Apollo secures Kango North Iron Project in West Africa

Highlights

- **Granted Exploration Licence covering iron and gold**
- **Initial 70% interest in the Project through sole funding of exploration and development to completion of a bankable feasibility study**
- **Iron occurrences exist over > 20km strike**
- **Highly prospective Belinga Group rocks cover > 30km**
- **Located approximately:**
  - **85km east of the Gabonese capital, Libreville**
  - **20km from existing 10 mtpa rail with direct connection to Owendo Port, Libreville**
  - **Close to a major road linking Libreville and the Project**
- **Regional iron ore projects include:**
  - **Sundance Resources: Mbalam Project**
  - **CMEC: Belinga Project**
  - **Xstrata: Zanaga Project**
  - **Core Mining: Avima, Kango Projects**
  - **African Iron: Mayoko Project**
  - **Equatorial Resources: Mayoko-Moussondji and Badondo**
- **Kango North Iron Project located in Gabon, one of Africa's most politically stable and economically developed countries.**

INTRODUCTION

The Board of Apollo Minerals (AON) ("Apollo" or the "Company") is pleased to announce that the Company has acquired a 70% interest in a newly granted mineral exploration licence in coastal Gabon, Central West Africa.

ASX Code: AON

ABOUT APOLLO MINERALS

Apollo Minerals is an iron ore explorer and developer with two key projects in the Australian iron ore provinces of the Pilbara (Western Australia) and Gawler Craton (South Australia) and a third in Gabon, Africa. Apollo's South Australian tenements are also highly prospective for base and precious metals.

Apollo's projects are well situated close to infrastructure including railways and ports.

Capital Profile

Shares on issue	269.9m
Options on issue	60.5m
Market Cap	$10m

Iron Ore Projects

Commonwealth Hill	South Australia
Mount Oscar	Western Australia
Kango North	Gabon

Base and Precious Metals Project

Titan	South Australia

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Chief Operating Officer, Dominic Tisdell said: "We are very pleased to have secured a significant exploration licence in what is rapidly shaping up as one of the world's premier iron ore regions. Gabon is an attractive exploration location given its political stability, wealth of natural resources - including oil and gas, manganese and iron ore - and openness to foreign investment. The board is happy to be able to commit to the evaluation of this property and a staged work program over time. With significant iron assets in South Australia, Western Australia and now in the emerging world-class iron ore province of West Africa, Apollo is extremely well-placed to deliver significant value to shareholders in coming months and years."

OVERVIEW

Apollo, through Apollo Gabon SA, has secured a 70% interest in the Kango North Project and has agreed to sole fund exploration and development until the completion of a bankable feasibility study. The minority interest in the project is held by Octavia Consultants Limited and Centurion Capital Group Limited.

The company has agreed to pay a transaction fee of up to $100,000 and a total of 500,000 Apollo options to advisers on the transaction.

The recently granted Kango North licence, covering 400 km^2, is located close to existing infrastructure being 25km from the Transgabonais railway, 20km from two hydroelectric dams and approximately 85km from the deep-water port of Owendo and the capital city, Libreville. This licence was selected on the basis of:

- A review of geological and geophysical data compiled by United States Geological Survey (USGS) and its French peers, the Bureau de Recherche Géologiques et Minières (BRGM);
- A geological licence application review commissioned with resource industry consultants CSA Global which identified mapped and exposed iron-bearing Belinga Group rocks within the licence application area and associated intense magnetic signals from a recent BRGM-led aeromagnetic survey over the Kango area;
- Proximity to existing iron ore deposits currently being explored or developed including the Belinga Iron Ore Project currently controlled by China's CMEC but recently reported to being pursued by BHP Billiton;
- Proximity to infrastructure including bulk commodities port, rail, power and a major city; and
- A site visit by an Apollo team to Gabon and the local vicinity of the project area.

