospects for the Company, the shares on offer or related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, and does not purport to do so. BDO accordingly takes no responsibility for these matters or for any matter or omission in the Prospectus, other than responsibility for this Report. Risk factors are set out in the Prospectus.

Expressions defined in the Prospectus have the same meaning in this Report.

### 3. Background

Apollo is an Australian company listed on the Australian Securities Exchange that has historically been focused on the development and marketing of a range of over the counter (OTC) skin care products.

Apollo branched out into the gold exploration industry with the acquisition of an 80% interest in the Rebecca Gold Project in October 2009. The project is located in the Southern Laverton Tectonic Zone, 150 km east of Kalgoorlie, Western Australia.

On 6 September 2011, Apollo announced that it had entered into an agreement with Aspire, pursuant to which the Company will acquire all of the issued fully paid ordinary shares in the capital of Aspire by making offers of an option to acquire all of their Aspire Shares to each of the shareholders of Aspire. Aspire holds a right to earn up to a 90% interest in over 3,000 square kilometres of greenstone terrain in northern and central Côte d'Ivoire.

Aspire is a private Australian minerals exploration company incorporated on 11 March 2009 focused on building a minerals exploration portfolio in Côte d'Ivoire. Aspire have a number of projects in this area including Seguela, Korhogo, Vavoua and the Tengrela North and West Projects, as disclosed in the Prospectus. Aspire have had minimal operations prior to the period ended 31 October 2011.

The effect of the proposed Transaction is that the nature and scale of the activities of Apollo will change to focus on mineral exploration.

### 4. Scope

You have requested BDO to prepare an Investigating Accountant's Report covering the following financial information:

- the historical statement of financial position as at 30 June 2011, and the statement of comprehensive income and statement of changes in equity for the period ended on that date, for Apollo;
- the historical statement of financial position as at 31 October 2011 and statement of changes in equity for the period ended on that date, for Aspire;
- the pro-forma statement of financial position as at 30 June 2011, and the pro-forma statement of changes in equity for the period ended on that date, reflecting the actual position as at that date, major transactions between that date and the date of our report and the proposed capital raising under the Prospectus;
- the accounting policies applied by Apollo in preparing its financial statements (the "Financial Information").

The historical financial information set out in the appendices to this Report has been extracted from the financial statements of Apollo for the year ended 30 June 2011. The historical financial information for Apollo has been included at Appendix 5 of this report. We have not included historical pro-forma financial information for the years ended 30 June 2009 and 30 June 2010 as Aspire had limited operations prior to the year ended 30 June 2011.

The Directors are responsible for the preparation of the historical financial information including determination of the adjustments.

We have conducted our review of the historical financial information of Apollo and Aspire in accordance with the Australian Auditing and Assurance Standard ASRE 2405 “Review of Historical Financial Information Other than a Financial Report”. We made such inquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a review of work papers, accounting records and other documents pertaining to balances in existence at 30 June 2011;
- a review of the assumptions used to compile the pro-forma statement of financial position;
- a review of the adjustments made to the pro-forma historical financial information;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in the appendices to this Report; and
- enquiry of Directors and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our review was limited primarily to an examination of the historical financial information, the pro-forma financial information, analytical review procedures and discussions with both management and directors. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or pro-forma financial information included in this Report or elsewhere in the Prospectus.

In relation to the information presented in this Report:

- support by another person, corporation or an unrelated entity has not been assumed;
- the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- the going concern basis of accounting has been adopted.

## **5. Conclusion**

### **Statement on Historical Financial Information**

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this Report does not present fairly the financial performance for the year ended 30 June 2011 or the financial position as at 30 June 2011 in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

### **Statement on Pro-forma Financial Information**

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the pro-forma financial information does not present fairly the financial position of Apollo as at 30 June 2011, in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions had occurred on that date.

## 6. Subsequent Events

The pro-forma Statement of Financial Position reflects the following event that has occurred subsequent to 30 June 2011;

- Payments totalling \$393,884 relating to general corporate expenses up until 30 November 2011.

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

## 7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro-forma statement of financial position post issue is shown in Appendix 2. This has been prepared based on the reviewed financial statements as at 30 June 2011 and the following transactions and events relating to the issue of shares under this Prospectus:

- The consolidation of the issued capital of Apollo on a 30:1 basis;
- On 5 September 2011, the Company entered into a Share Sale Agreement with Aspire to acquire 100% of the issued capital of Aspire for consideration consisting of
  - 5,000,000 post-Consolidation Shares in Apollo;
  - 7,500,000 post-Consolidation Deferred Consideration Shares in Apollo; and
  - 7,500,000 post-Consolidation Performance Shares in Apollo.
- The issue of 10 million post-Consolidation Shares at an issue price of \$0.20 each to raise \$2 million before costs pursuant to the Prospectus;
- Costs of the offer are estimated to be \$255,000, which are to be offset against the contributed equity;
- The issue of 333,333 post-Consolidation Shares which have been valued at \$66,667 and 333,333 post-Consolidation Options, exercisable at \$0.20 and expiring on 31 December 2014 which have been valued at \$45,000, to consultants as payment for professional services;
- The issue of 15,000,000 post-Consolidation Options to Directors, exercisable at \$0.20 and expiring on 31 December 2016 which have been valued at \$2,400,000, and on exercise of those options the issue of a further 15,000,000 post-Consolidation Options, exercisable at \$0.40 and expiring on 31 December 2016, as payment for professional services; and
- The issue of 362,400 shares, which we have valued at \$72,480, issued to consultants as payment for professional services.

## 8. Disclosures

BDO Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO in Perth.

Neither BDO Corporate Finance (WA) Pty Ltd nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Investigating Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

**BDO Corporate Finance (WA) Pty Ltd**

A handwritten signature in black ink, appearing to read "Adam Myers". The signature is written in a cursive style with some loops and flourishes.

**Adam Myers**

Director

**APPENDIX 1**  
**APOLLO CONSOLIDATED LTD**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Apollo Audited for the year ended 30-Jun-11 \$
Revenue	1,849
Other income	67,160
<b>Total Income</b>	<b>69,009</b>
Changes in inventory of finished goods and work in progress	(1,422)
Employee benefit expense	(24,000)
Consulting expense	(20,610)
Compliance and administrative expenses	(225,533)
Advertising and marketing	(60,117)
Occupancy expense	(43,110)
Aspire option fee	(120,000)
Project evaluation	(100,329)
Other expenses	(1,136)
<b>Total Expenses</b>	<b>(596,257)</b>
<b>Loss before income tax benefit</b>	<b>(527,248)</b>
Income tax benefit	-
<b>Total Comprehensive Income for the financial year</b>	<b>(527,248)</b>

The Consolidated Statement of Comprehensive Income shows the historical financial performance of Apollo. Past performance is not a guide to future performance

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and prior year financial information set out in Appendix 5.

**APPENDIX 2**  
**APOLLO CONSOLIDATED LTD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	Apollo	Aspire	Subsequent events	Pro-forma adjustments	Pro-forma after issue
		30-Jun-11 Audited	31-Oct-11 Reviewed			
		\$	\$	\$	\$	\$
<b>Current assets</b>						
Cash and cash equivalents	2	1,489,479	17,678	(393,884)	1,745,000	2,858,273
Trade and other receivables		106,590	30,007	-	-	136,597
Inventories		15,754	-	-	-	15,754
<b>Total current assets</b>		<b>1,611,823</b>	<b>47,685</b>	<b>(393,884)</b>	<b>1,745,000</b>	<b>3,010,624</b>
<b>Non-current assets</b>						
Trade and other receivables	3	179,000	-	-	(179,000)	-
Property, plant and equipment		-	3,209	-	-	3,209
Exploration assets	4,10	190,477	28,572	-	2,969,236	3,188,285
<b>Total non-current assets</b>		<b>369,477</b>	<b>31,781</b>	<b>-</b>	<b>2,790,236</b>	<b>3,191,494</b>
<b>Total assets</b>		<b>1,981,300</b>	<b>79,466</b>	<b>(393,884)</b>	<b>4,535,236</b>	<b>6,202,118</b>
<b>Current liabilities</b>						
Trade and other payables	5	132,367	329,855	-	(179,000)	283,222
<b>Total current liabilities</b>		<b>132,367</b>	<b>329,855</b>	<b>-</b>	<b>(179,000)</b>	<b>283,222</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities	6	-	-	-	593,847	593,847
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>593,847</b>	<b>593,847</b>
<b>Total liabilities</b>		<b>132,367</b>	<b>329,855</b>	<b>-</b>	<b>414,847</b>	<b>877,069</b>
<b>Net assets</b>		<b>1,848,933</b>	<b>(250,389)</b>	<b>(393,884)</b>	<b>4,120,389</b>	<b>5,325,049</b>
<b>Equity</b>						
Contributed equity	7	34,399,525	713,337	-	2,170,810	37,283,672
Reserves	8	2,016,401	(49,184)	-	3,619,184	5,586,401
Accumulated losses	9	(34,566,993)	(914,542)	(393,884)	(1,669,605)	(37,545,024)
<b>Total equity</b>		<b>1,848,933</b>	<b>(250,389)</b>	<b>(393,884)</b>	<b>4,120,389</b>	<b>5,325,049</b>

The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and prior year financial information set out in Appendix 5.

**APPENDIX 3**  
**APOLLO CONSOLIDATED LTD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

		Apollo 30-Jun-11 Audited	Aspire 31-Oct-11 Reviewed	Subsequent events	Pro-forma adjustments	Pro-forma at listing
	Notes	\$	\$	\$	\$	\$
Balance at 1 July 2010		1,362,677	-	-	-	1,362,677
<i>Comprehensive income for the period</i>						
Profit/(Loss) for the period	9	(527,248)	(914,542)	(393,884)	(1,669,605)	(3,505,279)
<b>Total comprehensive income for the period</b>		<u>(527,248)</u>	<u>(914,542)</u>	<u>(393,884)</u>	<u>(1,669,605)</u>	<u>(3,505,279)</u>
<i>Transactions with equity holders in their capacity as equity holders</i>						
Contributed equity, net of transaction costs	7	1,013,504	713,337	-	2,170,810	3,897,651
Reserves	8	-	(49,184)	-	3,619,184	3,570,000
<b>Total transactions with equity holders</b>		<u>1,013,504</u>	<u>664,153</u>	<u>-</u>	<u>5,789,994</u>	<u>7,467,651</u>
<b>Balance at 30 June 2011</b>		<u><u>1,848,933</u></u>	<u><u>(250,389)</u></u>	<u><u>(393,884)</u></u>	<u><u>4,120,389</u></u>	<u><u>5,325,049</u></u>

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and prior year financial information set out in Appendix 5.

**APPENDIX 4**  
**APOLLO CONSOLIDATED LTD**

**NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

**(a) Basis of preparation of historical financial information**

The historical financial information has been prepared in accordance with the recognition and measurement, but not all of the disclosure requirements of the Australian equivalents to International Financial Reporting Standards (“AIFRS”), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

**(b) Going concern**

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the Company being able to raise funds as proposed under this Prospectus to meet ongoing commitments and for working capital. The Directors may need to raise additional capital or realise assets as required to further explore and evaluate the current opportunities. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the Company be unsuccessful in undertaking additional raisings or realising assets, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

**(c) Basis of consolidation**

***Subsidiaries***

The consolidated financial statements comprise the financial statements of Apollo and its subsidiaries (“**the Group**”). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

Subsidiaries are accounted for in the parent entity financial statements at cost.

**(d) Business Combinations**

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the group on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the group obtains control of the acquiree. Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

For each business combination, the group measures non-controlling interests at either fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed when incurred. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where the group obtains control of a subsidiary that was previously accounted for as an equity accounted investment in associate or jointly controlled entity, the group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss. Where the group obtains control of a subsidiary that was previously accounted for as an available-for-sale investment, any balance on the available-for-sale reserve related to that investment is recognised in profit or loss as if the group had disposed directly of the previously held interest.

