



**Interim Financial Report  
for the Half-Year Ended  
31 December 2018**

ABN 96 125 222 924

## CORPORATE DIRECTORY

### DIRECTORS:

Mr Ian Middlemas	Chairman
Mr Hugo Schumann	Executive Director
Mr Robert Behets	Non-Executive Director
Dr Michel Bonnemaïson	Non-Executive Director
Mr Ajay Kejriwal	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

### COMPANY SECRETARY:

Mr Dylan Browne

### FRENCH OFFICE:

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### STOCK EXCHANGE LISTING:

Australian Securities Exchange  
Home Branch – Perth  
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Perth WA 6000

### ASX CODE:

AON – Fully paid ordinary shares

### SHARE REGISTRY:

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### AUDITOR:

Deloitte Touche Tohmatsu

### SOLICITORS:

France – Jeantet Paris  
Australia – DLA Piper

### BANKERS:

France – Societe Generale Group  
Australia – Australia and New Zealand Banking Group Limited

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## DIRECTORS' REPORT



The Directors of Apollo Minerals Limited present their report for Apollo Minerals Limited (“Company” or “Apollo Minerals”) and the entities it controlled during the half-year ended 31 December 2018 (“Consolidated Entity” or “Group”).

### DIRECTORS

The names and details of the Company’s Directors in office at any time during or since the end of the half-year are as follows:

#### Current Directors

Mr Ian Middlemas	Chairman
Mr Hugo Schumann	Executive Director
Mr Robert Behets	Non-Executive Director
Dr Michel Bonnemaison	Non-Executive Director
Mr Ajay Kejriwal	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Unless otherwise shown, all Directors were in office from the beginning of the half-year until the date of this report.

### OPERATING AND FINANCIAL REVIEW

#### Overview

#### Highlights

Apollo Minerals is a responsible mining company focused on the development of its Couflens Project in southern France (“Couflens Project”) and progressing the adjacent Aurenere Project in neighbouring Spain (“Aurenere Project”).

#### Highlights during and subsequent to the end of the half-year include:

- Increased ownership in the Couflens Project to 100% via the acquisition of the remaining 20% minority interest
- Commenced with a program to re-install mine services including ventilation at the historical Salau mine after more than 30 years of closure
- Identified numerous gold and tungsten targets from extensive in-mine mapping undertaken as part of health and safety risk assessments at the historical Salau mine
- The new targets include extensive zones with strong gold potential related to breccias cemented by massive sulphides, with thicknesses up to 5 metres
- Announced previously unavailable reports on gold assay results from 1986 from historical channel sampling and drilling inside the Salau mine including:
  - up to 1.9m @ 16 g/t gold from channel sampling programs; and
  - 8.5m @ 3.4 g/t gold, including 1.9m @ 8.4 g/t gold, from diamond drilling results within the mine area
- Commenced with geophysical programs to assist with the definition of exploration targets and to improve the Company’s understanding of regional geological structures
- Strengthened French operating team with the appointment of two geologists, a site manager, a health and safety manager, a social performance and local content consultant and a number of local sampling assistants

#### LOOKING AHEAD

- Complete the program to reinstall mine services
- Complete the final phase of health and safety risk assessments
- Undertake face and channel sampling over identified gold and tungsten targets
- Commence with a drilling program targeting gold and tungsten within the historical Salau mine

## **OPERATING AND FINANCIAL REVIEW**

### **Operations**

The Couflens Project is located in southern France and comprises a 42km<sup>2</sup> licence area, within which lies the historical Salau tungsten mine. The Salau mine was one of the world's highest-grade tungsten mines and remains open at depth, with significant undeveloped gold potential.

Potential exists for shear hosted gold mineralisation to be associated with large regional fault structures extending along a 5km corridor to the west of the Salau mine area.

Previous field campaigns conducted by the Company across the license area confirmed the presence of widespread tungsten (up to 8.25% WO<sub>3</sub>) and high-grade gold (up to 24.5 g/t) collected from rock samples.

Apollo Minerals is focused on brownfields activities at the historical Salau mine and on regional exploration programs in the wider area.

### **COMPLETION OF ACQUISITION OF REMAINING 20% OF COUFLENS PROJECT**

During the period, the Company completed the acquisition of the remaining 20% interest in the Couflens Project, thereby increasing its ownership to 100%.

Completion of the acquisition ensures Apollo Minerals now has full control of and upside to the Couflens Project as the Company advances plans for its exploration campaigns and mine study programs.

The move to sole ownership of the project has simplified decision making and increases future funding options.

The acquisition reflects the Company's appreciation of the high quality of the project and its significant exploration upside.

The majority of the consideration for the remaining 20% will be payable in shares, deferred until the future and the successful achievement of project milestones including production from the mine, which has reduced the upfront cash outlay.

### **NUMEROUS GOLD AND TUNGSTEN TARGETS IDENTIFIED DURING GEOLOGICAL MAPPING PROGRAM**

A detailed program of geological mapping was completed inside the historical Salau mine as part of the ongoing health and safety risk assessments being undertaken to enable the reopening of full access to the mine.

The Company has previously identified gold occurrences during surface exploration programs related to faulting and the focussing of hydrothermal fluids carrying gold within these faults. The gold mineralisation can be found associated with tungsten mineralisation as well as gold only occurrences with no related tungsten.

A previous review by the Company of the historical exploration data has demonstrated that the gold potential of the Salau mine area has potentially been largely underestimated and that the nature of the gold mineralisation had previously not been fully understood.

The new mapping was undertaken being cognisant of the potential for gold mineralisation within the area. It was carried out over a period of one month and covered more than 5km of underground development drives between the 1230 and 1430 levels of the historical mine. The mapping was completed at a scale of 1:100, allowing for detailed descriptions of geological information.

The mapping program identified a number of targets with strong geological potential which were not recorded in the historical mining operations mapping due to their lack of scheelite (tungsten) content. These zones, of up to a 5m width, consist of fault zones containing a quartz sulphide assemblage which is known from surface work to potentially contain gold where the fault crosses the La Fourque granodiorite.

