



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).

Apollo projects are well situated close to existing infrastructure including railways, ports and power and have the potential to produce significant quantities of seaborne iron ore.

Capital Profile

Shares on issue	157.8m
Options on issue	44.1m
Market Cap	\$9m

Iron Ore Projects

Mount Oscar	Western Australia
Commonwealth Hill	South Australia

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POSITIVE DRILL & METALLURGICAL RESULTS RECEIVED FROM MOUNT OSCAR

Highlights

Results from recent drilling indicate significant tonnages of magnetite and itabirite at Mount Oscar with up to 112m @ 33.9% Fe from 66m in OSRC007.

Inclusion of both styles of mineralisation has the potential to increase the strike length from 6km to 11km.

Test work shows that magnetite from Unit A is capable of producing saleable product ie >60% Fe, <8% (Al₂O₃ + SiO₂).

Significant DTR intercepts include:

- 40m (from 116m) at a grade of 62.3% Fe, 0.8% Al₂O₃, 10.7% SiO₂, 0.03% P and 0.09% S from OSRC006, and
- 30m (from 166m) at a grade of 66.2% Fe, 0.2% Al₂O₃, 5.9% SiO₂, 0.02% P and 0.02% S from OSRC006.

Flotation tests produced a concentrate grade of 64.5% Fe, 0.5% Al₂O₃, 7.0% SiO₂ at P₈₀ 45µm from OSRC007.

Potential to produce saleable concentrates at even coarser grinds.

Opportunities identified to further improve product qualities and mass yields via capture of iron oxides including haematite and goethite (itabirite).

Discussions with Chinese steel mills and traders suggest an opportunity to produce lower cost, saleable pre-concentrates.

INTRODUCTION

Apollo Minerals Limited (ASX:AON) is pleased to advise that metallurgical test work results from the initial drilling program of Unit A at its Mt Oscar Main Iron Ore Project (the "Project") have now been received.

Mr Dominic Tisdell, Executive General Manager for Apollo Minerals said the results from the initial drilling and metallurgical test work was highly encouraging.

"These results clearly indicate Mt Oscar has the potential to produce desirable iron ore concentrates suitable for the steel making process. We are highly encouraged by these advances and look forward to pushing the development of Mt Oscar forward as quickly as possible."

Apollo has a 100% interest in the exploration rights of tenements E47/1378, E47/1379 and E47/1304 which cover an area of 273 km² and are located within the West Pilbara region and approximately 35km from the coast.

A significant portion of the recently identified global Mount Oscar Main Iron Ore Project lies within tenement E47/1379. Mt Oscar Main is the eastern extension of the Mt Oscar magnetite - haematite iron ore resource (refer Figure 1). Unit A is the southern-most iron formation identified to date.

Apollo currently has an exploration target¹ of 350 – 650Mt of magnetite at 30 – 37% Fe over these properties.