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value at the date of exchange using the entity's incremental borrowing rate as the discount rate.

Assets and liabilities from business combinations involving entities or businesses under common control are accounted for at the carrying amounts recognised in the group's controlling shareholder's consolidated financial statements.

**(e) Revenue recognition**

***Interest revenue***

Interest revenue is recognised as it accrues, taking into account the effective yield of the financial asset.

**(f) Income tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(g) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(h) Receivables**

Amounts receivable from third parties are carried at amounts due. The recoverability of the debts is assessed at balance date and specific provision is made for any doubtful accounts.

**(i) Mining tenements and mineral exploration and evaluation expenditure**

Mining tenements are carried at cost, less accumulated impairment losses.

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated exploration, evaluation and development costs for the relevant area of interest are capitalised and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

**(j) Property, plant & equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

***Plant and equipment***

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings and property plant and equipment are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

**(k) Depreciation and amortisation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is calculated using the straight line, reducing balance or units of production methods over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The straight line depreciation and amortisation rates used for each class of assets are as follows:

Furniture, fittings and office equipment	13% - 50%
Motor vehicles	20% - 33%
Plant & equipment	20%
Leasehold Improvements	25%
Buildings	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Where the useful life of an asset is directly linked to the extraction and production of saleable coal, these assets are depreciated using the units of production method. Depreciation is normally calculated using the quantity of material extracted from the mine in the period as a percentage of the total quantity of material to be extracted in current and future periods based on proved and probable reserves.

**(l) Impairment of assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the income statement.

Impairment testing is performed annually on goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(m) Accounts payable**

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company or Consolidated Entity. Trade accounts payable are normally settled within 30 - 45 days.

**(n) Contributed equity**

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

**(o) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(p) Employee benefits**

***Wages and salaries, annual leave and sick leave***

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of other payables and liabilities for annual and sick leave are included as part of employee benefit provisions.

***Long service leave***

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(q) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

**(r) Accounting estimates and judgements**

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

***Determination of fair values on exploration and evaluation assets acquired in business combinations***

On initial recognition, the assets and liabilities of the acquired business are included in the consolidated statement of financial position at their fair values. In measuring fair value of exploration projects, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

#### *Determination of fair values of consideration paid in business combinations*

At the time of acquisition, consideration transferred is required to be measured at its acquisition date fair value. With respect to the deferred consideration shares issued (contingent consideration), management are required to estimate the probability of performance milestones being achieved in determining the acquisition date fair value. Management will continue to monitor and assess the likelihood of this outcome based upon information available at each reporting period.

#### *Recoverability of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

#### *Valuation of share based payment transactions*

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

#### *Taxation*

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

	Audited 30-Jun-11 \$	Pro-forma after issue \$
<b>NOTE 2. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents	1,489,479	2,858,273
<i>Adjustments to arrive at the pro-forma balance:</i>		
Audited balance of Apollo as at 30 June 2011		1,489,479
<i>Subsequent events:</i>		
Payment of corporate expenses		(393,884)
<i>Pro-forma adjustments:</i>		
<i>Acquisition of Aspire</i>		
Reviewed balance of Aspire as at 31 October 2011		17,678
Proceeds from shares issued under this Prospectus		2,000,000
Capital raising costs		(255,000)
Pro-forma balance		<u>2,858,273</u>

	Audited 30-Jun-11 \$	Pro-forma after issue \$
<b>NOTE 3. TRADE AND OTHER RECEIVABLES</b>		
Trade and other receivables	179,000	-
<i>Adjustments to arrive at the pro-forma balance:</i>		
Audited balance of Apollo as at 30 June 2011		179,000
<i>Pro-forma adjustments:</i>		
<i>Acquisition of Aspire</i>		
Reviewed balance of Aspire as at 31 October 2011		-
Elimination of intercompany loan on consolidation		(179,000)
Pro-forma balance		<u>-</u>

	Audited 30-Jun-11	Pro-forma after issue
<b>NOTE 4. EXPLORATION ASSETS</b>	<b>\$</b>	<b>\$</b>
Exploration assets	190,477	3,188,285
<i>Adjustments to arrive at the pro-forma balance:</i>		
Audited balance of Apollo as at 30 June 2011		190,477
<i>Pro-forma adjustments:</i>		
<i>Acquisition of Aspire</i>		
Reviewed balance of Aspire as at 31 October 2011		28,572
Fair value increase recognised on Acquisition (refer Note 10)		2,375,389
Deferred tax liability uplift recognised on Acquisition (refer Note 10)		593,847
Pro-forma balance		3,188,285

	Audited 30-Jun-11	Pro-forma after issue
<b>NOTE 5. TRADE AND OTHER PAYABLES</b>	<b>\$</b>	<b>\$</b>
Trade and other payables	132,367	283,222
<i>Adjustments to arrive at the pro-forma balance:</i>		
Audited balance of Apollo as at 30 June 2011		132,367
<i>Pro-forma adjustments:</i>		
<i>Acquisition of Aspire</i>		
Reviewed balance of Aspire as at 31 October 2011		329,855
Elimination of intercompany loan on consolidation		(179,000)
Pro-forma balance		283,222

	Audited 30-Jun-11	Pro-forma after issue
<b>NOTE 6. DEFERRED TAX LIABILITIES</b>	<b>\$</b>	<b>\$</b>
Deferred tax liabilities	-	593,847
<i>Adjustments to arrive at the pro-forma balance:</i>		
Audited balance of Apollo as at 30 June 2011		-
<i>Pro-forma adjustments:</i>		
<i>Acquisition of Aspire</i>		
Reviewed balance of Aspire as at 31 October 2011		-
Deferred tax liability uplift recognised on Acquisition (refer Note 10)		593,847
Pro-forma balance		593,847

Under paragraph 19 of AASB 112, temporary differences arise when the tax bases of the identifiable assets acquired and liabilities assumed are not affected by the business combination or are affected differently. For example, when the carrying amount of an asset is increased to fair value but the tax base of the asset remains at cost to the previous owner, a taxable temporary difference arises which results in a deferred tax liability.

In the case of Apollo, the fair value of the exploration and mining expenditure was increased in accordance with AASB 3 Business Combinations with no corresponding increase allowable in the tax base of relevant exploration and mining expenditure.

Accordingly, a deferred tax liability amounting to 25% of the fair value uplift is required to be recognised as part of the business combination transaction.

It is envisaged that the deferred tax liability arising from the fair value uplift may be reduced over time due to (i) amortisation/impairment of the exploration and mining expenditure, and/or (ii) reliance on the offset provisions under paragraph 71 of AASB 112 and offsetting the deferred tax liability arising from the business combination transaction with deferred tax asset arising from carried forward tax losses that may be incurred.

	Audited 30-Jun-11	Pro-forma after issue
<b>NOTE 7. CONTRIBUTED EQUITY</b>	<b>\$</b>	<b>\$</b>
Contributed equity	34,399,525	37,283,672
<i>Adjustments to arrive at the pro-forma balance:</i>		
<b>a) Ordinary Share Capital</b>		
Audited balance of Apollo as at 30 June 2011	699,518,583	34,399,525
<i>Pro-forma adjustments:</i>		
Consolidation of capital on a 30 for 1 basis	23,317,864	34,399,525
<i>Acquisition of Aspire</i>		
Reviewed balance of Aspire as at 31 October 2011	-	713,337
Elimination of Aspire on consolidation	-	(713,337)
Post-Consolidation Shares issued to acquire Aspire	5,000,000	1,000,000
Proceeds from Post-Consolidation Shares issued under this Prospectus	10,000,000	2,000,000
Capital raising costs	-	(255,000)
Post-Consolidation Shares issued to consultants	333,333	66,667
Other Post-Consolidation Shares issued to consultants	362,400	72,480
Pro-forma balance	39,013,597	37,283,672

**Note:** As consideration for the acquisition of Aspire, Apollo has agreed to issue 7.5 million Deferred Consideration Shares and 7.5 million Performance Shares. These shares will only be issued upon certain performance hurdles being met. These performance hurdles are outlined in the Prospectus.

	Audited 30-Jun-11 \$	Pro-forma after issue \$
<b>NOTE 8. RESERVES</b>		
Reserves	2,016,401	5,586,401
<i>Adjustments to arrive at the pro-forma balance:</i>		
Audited balance of Apollo as at 30 June 2011		2,016,401
<i>Pro-forma adjustments:</i>		
<i>Acquisition of Aspire</i>		
Reviewed balance of Aspire as at 31 October 2011		(49,184)
Elimination of Aspire on consolidation		49,184
Post-Consolidation Deferred Consideration Shares issued to Aspire		1,125,000
Issue of 333,333 Post-Consolidation Options to Consultants		45,000
Issue of 15,000,000 Post-Consolidation Options to Directors*		2,400,000
Pro-forma balance		5,586,401

\* On exercise of these Options a further 15,000,000 Options will be issued which are exercisable at \$0.40 and expire on 31 December 2016

Using the Black Scholes option valuation methodology the fair value of these options has been calculated. The following inputs were used for the options to be issued:

	Consultant Options	Director Options*
Underlying share price	\$0.20	\$0.20
Exercise price	\$0.20	\$0.20
Issue date	23/12/2011	23/12/2011
Expiration date	31/12/2014	31/12/2016
Life of the options	3.02 years	5.02 years
Volatility	110%	110%
Risk-free rate	3.11%	3.34%
Number of options	333,333	15,000,000
Value per option	\$0.135	\$0.16
Value of tranche	\$45,000	\$2,400,000

\*On exercise of these Options a further 15,000,000 Options will be issued which are exercisable at \$0.40 and expire on 31 December 2016. The value of these additional Options will only be determined upon issue of the Options.

	Audited 30-Jun-11 \$	Pro-forma after issue \$
<b>NOTE 9. ACCUMULATED LOSSES</b>		
Accumulated losses	(34,566,993)	(37,545,024)
<i>Adjustments arising from the pro-forma accumulated losses balance are summarised as follows:</i>		
Reviewed balance of Apollo as at 30 June 2011		(34,566,993)
<i>Subsequent events:</i>		
Payment of corporate expenses		(393,884)
<i>Pro-forma adjustments:</i>		
<i>Acquisition of Aspire</i>		
Reviewed balance of Aspire as at 31 October 2011		(914,542)
Elimination of Aspire on consolidation		914,542
Issue of 333,333 Post-Consolidation Shares to consultants		(66,667)
Issue of 362,400 Other Post-Consolidation Shares to consultants		(72,480)
Issue of 333,333 Post-Consolidation Options to consultants		(45,000)
Issue of 15,000,000 Post-Consolidation Options to Directors		(2,400,000)
Pro-forma balance		<u>(37,545,024)</u>

#### **NOTE 10. BUSINESS COMBINATION**

A summary of the acquisition details with respect to the Aspire acquisition as included in our report is set out below. These details have been determined for the purposes of the pro-forma adjustments as at 30 June 2011 however will require re-determination as at the successful acquisition date which may result in changes to the values as disclosed below.

Details of the net assets acquired, purchase consideration and notional fair value attributable to exploration assets are as follows:

	Fair Value \$
Cash	17,678
Trade and other receivables	30,007
Property, plant and equipment (at book value)	3,209
Exploration assets	28,572
Trade and other payables	(329,855)
<b>Net assets acquired</b>	<b>(250,389)</b>
<b>Purchase consideration comprises:</b>	
Post-Consolidation Shares*	1,000,000
Post-Consolidation Deferred Consideration Shares**	1,125,000
<b>Total purchase consideration</b>	<b>2,125,000</b>
<b>Fair value attributable to exploration assets</b>	<b>2,375,389</b>
Deferred tax liability (DTL) uplift recognised at 25% of the fair value increase of exploration assets	593,847
<b>Pro-forma adjustment to exploration assets</b>	<b><u>2,969,236</u></b>

\*\* Post-Consolidation Shares issued comprise of 5,000,000 shares valued at \$0.20 each

\*\*Post-Consolidation Deferred Consideration Shares issued comprise of 7,500,000 shares valued at \$0.20 each. The probability of the performance hurdle being achieved and the Deferred Consideration Shares being issued has been estimated by management as 75%.

