

ASX ANNOUNCEMENT

By e-lodgement



6th August 2018

Apollo to Sell 80% Interest in Cote d'Ivoire Gold Permits

Apollo Consolidated Limited (ASX:AOP) ('Apollo' or 'Company') is pleased to announce that it has entered into a binding Heads of Agreement with Novo Lítio Limited (ASX: NLI) ('Novo Lítio') to sell an 80% interest in its Boundiali and Korhogo gold permits located in northern Côte d'Ivoire, West Africa ('Côte d'Ivoire Gold Projects'). The transaction allows Apollo to continue its focus on the Lake Rebecca Gold project in Western Australia.

Highlights

- **Apollo to receive 90m shares at a deemed issue price of 4.5 cents each (\$4.05 million) - representing 19.4% of issued stock - in fully funded explorer Novo Lítio Limited (ASX:NLI) (cash position in excess of \$15 million), and up to \$500,000 in fees.**
- **Apollo to retain a further 20% equity in permits, which will be free carried to a 'Decision to Mine'**
- **Novo Lítio commitment to step up exploration campaign on permits, including spending minimum \$5m over two-year period**
- **Deal introduces focused exploration partner, while Apollo shareholders participate in any exploration success through an effective 40% holding in the Cote d'Ivoire Projects**
- **Apollo to channel its exploration and development activities at the Lake Rebecca Gold Project in Western Australia, where the Jennifer Lode discovery continues to deliver outstanding gold results**
- **Current program RC intercepts include 59m @ 3.22g/t Au and 21m @ 5.46g/t Au¹, with drilling continuing to grow the mineralised system**

Apollo has taken a significant step to allow it to focus its attention to the advancement of its 100% owned **Lake Rebecca Gold Project in Western Australia**, through introducing a dedicated and well-funded partner to step up exploration activity at its **Boundiali** and **Korhogo** permits in northern Cote d'Ivoire.

Apollo has been exploring in Cote d'Ivoire over the last 4 years, successfully defining greenfield gold prospects at **Antoinette** and **Veronique** on the Boundiali permit and at **Liberty** at Korhogo. However, the 2017 discovery of significant high-grade gold mineralisation at the

Lake Rebecca Gold Project, only 150km from Kalgoorlie in Western Australia, has increasingly directed the Company's activity and funding toward this discovery.

Diamond and Reverse Circulation (RC) drilling over the past 12 months has defined a significant open-ended body of gold mineralisation at **Jennifer Lode**, a disseminated sulphide hosted system demonstrating both width and exceptional grade:

Diamond Drilling²

RHD004	17.84m @ 15.95g/t from 142m &
RHD004	49m @ 4.57g/t Au from 166m
RHD010	25.8m @ 6.71g/t Au from 207m
RHD012	25m @ 7.88g/t Au from 142m
RHD009	12m @ 5.41g/t Au from 266m

RC Drilling²

RCLR0161	42m @ 7.75g/t Au from 61m
RCLR0209	50m @ 4.05g/t Au from 170m
RCLR0236	59m @ 3.22g/t Au (incl. 28m @ 5.02g/t Au) from 150m
RCLR0237	21m @ 5.46g/t Au from 141m
RCLR0225	34m @ 3.94g/t Au from 105m

The Company sees the introduction of a dedicated explorer with a strong cash backing as an excellent way to allow accelerated work on the Ivorian permits while it focusses on the Lake Rebecca Gold Project and its other Australian assets.

Apollo shareholders will retain significant exposure to the stepped-up exploration activities in Cote d'Ivoire though its 19.4% equity position in Novo Lítio, as well as a 20% free-carried interest to 'Decision to Mine' in the permits themselves. Novo Lítio holds a post-transaction cash position balance of over \$15m, and has committed to a \$5m exploration push over the coming two years.

Apollo continues to hold a 1.2% NSR royalty interest in Newcrest Mining Limited's **Seguela Project** in central Cote d'Ivoire (Figure 1), where a maiden **430,000oz at 2.3g/t Au** resource was reported early 2018.

Subject to suitable tax advice, regulatory and shareholder approval the Company intends to distribute its Novo Lítio shares *in-specie* to Apollo shareholders.

