



ASX ANNOUNCEMENT

23 JUNE 2014

DRILLING COMMENCES AT APOLLO-HPX COMMONWEALTH HILL JV, SOUTH AUSTRALIA

HIGHLIGHTS

- Drilling to intersect chargeable targets identified from recent HPX-led induced polarisation survey within the Wirrida Intrusive Complex and Bundi North Prospect
- Reverse circulation pre-collars and diamond core program of up to 1,000 metres over 2-3 holes to test geology in differing locations and settings
- Drill results to be received over the next 8 weeks.

Apollo Minerals Ltd (ASX: AON) ("Apollo" or "the Company") and HPX Inc have begun their first reverse circulation (RC) and diamond core (DC) drill program at the Commonwealth Hill farm-in JV, part of Apollo's larger Titan iron-ore-copper-gold (IOCG) Project in South Australia.

The 1,000m drill program at the Wirrida Intrusive Complex and Bundi North Prospects is testing prospective drill targets identified and confirmed from the recent HPX-led 140km² high powered induced polarisation (IP) 'Typhoon' survey over the Bundi North and Wirrida Intrusive Complex Prospects. Details of the multiple targets identified was announced to the ASX on 19 June 2014 (<http://www.apollominerals.com.au/wp-content/uploads/2014/06/AON-20140619-Large-scale-IP-targets-identified-at-Wirrida-and-Bundi-North-v6.pdf>).

The drilling programme has been designed to confirm the source of a number of strong chargeability anomalies at depth within, and along the margins of these prospects. These targets have never been drill tested.

Drilling has commenced on Target 5 in the south western margin of the Wirrida Intrusive Complex and is expected to then move on to targets 1 and 4 located within central Wirrida and the margin of Bundi North respectively (Figure 1).

Drilling is expected to take 4 weeks to complete with assay results expected over the next 8 weeks.