Under paragraph 19 of AASB 112, temporary differences arise when the tax bases of the identifiable assets acquired and liabilities assumed are not affected by the business combination or are affected differently. For example, when the carrying amount of an asset is increased to fair value but the tax base of the asset remains at cost to the previous owner, a taxable temporary difference arises which results in a deferred tax liability.

In the case of Apollo, the fair value of the exploration and mining expenditure was increased in accordance with AASB 3 Business Combinations with no corresponding increase allowable in the tax base of relevant exploration and mining expenditure.

Accordingly, a deferred tax liability amounting to 25% of the fair value uplift is required to be recognised as part of the business combination transaction.

It is envisaged that the deferred tax liability arising from the fair value uplift may be reduced over time due to (i) amortisation/impairment of the exploration and mining expenditure, and/or (ii) reliance on the offset provisions under paragraph 71 of AASB 112 and offsetting the deferred tax liability arising from the business combination transaction with deferred tax asset arising from carried forward tax losses that may be incurred.

**NOTE 11. RELATED PARTY DISCLOSURES**

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

**NOTE 12. COMMITMENTS AND CONTINGENCIES**

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the prospectus.

**APPENDIX 5**  
**APOLLO CONSOLIDATED LTD**  
**HISTORICAL FINANCIAL STATEMENTS**

	Apollo 30-Jun-11 Audited \$	Apollo 30-Jun-10 Audited \$	Apollo 30-Jun-09 Audited \$
<b>Current assets</b>			
Cash and cash equivalents	1,489,479	1,237,258	34,047
Trade and other receivables	106,590	65,780	342,762
Inventories	15,754	17,176	17,949
<b>Total current assets</b>	<b>1,611,823</b>	<b>1,320,214</b>	<b>394,758</b>
<b>Non-current assets</b>			
Trade and other receivables	179,000	-	-
Exploration assets	190,477	124,711	-
<b>Total non-current assets</b>	<b>369,477</b>	<b>124,711</b>	<b>-</b>
<b>Total assets</b>	<b>1,981,300</b>	<b>1,444,925</b>	<b>394,758</b>
<b>Current liabilities</b>			
Trade and other payables	132,367	82,248	1,476,033
<b>Total current liabilities</b>	<b>132,367</b>	<b>82,248</b>	<b>1,476,033</b>
<b>Total liabilities</b>	<b>132,367</b>	<b>82,248</b>	<b>1,476,033</b>
<b>Net assets</b>	<b>1,848,933</b>	<b>1,362,677</b>	<b>(1,081,275)</b>
<b>Equity</b>			
Contributed equity	34,399,525	33,386,021	31,233,709
Reserves	2,016,401	2,016,401	2,016,401
Accumulated losses	(34,566,993)	(34,039,745)	(34,331,385)
<b>Total equity</b>	<b>1,848,933</b>	<b>1,362,677</b>	<b>(1,081,275)</b>

**APPENDIX 5 (CONT)**  
**APOLLO CONSOLIDATED LTD**  
**HISTORICAL FINANCIAL STATEMENTS**

	Apollo Audited for the year ended 30-Jun-11 \$	Apollo Audited for the year ended 30-Jun-10 \$	Apollo Audited for the year ended 30-Jun-09 \$
Revenue	1,849	4,089	551
Other income	67,160	32,625	5,053
<b>Total Income</b>	<b>69,009</b>	<b>36,714</b>	<b>5,604</b>
Changes in inventory of finished goods and work in progress	(1,422)	(773)	(162)
Employee benefit expense	(24,000)	(8,000)	(230,413)
Consulting expense	(20,610)	(168,648)	(259,770)
Compliance and administrative expenses	(225,533)	(139,173)	-
Advertising and marketing	(60,117)	(46,221)	(251)
Occupancy expense	(43,110)	-	-
Aspire option fee	(120,000)	-	-
Project evaluation	(100,329)	-	-
Finance expense	-	-	(6,584)
Other expenses	(1,136)	(30,981)	(153,289)
<b>Total Expenses</b>	<b>(596,257)</b>	<b>(393,796)</b>	<b>(650,469)</b>
<b>Loss before income tax benefit</b>	<b>(527,248)</b>	<b>(357,082)</b>	<b>(644,865)</b>
Income tax benefit	-	-	-
Profit/(loss) from discontinued operations	-	648,724	(1,097,880)
<b>Total Comprehensive Income for the financial year</b>	<b>(527,248)</b>	<b>291,642</b>	<b>(1,742,745)</b>

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**8. SOLICITORS' REPORTS ON TENEMENTS**

Jean-François Chauveau  
Cabinet d'avocats  
au Barreau de Côte d'Ivoire  
Téléphone : (225) 20.25.25.70 – Télécopie : (225) 20.25.25.80  
Email : cabinet@jfchauveau.com

Abidjan, December 12, 2011

**File: 1549-10/ Apollo Consolidated Limited**  
O/R : 810-2011/KS/JFC

**Apollo Consolidated Limited**  
Level 4 The Read Buildings  
16 Milligan Street Perth WA 6000  
Australia

### Legal Opinion

Ladies and gentlemen,

We act on your request for the purpose of writing a legal opinion relating to:

- (i) general presentation of the Ivorian Mining titles, in particular on the conditions and procedures of attribution of the mining titles and the rights which are attached,
- (ii) the material existence of permits and authorizations held by Geoservices CI, their registration at the mining cadastre and their validity in comparison with the Mining Code, and
- (iii) analysis of partnership agreements between Apollo Consolidated Limited and Geoservices CI, in order to make sure that their stipulations are not contrary with imperative provisions of Ivorian law.

#### **I. GENERAL PRESENTATION OF IVORIAN MINING TITLES**

The Republic of Côte d'Ivoire is governed, in mining matter, by the Mining Code and the decrees therein.

Under Article 4 of the Mining Code, *“any person or entity, Ivorian or foreign, can not undertake or lead an activity governed by the Mining Code on public or private land without having first obtained a mining title or an authorization under the conditions set by the Mining Code”*. The Mining Code thus distinguishes between two (2) types of rights, mining title and authorization.

It will be successively analyzed the Mining Titles (i) then (ii) the Authorizations.

#### **A- MINING TITLES**

There are two (2) categories of Mining Titles (i) the Exploration Permit and (ii) the Exploitation Permit.

### 1. Features common to all Mining Titles

Mining Titles are assignable and transferable subject to prior approval of the Minister of Mines and in accordance with mining regulations.

The holder of a Mining Title must bring to the attention of the Minister, for approval, any contract or agreement whereby he promised to assign, transfer or transmit, or in which he sells or transmits, partially or totally, the rights and obligations arising from a Mining Title.

Any agreement relating to such matter must be concluded only under such authorization.

### 2. The Exploration Permit

The Exploration Permit is granted by a Decree in the Council of Ministers, upon the proposal of the Minister of Mines, to any person or entity who has submitted an application pursuant to the requirements of the Mining Code and its implementing legislation.

It provides, within its perimeter, surface and depth, the exclusive right to explore for minerals and appropriate the products resulting from this research.

It also gives to its owner the exclusive right to request, at any time during the validity of the Exploration Permit, and obtain, if he has executed its obligations under the Mining Code, an Exploitation Permit, in case of discovery of one or more deposit within the perimeter of the Exploration Permit.

The Exploration Permit is valid for three (3) years from the date of the Decree.

The Exploration Permit is renewed by Order of the Ministry of Mines upon application by the holder, by three (3) months before the expiration date of the period of validity. It is renewable two (2) times, for a two (2) year-period each. At each renewal, the area for which the exploration permit is granted is reduced by half.

### 3. The Exploitation Permit

The Exploitation Permit is granted by Decree in the Council of Ministers, upon the proposal of the Minister of Mines, to the holder of an exploration permit which has demonstrated the existence of a deposit within its exploration permit.

This evidence is represented by a feasibility study. The applicant must have complied with its obligations under the Mining Code and must submit a request in accordance with the mining regulations before the expiration of the period of validity of the exploration permit under which the application for the Exploitation Permit is made.

The Exploitation Permit is granted for the lifetime of the mine, as indicated in the feasibility study, and can not exceed twenty (20) years.

The Exploitation Permit entitles its holder, within its perimeter, surface and depth, in the conditions specified therein, the exclusive right of exploration and exploitation of deposits therein.

## B- AUTHORIZATIONS

There are various Authorizations, but the main are (i) the Authorization of Prospection, (ii) the Authorization of Reconnaissance.

### 1. The Authorization of Prospection

Any person or entity may engage in exploration activities subject to obtaining a prior authorization issued by the Director of Mines.

The Authorizations of Prospection are personal. They are not assignable or transferable, and can not be leased.

### 2. The Authorization of Reconnaissance

The Authorization of Reconnaissance is granted by the order of the Minister of Mines to any person or entity who submitted a work program and an application in accordance with mining regulations.

The Authorizations of Reconnaissance are not assignable or transferable, and can not be leased.

## II. THE MINING TITLES HELD BY GEOSERVICES CI

Geoservices CI holds Mining Titles relating to (i) the area of "Mont Fouimba" ("Department of Séguéla") and (ii) the Department of Vavoua.

### 1. Mining title relating to "Mont Fouimba" (Séguéla)

Following letter dated 5<sup>th</sup> of September 2009, the Director of Mines has granted to Geoservices CI, an authorization of prospection n° 00365/MME/DGMG/DDM/tk for the "Mont Fouimba" in Department of Seguela, covering an area of 500 sq. km. This authorization was granted on September 5, 2009, for a period of (6) month ended March 4, 2010.

By a letter dated 1<sup>st</sup> August 2008, Geoservices CI has applied for an Exploration Permit in the Séguéla area above.

By letter n° 627/MME/CAB/DGMG of August 20, 2010, the Minister of Mines has informed Geoservices CI that the Inter-ministerial Commission on Mining (COMINE) meeting took place on 19<sup>th</sup> May 2010, and issued a favourable opinion for the grant to the benefit of Geoservices CI an Exploration Permit for the "Mont Fouimba", Department of Séguéla.

This letter of the Minister of Mines just informs Geoservices CI that:

- (i) the COMINE issued a favourable opinion for the grant of an Exploration Permit to Geoservices CI at its meeting on May 19, 2010, and
- (ii) the registration number of the Exploration Permit at the mines cadastre is 252.

According to the Mining Code, the Exploration Permit is granted by a Decree of the Council of Ministers upon the proposal of Minister of Mines.

This letter can not be considered as an Exploration Permit and, therefore, can not produce any legal effect. However, it is an official document from the public administration that shows that the process of issuing the Exploration Permit to Geoservices CI is in progress.

The Exploration Permit is valid for three (3) years, from the date of the Decree.

## **2. Mining title relating to Department of Vavoua**

Following letter dated March 2, 2009, the Director of Mines has granted to Geoservices CI, an authorization of prospection n° 0278/MME/DM for the Department of Vavoua, covering an area of 423 sq. km. This authorization was issued March 2, 2009 for a period of one (1) year and ended in March 1<sup>st</sup>, 2010.

By a letter dated January 19, 2009, Geoservices CI has applied for an Exploration Permit for the Department of Vavoua above.

To date, Geoservices CI does not have a mining title on this area. The authorization of prospection has expired. Therefore, Geoservices CI has no right and remains without any title until it receives an Exploration Permit pursuant to its request of 19 January 2009.

No assurance can be given about the result, nor the fate of this application. The grant of an Exploration Permit is at the discretion of the COMINE.

## **III. LEGAL STATUS OF GEOSERVICES CI**

### **1. Legal status of Geoservices CI**

#### **1.1 Incorporation of Geoservices CI**

##### **1.1.1 Article of Association of Geoservices CI**

The Article of Association of Geoservices CI, dated may 05, 2010, has been established in accordance with Côte d'Ivoire's law and, in particular, with the OHADA Uniform Act relating to Commercial Companies and Economic Interest Group.