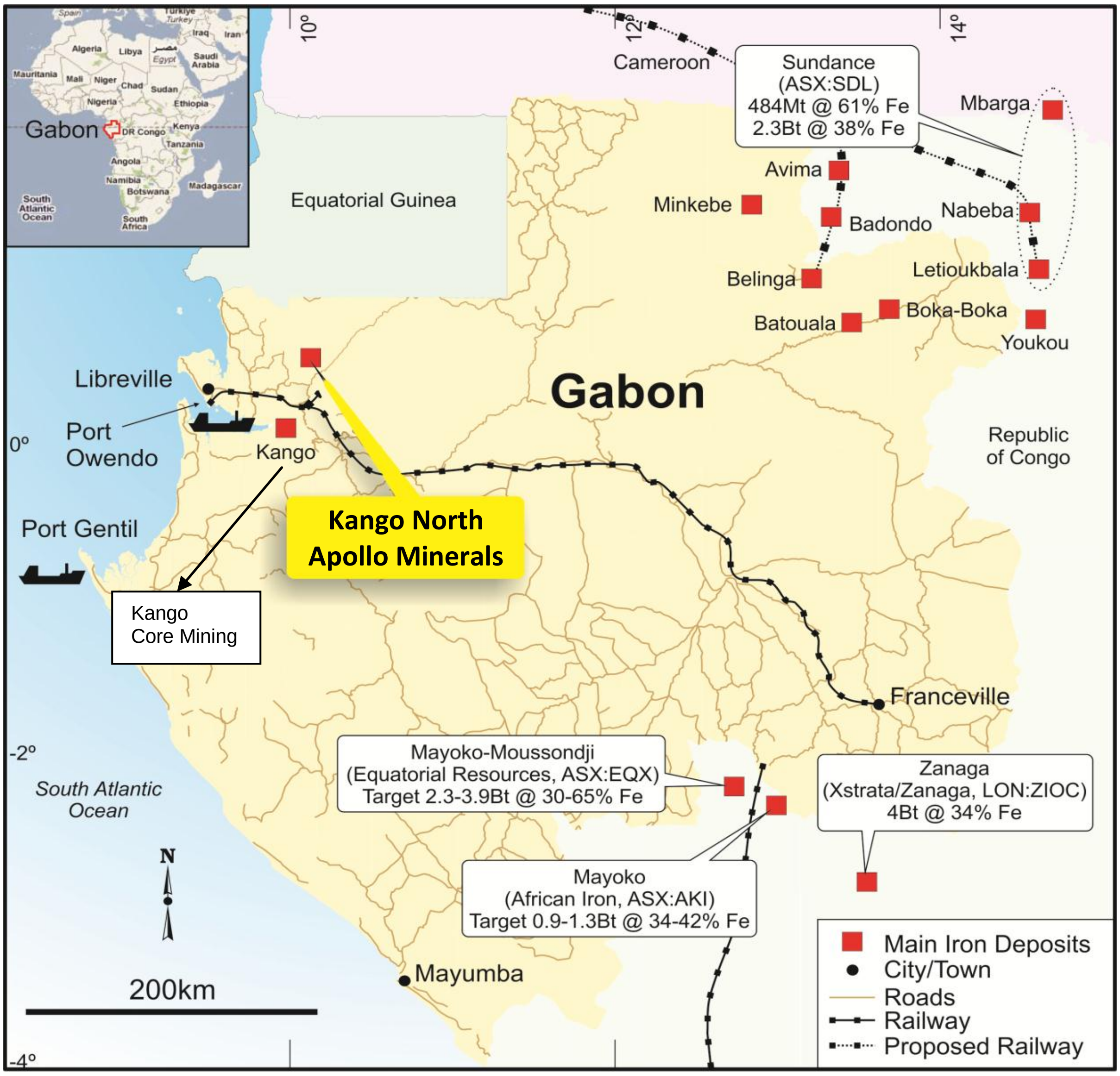


Figure 1 West African Iron Ore Province

This Central West African region including Gabon, Republic of Congo, Guinea and Cameroon, is an emerging and highly prospective iron ore province with a number of ASX and major mining companies now established in the area. The region is seen as the next major iron province in the world and is expected to undergo a similar transformation to the development of the Pilbara in the 1960s. Mining companies currently developing major iron assets in the West African and Central West African region include those listed in Table 1.

Apollo intends to establish an Africa-focused project team to oversee the development of the Project while its Australian-based management and exploration team continues to concentrate on the development of its Commonwealth Hill Iron Project (CHIP) in South Australia.

Company	Stock Codes	Market Cap	Project	Location
Afferro Mining	TSX-V:AFF, AIM:AFF	$192m	Nkout	Cameroon
African Iron	ASX:AKI	$281m	Mayoko	Rep. of Congo
African Minerals	LON:AMI	$2.52bn	Tonkolili	Sierra Leone
Bellzone Mining	LON:BZM	$282m	Kalia	Guinea
CMEC (Chinese)		Private	Belinga	Gabon
Equatorial Resources	ASX:EQX	$313m	Mayoko-Moussondji	Rep. of Congo
London Mining	LON:LOND	$934m	Marampa	Sierra Leone
Sundance Resources	ASX:SDL	$1.38Bn	Mbalam	Cameroon
Zanaga / Xstrata	LON:XTA	Private / $54.40bn	Zanaga	Rep. of Congo