Several fault zones with quartz and sulphide were identified in the 1230 level development drive along the trace of two main structures known as R1 and Veronique. In addition, typical garnet, pyroxene and scheelite skarns were observed at the contact between the granodiorite and marbles out of these deformed zones.

These potential zones of tungsten and/or gold mineralisation will be the targets of a channel sampling program which will be launched when the program of health and safety risk assessments of risks is complete.

**OPERATING AND FINANCIAL REVIEW (Continued)**

**Operations (Continued)**

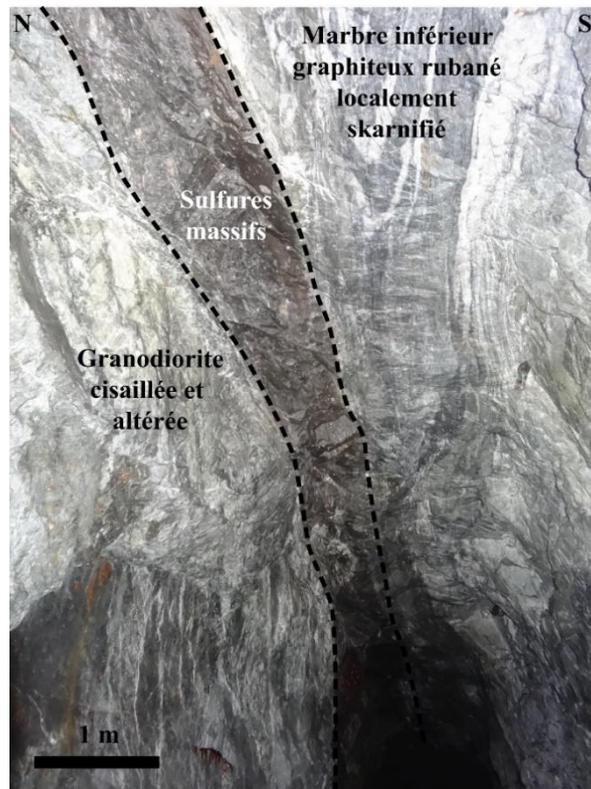


Figure 1: Photograph of the R15 cuddy on the 1230 level. The high-grade tungsten and gold mineralization is hosted within a breccia cemented by massive sulphides.

**HIGH GRADE GOLD AND TUNGSTEN RESULTS FROM NEWLY OBTAINED HISTORICAL DATA**

A significant technical archive was obtained by the Company for the historical Salau tungsten mine from the Bureau de Recherches Géologiques et Minières ("**BRGM**") who previously undertook exploration research at and around the mine.

The archive includes previously unavailable reports on gold assay results from 1986 from historical channel sampling and drilling inside the Salau mine including up to 1.9m @ 16 g/t gold from channel sampling programs, and 8.5m @ 3.4 g/t gold, including 1.9m @ 8.4 g/t gold, from diamond drilling results within the mine area.

The historical gold assay results confirm the presence of high-grade gold values within the mine and at depths of approximately 600m below surface.

The archive also has information on more than 1,000 drill holes and channel samples and contains over 100 boxes of geological maps, sections, drill logs as well as assays for tungsten from drilling. The archive will be reviewed and incorporated into the Company's existing database and 3D models and represents an additional saving in cost and time by de-risking the upcoming exploration and study programs.

Modern exploration undertaken by Apollo Minerals has identified the presence of comparable high-grade gold at surface and within historical tailings disposal areas. A program of in-mine channel sampling will occur in order to confirm the veracity of the historical data and to test for extensions to known mineralisation.

## **OPERATING AND FINANCIAL REVIEW (Continued)**

### **Operations (Continued)**

#### **REINSTALLATION OF MINE SERVICES**

The Company commenced with a program to reinstall mine services and remove operating hazards and waste from inside the historical Salau mine. The mine portal has been widened to facilitate access into the mine by truck. The majority of the piping, waste material and other hazards have been removed and several walls and gates have been built within the mine.

The Company has used local contractors to complete the work and sourced goods locally as part of its commitment to bring benefits to the local region.

With the exception of the installation of ventilation fans, all work on the main working level (1230 level), has now been completed.

This work program was halted, and the Company was required to submit additional documentation relating to health and safety work practises as well as a hazard study. The documents have been submitted to the authorities and the Company is awaiting approval of a new Prefectural Order which will allow the ventilation fans to be installed.

#### **STRENGTHENED FRENCH MANAGEMENT AND PROJECT TEAM**

The Company has appointed a number of highly experienced French nationals to support the development of the Couflens Project. Appointments included a Health and Safety Manager, two Project Geologists, a Social Performance and Local Content consultant, a Site Manager and numerous local Sampling Assistants.

Yves Guise, a renowned figure in the French mining sector with over 45 years of experience, was appointed as Health and Safety Manager. He manages all aspects of the Company's health and safety programs and is the day-to-day contact with the French authorities for project approvals. Mr Guise also represents the Company at local stakeholder meetings.

Thomas Poitrenaud and Quentin Monge were appointed to the geology team as Senior Project Geologist and Geologist respectively. Both will contribute their wealth of knowledge on the regional geology of the Pyrenees to deliver high impact exploration programs for the Company. Dr Poitrenaud's recently completed his PhD thesis on tungsten mineralisation in the Pyrenees, focusing specifically on the Salau mine. He was awarded High Honours and a national award in France for the PhD thesis.

The Company has engaged Prisca Piot, a Social Performance and Local Content consultant, to develop the Company's Stakeholder Engagement Plan, to report on the Company's social performance, and to implement a Procurement Plan in line with the Company's policies to promote local procurement.

Subsequent to the half-year end, the Company appointed Lionel Fernandes, owner of Fernandes & Fils, a local construction company, as Site Manager. Mr Fernandes will be responsible for the operational management of the mine site.

Sampling Assistants were also appointed during the period. They will help gather data for the environmental base line work and support Mr Fernandes in maintaining the site.

The Site Manager and Sampling Assistants have been recruited from the local area and have been provided with necessary training for the roles that the Company has created.