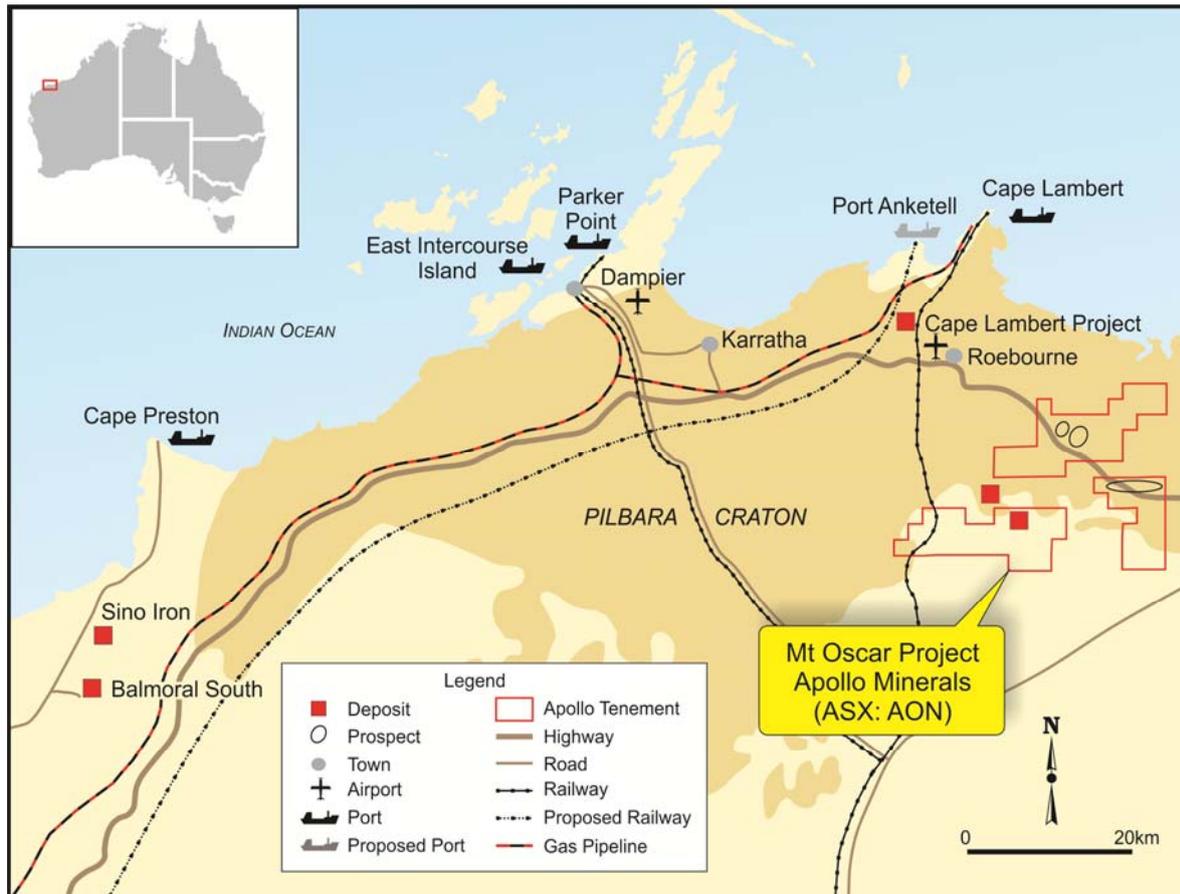


Figure 1: Location map of Mt Oscar Main, East and North

DRILL AND METALLURGY RESULTS

The objective of the initial Unit A drilling and sighter metallurgical programme (included 3 RC holes which intersected a total mineralisation interval of 287m at 33.1% Fe) was to test an identified 1.4km long magnetic anomaly for magnetite mineralisation, and if successful, to determine if the

¹ The estimates of exploration target sizes mentioned in this release should not be or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

magnetite mineralisation could be concentrated into suitable feed stock for the steel making industry.

Drill hole composite assay results returned intersections of 101m at 33.6% Fe in drill hole OSRC006, 112m at 33.9% Fe in OSRC007 and 66m at 31.2% Fe in OSRC008 and are estimated to represent true widths ranging from 50m to 85m (refer Figure 2).