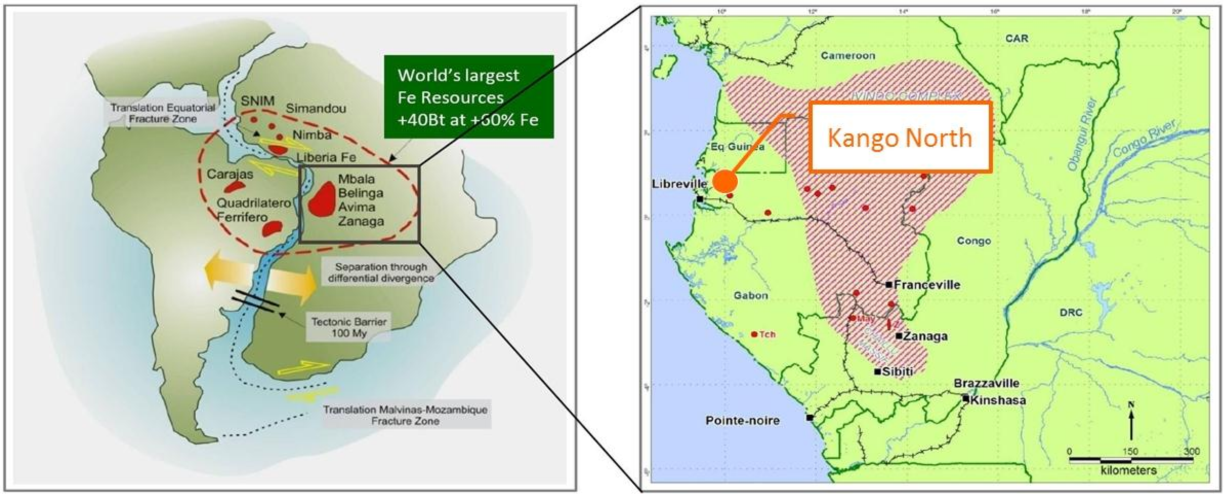
Table 1: Regional Central West African Iron Ore Projects

Funds raised via the Company's recent share placement will be targeted towards progressing CHIP in South Australia. Subject to further encouraging results at Kango North, the Company will seek to fund this project on a stand-alone basis.

This development secures a third iron project for Apollo alongside its existing iron projects in South Australia (Commonwealth Hill) and Western Australia (Mt Oscar) and is in line with the Company's stated strategy of increasing shareholder value through exploration, development and acquisitions.

KANGO NORTH EXPLORATION LICENCE

There are two predominant greenstone belts in the vicinity of the Kango North licence area which have been designated iron-bearing, the M'Bilan-Tchimbélé belt in the central portion of the Kango geological sheet which has been known for some time, and the Komo aval-Nkan belt in the south-eastern portion of the Kango geological sheet which has only been identified as recently as 2009.



Source: Zanaga Iron Ore, Apollo Minerals

The Kango North licence area largely comprises rocks of the northern portion of the Archaean craton in the region, known as the North Gabon Massif. Supracrustal remnants contain elements of the Belinga Group (2870 Ma – 2750 Ma). The rocks of the Belinga Group comprise amphibolite, gneiss, ferruginous quartzite, ultrabasite and leucocratic gneiss. These rocks are known to host a number of iron ore deposits and occurrences within Gabon and neighbouring countries including Belinga, M'Bilan, Mbalam, Avima, Kango, Zanaga, Mayoko and Mayoko-Moussondji.

No historical exploration or mining work for iron ore is known to have been carried out on the Kango North licence area although six iron ore and four gold occurrences have been mapped as part of the BRGM-led mapping project in 2009.

The iron-bearing Belinga Group exposed in the Kango North licence area is associated with intense analytical signal aeromagnetic anomalies identified by way of airborne magnetic surveys flown between 2005 and 2008. These anomalies are thought to possibly represent the same style of mineralisation seen at nearby iron projects which generally comprise surficial haematitic caps above much larger magnetite zones at depth.

Apollo management believes that the Kango North licence area is highly prospective for iron ore and other metals including gold and platinum-group elements.

The exploration licence granted by the Ministry of Mines is for a three year period and covers iron ore and gold. The final exploration commitment is expected to be in the order of a minimum of US $1.5 million over 3 years. In line with the standard procedure established under Gabon's mining regulations, the licence granted is termed "provisional" and remains valid until the passing of a Presidential decree granting the definitive licence. The provisional licence entitles the holder to the same rights as will be granted under the definitive licence.

GABON

Gabon is located on the Atlantic coast of central Africa and shares borders with Equatorial Guinea to the north-west, Cameroon to the north, and with the Republic of the Congo to the east and south.

The country covers a land area of nearly 270,000 km^2, has a population of 1.5 million people and one of Africa's highest levels of economic wealth measured at US$10,654 per capita in 2011 (South Africa: US$8,066 per capita).

Gabon's capital Libreville is a modern city with significant infrastructure facilities expected of any developed capital city.

Gabon's abundant natural resources, including oil and gas, manganese and timber; stable democracy and foreign investment policies have helped make the country one of the most prosperous in Africa.