The Company has engaged numerous local contractors for its construction and study programs including the reinstallation of mine services, water studies, fauna and flora studies.

Through its focus on local employment and the use of local contractors wherever possible, the Couflens Project continues to bring benefits to the region.

## **OPERATING AND FINANCIAL REVIEW (Continued)**

### **Operations (Continued)**

#### **FURTHER STRENGTHENED COMMUNITY RELATIONS DURING THE PERIOD**

During the period, the Company hosted an event at site to celebrate Sainte Barbe, the patron saint of mining in France. The dinner was attended by approximately 65 former miners and local residents.

Addressing the audience, the Company's Executive Director, Hugo Schumann, summarised the plans for the Couflens Project in 2019 and reaffirmed the importance of building and maintaining strong relationships with the local communities.

In developing the Couflens Project, the Company wishes to establish a long-term presence in the region and build strong ties with its inhabitants and the project's stakeholders.

Subsequent to the half-year end, the Company participated in a meeting of the Club de Mécènes Mines du Salat ("**CMMS**").

The CMMS was established by a consortium of local businesses including the French subsidiary of Apollo Minerals, Mines du Salat. The CMMS was established to ensure the cultural and historical heritage of the Couserans province in the Ariège region continues to be upheld.

At the meeting, funds were allocated for various projects in the region. Every restoration project that the CMMS commits to financing has the potential to create direct and indirect jobs.

#### **REINFORCED COMMITMENT TO SUPPORT ONGOING CONSULTATION WITH LOCAL COMMUNITIES WITH A FOURTH MEETING OF THE "CLICS"**

At the fourth meeting of the Local Commission for Information, Consultation and Monitoring ("**CLICS**"), the Company presented the results of the preliminary risk assessment program at the Couflens Project.

Prior to this meeting, the Company held a detailed technical session for members of the CLICS who wished to discuss the results of the preliminary risk assessments and plans for the final phases of the program.

Both meetings highlighted the Company's commitment to support ongoing consultation with local communities and public authorities and to operate transparently, providing local residents with up to date information about work carried out on site.

#### **SUBMITTED PLANS FOR IN-MINE SAMPLING**

Prior to the commencement of exploration works within the Salau mine, the Company has been completing a series of health and safety risk assessments, as required by its permit obligations and as part of its commitment to industry best practise.

The Salau mine has been closed for more than 30 years and a program is therefore underway to ensure the safe working conditions for all personnel during exploration campaigns within the old mine environment.

The initial phase of risk assessments has been completed (refer to ASX announcement 9 July 2018) and focused on geotechnical stability, air quality monitoring (including for gases, radon and asbestos), ventilation tests and water quality tests.

The results confirmed excellent infrastructure, ventilation and ground conditions within the mine.

A final phase of health and safety risk assessments has been designed to test for the presence of asbestiform minerals in rocks and to review the proposed exploration work practises of the Company.

The Company has submitted documentation for a proposed hammer sampling program to the authorities for approval. The program was designed by Company geologists as part of the ongoing health and safety management programs and is being approved by the French authorities as well as independent third-party experts.

The assessments will be conducted after the completion of the reinstallation of mine services.

## **OPERATING AND FINANCIAL REVIEW (Continued)**

### **Operations (Continued)**

#### **COMMENCED WITH ENVIRONMENTAL BASELINE STUDIES**

Apollo Minerals is committed to operating to the highest international standards for environmental and social management.

The Company commenced its the baseline study phase of its Environmental and Social Impact Assessment (“**ESIA**”) at the Couflens Project during the period, focused initially on the study of water conditions surrounding the historical mine area.

Water samples have been taken at key points along catchment areas surrounding the mine and by local infrastructure periodically during the half-year period.

The water samples are currently being analysed and the results will be documented within the overall program of baseline studies.

The baseline program will also include studies of fauna, flora, noise, air quality, social demographics and other considerations.

#### **SUBMITTED APPLICATION FOR INVESTIGATION PERMIT AT AURENERE PROJECT**

The Company has planned a drilling program at the Aurenere Project in Spain as part of its application for an Investigation Permit.

The planned drill program includes six diamond drill holes designed to test an outcrop of approximately 100m<sup>2</sup> of pyrrhotite rich skarn where high grade gold (up to 33.90 g/t) and tungsten (up to 5.49% WO<sub>3</sub>) was recovered from rock samples.

The application for an Investigation Permit for Aurenere required the submission to the Spanish authorities of One and Three-Year Work Programs as well as a Simplified ESIA and a Restoration Program.

Following review of the documentation by the authorities, the Company was asked by the Department of Territory and Sustainability to submit an Ordinary ESIA. The Company will work with environmental consultants to develop this in the coming months.

A stakeholder engagement program was launched in order to establish relationships with local stakeholders and promote transparency with regards to the proposed work programs.

#### **LEGAL CHALLENGE TO THE COUFLENS EXPLORATION PERMIT LODGED**

An opposition group has lodged a series of legal arguments against the French state as part of a challenge against the original granting of the Couflens exploration license (“**Couflens PER**”).

The challenge is not against the Company but it is an interested party to the proceedings. The Company was invited to submit arguments in support of the French State, with these arguments having now been submitted.

The Administrative Courts have not set a trial date for the hearing, if any, and may invite the parties to submit further arguments. The Company will update the market on any material developments.

## **OPERATING AND FINANCIAL REVIEW (Continued)**

### **Operations (Continued)**

#### **PLANNED WORK PROGRAMS**

##### **Salau Mine Area**

The Company has designed programs for in-mine drilling and sampling campaigns to confirm known zones of tungsten and gold mineralisation within the Salau mine area and to test for extensions of these zones.

An initial phase of in-mine channel sampling has been designed by Company geologists to test gold and tungsten targets inside the historical Salau mine.

The Company has received detailed quotations from several drilling contractors for an underground drilling program targeting gold and tungsten within the historical Salau mine.

The Company is evaluating the applicability of underground geophysical surveys to facilitate the identification of new drill targets and enhance the Company's understanding of geological structures within the Salau mine environment.