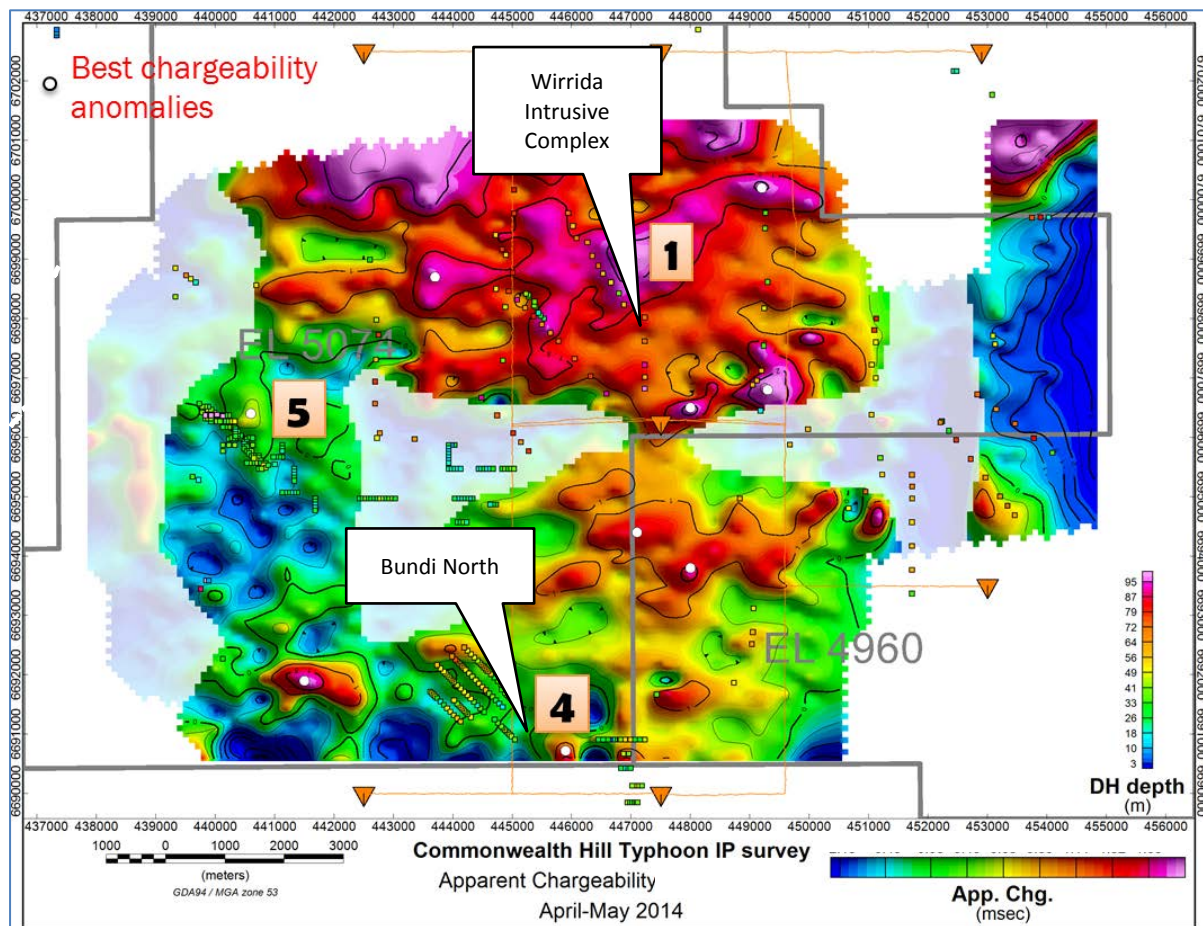


Figure 1: Preliminary targets 1 to 10 (numbered above) overlaid on IP chargeability