##### **1.1.2 Geoservices CI capital's**

The amount of Geoservices CI's capital is CFA 10.000.000.

With regard to the DNSV provisions, the amount of Geoservices CI capital's has been fully paid-up.

Geoservices CI capital's has been fixed and paid-up in accordance with Côte d'Ivoire's law and, in particular, with the OHADA Uniform Act relating to Commercial Companies and Economic Interest Group.

##### **1.1.3 Geoservices CI's registration at the TPPCR**

Geoservices CI has been registered at the TPPCR of the magistrates' court of Abidjan-Plateau on November 26<sup>th</sup>, 2010, under n° CI-ABJ-2010-B-6872.

The extract from the TPPCR of the magistrates' court of Abidjan-Plateau establishes that:

- (i) the amount of Geoservices CI capital's is CFA 10.000.000;
- (ii) Geoservices CI is a Private Limited Company ("Société à Responsabilité Limitée");
- (iii) The registered office of Geoservices CI is at Abidjan, Cocody, Cité des Arts, 323 logements, Bâtiment 03, Appartement 04, 01 BP 11632 Abidjan 01;
- (iv) Geoservices CI's business purpose is consulting, exploration, computers, and miscellaneous;

Geoservices CI has not been winded-up.

Geoservices CI's registration at the TPPCR of the magistrates' court of Abidjan-Plateau is in accordance with (i) Côte d'Ivoire's law and, in particular, with the OHADA Uniform Act relating to Commercial Companies and Economic Interest Group, and with (ii) provisions of its Articles of Association.

#### 1.1.4 Securities over Geoservices CI assets

The extract from the TPPCR of the magistrates' court of Abidjan-Plateau establishes that there is no security over Geoservices CI assets.

#### 1.1.5 Authorization and power of Geoservices CI to enter into the Partnership agreement

Under Section 323 of the Uniform Act relating to General Commercial Companies and Economic and Interest Group, *"A private limited company shall be managed by one or more natural persons, whether or not they are partners of the company. They shall be appointed by the partners in the Articles of Association or in a subsequent instrument (...)"*

Mr Sela Taboua Valentin was appointed Manager of Geoservices CI CI by a statement to the TPPCR of the magistrates' court of Abidjan-Plateau, dated November 26, 2010 and by the Articles of Association dated may 05, 2010.

It results from the foregoing that, to date, Mr Sela Taboua Valentin has the authority to represent Geoservices CI.

Yet, the Partnership Agreements have been signed by Mr. Gilbert Zeade Zean Raoul, introduced as the Technical Director of Geoservices.

The agreements specify that Mr. Gilbert Zeade Zean Raoul was "duly authorized to represent Geoservices CI".

As far as powers of the Manager are concerned, the Section 328 of the Uniform Act relating to General Commercial Companies and Economic and Interest Group provides that *" in relations between partners and where the Articles of Association do not define the duties of the manager, the latter may perform all management acts in the interest of the company. "*

## 1.2 Sum up

With regard to what has been provided in paragraphs 1.1.1, 1.1.2 and 1.1.3, Geoservices CI (i) is duly incorporated under Côte d'Ivoire's laws with power to own its assets and conduct its business as presently being conducted, (ii) is not a division or an agency of Côte d'Ivoire's Government and (iii) is a separate legal entity subject to suit in its own name.

With respect to what has been provided in paragraph 1.1.4, (i) Geoservices CI is not subject to an order of winding-up, (ii) Geoservices CI shareholders, to the best of our knowledge, have not taken any resolution for Geoservices CI winding-up and (iii) Geoservices CI has not, to the best of our knowledge, received any notice of appointment of receiver.

## 2. Validity, legality and enforceability of the partnership agreements for Geoservices

Under Section 98 of the Uniform Act relating to General Commercial Companies and Economic and Interest Group, *"all companies shall have a legal personality with effect from the date of registration in the Trade and Personal Property Credit Register, unless otherwise provided for in this Uniform Act."*

It follows from the foregoing that a company acquires legal personality from its registration in the Trade and Personal Property Credit Register ("TPPCR").

In the present case, Geoservices CI was registered at the TPPCR of the magistrates' court of Abidjan-Plateau on November 26th, 2010, under n° CI-ABJ-2010-B-6872.

Accordingly, Geoservices CI has a legal personality and may validly enter into the Partnership Agreements with Aspire Minerals CI.

Furthermore, Geoservices CI is a private limited company. Under Section 329 of the Uniform Act relating to General Commercial Companies and Economic and Interest Group,

*"In his relations with third parties, the manager shall be vested with the widest powers to act under all circumstances on behalf of the company, subject to the powers which this Uniform Act expressly confers on partners.*

*The company shall be bound, even by those acts of the manager which do not fall within the scope of the company's objects, unless it can prove that the third party knew that the acts were not within the scope of such objects or that he could not have been unaware of the fact under the circumstances, with the understanding that the mere publication of the Articles of Association shall not constitute such proof.*

*The provisions in the Articles of Association limiting the powers of managers which result from this article shall not be demurrable to third parties."*

Moreover, the provisions of Section 1134 of the Côte d'Ivoire's Civil Code are as follows: *"Agreements legally formed take the place of law for those who made them. They can be revoked only by mutual consent or for causes authorized by law. They must be performed in good faith."*

Therefore:

- 1°) Geoservices CI is registered at the TPPCR of the magistrates' court of Abidjan-Plateau on September 25th, 2007, under n° CI-ABJ-2010-B-6872, and may validly enter into the Partnership Agreements with Aspire Minerals CI,

- 2°) the Manager of Geoservices CI, Mr. Sela Taboua Valentin is vested with the widest powers to act under all circumstances on behalf of the company,
- 3°) with regard to provisions of its' Articles of Association, Geoservices CI has the power (i) to enter into and (ii) to perform its' obligations under the partnership agreements.

### III. ADRESSEES

This legal opinion is addressed to Apollo Consolidated Limited.

Yours faithfully,

Cabinet CHAUVEAU  
Avocat à la Cour  
01 BP 3586 Abidjan 01  
Tél. (20) 25 25 70  
Fax: (20) 25 25 75

Kignaman Soro  
Avocat à la Cour

Abidjan, December, 2011

**File: 1549-10/ Apollo Consolidated Limited**  
O/R : 811-2011/KS/JFC

**Apollo Consolidated Limited**  
Level 4 The Read Buildings  
16 Milligan Street Perth WA 6000  
Australia

## Legal Opinion

Ladies and gentlemen,

We act on your request for the purpose of writing a legal opinion relating to:

- (i) general presentation of the Ivorian Mining titles, in particular on the conditions and procedures of attribution of the mining titles and the rights which are attached,
- (ii) the material existence of permits and authorizations held by Golden Oriole CI, their registration at the mining cadastre and their validity in comparison with the Mining Code, and
- (iii) analysis of partnership agreements between Apollo Consolidated Limited and Golden Oriole CI, in order to make sure that their stipulations are not contrary with imperative provisions of Ivorian law.

### **I. GENERAL PRESENTATION OF IVORIAN MINING TITLES**

The Republic of Côte d'Ivoire is governed, in mining matter, by the Mining Code and the decrees therein.

Under Article 4 of the Mining Code, *"any person or entity, Ivorian or foreign, can not undertake or lead an activity governed by the Mining Code on public or private land without having first obtained a mining title or an authorization under the conditions set by the Mining Code"*. The Mining Code thus distinguishes between two (2) types of rights, mining title and authorization.

It will be successively analyzed the Mining Titles (i) then (ii) the Authorizations.

#### **A- MINING TITLES**

There are two (2) categories of Mining Titles (i) the Exploration Permit and (ii) the Exploitation Permit.

## **1. Features common to all Mining Titles**

Mining Titles are assignable and transferable subject to prior approval of the Minister of Mines and in accordance with mining regulations.

The holder of a Mining Title must bring to the attention of the Minister for approval, any contract or agreement whereby he promised to assign, transfer or transmit, or in which he sells or transmits, partially or totally, the rights and obligations arising from a Mining Title.

Any agreement relating to such matter must be concluded only under such authorization.

## **2. The Exploration Permit**

The Exploration Permit is granted by a Decree in the Council of Ministers, upon the proposal of the Minister of Mines, to any person or entity who has submitted an application pursuant to the requirements of the Mining Code and its implementing legislation.

It provides, within its perimeter, surface and depth, the exclusive right to explore for minerals and appropriate the products resulting from this research.

It also gives to its owner the exclusive right to request at any time during the validity of the Exploration Permit, and obtain, if he has executed its obligations under the Mining Code, an Exploitation Permit, in case of discovery of one or more deposit within the perimeter of the Exploration Permit.

The Exploration Permit is valid for three (3) years from the date of the Decree.

The Exploration Permit is renewed by Order of the Ministry of Mines upon application by the holder, by three (3) months before the expiration date of the period of validity. It is renewable two (2) times, for a two (2) year-period each. At each renewal, the area for which the exploration permit is granted is reduced by half.

## **3. The Exploitation Permit**

The Exploitation Permit is granted by Decree in the Council of Ministers, upon the proposal of the Minister of Mines, to the holder of an exploration permit which has demonstrated the existence of a deposit within its exploration permit.

This evidence is represented by a feasibility study. The applicant must have complied with its obligations under the Mining Code and must submit a request in accordance with the mining regulations before the expiration of the period of validity of the exploration permit under which the application for the Exploitation Permit is made.

The Exploitation Permit is granted for the lifetime of the mine, as indicated in the feasibility study, and can not exceed twenty (20) years.

The Exploitation Permit entitles its holder, within its perimeter, surface and depth, in the conditions specified therein, the exclusive right of exploration and exploitation of deposits therein.

## B- AUTHORIZATIONS

There are various Authorizations but the main are (i) the Authorization of Prospection, (ii) the Authorization of Reconnaissance.

### 1. The Authorization of Prospection

Any person or entity may engage in exploration activities subject to obtaining a prior authorization issued by the Director of Mines.

The Authorizations of Prospection are personal. They are not assignable or transferable, and can not be leased.

### 2. The Authorization of Reconnaissance

The Authorization of Reconnaissance is granted by the order of the Minister of Mines to any person or entity who submitted a work program and an application in accordance with mining regulations.

The Authorizations of Reconnaissance are not assignable or transferable, and can not be leased.

## II. THE MINING TITLES HELD BY GOLDEN ORIOLE CI

Golden Oriole CI holds Mining Titles relating to (i) the Department of Tengrela, (ii) the Department of Tengrela and Boundiali, and (iii) to the Department of Korhogo and Boundiali.

### 1. Mining title relating to Department of Tengrela

By Order n° 171/MME/DGMG/DDM, the Minister of Mines has granted to Golden Oriole CI an Authorization of Reconnaissance in the department of Tengrela covering an area of 489,9 sq. km.

This authorization was granted the December 2, 2009 for a period of one (1) year and has expired on 1st December 2010.

By a letter dated on January 19, 2009, Golden Oriole CI has applied for an Exploration Permit for the Department of Tengrela above.

To date, Golden Oriole CI doesn't have a mining title on this area. The Authorization of Reconnaissance has expired. Therefore Golden Oriole CI has no right and remains without any title until it received an Exploration Permit pursuant to its request of January 19, 2009.

No assurance can be given about the fate of this application. The grant of an Exploration Permit is at the discretion of the COMINE.

### 2. Mining title relating to Department of Tengrela and Boundiali

By Order n° 162/MME/DGMG/DDM, the Minister of Mines has granted to Golden Oriole CI an Authorization of Reconnaissance in the department of Tengrela and Boundiali covering an area of 679,9 sq. km.

This authorization was granted the December 15, 2009 for a period of one (1) year and has expired on December 14, 2010.

By a letter dated on April 16, 2008, Golden Oriole CI has applied for an Exploration Permit for the Department of Tengrela and Boundiali above.