##### **Broader Ground Holding (France and Spain)**

A number of regional exploration targets for gold and tungsten have been identified in the broader ground holding at the Couflens Project based on historical and recent field campaigns.

Rock chip samples collected from the Couflens Project returned high grade gold (up to 24.5 g/t) and tungsten (up to 8.25% WO<sub>3</sub>) (As per the ASX announcements released on 29 November 2017, 5 February 2018 and 27 March 2018).

The Company is planning geophysical work programs (ground, EM and IP surveys and possibly airborne surveys) to improve structural interpretations of regional geology and to further refine drill targeting.

The Company will work with environmental consultants to develop its ESIA for the Aurenere Project application in Spain in the coming months.

#### **NON-CORE AUSTRALIAN INTERESTS**

In November 2017, the Company entered into a royalty sale agreement for its interest in the Pilbara gold region for A\$1 million cash with A\$0.6 million received upfront and for A\$0.4 million to be received in November 2018. During the half-year the Company agreed to amend the receipt of the deferred cash portion to A\$0.45 million payable in four instalments up and until November 2019.

During the half-year, the Company completed the sale of the Commonwealth Hill project in South Australia. The Company also entered and into an agreement and competed the sale of its royalty interests in the E47/1378 and E47/1304 tenements in the Pilbara Gold region.

In July 2018, Constellation Resources exited the Group following a successful listing via an IPO on ASX.

### **Operating Results**

The net loss of the Group attributable to members of the Company for the half-year ended 31 December 2018 was \$1,842,794 (31 December 2017: \$719,336). This loss is attributable to:

- (i) exploration and evaluation expenditure of \$1,283,181 (31 December 2017: \$1,338,530), which is attributable to the Group's accounting policy of expensing exploration and evaluation expenditure (other than expenditures incurred in the acquisition of the rights to explore) incurred by the Group in the period subsequent to the acquisition of the rights to explore up to the successful completion of definitive feasibility studies for each separate area of interest;
- (ii) business development expensed of \$245,529 (31 December 2017: \$138,134) which are attributable to the Groups investor and shareholder relations including public relations, marketing and digital marketing, conference fees, travel costs, broker fees and the London office costs including wages; and

## **OPERATING AND FINANCIAL REVIEW (Continued)**

### **Operating Results (Continued)**

- (iii) non-cash share based payments expenses of \$114,395 (31 December 2017: \$106,015) which is attributable to the Group's accounting policy of expensing the value of shares and incentive options (estimated using an option pricing model) granted to key employees, consultants and advisors. The value of incentive options is measured at grant date and recognised over the period during which the option and rights holders become unconditionally entitled to the incentive securities.

### **Financial Position**

At 31 December 2018, the Group had cash reserves of \$2,853,096 (30 June 2018: \$5,563,900) and no debt, placing the Group in a good position to continue exploration on its current exploration and development activities.

At 31 December 2018, the Group had net assets of \$8,224,419 (30 June 2018: \$13,737,345), a decrease of \$5.5 million (40%) compared with 30 June 2018. The decrease is largely attributable to the Company's expenditure on operating and investing activities during the half year aggregated with the recognition of other financial liabilities for the deferred consideration component relating to the acquisition of Variscan France.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

- (i) On 4 February 2019, following the Company obtaining a technical archive from the historical Salau mine from the BRGM, who previously undertook exploration research at and around the mine, the Company announced previously unavailable reports on gold assay results from 1986 from historical channel sampling and drilling inside the Salau mine including up to 1.9m at 16 g/t gold from channel sampling programs and 8.5m at 3.4 g/t gold, including 1.9m @ 8.4 g/t gold, from diamond drilling results within the mine area; and
- (ii) On 6 March 2019, 850,000 unlisted options exercisable at \$0.28 each on or before 31 December 2021 and 850,000 unlisted options exercisable at \$0.35 each on or before 31 December 2021, were issued to Directors of the Company following shareholder approval.

Other than as disclosed above, at the date of this report there were no significant events occurring after balance date requiring disclosure.

## **AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires our auditors, Deloitte Touche Tohmatsu, to provide the Directors of Apollo Minerals Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is on page 23 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



**HUGO SCHUMANN**  
Executive Director

8 March 2019

**Forward Looking Statements**

*This report may include forward-looking statements. These forward-looking statements are based on Apollo Minerals' expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Apollo Minerals, which could cause actual results to differ materially from such statements. Apollo Minerals makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.*

**Competent Persons Statement**

*The information in this report that relates to Exploration Results at the Couflens and Aurenere projects is extracted from ASX announcements on 29 November 2017, 5 February 2018 and 27 March 2018. These announcements are available to view at [www.apollominerals.com](http://www.apollominerals.com). The information in the original announcements that related to Exploration Results were based on, and fairly represents, information compiled by Mr Robert Behets, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Behets is a holder of shares options and performance rights in, and is a director of, Apollo Minerals Limited. Mr Behets 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 a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

*The information in this report that relates to Historical Exploration Results is extracted from an ASX announcement dated 4 February 2019 which is available to view at [www.apollominerals.com](http://www.apollominerals.com). The information in the original announcement that related to the Historical Exploration Results is based on information compiled by Mr Andrew Boyd of Cairn Consulting Limited, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Boyd is a holder of shares, options and performance rights in, and is a key consultant of, Apollo Minerals Limited. Mr Boyd 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 a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Boyd consents to the inclusion in this report of the statements based on his information in the form and context in which it appears.*

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT  
OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018