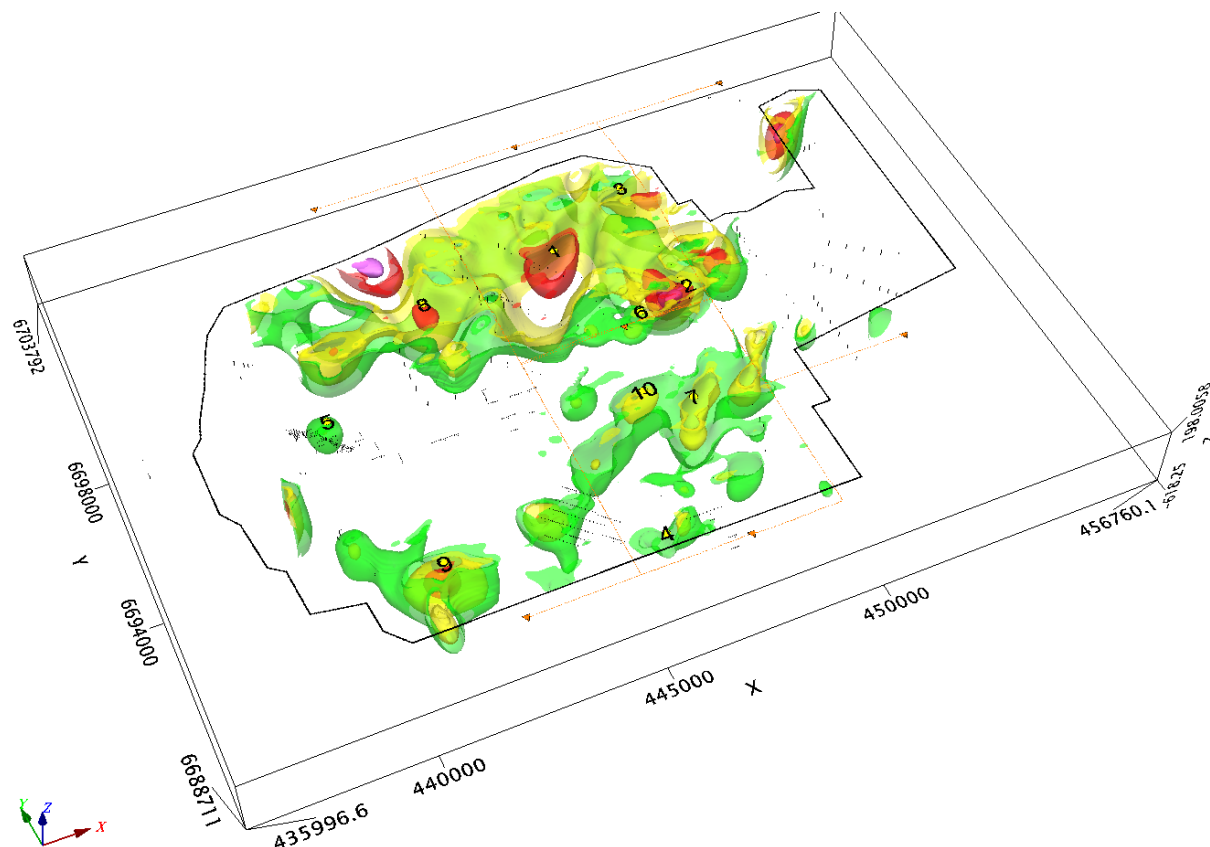


Figure 2: 3D perspective of IP chargeability and Targets 1 to 10



Figure 3: Drilling commences at the Wirrida Intrusive Complex

ABOUT HIGH POWER EXPLORATION (HPX) INC

HPX is a private metals-focused exploration company deploying proprietary geophysical technologies to rapidly evaluate buried geological targets. The company combines leading geological and geophysical expertise with innovative, ground-breaking technological hardware and software solutions to address the limitations of existing exploration technology.

HPX has a highly experienced board and management team and is led by CEO Mark Gibson, a geoscientist formerly with Anglo American. Ian Cockerill, formerly CEO of Gold Fields Ltd chairs the company. HPX is indirectly controlled by international financier and mining entrepreneur Robert Friedland.

ABOUT APOLLO MINERALS

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

Apollo's project at Commonwealth Hill in the Gawler Craton of South Australia is situated close to existing infrastructure including the Darwin-Adelaide railway line, highway, ports.

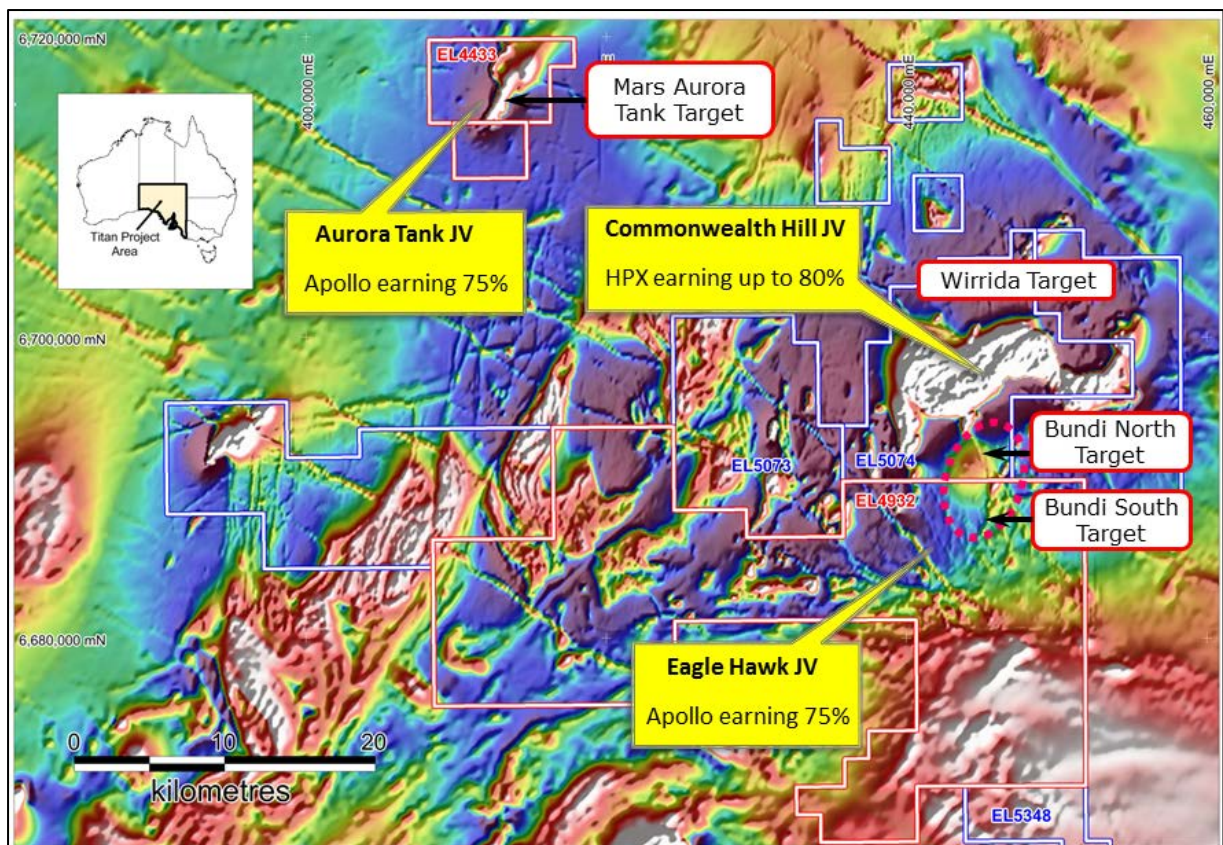
The Sequoia Iron Deposit contains a JORC defined resource previously announced to the market.