To date, Golden Oriole CI doesn't have a mining title on this area. The Authorization of Reconnaissance has expired. Therefore Golden Oriole CI has no right and remains without any title until it received an Exploration Permit pursuant to its request of April 16, 2008.

No assurance can be given about the fate of this application. The grant of an Exploration Permit is at the discretion of the COMINE.

### **3. Mining title relating to Department of Korhogo and Boundiali**

By Order n° 168/MME/DGMG/DDM, the Minister of Mines has granted to Golden Oriole CI an Authorization of Reconnaissance in the department of Tengrela and Boundiali covering an area of 1000 sq. km.

This authorization was granted the December 02, 2009 for a period of one (1) year and has expired on 1<sup>st</sup> December 2010.

By a letter dated on May 20, 2008, Golden Oriole CI has applied for an Exploration Permit for the Department of Boundiali above.

To date, Golden Oriole CI doesn't have a mining title on this area. The Authorization of Reconnaissance has expired. Therefore Golden Oriole CI has no right and remains without any title until it received an Exploration Permit pursuant to its request of May 20, 2008.

No assurance can be given about the fate of this application. The grant of an Exploration Permit is at the discretion of the COMINE.

## **III. LEGAL STATUS OF GOLDEN ORIOLE CI**

### **1. Legal status of Golden Oriole CI**

#### **1.1 Incorporation of Golden Oriole CI**

##### **1.1.1 Golden Oriole CI statute's**

Golden Oriole CI statute's dated April 21<sup>st</sup>, 2007 has been established in accordance with Côte d'Ivoire's law and, in particular, with the OHADA Uniform Act relating to Commercial Companies and Economic Interest Group.

##### **1.1.2 Golden Oriole CI capital's**

The amount of Golden Oriole CI's capital is CFA 1.000.000.

With regard to the DNSV provisions, the amount of Golden Oriole CI capital's have been fully paid-up.

Golden Oriole CI capital's has been fixed and paid-up in accordance with Côte d'Ivoire's law and, in particular, with the OHADA Uniform Act relating to Commercial Companies and Economic Interest Group.

### 1.1.3 Golden Oriole CI's registration at the TPPCR

Golden Oriole CI has been registered at the TPPCR of the magistrates' court of Abidjan-Plateau on September 25th, 2007, under n° CI-ABJ-2007-B-5449.

The extract from the TPPCR of the magistrates' court of Abidjan-Plateau establishes that:

- (i) the amount of Golden Oriole CI capital's is CFA 1.000.000;
- (ii) Golden Oriole CI is a Private Limited Company ("Société à Responsabilité Limitée Unipersonnelle");
- (iii) The purpose of Golden Oriole CI is mining exploration and exploitation;
- (iv) Golden Oriole CI has a sole shareholder, Mr Mckendrick John Robert;

Golden Oriole CI manager is Mr Senouvo Bertin Rock; and

Golden Oriole CI has not been winded-up.

Golden Oriole CI's registration at the TPPCR of the magistrates' court of Abidjan-Plateau is in accordance with (i) provisions of its statute and with (ii) Côte d'Ivoire's law and, in particular, with the OHADA Uniform Act relating to Commercial Companies and Economic Interest Group.

### 1.1.4 Securities over Golden Oriole CI assets

The extract from the TPPCR of the magistrates' court of Abidjan-Plateau establishes that there is no security over Golden Oriole CI assets.

### 1.1.5 Authorization and power of Golden Oriole CI to enter into the Partnership agreement

Under Article 323 of the Uniform Act relating to General Commercial Companies and Economic and Interest Group, *"A private limited company shall be managed by one or more natural persons, whether or not they are partners of the company. They shall be appointed by the partners in the Articles of Association or in a subsequent instrument (...)"*

Mr Mckendrick John Robert was designated manager of Golden Oriole CI by a statement to the TPPCR of the magistrates' court of Abidjan-Plateau, dated September 25, 2007.

However, according to minutes of a general meeting of the sole shareholder dated January 21, 2008, Mr. Bertin Senouvo Rock was appointed as manager.

The appointment has been recorded to the TPPCR of the magistrates' court of Abidjan-Plateau as reflected in the amendment dated February 11, 2008.

It follows from the foregoing that, to date, Mr. Bertin Senouvo Rock has the authority to represent validly the Golden Oriole CI.

Concerning the powers of the manager, the Article 328 of the Uniform Act relating to General Commercial Companies and Economic and Interest Group provides that "*in relations between partners and where the Articles of Association do not define the duties of the manager, the latter may perform all management acts in the interest of the company.*"

In this case, it follows from section 11 of the Articles of Golden Oriole, relating to the powers of the managers that: "*(...) borrowing bank loans, purchases, exchanges, for an amount exceeding one million (1,000,000) francs CFA, sales of commercial and real estate, mortgages and pledges, the foundation of companies and all contributions to companies or to be made, and all acquisitions of interests in these companies, may not be made or granted without the consent of the sole shareholder (...).*"

It follows from the foregoing that, a decision from the general meeting of the sole shareholder must necessarily authorize the manager of Golden Oriole CI to enter into the partnership agreement.

Golden Oriole CI produced the Minutes of the meeting of the sole shareholder authorizing its manager to enter into the partnership agreement.

## 1.2 Sum up

With regard to what has been provided in paragraphs 1.1.1, 1.1.2 and 1.1.3, Golden Oriole CI (i) is duly incorporated under Côte d'Ivoire laws with power to own its assets and conduct its business as presently being conducted, (ii) is not a division or an agency of Côte d'Ivoire's Government and (iii) is a separate legal entity subject to suit in its own name.

With respect to what has been provided in paragraph 1.1.4, (i) Golden Oriole CI is not subject to an order of winding-up, (ii) Golden Oriole CI shareholders, to the best of our knowledge, have not taken any resolution for Golden Oriole CI winding-up and (iii) Golden Oriole CI has not, to the best of our knowledge, received any notice of appointment of receiver.

## 2. Validity, legality and enforceability of the partnership agreements for Golden Oriole CI

Under Article 98 of the Uniform Act relating to General Commercial Companies and Economic and Interest Group, "*all companies shall have a legal personality with effect from the date of registration in the Trade and Personal Property Credit Register, unless otherwise provided for in this Uniform Act.*"

It follows from the foregoing that a company acquires legal personality from its registration in the Trade and Personal Property Credit Register.

In the present case, Golden Oriole CI was registered at the TPPCR of the magistrates' court of Abidjan-Plateau on September 25th, 2007, under n° CI-ABJ-2007-B-5449.

Accordingly, Golden Oriole CI has a legal personality and may validly enter into the partnership agreements with Aspire Minerals CI.

Furthermore, Golden Oriole CI is a private limited company. Under Article 329 of the Uniform Act relating to General Commercial Companies and Economic and Interest Group,

*"In his relations with third parties, the manager shall be vested with the widest powers to act under all circumstances on behalf of the company, subject to the powers which this Uniform Act expressly confers on partners.*

*The company shall be bound, even by those acts of the manager which do not fall within the scope of the company's objects, unless it can prove that the third party knew that the acts were not within the scope of such objects or that he could not have been unaware of the fact under the circumstances, with the understanding that the mere publication of the Articles of Association shall not constitute such proof.*

*The provisions in the Articles of Association limiting the powers of managers which result from this article shall not be demurrable to third parties."*

Moreover, the provisions of section 1134 of the Côte d'Ivoire's Civil Code are as follows:  
*"Agreements legally formed take the place of law for those who made them. They can be revoked only by mutual consent or for causes authorized by law. They must be performed in good faith."*

Therefore:

- 1°) Golden Oriole CI is registered at the TPPCR of the magistrates' court of Abidjan-Plateau on September 25th, 2007, under n° CI-ABJ-2007-B-5449, and may validly enter into the partnership agreements with Aspire Minerals CI.
- 2°) the manager of Golden Oriole CI, Mr. Bertin Senouvo Rock is vested with the widest powers to act under all circumstances on behalf of the company.
- 3°) With regard to provisions of its' statute, Golden Oriole CI has the power (i) to enter into and (ii) to perform its' obligations under the partnership agreements and the sole shareholder has given his approvals and consents to the partnership agreements.

### III. ADRESSEES

This legal opinion is addressed to Apollo Consolidated Limited.

Yours faithfully,

Cabinet. CHAUXEAU  
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 Avocat à la Cour

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16 December 2011

The Directors  
Apollo Consolidated Limited  
The Read Buildings  
Level 4, 16 Milligan Street  
PERTH WA 6000

Dear Directors

### **SOLICITOR'S REPORT ON TENEMENTS**

This Report is prepared for inclusion in a prospectus for the offer of up to 10,000,000 shares in the capital of Apollo Consolidated Limited (**Company**) at an issue price of \$0.20 each in order to raise up to \$2,000,000 (**Prospectus**). The Company may also accept oversubscriptions for up to a further 2,500,000 shares at an issue price of \$0.20 each in the capital of the Company to raise up to an additional \$500,000.

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#### **1. SCOPE**

We have been requested to report on granted mining tenements, E28/1610 and P28/1197, applications for exploration licences E28/2146 (**ELA/28/2146**) and E28/2176 (**ELA28/2176**) and an application for prospecting licence P28/1240 (**PLA28/1240**) in which the Company has an interest (the **Tenements**).

The Tenements are located in Western Australia. Details of the Tenements are set out in Schedule I of this Report.

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#### **2. SEARCHES**

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows.

- (a) We have obtained searches of the Tenements from the registers maintained by the Western Australian Department of Mines and Petroleum (**DMP**). These searches were conducted on 25 November 2011. Key details on the status of the Tenements are set out in Schedule I of the Schedule.
- (b) We have obtained extracts (where applicable) of any registered native title claims, native title determinations and Indigenous Land Use Agreements (**ILUAs**) that apply to the Tenements, as determined by the National Native Title Tribunal (**NNTT**). This material was obtained on 28 November 2011. Details

of any native title claims, native title determinations and ILUAs are set out in Section 7 of this Report and Schedule II of this Report.

- (c) We have obtained searches from the online Aboriginal Heritage Enquiry System maintained by the Western Australian Department of Indigenous Affairs (**DIA**) for Aboriginal sites recorded in the Register of Aboriginal sites that overlap the Tenements. This material was obtained on 25 November 2011. An Aboriginal site has been recorded against E28/1610 and ELA28/2176. Details are set out in Schedule II of this Report.
- (d) We have obtained from the DMP Tengraph Quick Appraisals of the Tenements on 25 November 2011.
- (e) We have reviewed all material agreements relating to the Tenements provided to us.
- (f) We have obtained from Landgate on 29 November 2011 title searches of Crown Land titles underlying the Tenements over which the Pastoral Leases referred to in Section 4(i) are registered (**Underlying Land**) and copies of leases registered over the Underlying Land.

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### 3. OPINION

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant searches:

- (a) (**Company's Interest**): this Report provides an accurate statement as to the Company's interest in the Tenements;
- (b) (**Good Standing**): this Report provides an accurate statement as to the validity and good standing of the Tenements; and
- (c) (**Third party interests**): this Report provides an accurate statement as to third party interests, including encumbrances, in relation to the Tenements.

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### 4. EXECUTIVE SUMMARY

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements:

- (a) (**Company's Interest**): The Company holds a 100% interest in AC Minerals Pty Ltd (ACN 139 823 028) (**AC Minerals**) the current holder of the Tenements.
- (b) (**Rent**): Rent currently due has been fully paid for the current tenement year for each granted Tenement. There is no rent due and payable for ELA28/2146, ELA28/2176 and PLA28/1240 as those applications are still awaiting approval of granted status.
- (c) (**Expenditure**): The Company complied with its minimum expenditure commitments in full for the last tenement year for each granted Tenement. Schedule I of this Report provides details.
- (d) (**Conditions**): None of the Tenements are subject to unusual conditions of a material nature.
- (e) (**Third party interests**): There are no third party dealings registered against the Tenements as at the date of our search of the DMP Register.