	Notes	Half-Year Ended 31 December 2018 \$	Half-Year Ended 31 December 2017 \$
<b>Income</b>			
Revenue and other income	4(a)	334,691	1,028,875
Exploration and evaluation expenses		(1,283,181)	(1,338,530)
Corporate and administrative expenses		(541,772)	(331,337)
Business development expenses		(245,529)	(138,134)
Share based payments expense	10(a)	(114,395)	(106,015)
Movements in financial assets and liabilities	4(b)	(124,610)	-
Impairment of exploration and evaluation expenditure		-	(50,000)
<b>Loss before income tax</b>		<b>(1,974,796)</b>	<b>(935,141)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(1,974,796)</b>	<b>(935,141)</b>
<b>Other comprehensive income, net of income tax:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on foreign entities		(147,265)	197,103
<b>Other comprehensive income for the period, net of tax</b>		<b>(147,265)</b>	<b>197,103</b>
<b>Total comprehensive loss for the period</b>		<b>(2,122,061)</b>	<b>(738,038)</b>
<b>Loss attributable to:</b>			
Owners of the parent		(1,842,794)	(719,336)
Non-controlling interests		(132,002)	(215,805)
		<b>(1,974,796)</b>	<b>(935,141)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the parent		(2,029,158)	(557,008)
Non-controlling interests		(92,903)	(181,030)
		<b>(2,122,061)</b>	<b>(738,038)</b>
<b>Loss per share attributable to the ordinary equity holders of the Company</b>			
Basic and diluted loss per share (cents per share)		<b>(1.10)</b>	<b>(0.66)</b>

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION**  
AS AT 31 DECEMBER 2018



	Notes	31 December 2018 \$	30 June 2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		2,853,096	5,563,900
Trade and other receivables	5	550,000	911,318
<b>Total Current Assets</b>		<b>3,403,096</b>	<b>6,475,218</b>
<b>Non-current Assets</b>			
Exploration and evaluation assets	7(a)	7,417,730	7,757,639
Property, plant and equipment		535,567	281,482
Other financial assets	6	258,023	-
<b>Total Non-current Assets</b>		<b>8,211,320</b>	<b>8,039,121</b>
<b>TOTAL ASSETS</b>		<b>11,614,416</b>	<b>14,514,339</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		1,539,918	776,994
Other financial liabilities	8	250,000	-
<b>Total Current Liabilities</b>		<b>1,789,918</b>	<b>776,994</b>
<b>Non-current Liabilities</b>			
Other financial liabilities	8	1,800,079	-
<b>Total Non-current Liabilities</b>		<b>1,800,079</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>3,589,997</b>	<b>776,994</b>
<b>NET ASSETS</b>		<b>8,024,419</b>	<b>13,737,345</b>
<b>EQUITY</b>			
Issued capital	9(a)	49,979,420	49,979,420
Reserves	10(a)	(204,425)	2,506,633
Accumulated losses		(41,879,131)	(40,036,337)
<b>Equity Attributable To Members of Apollo Minerals Limited</b>		<b>8,095,864</b>	<b>12,449,716</b>
Non-controlling interests		128,555	1,287,629
<b>TOTAL EQUITY</b>		<b>8,024,419</b>	<b>13,737,345</b>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018



	Attributable to the equity holders of the parent					Total	Non-controlling interests	Total Equity
	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Acquisition Reserve	Accumulated Losses			
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	<b>49,979,420</b>	<b>2,181,128</b>	<b>325,505</b>	-	<b>(40,036,337)</b>	<b>12,449,716</b>	<b>1,287,629</b>	<b>13,737,345</b>
Net loss for the period	-	-	-	-	<b>(1,842,794)</b>	<b>(1,842,794)</b>	<b>(132,002)</b>	<b>(1,974,796)</b>
Other comprehensive income	-	-	<b>(186,364)</b>	-	-	<b>(186,364)</b>	<b>39,099</b>	<b>147,265</b>
<b>Total comprehensive income/(loss) for the period</b>	-	-	<b>(186,364)</b>	-	<b>(1,842,794)</b>	<b>(2,029,158)</b>	<b>(92,903)</b>	<b>(2,122,061)</b>
<b>Transactions with owners, recorded directly in equity:</b>								
Acquisition of non-controlling interest	-	-	-	<b>(2,591,970)</b>	-	<b>(2,591,970)</b>	<b>(1,066,171)</b>	<b>(3,658,141)</b>
Loss of control of subsidiary	-	<b>(47,119)</b>	-	-	-	<b>(47,119)</b>	-	<b>(47,119)</b>
Share based payments expense	-	<b>114,395</b>	-	-	-	<b>114,395</b>	-	<b>114,395</b>
<b>Balance at 31 December 2018</b>	<b>49,979,420</b>	<b>2,248,404</b>	<b>139,141</b>	<b>(2,591,970)</b>	<b>(41,879,131)</b>	<b>8,095,864</b>	<b>128,555</b>	<b>8,024,419</b>
<b>Balance at 1 July 2017</b>	<b>44,072,803</b>	<b>2,124,395</b>	-	-	<b>(37,248,920)</b>	<b>8,948,278</b>	<b>1,167,898</b>	<b>10,116,176</b>
Net loss for the period	-	-	-	-	<b>(719,336)</b>	<b>(719,336)</b>	<b>(215,805)</b>	<b>(935,141)</b>
Other comprehensive income	-	-	<b>162,328</b>	-	-	<b>162,328</b>	<b>34,775</b>	<b>197,103</b>
<b>Total comprehensive income/(loss) for the period</b>	-	-	<b>162,328</b>	-	<b>(719,336)</b>	<b>(557,008)</b>	<b>(181,030)</b>	<b>(738,038)</b>
<b>Transactions with owners, recorded directly in equity:</b>								
Share based payments expense	-	<b>106,015</b>	-	-	-	<b>106,015</b>	-	<b>106,015</b>
<b>Balance at 31 December 2017</b>	<b>44,072,803</b>	<b>2,230,410</b>	<b>162,328</b>	-	<b>(37,968,256)</b>	<b>8,497,285</b>	<b>986,868</b>	<b>9,484,153</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED  
STATEMENT OF CASH FLOWS**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018