The Titan Base-Precious Metals Project is focussed on discovering a major IOCG deposit in a new frontier of the world class Gawler Craton. This project consists of:

- Commonwealth Hill Project JV (HPX earning up to 80% interest)
- Eaglehawk JV (Apollo earning up to 75% interest)
- Aurora Tank JV (Apollo earning up to 75% interest)

Apollo's major shareholders include:

- Jindal Steel and Power Ltd, one of India's largest companies.
- HPX Australia Pty Ltd.



Map of Titan Base Metals Project and JV Areas

ENDS

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COMPETENT PERSON DECLARATION

The information in this Report that relates to Exploration Targets/Exploration Results is based on information compiled by Mr Derek Pang who is a member of the Australasian Institute of Mining and Metallurgy. Derek is a full time employee of Apollo Minerals Ltd. Derek has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Derek consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Assay results relating to historic drilling was sourced from open file data from previous explorers Minotaur Gold NL. Apollo is unable to comment on the representivity and appropriate calibration of analytical tools and procedure applied during historic exploration. Samples were collected as 4m composites for analysis. Industry standard geophysical survey techniques including ground based Gravity and Induced Polarisation (IP) as applied by Apollo are regarded as widely used in mineral, hydrocarbon, geothermal and groundwater exploration. During the planning phase of geophysical surveys the Company considered the orientation of grids and lines to best reflect the geology and structures within the prospect areas. However, as knowledge is limited it was considered that geographical east-west survey lines were appropriate. DAISHSAT Geodetic surveyors was engaged by Apollo to conduct gravity survey in January, March, September of 2013 and March – April 2014. HPX was contracted to complete the IP survey in April-May 2014. RAB drilling was conducted using a WASDRILL 400D mounted on 6x6 WD Landcruiser with onboard air compressor rated at 150psi:250cfm . Equipment was capable of drilling aircore, RAB and slime line RC methods during March – April 2014 RAB drilling was completed by McLeod Drilling Services. Approximately 400g geochem samples were collected from bottom of hole sample for laboratory analysis.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Historic drilling method within were rotary airblast and reverse circulation completed by Minotaur Gold NL between 1997 – 1998 and rotary airblast by Redport in 2002. (Source: Open File ENV 9504 and 8786). Recent drilling programme by Apollo utilised RAB drilling methods using 4” face sampling percussion hammer, and blade drill bits. Vertical holes were planned at nominal 10m depth, or to blade refusal if within 1-2m discretionary from target depth. Drill hole spacing is variable.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Apollo is unable to comment on method of recording and assessing drill chips/core and sample recoveries from historic drilling at Wirrida and Bundi. Historic assay results from 4m composite samples were interrogated from open file data (ENV 9504 and 8786). No records of sample recoveries were identified in previous reports and it is not possible to determine if a relationship exists between recovery and grade. Historic hole depths were recorded in hard copy format during drilling including brief description of lithology. The nature of using this small diameter drilling technique provides adequate sample quality and sample recovery for the purposes of obtaining representative sample for geochemical analysis of the sub-surface. No records of sample recoveries were taken.