- (f) **(Material Contracts):** The Company has entered into an agreement for the acquisition of its interest in tenement E28/1610 with Maincoast Pty Ltd (ACN 103 429 536) **(Maincoast) (Agreement)**. The Agreement sets out the royalty payment obligations to be met by the Company should production commence on that tenement.
- (g) **(Native title):** Each Tenement is overlapped by Native Title claim number WC99/30. Further details are provided in Schedules I and III of this Report. ELA28/2176 is overlapped by Native Title application number WC10/14. That application has not been registered as it has not met the test for registration under the *Native Title Act 1993*. That application will be referred to the Federal Court for it to determine whether or not to dismiss the Native Title application.
- (h) **(Aboriginal Tenements):** There is an Aboriginal heritage site registered against E28/1610 and ELA28/2176.
- (i) **(Pastoral Lease and Crown Lease):** All the Tenements appear to overlap the Yindi Pastoral Lease PL3114/1091 (Crown Lease 181/1975). ELA28/2176 also overlaps the Pinjin Pastoral Lease I3114/742 (Crown Lease 432/1967). Details of these interests are set out in section 8 of this Tenement Report. We are not aware of any agreements nor have we been provided with any agreements in relation to the Crown Lease and Pastoral Lease over the Tenements.

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## 5. DESCRIPTION OF THE TENEMENTS

The Tenements comprise a prospecting licence and exploration licence granted under the *Mining Act 1978 (WA)* **(Mining Act)** and an application for a prospecting licence and two applications for exploration licences. Schedule I provides a list of the Tenements. The following provides a description of the nature and key terms of these types of mining tenements as set out in the Mining Act and potential successor tenements.

### 5.1 Prospecting Licence

**Application:** A person may lodge an application for a prospecting licence in accordance with the Mining Act. The mining registrar or warden decides whether to grant an application for a prospecting licence.

**Rights:** The holder of a prospecting licence is entitled to enter the land and undertake operations for the purposes of prospecting for minerals.

**Term:** A prospecting licence has a term of 4 years. Where the prospecting licence was applied for and granted after 10 February 2006, the Minister may extend the term by 4 years and, if retention status is granted (as discussed below), by further term or terms of 4 years. Where a prospecting licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

**Retention Status:** The holder of a prospecting licence applied for and granted after 10 February 2006 may apply for approval of retention status for the prospecting licence. The Minister may approve the application where there is an identified mineral resource within the prospecting licence, but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease.

**Conditions:** Prospecting licences are granted subject to various standard conditions including conditions relating to minimum expenditure, the payment of rent and

observance of environmental protection and reporting requirements. These standard conditions are not detailed in Schedule I of this Report. A failure to comply with these conditions may lead to forfeiture of the prospecting licence.

**Priority to apply for a Mining Lease:** The holder of a prospecting licence has priority to apply for a mining lease over any of the land subject to the prospecting licence. An application for a mining lease must be made prior to the expiry of the prospecting licence. The prospecting licence remains in force until the application for the mining lease is determined.

**Transfer:** There is no restriction on transfer or other dealing in a prospecting licence.

**Reversion Application:** The Mining Act allowed the holder of a prospecting licence who had applied for a mining lease before 10 February 2006 to lodge an application between 11 February 2006 and 10 February 2007 for an exploration licence or prospecting licence in lieu of the grant of the mining lease. The Mining Act provides that reversion applications are deemed to be transferred to a transferee of the underlying prospecting licence.

## 5.2 Exploration Licence

**Application:** A person may lodge an application for an exploration licence in accordance with the Mining Act. The mining registrar may recommend to the Minister for Mines the grant of the exploration licence if satisfied that the applicant has complied in all respects with the provisions of this Act. The Minister decides whether to grant an application for an exploration licence.

**Rights:** The holder of an exploration licence is entitled to enter the land and undertake operations for the purposes of exploration for minerals in accordance with any conditions imposed on the grant of the licence.

**Term:** An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term by a further period of 5 years followed by a further period or periods of 2 years.

**Rent:** The holder of an exploration licence is required to pay an annual rent to the DMP. A tenement is liable to forfeiture where rent is not paid when due.

**Conditions:** Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. Conditions may be imposed pursuant to the Mining Act and NTA. A failure to comply with these conditions may lead to forfeiture of the exploration licence.

**Relinquishment:** The holder of an exploration licence granted or applied for before 10 February 2006 must relinquish not less than half of the blocks comprising the licence at the end of the third year. A further relinquishment of not less than half of the remaining blocks is required at the end of the fourth year. The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year. A failure to lodge the required partial surrender could render the tenement liable for forfeiture.

**Priority to apply for Mining Lease:** The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

**Priority between applicants:** Where more than one application for an exploration licence is made with respect to the same land, the applicant first in time who lodges their application in the prescribed manner has the right in priority over other applicants to have the exploration licence granted in respect of that land.

**Transfer:** No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Such a transaction entered into without consent will be void. Thereafter, there is no restriction on transfer or other dealing.

**Under Expenditure and Forfeiture:** The holder of an exploration licence must comply with the prescribed minimum expenditure conditions unless the holder has been granted an exemption (in whole or part) from those conditions by the Minister. To obtain an exemption, the holder of an exploration licence must apply to the Minister for the exemption before the end of the tenement year to which the minimum expenditure relates, or within 60 days after the end of that tenement year (unless an extension has been granted).

There are prescribed grounds upon which the Minister may grant an exemption, set out in the Mining Act. If the exemption is granted, the Minister will issue a Certificate of Exemption and the holder will be deemed to be relieved to the extent, and subject to the conditions, specified in the certificate.

If the exemption is refused, the DMP will commence forfeiture proceedings and the Minister may declare the tenement to be forfeited or may impose a fine in lieu of forfeiture or decide to take no further action. Where the Minister has imposed a fine, if the fine is not paid by the date specified by the Minister, or within 30 days of written notice of the fine being imposed, the licence is forfeited.

**Retention Status:** The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource within the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease. The holder of an exploration licence applied for, or granted before, 10 February 2006, can apply for a retention licence (see below).

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## 6. ABORIGINAL HERITAGE

There are areas or objects of Aboriginal heritage located on two of the Tenements.

We have obtained searches from the online Aboriginal Heritage Enquiry System maintained by the DIA for the Aboriginal sites registered on the Western Australian Register of Aboriginal sites over the Tenements. Aboriginal sites were identified from our searches.

We have not obtained information from the Commonwealth in connection with any places, areas and objects, which are the registered or recognised in the National Heritage List, the Commonwealth Heritage List or other heritage lists or registers maintained by the Commonwealth.

We have not undertaken searches to ascertain if any Aboriginal sites or objects have been registered in the vicinity of the Tenements, as there is no obligation under the relevant legislation to register sites or objects. Furthermore, the exact location of Aboriginal sites cannot be ascertained from these searches.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. The Aboriginal heritage and access agreements that apply to the Tenements (as summarised in Section 4(f) are set out in Schedule II of this Report. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

## 6.1 Commonwealth Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

## 6.2 Western Australian Legislation

Tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972* (WA) (**WA Heritage Act**).

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons (whether or not they are recorded on the register or otherwise known to the Registrar of Aboriginal Sites., DIA or the Aboriginal Cultural Material Committee).

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered. The WA Heritage Act protects all registered and unregistered sites.

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## 7. NATIVE TITLE

### 7.1 Introduction

This section of the Report examines the effect of native title on the Tenements.

The existence of native title rights held by indigenous Australians was first recognised in Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2)* (1992) 175 CLR 1 (**Mabo no.2**).

Mabo no. 2 held that certain land tenure existing as at the date of that case, including mining tenements, where granted or renewed without due regard to native title rights, were invalid.

As a result of Mabo no. 2, the *Native Title Act 1993* (Cth) (**NTA**) was passed to:

- (a) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the National Native Title Tribunal (**NNTT**) and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;
- (b) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite Mabo no. 2. This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996; and
- (c) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Act Provisions**.

## 7.2 Future Act Provisions

The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are three alternatives: the Right to Negotiate, an Indigenous Land Use Agreement (**ILUA**) and the Expedited Procedure. These are summarised below.

### Right to Negotiate

The Right to Negotiate involves a formal negotiation between the State, the applicant for the Tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the Tenement can be granted. The applicant for the Tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the Tenement (eg in relation to heritage surveys).

If agreement is not reached to enable the Tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the Tenement can be granted and if so, on what conditions. The NNTT usually requires the parties to have had at least 6 months of negotiations before it will accept a referral for arbitration.

### ILUA

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the Tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the Tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

### **Expedited Procedure**

The NTA establishes a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:

- (a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;
- (b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and
- (c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the Tenement in accordance with the NTA. Persons have until three (3) months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the Tenement.

If there is no objection lodged by a registered native title claimant or a native title holder within four (4) months of the notification date, the State may grant the Tenement.

If one or more registered native title claimants or native title holders object within that four (4) month notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the Tenement. Otherwise, the Future Act Provisions (eg Right to Negotiate or ILUA) must be followed before the Tenement can be granted.

The State of Western Australia currently follows a policy of granting prospecting and exploration licenses under the Expedited Procedure where the applicant has entered into a standard aboriginal heritage agreement with the relevant registered native title claimants and native title holders. The standard heritage agreement (and ancillary agreements) usually provide for payment of compensation by the applicant for the tenement and conditions that apply to activities carried out within the tenement.

### **Exception to requirement to comply with Future Act Provisions**

The grant of a Tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the Tenement, or has been validly extinguished prior to the grant of the Tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Unless it is clear that native title does not exist (eg in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a Tenement. This ensures the grant will be valid in the event a court determines that

native title rights do exist over the land subject to the Tenement and as such, the Future Act Provisions apply.

Where a Tenement has been retrospectively validated or validly granted under the NTA, the rights under the Tenement prevail over any inconsistent native title rights.

### Application to the Tenements

The following sections of the Report identify:

- (a) any native title claims, native title determinations and ILUAs that are registered against the Tenements (see Section 7.3);
- (b) any Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see Section 7.4);
- (c) any Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenements (see Section 7.4); and
- (d) any Tenements which are yet to be granted and as such may need to be granted in compliance with the Future Act Provisions in order to be valid under the NTA (see Section 7.4).

### 7.3 Registered Native Title Claims and Determinations and ILUAs

Our searches indicate that the Tenements are subject to the following registered native title claims and determinations.

Tenement	Native Title Claim	Native Title Determination	ILUA
E28/1610	WC99/30	none	none
P28/1197	WC99/30	none	none
ELA28/2146	WC99/30	none	none
ELA28/2176	WC99/30	none	none
PLA28/1240	WC99/30	none	none

The status of any native title claims, native title determinations and ILUAs is summarised in Schedule II of this Report.

Native title claimants, holders of native title under the determinations and native title parties under ILUAs are entitled to certain rights under the Future Act Provisions.

### 7.4 Validity of Tenements under the NTA

The sections below examine the validity of the Tenements under the NTA.

#### Tenements granted before 23 December 1996

Our searches indicate that none of the Tenements were granted:

- (a) before 1 January 1994; or
- (b) after 1 January 1994 but before 23 December 1996.

### Tenements granted after 23 December 1996

Our searches indicate that the following Tenements were granted after 23 December 1996.

Tenement	Date of Grant
E28/1610	26/10/2006
P28/1197	04/10/2010

We have assumed that these Tenements were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

### Tenements renewed after 23 December 1996

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.

An exception is where the renewal is the first renewal of a mining tenement that was validly granted before 23 December 1996 and the following criteria are satisfied:

- (a) the area to which the mining tenement applies is not extended;
- (b) the term of the renewed mining tenement is not longer than the term of the old mining tenement; and
- (c) the rights to be created are not greater than the rights conferred by the old mining tenement.

In such cases, the mining tenement can be renewed without complying with the Future Act Provisions. It is currently uncertain whether this exemption applies to a second or subsequent renewal of such a mining tenement.