	Note	Half-Year Ended 31 December 2018 \$	Half-Year Ended 31 December 2017 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(2,991,510)	(1,439,641)
Interest received		41,715	28,875
<b>Net cash outflow from operating activities</b>		<b>(2,949,795)</b>	<b>(1,410,766)</b>
<b>Cash flows from investing activities</b>			
Proceeds on disposal of royalty interest		150,000	600,000
Proceeds on disposal of subsidiary		50,000	-
Cash acquired on purchase of controlled entity	11	65,987	-
Loss of cash on deconsolidation of subsidiary		(2,767)	-
Payments for purchase of plant and equipment		(356,905)	(177,155)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(93,685)</b>	<b>422,845</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	-
Payments for share issue costs		-	(11,449)
Repayment of Constellation IPO costs		232,676	-
Proceeds from borrowings		100,000	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>332,676</b>	<b>(11,449)</b>
Net decrease in cash and cash equivalents		(2,710,804)	(999,370)
Cash and cash equivalents at beginning of the period		5,563,900	3,741,309
<b>Cash and cash equivalents at the end of the period</b>		<b>2,853,096</b>	<b>2,741,939</b>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## 1. CORPORATE INFORMATION

The interim financial report of the Group for the six months ended 31 December 2018 was authorised for issue in accordance with the resolution of the Directors on 7 March 2019.

Apollo Minerals Limited is a limited company incorporated and domiciled in Australia whose shares are publicly traded. The principal activities of the Company and its subsidiaries (the Group) are described in the Directors' Report on page 1.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the interim half year reporting period ended 31 December 2018 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Apollo Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### (a) Basis of Preparation of Half Year Financial Report

The interim consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets, liabilities and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

### (b) New Standards, Interpretations and Amendments, adopted by the Group

The accounting policies and methods of computation adopted in the preparation of the consolidated half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2018, other than as detailed below.

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the "AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 9 *Financial Instruments*, and relevant amending standards;
- AASB 15 *Revenue from Contracts with Customers*, and relevant amending standards;
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*; and
- AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration*.

The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. A discussion on the impact of the adoption of AASB 9 is included below.

### (c) Changes in Accounting Policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those applied in the preparation of the Group's annual financial report for the year ended 30 June 2018, except for new standards, amendments to standards and interpretations effective 1 January 2018 as set out in this note. The Company has set out below the main changes due to the adoption of AASB 9.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**  
**(CONTINUED)**



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Changes in Accounting Policies (Continued)**

**Impact of Changes – AASB 9 Financial Instruments**

The Company has adopted AASB 9 from 1 July 2018 which have resulted in changes to accounting policies and the analysis for possible adjustments to amounts recognised in the Interim Financial Report. In accordance with the transitional provisions in AASB 9, the reclassifications and adjustments are not reflected in the balance sheet as at 30 June 2018 but recognised in the opening balance sheet as at 1 July 2018. As per the new impairment model introduced by AASB 9, the Company has not recognised a loss allowance on trade and other receivables.

**Classification and Measurement**

On 1 July 2018, the Company has assessed which business models apply to the financial instruments held by the Company and have classified them into the appropriate AASB 9 categories. The main effects resulting from this reclassification are shown in the table below.

On adoption of AASB 9, the Company classified financial assets and liabilities as subsequently measured at either amortised cost or fair value, depending on the business model for those assets and on the asset's contractual cash flow characteristics. There were no changes in the measurement of the Company's financial instruments.

There was no impact on the statement of comprehensive income or the statement of changes in equity on adoption of AASB 9 in relation to classification and measurement of financial assets and liabilities.

The following table summarises the impact on the classification and measurement of the Group's financial instruments at 1 July 2018:

Presented in statement of financial position	Financial Asset/liability	AASB 139	AASB 9	Reported \$	Restated \$
Cash and cash equivalents	Bank deposits	Loans and receivables	Amortised Cost	No change	No change
Trade and other receivables/payables	Loans and receivables	Loans and receivables	Amortised Cost	No change	No change
Financial assets through profit & loss	Equity instrument	Equity instrument	FVTPL	No change	No change
Financial liabilities at amortised cost	Loans and receivables	Loans and receivables	Amortised Cost	No change	No change

The Company does not currently enter into any hedge accounting and therefore there is no impact to the Company's Interim Financial Reports.

**Impairment**

AASB 9 introduces a new expected credit loss ("ECL") impairment model that requires the Company to adopt an ECL position across the Company's financial assets at 1 July 2018. The Company's receivables balance consists of GST refunds from the Australian Tax Office, interest receivables from recognised Australian banking institutions and gas and property income from a single customer. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, an impairment loss would be considered immaterial.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Given the Company's receivables are from the Australian Tax Office, recognised Australian banking institutions and a single customer with no history of non-payment, the Company has assessed that the risk of default is minimal and as such, no impairment loss has been recognised against these receivables as at 31 December 2018.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**  
**(CONTINUED)**



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Issued standards and interpretations not early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the reporting period ended 31 December 2018. Those which may be relevant to the Company are set out in the table below, but these are not expected to have any significant impact on the Company's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Company
AASB 16 <i>Leases</i>	1 January 2019	1 July 2019
<i>Interpretation 23 Uncertainty over Income Tax Treatments</i>	1 January 2019	1 July 2019
AASB 2017-7 <i>Amendments – Long-term Interests in Associates and Joint Venture Amendments to IAS 28 and Illustrative Example – Long-term Interests in Associates and Joint Ventures</i>	1 January 2019	1 July 2019
AASB 2018-1 <i>Amendments – Annual Improvements 2015-2017 Cycle</i>	1 January 2019	1 July 2019
AASB 2018-2 <i>Amendments – Plan Amendment, Curtailment or Settlement (AASB 119)</i>	1 January 2019	1 July 2019

**AASB 16 Leases**

AASB 16 Leases will replace existing accounting requirements for leases under AASB 117 Leases. Under current requirements, leases are classified based on their nature as either finance leases which are recognised on the Statement of Financial Position, or operating leases, which are not recognised on the Statement of Financial Position.

Under AASB 16 Leases, the Company's accounting for operating leases as a lessee will result in the recognition of a right-of-use ("ROU") asset and an associated lease liability on the Statement of Financial Position. The lease liability represents the present value of future lease payments, with the exception of short-term and low value leases. An interest expense will be recognised on the lease liabilities and a depreciation charge will be recognised for the ROU assets. There will also be additional disclosure requirements under the new standard.