Criteria	JORC Code explanation	Commentary
		Insufficient data is available at present to determine if a relationship exists between recovery and grade.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Based on open file reports, historic drill chips were geologically logged and included magnetic susceptibility measurements at 1m intervals. Drill chips were not logged to any geotechnical standard and data is insufficient to support mineral resource estimation at this stage in exploration. Logging of RC drill chips is considered to be semi-quantitative given the nature of rock chip fragments and the inability to obtain detailed geological information. Some photographic information showing drilling and rehabilitation activity is available in historic report (ENV9504 and 8786). From historic reporting 100% of RC chips were logged.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Apollo is unable to comment on manner in which historic drill chips and core were sampled, or the preparation techniques applied during collection. Apollo is unable to comment on quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Apollo is unable to comment if field duplicates were collected, or whether sample sizes were appropriate to the grain size of the material being sampled
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Apollo cannot comment on nature, quality and appropriateness of the assaying and laboratory procedures used by historic explorers. IP Survey was completed by HPX using their proprietary Typhoon system configured in a gradient array format. Survey lines are orientated north-south with receiver (Rx) stations spaced at 400 meters. Gravity survey was completed by DAISHSAT Geodetic Surveyors. Gravity stations are spaced at a variety of spacings from 75m to 600m.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay 	<ul style="list-style-type: none"> Only historic assay open file data used. No adjustments made to historic assay values. Drill hole collar locations were from South Australian Resource Information Geoserver (SARIG). Apollo's exploration manager verifies all samples collected in the field. No twinned hole drilling was conducted. Documentation is initially collected on paper logs and transferred to electronic format. Drill hole locations are determined in the field using

Criteria	JORC Code explanation	Commentary
	<i>data.</i>	<p>GARMIN™ hand held GPS units and data transferred from the GPS to laptop computer.</p> <ul style="list-style-type: none"> No assay data. Statements pertaining to adjustments are not applicable.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Apollo cannot comment on methodology used to locate historic drill hole collars. GARMIN™ GPS72H hand-held GPS is used to define the field location of the rock chip samples. Locations are considered accurate to within 5m. The GPS72H GPS has sufficient topographic control warranted for rock chip sampling. Leica system GX1230 and SR530 dual GPS receivers were used by DAISHSAT for ground gravity surveys. These units are considered accurate that has sufficient topographic control warranted for gravity survey and elevation correction during processing. All drill hole locations were recorded using the GDA94 datum using UTM coordinate grid system.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Historic drill hole spacing was approx. 100m along a series of east-west orientated lines. Holes were typically drilled vertically with reverse circulation holes drilled at an angle of 60 degrees. Historic data is not being used for estimating a mineral resource or for modelling of grade at this stage in exploration. The data spacing and distribution of historic drill holes is considered to be sufficient for the review of sub-surface geology and geochemistry. Samples were collected as 4m composites.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The magnetic anomaly trends northwesterly. The geological trends are largely unknown in the area due to the extensive sand cover. It is perceived that younger igneous bodies have intruded the Archean basement rocks sub-vertically. The gravity and IP survey grids were orientated along east-west and north-south lines. The orientation of the grid is deemed sufficient at this stage in the exploration programme. However, ongoing review of structural lineaments is continuing to determine the structure ahead of further work. Sampling bias related to the orientation of structures is not known.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Chain of custody is managed in the field by the exploration manager. The contractor is responsible for the drilling, and bagging of samples. Pre-determined sample labelling is duplicated in the field on a calico bag and smaller geochem sample bag to verify sample numbering. The exploration manager takes custody of the sample and is responsible for the security of sample including freight of sample from the field. Apollo cannot comment on Chain of custody for historic drill hole sampling.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audit of data has been completed to date.