

Apollo Minerals Limited

(ASX Code: AON)

www.apollominerals.com.au

Price \$0.215

July 2009

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- Drilling about to commence at Mt Oscar magnetite project where the resource target, combined with adjacent tenure, is 800 million tonnes. Scoping study underway.
- Mt Oscar project has excellent infrastructure, being only 30 km from Cape Lambert and close to road, rail, towns and gas, water and power.
- Scoping study based on adjacent Fox Resources magnetite project shows great potential to be a successful project.
- Joint venture with Western Plains Resources in South Australia's Gawler Craton is a strategic move given the advanced nature of that company's iron ore projects. South Australian government has come to the party with the award of a contract for an iron ore port in the region

INTRODUCTION

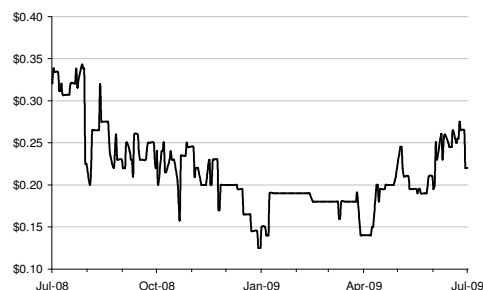
Apollo Minerals is focused on iron ore exploration in the Pilbara region of Western Australia and in the Gawler Craton region of South Australia. The company's Mt Oscar project in the Pilbara is adjacent and an extension to Fox Resources' (FXR) iron ore project of the same name. Magnetic imaging can be interpreted as indicating the likelihood of there being more ore on AON's southern tenement than on FXR's.

Consultants have estimated a total tonnage of 800 million tonnes of magnetic banded iron ore formation on the combined FXR and AON tenements.

A scoping study recently released by FXR concluded that its Mt Oscar project contained no fatal flaws and had great potential to be a successful project.

In South Australia the company has farmed out its Commonwealth Hill tenements to Western Plains Resources. That company has several advanced prospects with a total iron ore resource of 37.4 million tonnes averaging 62.6% Fe. The South Australian government has recently awarded a contract for the development of an iron ore export port at Port Bonython which enhances the prospects of smaller scale iron ore projects in the region.

Monthly Share Turnover	0.811m shares
Shares on Issue	103.1 million
Listed options	52.1m 25 cent
Unlisted options	26.9 million
Market Capitalisation	\$22.2 million
12 Month Price Range	\$0.125 - \$0.3562
Cash	\$3.3 million
Tiger Resources Pte Ltd	31.86%



DIRECTORS

Sevag Chalabian	Chairman
Richard Sealy	Managing
Wang Jianguang	Non Executive



Magnetite Mineralisation

Mt Oscar Iron Ore Project (100%)