Based on the Company's assessment to date, the adoption of AASB 16 is expected to have an immaterial impact on the financial statements of the Company due to the minimal number, if any, of non-cancellable leases currently entered into by the Company which would not fall under a short-term or low value exception.

**Transition**

The Company will initially apply AASB 16 on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under AASB 117, the Company can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Company is assessing the potential impact of using these practical expedients.

Based on the current assessment and conditions of the Company, it is expected that the adoption of AASB 16 will have minimal impact if any on the financial statements of the Company. The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend however on future economic conditions, including the Company's borrowing rate, the composition of the Company's lease portfolio, the extent to which the Company elects to use practical expedients and recognition exemptions, and the new accounting policies, which are subject to change until the Company presents its first financial statements that include the date of initial application

**3. SEGMENT INFORMATION**

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Consolidated Entity has one operating segments being mineral exploration.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)



**4. REVENUE AND MOVEMENTS IN FINANCIAL ASSETS AND LIABILITIES**

	Note	31 December 2018 \$	31 December 2017 \$
<b>(a) Revenue and other income</b>			
Interest revenue		44,897	28,875
Gain on disposal of royalty interest		50,000	1,000,000
Gain on disposal of subsidiary	(i)	239,794	-
		<b>334,691</b>	<b>1,028,875</b>
<b>(b) Fair value movements</b>			
Fair value movements in financial assets	6	(91,877)	-
Unwinding of discount in financial liabilities	11	(32,633)	-
		<b>(124,610)</b>	<b>-</b>

**Note:**

(i) During the period, Constellation Resources Limited ("Constellation") listed on ASX via IPO and the Group lost control of the entity including rights to Constellation's assets and liabilities which resulted in an accounting gain of \$189,794. The Company also sold Southern Exploration Pty Ltd, which held the Commonwealth Hill Project, for \$50,000 during the period.

**5. TRADE AND OTHER RECEIVABLES**

	31 December 2018 \$	30 June 2018 \$
GST and VAT receivable	176,365	218,256
Pilbara royalty receivable	300,000	400,000
Prepaid Initial Public Offering costs	-	252,435
Other receivables	73,635	40,307
	<b>550,000</b>	<b>911,318</b>

**6. OTHER FINANCIAL ASSETS**

		31 December 2018 \$	30 June 2018 \$
<i>Financial assets at fair value through profit or loss:</i>			
Australian listed equity securities	(i)	258,023	-
		<b>258,023</b>	<b>-</b>

**Note:**

(i) The Company holds 100 fully paid ordinary shares and 3,000,000 listed options in Constellation (ASX: CR1 and CR1O)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)



**7. EXPLORATION AND EVALUATION ASSETS**

	Note	31 December 2018 \$	30 June 2018 \$
<b>(a) Areas of Interest</b>			
Couflens (France)		6,866,138	6,871,670
Aurenere (Spain)		551,592	535,969
Fraser Range (Western Australia)		-	350,000
<b>Carrying amount at end of the period</b>	(i)	<b>7,417,730</b>	<b>7,757,639</b>
<b>(b) Reconciliation</b>			
Carrying amount at start of period		7,757,639	6,667,645
Transfer to acquisition reserve	11	(200,000)	-
Acquisition of Couflens – initial payment		-	200,000
Adjustment to Couflens fair value on acquisition		-	22,156
Acquisition of Aurenere		-	546,742
Disposal of interest in Fraser Range		(350,000)	-
Exploration expenditure written off		-	(50,000)
Foreign exchange differences		210,091	371,096
<b>Carrying amount at end of the period</b>	(i)	<b>7,417,730</b>	<b>7,757,639</b>

**Note:**

(i) The ultimate recoupment of costs carried for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas.

**8. OTHER FINANCIAL LIABILITIES**

	31 December 2018 \$	30 June 2018 \$
<i>Financial liabilities at fair value through profit or loss:</i>		
Deferred consideration carried at amortised cost – current	250,000	-
Deferred consideration carried at amortised cost – non-current	1,800,079	-
	11	2,050,079

**9. CONTRIBUTED EQUITY**

**(a) Issued Capital**

	Note	31 December 2018 \$	30 June 2018 \$
168,001,175 (30 June 2018: 168,001,175) fully paid ordinary shares		49,979,420	49,979,420

**(b) Movements in fully paid ordinary shares during the past six months**

There were no movements in fully paid ordinary shares during the six months to 31 December 2018.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)



**10. RESERVES**

	Note	31 December 2018 \$	30 June 2018 \$
Share-based payments reserve	10(a)	2,248,404	2,181,128
Foreign currency translation reserve		139,141	325,505
Acquisition reserve	11	(2,591,970)	-
		(204,425)	2,506,533

**(a) Movements in share-based payments reserve during the past six months**

Date	Details	Number of Options	Number of Performance Rights	Number of Performance Shares	\$
1 Jul 2018	Opening Balance	7,600,000	-	65,000,000	2,181,128
30 Jul 2018	Loss of control of Constellation	-	-	-	(47,119)
Jul to Dec 2018	Share-based payment expense	-	-	-	114,395
31 Dec 2018	Closing Balance	7,600,000	-	65,000,000	2,248,404

**11. ACQUISITION OF CONTROLLED ENTITY AND REMAINING NON-CONTROLLING INTEREST**

In September 2018, the Company completed the acquisition of the remaining 20% interest in the Couflens Project following the acquisition of 100% of the share capital of Variscan France SAS (“**Variscan France**”) from Variscan Mines Limited (ASX: VAR).