Our searches indicate that none of the Tenements were renewed after 23 December 1996.

Renewals of Tenements in the future will need to comply with the Future Act Provisions in order to be valid under the NTA. The registered native title claimants and holders of native title identified in Section 7.3 of this Report will need to be involved as appropriate under the Future Act Provisions.

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## 8. ACCESS ISSUES

### 8.1 Pastoral lease

Pastoral lease PL3114/1091 (also known as the Yindi Pastoral Lease), which commenced on 18 December 1975 and expires on 13 June 2015 (**Yindi Pastoral Lease**), overlies all of the Tenements. The lessee of the Yindi Pastoral Lease is Cowarna Downs Pty Ltd. The Yindi Pastoral Lease currently comprises:

- (a) Lot 242 on Deposited Plan 226328 being the land comprised in Certificate of Crown Land Title Volume LR3089 Folio 347;

- (b) Lot 19 on Deposited Plan 238569 being the land comprised in Certificate of Crown Land Title Volume LR3138 Folio 58; and
- (c) Lot 216 on Deposited Plan 238569 being the land comprised in Certificate of Crown Land Title Volume LR3138 Folio 59.

Pastoral lease I3114/742 (also known as the Pinjin Pastoral Lease), which commenced on 26 June 1967 and expires on 13 June 2015 (**Pinjin Pastoral Lease**) overlies tenement ELA28/2176. The lessee of the Pinjin Pastoral Lease is Tisala Pty Ltd. The Pinjin Pastoral Lease currently comprises:

- (a) Lot 20 on Deposited Plan 220386 being the land comprised in Certificate of Crown Land Title Volume LR3058 Folio 976;
- (b) Lot 226 on Deposited Plan 220386 being the land comprised in Certificate of Crown Land Title Volume LR3061 Folio 78;
- (c) Lot 18 on Deposited Plan 220386 being the land comprised in Certificate of Crown Land Title Volume LR3067 Folio 338;
- (d) Lot 19 on Deposited Plan 220386 being the land comprised in Certificate of Crown Land Title Volume LR3067 Folio 339;

The Mining Act:

- (a) prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes a pastoral lease) without the consent of the lessee;
- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and
- (c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land (ie the pastoral lessee) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities, including the passing and re-passing over any land.

The DMP imposes standard conditions on mining tenements that overlay pastoral leases. It appears the Tenements incorporate the standard conditions.

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## **9. MATERIAL CONTRACTS**

### **9.1 Overview**

We have reviewed all material agreements relating to the Tenements provided to us. There are no agreements registered as dealings against the Tenements as at the date of our DMP searches.

We have been provided with one agreement that applies to exploration licence E28/1610, namely, an Agreement for Sale and Purchase of Interest in Exploration Licence E28/1610 dated 22 March 2010 made between the Company and Maincoast.

## 9.2 Agreement for Sale and Purchase of Interest in Exploration Licence E28/1610

AC Minerals entered into a sale and purchase agreement with Maincoast for the acquisition of its interest in E28/1610 dated 22 March 2010 (**Agreement**). Upon production commencing for the area comprising E28/1610, Maincoast has a right to a royalty payment equal to a 1.5% net smelter return (gross proceeds of sale less allowable deductions) for each quarter.

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## 10. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Tenement searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNNT;
- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from our searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (h) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (i) references in the Schedule to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (j) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of the Prospectus;
- (k) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted,

or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;

- (l) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of the Environment and Conservation;
- (m) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and
- (n) Aboriginal heritage sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

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## 11. CONSENT

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



**STEINEPREIS PAGANIN**

## SCHEDULE I

### TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	MINERAL FIELD	GRANT DATE	EXPIRY DATE	CURRENT AREA SIZE (HA)	ANNUAL RENT	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS	BONDS	NOTES
E28/1610	AC Minerals Pty Ltd	100/100	NE Coolgardie M F Kurnalpi Dist 28	26/10/2006	25/10/2011 Expired (Renewal of term application lodged 25/10/2011 for a further 5 year term)	4007.83	Paid in full to Tenement Yr End 25/10/2012 Next Tenement Yr rent - \$3,353.00 due by 25/10/2013	Previous Tenement Yr to 25/10/2011 - Expenditure in full Current Tenement Yr (25/10/2012) - \$10,000.00 Commitment	Amalgamating whole of P28/1197 into E28/1610 Extension/ Renewal application lodged 25/10/2011	None	1, 2, 3, 4, 5, 6
P28/1197	AC Minerals Pty Ltd	100/100	NE Coolgardie M F Kurnalpi Dist 28	04/10/2010	03/10/2014	56.05	Paid in full to Tenement Yr End 03/10/2012 Next Tenement Yr rent - \$125.40 due by 03/10/2013	Previous Tenement Yr to 03/10/2011 - Expenditure in full Current Tenement Yr (03/10/2012) - \$2,280.00 Commitment	Whole of P28/1197 amalgamated into E28/1610	None	1, 2, 3, 4, 5, 6
ELA28/2146	AC Minerals Pty Ltd	100/100	NE Coolgardie M F Kurnalpi Dist 28	Pending (application lodged 21/02/2011)		1182.80	N/A	N/A	None	None	None
ELA28/2176	AC Minerals Pty Ltd	100/100	NE Coolgardie M F Kurnalpi Dist 28	Pending (application lodged 18/07/2011)		20119.23	N/A	N/A	Extension of time in which to lodge late service on pastoralist approved on 09/09/2011	None	7

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	MINERAL FIELD	GRANT DATE	EXPIRY DATE	CURRENT AREA SIZE (HA)	ANNUAL RENT	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS	BONDS	NOTES
PLA28/1240	AC Minerals Pty Ltd	100/100	NE Coolgardie M F Kurnalpi Dist 28	Pending (application lodged 04/03/2011)		77	N/A	N/A	None	None	None

#### Key to Tenement Schedule

- P - Prospecting Licence
- E - Exploration Licence
- ELA - Exploration Licence Application
- PLA - Prospecting Licence Application

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

References to numbers in the "Notes" column refers to the notes following this table.

#### Notes:

1. All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
2. All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines and Petroleum (**DMP**). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMP.
3. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
4. Unless the written approval of the Environmental Officer, DMP is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
5. The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
6. The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:-
  - a. The grant of the Licence; or
  - b. Registration of a transfer introducing a new Licensee;

Advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
7. ELA28/2176 is affected by an application for an exploration licence E28/2214 held by Australia Kimberly Gold Pty Ltd for an area of 887.89 hectares being 4.4% of the total area applied for under ELA28/2176.

## SCHEDULE II

### SUMMARY OF NATIVE TITLE CLAIMS, NATIVE TITLE DETERMINATIONS, ILUAs, HERITAGE & COMPENSATION AGREEMENTS AND ABORIGINAL HERITAGE SITES

TENEMENT	REGISTERED HOLDER / APPLICANT	NATIVE TITLE CLAIMS / DETERMINATIONS	ILUAs	HERITAGE & COMPENSATION AGREEMENTS	REGISTERED ABORIGINAL HERITAGE SITES	NOTES
E28/1610	AC Minerals Pty Ltd	Central East Goldfields People (NTC)WC99/30 Fed Ct No: WAD70/98	No overlaps		Lake Rebecca Site ID 19142 Site Type: Mythological	
P28/1197	AC Minerals Pty Ltd	Central East Goldfields People (NTC)WC99/30 Fed Ct No: WAD70/98	No overlaps		None registered	
ELA28/2146	AC Minerals Pty Ltd	Central East Goldfields People (NTC)WC99/30 Fed Ct No: WAD70/98	No overlaps		None registered	
ELA28/2176	AC Minerals Pty Ltd	Central East Goldfields People (NTC)WC99/30 Fed Ct No: WAD70/98	No overlaps		Lake Rebecca Site ID 19142 Site Type: Mythological	1
PLA28/1240	AC Minerals Pty Ltd	Central East Goldfields People (NTC)WC99/30 Fed Ct No: WAD70/98	No overlaps		None registered	

#### Notes

1. National Native Title Claim Number WC10/14 (Strickland/Nudding) was filed on 14 October 2010, but did not meet the Registration Test. The status of the claim remains active and will be listed in the Federal Court for determination on whether it will be dismissed.

All of the native title claims listed in the above table have been accepted and entered on the Register of Native Title Claims. Please refer to Schedule II of this Report for the status of the native title claims.

#### STATUS OF NATIVE TITLE CLAIMS AND NATIVE TITLE DETERMINATIONS

TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	REGISTERED	IN MEDIATION	STATUS
WC99/30	WAD70/98	Central East Goldfields People	04/10/1999	Yes	Registered

All of the native title claims listed in the above table have been accepted and entered on the Register of Native Title Claims. Please refer to Schedule II of this Report for the status of the native title claims.

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## **9. ADDITIONAL INFORMATION**

### **9.1 Litigation**

As at the date of this Prospectus, our Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against our Company.

### **9.2 Rights attaching to Shares**

The following is a summary of the more significant rights attaching to Shares. 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 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.

### **9.3 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.

### **9.4 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:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) 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
- (c) 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 the Share, 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).

### **9.5 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.

## **9.6 Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, 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 of the Company, 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.

## **9.7 Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

## **9.8 Transfer of Shares**

Generally, Shares 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 or the ASX Listing Rules.

## **9.9 Variation of rights**

Pursuant to 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.

## 9.10 Alteration of Constitution

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.

## 9.11 Options, Deferred Consideration Shares and Performance Shares

The Company will issue the Related Party Options, the Consultant Options, the Deferred Consideration Shares and the Performance Shares on or prior to completion.

The terms of these securities are set out in the Schedule.

## 9.12 Privacy Statement

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers; regulatory bodies, including the Australian Taxation Office; authorised share brokers; print service providers; mail houses and the Share Registry.

You can access, correct and update the personal information that the Company hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information are governed by legislation, including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

## 9.13 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:

- (a) as an inducement to become, or to qualify as, a Director; or

- (b) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.
  - (iii) Each Proposed Director and Director's interests in securities at the date of this Prospectus are set out in the Key Information section of this Prospectus, as is their interest in any related party agreements.

#### 9.14 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:

- (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 any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Boonjarding Resources Limited (**BJL**) has acted as Independent Geologist and has prepared the Independent Geologist's Report for the Rebecca Project which is included in Section 6 of this Prospectus. The Company estimates it will pay BJL a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BJL has not received fees from the Company for any other services.

SEMS Exploration (**SEMS**) has acted as Independent Geologist and has prepared the Independent Geologist's Report for the Ivory Coast tenements which is included in Section 6 of this Prospectus. The Company estimates it will pay SEMS a total of \$22,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, SEMS has received fees for additional work on ordinary commercial terms.

BDO Corporate Finance (WA) Pty Ltd (**BDO**) has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 7 of this Prospectus. The Company estimates it will pay BDO a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO has not received any fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements which is included in Section 8 of this Prospectus. The Company estimates it will pay Steinepreis Paganin \$35,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received fees from the Company for other services at normal commercial rates. Roger Steinepreis, a director of the Company, is the Managing Partner of Steinepreis Paganin.

BBY Limited (**BBY**) has agreed to act as Sponsoring Broker to this Offer under an agreement dated 20 January 2012. Under this agreement, BBY will act as the financial adviser to the Company for 6 months. BBY will receive a management fee of 1% of the gross funds raised, a capital raising fee of 5% of the gross funds raised and a fee of \$20,000 for acting as sponsoring broker.

Cabinet Jean-François Chauveau, Avocats à la Cour has acted as the Ivorian solicitors to the Company in relation to the Offer and has prepared the Solicitor's Reports on Tenements for the Ivorian tenements which is included in Section 8 of this Prospectus. The Company estimates it will pay Cabinet Jean-François Chauveau, Avocats à la Cour up to \$8,500 for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Cabinet Jean-François Chauveau, Avocats à la Cour has received fees from the Company for other services at normal commercial rates.

## 9.15 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; and
- (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.