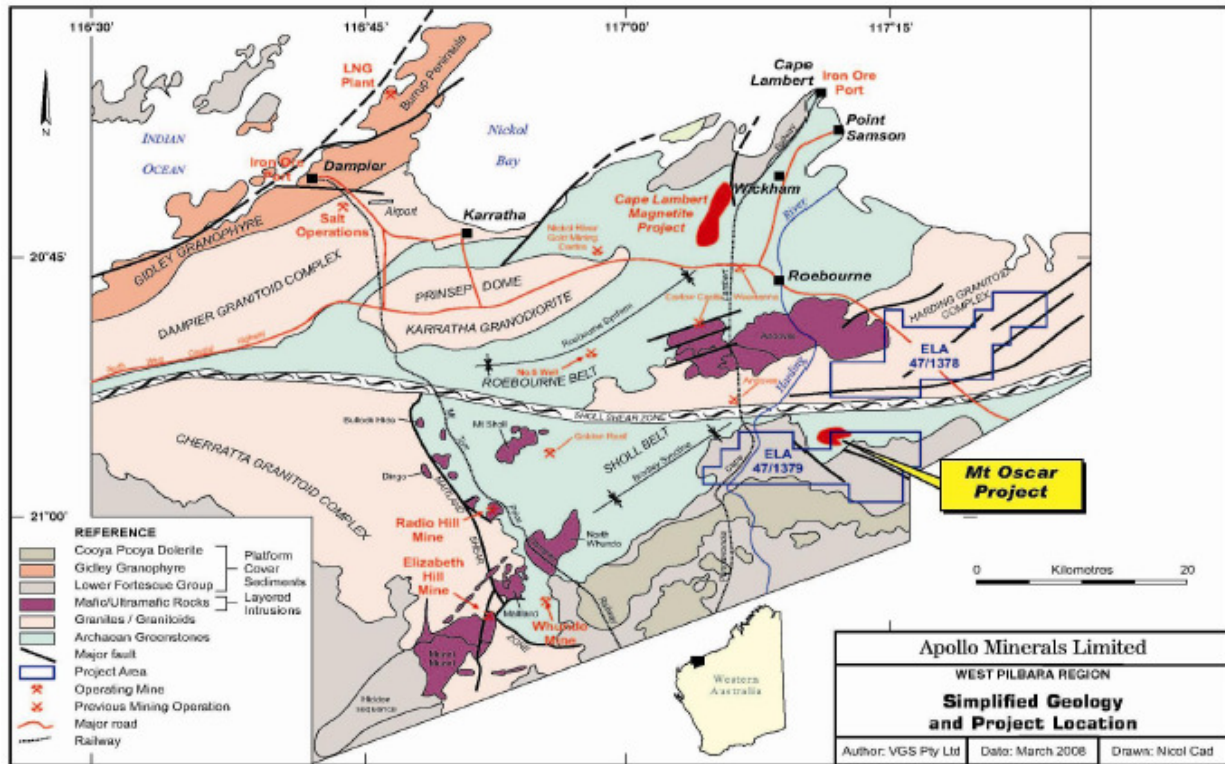
AON has a 100% interest in its portion of the Mt Oscar magnetite iron ore project in the Pilbara region of Western Australia. The project comprises two tenements, EL 47/1378 and EL 47/1379 which lie to the north and south respectively of Fox Resources' (FXR) EL 47/1217 which hosts that company's similarly named Mt Oscar iron ore project. The Mt Oscar projects are located within the Cleaverville formation which hosts a number of significant iron ore projects in the Pilbara region including BHP Billiton's Yarrie project and the Cape Lambert magnetite project. The project is located 30 km south of the port of Cape Lambert, which gives it massive advantages in terms of access to

infrastructure and vital services. Gas, water and power are all within 20 km of the project.

The Mt Oscar formation outcrops as magnetite rich banded iron formation which forms significant ridges within the project area. The region around AON's Mt Oscar magnetite project is home to several large magnetite deposits including Cape Lambert Limited's (CFE) namesake deposit which is reported to have a resource of approximately 1.6 billion tonnes and is currently being developed by MMC and the Russian group Evraz.

AON's Mt Oscar project is located within EL 47/1379 with strike continuation of the magnetic prospective horizon onto the adjoining Fox Resources' tenement. FXR has estimated a potential resource of between 800 million and 1.2 billion tonnes of magnetite. It has announced an initial inferred resource of 72 million tonnes averaging 34% Fe.

In June 2009, FXR released the results of a scoping study by independent consulting group, Mineral Engineering Technical Services (METS), on FXR's Mt Oscar project that concluded that the project had no fatal flaws and had great potential to be a successful project. METS developed a preliminary flowsheet aiming to produce 8 million tonnes per annum of magnetite concentrate. Under this preliminary process design, the ore is subject to various crushing, grinding, magnetic separation, hydrosizer treatment and rougher/scavenger flotation to produce a magnetite concentrate containing less than 5% SiO₂.



Apollo Minerals Mt Oscar Tenure

(please note ELAs as shown are now granted Exploration Licences)

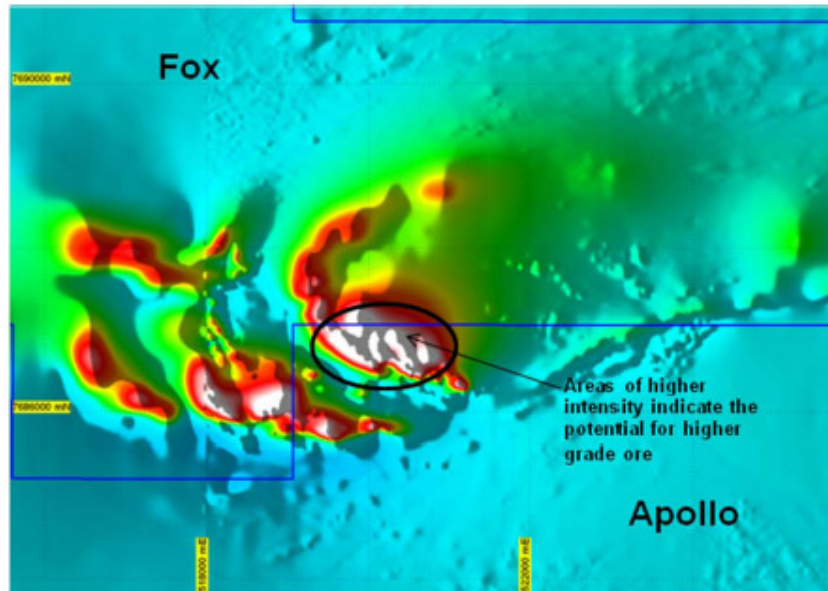
A total exploration target of 800 million tonnes of iron ore has been estimated within the project area. Mt Oscar is believed to host a magnetite iron ore target with an average grade of between 35% and 39% Fe, with the highest grade from rock chip sampling coming in at 55.82%. Geological mapping, rock chip sampling, aerial stereo photography, contour mapping, aerial magnetometry and radiometrics have all been completed by AON and preliminary beneficiation test work carried out by FXR suggests that a saleable iron concentrate can be produced using conventional techniques.