Consideration for the acquisition was agreed as follows:

1. \$200,000 cash was paid upfront;
2. Subject to the final quantum of liabilities of Variscan France as per item 4 below, staged cash payments over an 8-month period as follows:
  - a. Up to \$300,000 cash on completion
  - b. Up to \$250,000 cash on the date that is 4 months from the date of completion
  - c. Up to \$250,000 cash on the date that is 8 months from the date of completion
3. Subject to item 4 below and shareholder approval:
  - a. Milestone one:
    - i. \$250,000 worth of shares in the Company upon the announcement of a Mineral Resource Estimate at Couflens of at least 25,000 tonne WO<sub>3</sub> at an average grade of not less than 1% WO<sub>3</sub> using a cut-off grade of not less than 0.3% WO<sub>3</sub>; or
    - ii. A\$125,000 worth of Shares in the Company upon the announcement of a Mineral Resource Estimate for tungsten for Couflens at levels below those of the Tungsten Resource Milestone, or a Mineral Resource Estimate for gold.
  - b. Milestone two: A\$500,000 worth of Shares in the Company upon the announcement by the Company to ASX of a Scoping Study completed at Couflens;
  - c. Milestone three: A\$500,000 worth of Shares in the Company upon the announcement by the Company to ASX of a Pre-Feasibility Study at Couflens;
  - d. Milestone four: A\$500,000 of Shares in the Company upon the announcement by the Company to ASX of a Definitive-Feasibility Study at Couflens; and
  - e. Milestone five: A\$873,671 worth of Shares in the Company upon the commencement of production at the Couflens Project.
4. The Company agreed to assume up to €400,000 of Variscan France liabilities at completion with any liabilities over €400,000 being deducted from the staged future cash payments and share payments referred to in 2 and 3 above.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)



**11. ACQUISITION OF CONTROLLED ENTITY REMAINING NON-CONTROLLING INTEREST**  
(Continued)

5. In relation to the share milestones one to five above, if shareholder approval has not been received by the date of the satisfaction of the relevant milestone, or if Apollo Minerals determines at its own discretion, it shall pay a cash equivalent for the relevant milestone consideration in lieu of the share consideration.

Given the Variscan France liabilities exceeded €400,000 on completion, the Company was not required to pay the cash consideration amounts per item 2 above.

The transaction has been accounted for as an acquisition of the remaining non-controlling interest in the Couflens Project, taking into consideration AASB 3 Business Combinations and the nature of the transaction.

The total cost of the transaction was deemed to be \$2,217,445 and was comprised as follows:

	\$
<b>Fair value of net assets acquired:</b>	
Cash and cash equivalents	65,987
Trade and other receivables	50,630
Property, plant and equipment	38,480
Trade and other payables	(1,595,793)
<b>Net assets acquired</b>	<b>(1,440,696)</b>
Non-controlling interest acquired	1,066,171
Recognition of acquisition reserve (Note 10)	2,591,970
<b>Net assets acquired attributable to members of Apollo Minerals Limited</b>	<b>2,217,445</b>
<b>Costs of the acquisition:</b>	
Cash and cash equivalents	200,000
Deferred share or cash consideration <sup>(i)</sup>	2,017,445
	<b>2,217,445</b>
<b>Net cash outflow on acquisition:</b>	
Cash consideration	(200,000)
Cash acquired on acquisition	65,987
	<b>(134,013)</b>

**Note:**

- (i) As at the acquisition date, the fair value of the deferred consideration was estimated to be \$2,017,445 based on the probability of meeting the relevant milestones. As at the reporting date, the fair value of the deferred consideration was estimated to be \$2,050,079 and is accounted for as an other financial liability. It has been discounted to its present value, with a finance expense to be recognised in subsequent periods. The unwinding of the discount arising from the remeasurement in the fair value of the deferred consideration was \$32,633 during the half year which has been accounted for in profit and loss. Please refer to notes 4(b) and 8 for further disclosure.

**12. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

Due to their short-term nature, the carrying amounts of current receivables and current payables is assumed to approximate their fair value. Please refer to notes 4, 6, 8 and 11 for further disclosure.

**13. CONTINGENT ASSETS AND LIABILITIES**

There have been no material changes to contingent assets or liabilities since the date of the last annual report.

**14. DIVIDENDS PAID OR PROVIDED FOR**

No dividend has been paid or provided for during the half-year (2017: nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018  
(CONTINUED)



**15. SUBSEQUENT EVENTS AFTER BALANCE DATE**

- (i) On 4 February 2019, following the Company obtaining a technical archive from the historical Salau mine from the BRGM, who previously undertook exploration research at and around the mine, the Company announced previously unavailable reports on gold assay results from 1986 from historical channel sampling and drilling inside the Salau mine including up to 1.9m at 16 g/t gold from channel sampling programs and 8.5m at 3.4 g/t gold, including 1.9m @ 8.4 g/t gold, from diamond drilling results within the mine area; and
- (ii) On 6 March 2019, 850,000 unlisted options exercisable at \$0.28 each on or before 31 December 2021 and 850,000 unlisted options exercisable at \$0.35 each on or before 31 December 2021, were issued to Directors of the Company following shareholder approval.

Other than as disclosed above, at the date of this report there were no significant events occurring after balance date requiring disclosure.

## DIRECTORS' DECLARATION



In accordance with a resolution of the Directors of Apollo Minerals Limited, I state that:

In the opinion of the Directors:

- (a) the attached financial statements and notes thereto for the period ended 31 December 2018 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Board

A handwritten signature in blue ink, appearing to read "HUGO SCHUMANN", with a long horizontal flourish extending to the right.

**HUGO SCHUMANN**  
Executive Director

8 March 2019

**Deloitte.**

Deloitte Touche Tohmatsu  
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The Board of Directors  
Apollo Minerals Limited  
Level 9, BGC Centre  
28 The Esplanade  
Perth WA 6000

8 March 2019

Dear Board Members

**Apollo Minerals Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Apollo Minerals Limited.

As lead audit partner for the review of the financial statements of Apollo Minerals Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



**DELOITTE TOUCHE TOHMATSU**



**David Newman**  
Partner  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

**Deloitte.**

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## Independent Auditor's Review Report to the members of Apollo Minerals Limited

We have reviewed the accompanying half-year financial report of Apollo Minerals Limited ("the Company"), which comprises the condensed consolidated statement of financial position as at 31 December 2018, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Apollo Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

## Deloitte.

### *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Apollo Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Apollo Minerals Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



**David Newman**  
Partner  
Chartered Accountants  
Perth, 8 March 2019