Each party noted below has given its written consent to being named in this Prospectus and to the inclusion of their report in this Prospectus in the form and context in which the report is included and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

<b>Expert or Adviser</b>	<b>Report</b>	<b>Section</b>
Boonjarding Resources Ltd	Independent Geologist's Report – Rebecca Project	Section 6
SEMS Exploration	Independent Geologist's Report – Ivorian tenements	Section 6
BDO Corporate Finance (WA) Pty Ltd	Investigating Accountant's Report	Section 7
Steinepreis Paganin	Solicitor's Report on Tenements – Rebecca Project	Section 8
Cabinet Jean-François Chauveau, Avocats à la Cour	Solicitor's Report on Tenements – Ivory Coast	Section 8

### **9.16 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be 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.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

### **9.17 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.

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**10. 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 and Proposed Director has consented to the lodgement of this Prospectus with the ASIC.

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**Roger Steinepreis**  
**Chairman**  
**For and on behalf of**  
**APOLLO CONSOLIDATED LIMITED**

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## 11. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

**\$** means an Australian dollar.

**AMCI** means Aspire Minerals Cote D'Ivoire, a company incorporated in the Cote D'Ivoire and a wholly owned subsidiary of Aspire.

**Application Form** means the application form attached to or accompanying this Prospectus relating to the Offer.

**ASIC** means Australian Securities & Investments Commission.

**Aspire** means Aspire Minerals Pty Ltd (ACN 135 789 338).

**Aspire Share** means a share in the capital of Aspire.

**Aspire Shareholders** or **Vendors** means all of the holders of Aspire Shares.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the official listing rules of ASX.

**Board** means the board of Directors as constituted from time to time.

**Closing Date** means the closing date of the Offer as set out in the indicative timetable in the Key Information section of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

**Company** means Apollo Consolidated Limited (ACN 102 084 917).

**Consideration Shares** means the Shares to be issued to the Aspire Shareholders as described in section 3.6(c)(i) of this Prospectus.

**Consideration Securities** means the Consideration Shares, the Deferred Consideration Shares and the Performance Shares.

**Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Deferred Consideration Shares** means the Shares to be issued to the Aspire Shareholders as described in section 3.6(c)(ii) and (g) of this Prospectus.

**Directors** means the directors of the Company at the date of this Prospectus.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

**GCI** means Geoservices Cote d'Ivoire, a company incorporated in the Cote D'Ivoire.

**General Meeting** means the general meeting of the Company held on 23 December 2011.

**GOCI** means Golden Oriole Cote d'Ivoire, a company incorporated in the Cote D'Ivoire.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

**Material Agreements** means the agreement described in Section 3.12.

**Notice of General Meeting** means the notice of general meeting of Shareholders for the meeting of the Company held on 23 December 2011.

**Offer** means the offer of Shares pursuant to this Prospectus as set out in Section 4 of this Prospectus.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Performance Shares** means a Share issued on the terms and conditions set out in Schedule 1.

**Proposed Directors** means Messrs West and Gherghetta.

**Prospectus** means this prospectus.

**RC drilling** means reverse circulation drilling.

**Section** means a section of this Prospectus.

**Settlement or Completion** means the settlement on the Settlement Date of the sale and purchase of the Aspire Shares in accordance with the terms of the Aspire Agreement.

**Settlement Date** means that date which is 5 Business Days after the satisfaction or waiver of the last of the Conditions (refer Section 3.6) (or such other date as is agreed between the Parties).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Tenements** means the mining tenements in which the Company has an interest as further described in the Solicitor's Reports on Tenements or any one of them as the context requires.

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF THE PERFORMANCE SHARES

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The Company will issue a total of 7,500,000 Performance Shares to the Aspire Shareholders. The terms of the Performance Shares are set out as follows:

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### 1. GENERAL

- (a) **(Performance Shares)** Each Performance Share is a share in the capital of Apollo.
- (b) **(General Meetings)** The Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of Apollo that are circulated to shareholders. The Holder has the right to attend general meetings of shareholders of Apollo.
- (c) **(No Voting Rights)** The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of Apollo.
- (d) **(No Dividend Rights)** The Performance Shares do not entitle the Holder to any dividends.
- (e) **(Rights on Winding Up)** The Performance Shares participate in the surplus profits or assets of Apollo upon winding up of Apollo only to the extent of \$0.000001 per Performance Share.
- (f) **(Not Transferable)** The Performance Shares are not transferable.
- (g) **(Reorganisation of Capital)** If at any time the issued capital of Apollo is reconstructed, all rights of the Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- (h) **(Application to ASX)** The Performance Shares will not be quoted on ASX. However, upon conversion of the Performance Shares into fully paid ordinary shares (**Ordinary Shares**) Apollo must within seven (7) days after the conversion, apply for the official quotation of the Ordinary Shares arising from the conversion on ASX.
- (i) **(No Other Rights)** The Performance Shares give the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (j) **(Participation in Entitlements and Bonus Issues)** Holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of the Ordinary Shares such as bonus issues and entitlement issues.
- (k) **(Reconstruction)** If there is a reconstruction (including, consolidation, subdivision, reduction or return) of the issued capital of Apollo, the basis for adjustment of the conversion of Performance Shares into Ordinary Shares will be reconstructed in the same proportion as the issued capital of Apollo is reconstructed and in a manner which will not result in any additional benefits being conferred on the Holder which are not conferred on the Shareholders of Apollo, (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Performance Shares will remain unchanged.
- (l) The adjustments of this term will, subject to the ASX Listing Rules, be determined by Apollo.

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## 2. CONVERSION AND REDEMPTION OF THE PERFORMANCE SHARES

- (a) **(Performance Milestones)** If the following performance hurdles are satisfied, the Performance Shares will convert into Ordinary Shares as follows:
- (i) **(Class A Performance Shares)** if Apollo makes an announcement within a period of 5 years from the date of issue of the Performance Shares confirming a JORC inferred resource of at least 500,000 oz of gold for a sole project identified within the area of the Tenements at a grade equal to or above 1.8gm per tonne (**Milestone 1**) then 3,750,000 Performance Shares will convert into 3,750,000 Ordinary Shares; and
  - (ii) **(Class B Performance Shares)** if Apollo makes an announcement within a period of 5 years from the date of issue of the Performance Shares confirming a JORC inferred resource of at least 1,000,000 oz of gold for a sole project identified within the area of the Tenements at a grade equal to or above 1.8gm per tonne (**Milestone 2**) then, in addition to the Performance Shares set out in Clause 2(a)(ii), a further 3,750,000 Performance Shares will convert into 3,750,000 Ordinary Shares on the basis that both milestones have been achieved. For the avoidance of doubt, the total number of Performance Shares which will convert to Ordinary Shares on achievement of Milestones 1 and 2 will be 7,500,000 Performance Shares.
- (b) **(Redemption if Milestones not achieved)** If:
- (i) Milestone 1 is not achieved within a 5 year period commencing on the date of issue of the Performance Shares (**Milestone 1 Determination Date**), then 3,750,000 Performance Shares held by the Holders will be automatically redeemed by Apollo for the sum of \$0.000001 per Performance Share within 10 business days of the Milestone 1 Determination Date; or
  - (ii) Milestone 2 is not achieved within a 5 year period commencing on the date of issue of the Performance Shares (**Milestone 2 Determination Date**), then 3,750,000 Performance Shares held by the Holders will be automatically redeemed by Apollo for the sum of \$0.000001 per Performance Share within 10 business days of the Milestone 2 Determination Date.
- (c) **(Conversion Procedure)** Apollo will issue the Holder with a new holding statement for the Ordinary Shares as soon as practicable following the conversion of the Performance Shares into Ordinary Shares.
- (d) **(Ranking of Shares)** The Ordinary Shares into which the Performance Shares will convert will rank pari passu in all respects with existing Ordinary Shares.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF CONSULTANT OPTIONS

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The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on 31 December 2014 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be 20 cents (Exercise Price).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

**(Exercise Notice).**

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) 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.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (m) 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.

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### **SCHEDULE 3 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS**

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The Related Party Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on 31 December 2016 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be 20 cents (Exercise Price).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

**(Exercise Notice).**

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice and grant a further option on the same terms and conditions as these Options, other than the exercise price of the new option (New Option) is 40 cents per New Option and the expiry date is 31 January 2017.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) 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.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (m) 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.
- (n) If in the opinion of the Board acting reasonably, the Optionholder becomes a Bad Leaver, the Board may declare that the Option has lapsed. For the purposes of this clause:

**Bad Leaver** means an Optionholder who ceases to be an employee or Director of the Company (as the case may be) where the cessation is a result of:

- (i) any reason other than those contained in the definition of Good Leaver; or
- (ii) the Optionholder:
  - (A) engages in any act or omission which constitutes serious misconduct in respect of his or her duties which involves an act of fraud or gross misconduct in relation to the Company or its subsidiaries;
  - (B) after prior written warning, fails or neglects to perform his or her duties under an employment agreement (if applicable); or
  - (C) commits an act of dishonesty towards the Company, any other employee of the Company or its subsidiaries.

**Good Leaver** means an Optionholder who ceases to be an employee or Director of the Company (as the case may be) where the cessation is a result of:

- (i) death, illness, serious disability or permanent incapacity through ill health;
  - (i) redundancy;
  - (ii) resignation, retirement or removal as a Director; or
  - (iii) other terms as reasonably determined by the Board, provided that the rights of the Optionholder are not materially affected.

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## APPENDIX 1 - ASPIRE ACCEPTANCE AND TRANSFER FORM

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### Aspire Offer Consideration

The total consideration payable under the terms of the Aspire Offer is:

- (a) 5,000,000 Apollo Shares;
- (b) 3,750,000 Class A Performance Shares;
- (c) 3,750,000 Class B Performance Shares;
- (d) 7,500,000 Deferred Consideration Shares,

to be divided between the Aspire Shareholders in proportion to the number of Aspire Shares held by each Aspire Shareholder on the date of close of this Offer.

By signing this Aspire Acceptance and Transfer Form you will be deemed to have:

- (a) accepted this Aspire Offer in respect of your Aspire Shares registered in your name to which this Aspire Offer relates (Purchased Securities);
- (b) agreed to transfer your Purchased Securities to Apollo and waived all rights of pre-emption (if any) you have in respect of the Aspire Shares held by each other shareholder of Aspire enabling those persons to likewise accept the Aspire Offer;
- (c) authorised Apollo to complete the Aspire Acceptance and Transfer Form by correcting any errors in or omissions from the Aspire Acceptance and Transfer Form as may be necessary for the purpose of effecting acceptance of the Aspire Offer and registering the transfer of your Purchased Securities;
- (d) irrevocably authorised and directed Aspire to pay to Apollo or to the account of Apollo all rights in respect of the Purchased Securities;
- (e) acknowledge that the Apollo Shares to be issued to you as consideration (including the Performance Shares and the Deferred Consideration Shares) may be subject to escrow for a period as required by ASX and irrevocably appoint Apollo as your lawful attorney to execute on your behalf and in your name a Restriction Agreement in respect of that number of the Apollo Shares (including the Performance Shares and the Deferred Consideration Shares) that are to be issued to you upon your acceptance of the Aspire Offers that ASX determines will be subject to escrow restrictions as provided for by Chapter 9 of the ASX Listing Rules (if any);
- (f) represented and warranted to Apollo that Apollo will acquire good title to and beneficial ownership of all your Purchased Securities free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
- (g) agreed to indemnify Apollo fully in respect of any claim, demand, action, suit or proceeding made or brought against Apollo and any loss, costs, expense, damage or liability whatsoever suffered or incurred by Apollo as a result of Apollo not receiving from you any certificates for your Purchased Securities; and
- (h) appointed Apollo or any nominee of Apollo as your agent and attorney to exercise all the powers and rights attaching to your Purchased Securities and have agreed not to revoke that appointment during the period from the date of your acceptance of this Aspire Offer and the date on which Apollo is registered as the holder of your Purchased Securities.