Twenty six forward magnetic models and one 3D inversion model were generated by independent consultants Southern Geoscience Consultants from airborne magnetic data collected over the total Mt Oscar project area to obtain estimates for the volume/tonnage of the highly magnetic banded iron formation (BIF) in the area. Using a specific gravity of 3.5 the total tonnage for the project area, including FXR's tenement, is 800 million tonnes down to a depth of 250 vertical metres.

Based on these results an initial drill program of five holes has been designed to test the widths and grades of the BIF units. Drilling is expected to commence in early July.

In addition the company has purchased an airborne magnetic survey that had been undertaken by former tenement holders with coverage over the greater Mt Oscar area. A portion of the multi-client data has been merged with the AON data to provide coverage over the entirety of the prospective magnetite mineralisation at Mt Oscar. Shown below, the higher order magnetic anomalism is apparent over AON's Units C and D.

The company has also appointed ProMet Engineers to carry out metallurgical studies and a scoping study of the Mt Oscar project. In Australia, ProMet has specialist expertise in the beneficiation, agglomeration and pelletising of all types of iron ores and other fine particulates. ProMet also has intimate knowledge of all aspects of iron making and steelmaking. ProMet's clients include OneSteel and Gindalbie Metals.



Total Magnetic Image of the Mt Oscar Project
(lines indicate boundary between FXR and AON tenements)

Commonwealth Hill (100% - farming out)

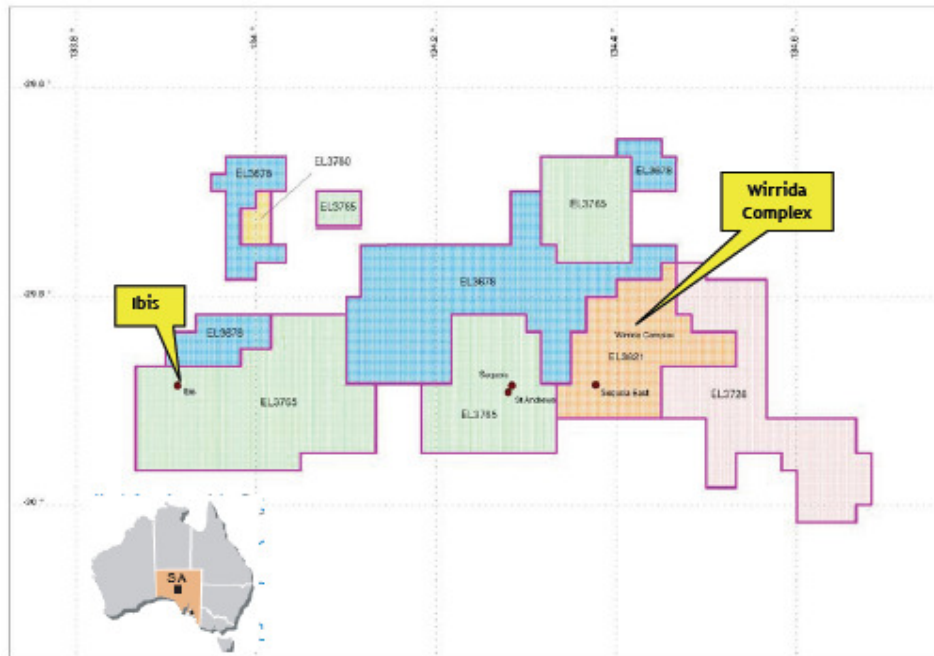
The company holds six tenements in the Gawler Craton region of South Australia, covering an area of 1,829 square kilometres that is considered to be prospective for a number of commodities including iron ore, gold and uranium. The north east portion of the tenements lie within the Woomera Prohibited Area and AON has entered into an access agreement with the Commonwealth which allows for access to the main iron ore targets of Sequoia, Sequoia East and Ibis. These prospects were explored in the late 1990s and again in 2001-2002 by the South Australian Steel and Energy (SASE) consortium as part of its iron ore exploration program. The Adelaide to Darwin railway intersects the eastern portion of AON's tenements. The company has entered into a farm-in agreement with Western Plains Resources Limited (WPG) under which that company will conduct at least 18 ground magnetic and gravity traverses to test specific geological contacts for direct shipping hematite and magnetite banded iron formation mineralisation. WPG may earn up to a 75% interest in the Commonwealth Hill tenements.