The Government of Gabon has played an important leadership role in the stabilisation of Central Africa through involvement in mediation efforts in Chad, Central African Republic, Angola, Republic of the Congo, Democratic Republic of the Congo (DRC.), and Burundi.

Gabon is a member of the United Nations (UN), the World Bank and the International Monetary Fund (IMF).

Figures 1 & 2: Images of Libreville, capital of Gabon

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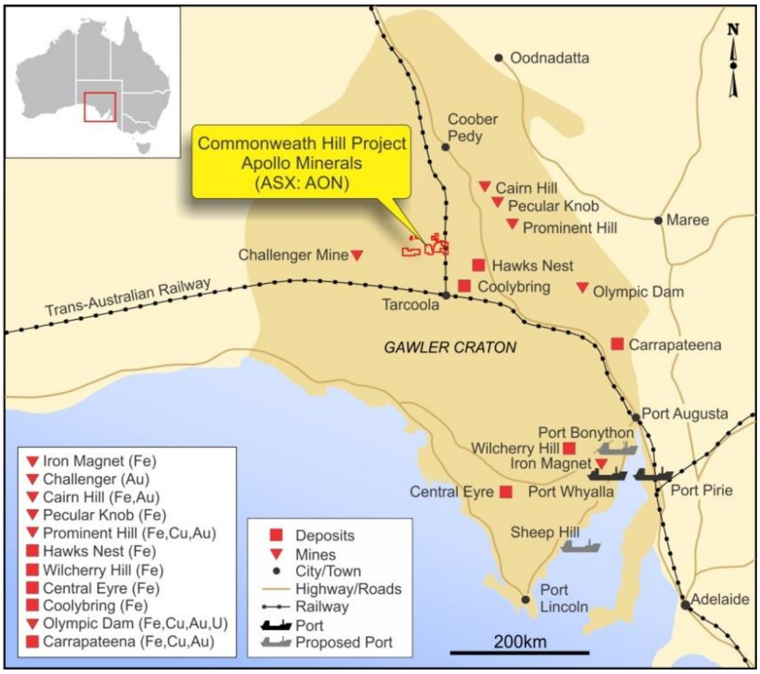
Competent Person Declaration

The information in this Report that relates to Exploration Results is based on information compiled by Derek Pang who is a member of the Australian Institute of Mining and Metallurgy. Derek Pang 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Derek Pang consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

ABOUT APOLLO'S PROJECTS

Apollo Minerals Ltd (ASX Code: AON) is an iron ore and minerals explorer and developer with projects in South Australia, Western Australia and Gabon, West Africa. The Company's key focus is to develop an iron ore project at each of Apollo's project sites, namely the Gawler Craton, SA, the Pilbara, WA and Gabon, West Africa.



The Commonwealth Hill site lies on the northwest margin of the Gawler Range Volcanics Domain, where the older basement rocks are interpreted as Archaean gneisses of the Mulgathing Complex, which are intruded by late syntectonic granitoids of Palaeoproterozoic age. In the southeast of the Project, Mesoproterozoic Gawler Range Volcanics overlie the older basement and coeval Hiltaba Suite granitoids intrude both the volcanics and the older basement. Major northwest and northeast trending fault structures are evident from aeromagnetic data.

Commonwealth Hill straddles the Adelaide to Darwin Railway line, 120km south west of the opal mining centre of Coober Pedy, 30km east of Challenger Gold Mine, 70km south-west of Cairn Hill and 100km west of Prominent Hill IOCG mines and 100km west of the Peculiar Knob DSO iron ore mine. The railway connects Commonwealth Hill directly with several ports capable of shipping iron ore.

The Titan Base Metals and Precious Metals Project is also part of Apollo's large Commonwealth Hill holding (including the namesake Commonwealth Hill Iron Project) that covers an area of approximately 750 km^2 across three tenements in the central Gawler Craton of South Australia.

Apollo is currently evaluating the potential to develop a medium sized iron mine on the property. Drilling has identified both coarse grained magnetite and Direct Shipping Ore (DSO) style mineralisation including 24m at 56% Fe inclusive of 4m at 70% Fe. Previous work has highlighted the possibilities of producing premium quality iron concentrates and sinter fines products.

The Mt Oscar Iron Project is located in north-western part of the Pilbara Craton in north-west Western Australia, and is approximately 30 km from the coast. The magnetite-bearing rocks at Apollo's Mt Oscar Project outcrop over an oval shaped area measuring some 5km by 2km. The iron rich horizons are strike-continuous for up to 5.5km and are locally up to 160m thick with an average interpreted thickness in excess of 60m. Recent metallurgical work has demonstrated that the production of marketable products is possible i.e. >60% Fe, <8% (Al_2O_3 + SiO_2).