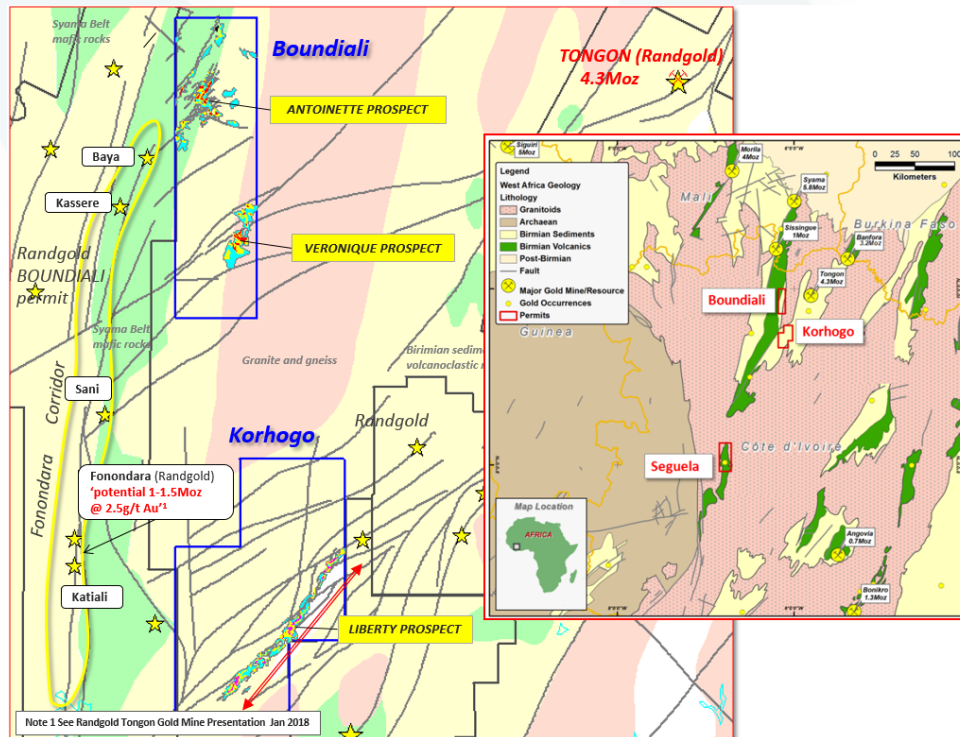


Figure 1. Apollo's Ivorian Permits and Prospects

Acquisition Terms

Novo Lítio will pay a A\$250,000 non-refundable exclusivity fee to Apollo within 7 days.

Novo Lítio will issue 90 million shares to Apollo to acquire an 80% interest in the Côte d'Ivoire subsidiary company that holds a 100% interest in the Côte d'Ivoire Gold Projects. The shares issued to Apollo will be subject to a voluntary 12-month escrow period (unless Apollo chooses to undertake an in-specie distribution to its shareholders).

The Novo Lítio shares are issuable upon renewal of the both exploration permits, which are due for their first renewal in November 2018. Under the Côte d'Ivoire mining code, both permits can be renewed for further periods totaling 8 years.

If the permits are not renewed by March 2019, Novo Lítio will pay a further non-refundable fee of A\$250,000 to defer the issue of the shares until the earlier of renewal or November 2019 (at which point, Novo Lítio may at its election issue the shares or terminate the acquisition).

Apollo will retain a 20% interest free carried until 'Decision to Mine', has the right to appoint a Non-Executive Director to the board of Novo Lítio, and will retain a board position in the Côte d'Ivoire subsidiary company that holds the Côte d'Ivoire Gold Project.

Apollo is not required to seek any shareholder approval for the disposal (noting it has retained an effective 40% interest in the Cote d'Ivoire Projects) however the transaction is subject to the approval of the Novo Litio shareholders and any other regulatory approvals. A separate announcement has been issued by Novo Litio at the same time as this announcement.

Notes

1. Refer to ASX:AOP announcement 17th June 2018.
2. Refer to ASX:AOP announcements 26th August 2012, 25th August 2017, 9th 13th 20th 24th October 2017, 15th January 2018, 12th April 2018, 8th May 2018, and 17th June 2018.
3. Refer to ASX:NCM announcement 31st January 2018

About Apollo:

Apollo Consolidated Ltd (ASX: AOP) is a gold exploration company based in Perth, Western Australia. Its exploration focus is Western Australia, where the Company has the wholly owned advanced gold project at Lake Rebecca, greenfield gold projects at Yindi and Larkin, as well the Louisa nickel-copper sulphide project located in the Kimberley.

Post transaction the Company will also retain a 20% project interest in the Boundiali and Korhogo Projects (free carried to Decision to Mine), and a 1.2% royalty over the Seguela Project.

As at 31st March 2018 the Company held A\$7.18m in cash to fund ongoing drilling work.

ENDS.

The information in this release that relates to Exploration Results, Minerals Resources or Ore Reserves, as those terms are defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve", is based on information compiled by Mr. Nick Castleden, who is a director of the Company and a Member of the Australian Institute of Geoscientists. Mr. Castleden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve". Mr. Castleden consents to the inclusion of the matters based on his information in the form and context in which it appears.