Within the Commonwealth Hill East tenement EL 3821, eight north-south oriented traverses were planned for the Wirrida Complex. However the four easternmost traverses fall within the Woomera Prohibited Area exclusion zone and access has not been permitted by the Defence Authorities. A further two east-west oriented traverses are located over Sequoia East.

Eight traverses are being surveyed over the Ibis (E3765) and adjoining Comet (E3678) tenements.

Details of an existing exploration target of approximately 50 million tonnes of magnetite has been delineated by previous drilling by the South Australian Government during the 1990s.

WPG holds three direct shipping iron ore projects within the region that total 37.4 million tonnes averaging 62.6% Fe in resources. The total reserve is estimated at 28.2 million tonnes averaging 61.7% Fe.



Commonwealth Hill Tenements

The South Australian government recently awarded a contract to develop an iron ore export port to Spencer Gulf Port Link Consortium. This enhances the future development prospects of the smaller scale iron ore projects in the region. Port Bonython is expected to be operational in 2011.

China Roadshow

Recently the company conducted a road show and site visits throughout China with a view to attracting a Chinese partner. AON reports that the Chinese responded well to partnership proposals.

Iron ore is considered to be in demand with Shanghai being virtually re-built, in the same way as Beijing was for the Olympics. Currently Rapid Rail is under pressure to carry passengers to every part of China by 2015 so that means thousands of miles of railway lines. These two projects alone demonstrate why the country is consuming over 500 million tonnes of iron concentrate a year to meet the huge demand for steel.

As a result of the Rio Tinto/Chinalco merger collapse, the smaller iron ore producers have been brought into focus, and magnetite producers in particular seem to be in favour because the Chinese are masters in processing magnetite concentrate as they have been in the business for the last 40 years and higher grade hematite ore is scarce in China.

These Chinese producers therefore make ideal partners for AON and the recent road show in China has already yielded commitments from eleven Chinese organisations to take negotiations on to MOU status.

Board of Directors

**Sevag Chalabian
Chairman**

Mr Chalabian is a commercial lawyer and adviser. Until March 2004, he was a Partner with Phillips Fox Lawyers. In 2004, he established in partnership a boutique commercial law practice, Lands Legal. His practice concentrates on mining joint ventures, corporate transactions and property and financing projects. He is non-executive Chairman of Artemis Resources Limited, and a director of Bisan Limited and East Coast Minerals NL.

**Richard Sealy
Managing Director**

Mr Sealy has over the last 30 years held positions as financial director, managing director or chairman of a number of public and private companies in Australia, New Zealand and the United Kingdom. He was previously a director of Inventis Limited.

Wang Jianguang
Non Executive Director

Mr Wang has eight years of experience in the mining and iron making industry in China. He has benefited from extensive working and studying experiences in China and abroad, gaining a unique perspective into the economics and politics of China and Australia. This has become increasingly critical for advising on and facilitating business negotiation and cooperation with international counterparties. In 2007, Mr Wang along with other shareholders, set up Hugo Natural Enterprises Limited. He has been in charge of business development in the mining industry overseas.

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Prepared by Paul Gooday 7 July 2009

Summary

AON is about to drill test the portion of the Mt Oscar magnetite iron ore deposit that is within its tenure. Magnetic imaging provides enthusiasm that positive results will be returned. The deposit is close to all necessary infrastructure and the region contains magnetite deposits that are currently in the development stage. In addition the company has negotiated a strategic joint venture with Western Plains Resources over its South Australian Gawler Craton tenure. The company has also ongoing negotiations with the Chinese.