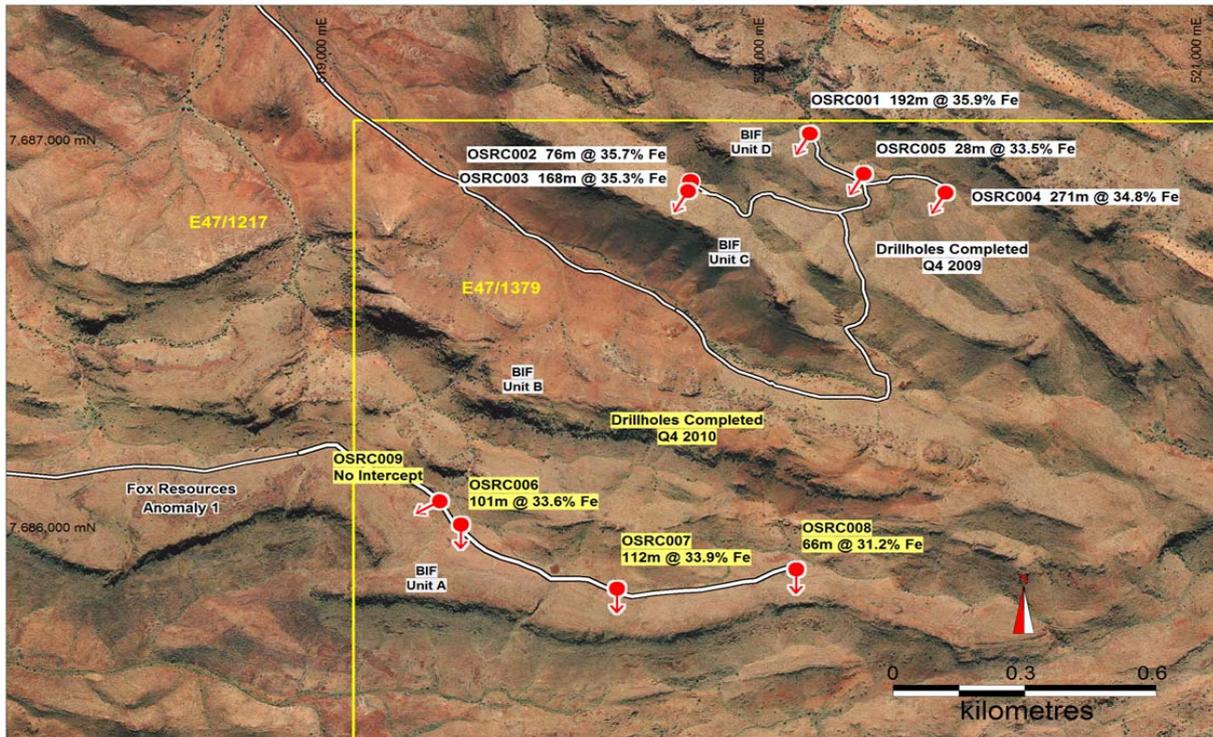


Figure 2: Mt Oscar Main drill results

The drilling identified two distinctly different iron ore units, one which was predominantly of magnetite bearing banded iron formation (“BIF”) and another which is suggestive of predominately oxidised or non-magnetic BIF including haematite and goethite (likely to be a form of itabirite).

The DTR results for the 67 composites analysed are summaries in Table 1 and represent 316m of mineralisation in RC drill holes OSRC006, OSRC007 and OSRC008 from the recent Unit A drilling programme.



	Head Grade					DTR Results						
	Interval	Fe	SiO ₂	Al ₂ O ₃	Wt %	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	Mn	P	S
High Silica	129	33.6	40.0	2.8	34.0	58.0	14.3	0.8	0.06	0.09	0.04	0.05
Low Silica	85	34.4	37.2	2.4	19.8	64.5	7.7	0.5	0.03	0.07	0.03	0.04
Low Yield	79	30.3	36.5	2.8	0.3							
Low Grade	23	13.7	49.2	12.4								
Total	316	30.4	39.7	4.0								

Table 1: Unit A DTR results summary

Notes: Composite intervals range between 2 and 9m, averaging 4.7m. Nominal P₈₀ passing 25 µm
DTR tests by AMDEL Mineral Laboratories, Perth, reported by ProMet Engineers, Perth
Cut-offs - "High Silica" Fe>20%, DTR SiO₂>11%, "Low Silica" Fe>20%, DTR SiO₂<11%
"Low Yield" Fe>20%, DTR Wt % <1%, "Low Grade" Fe<20%

Several large DTR composites demonstrated very low levels of weight recovery including a cumulative interval of 89m at 37.3% Fe of very weakly magnetic to non-magnetic iron ore (equivalent to 30% of all mineralisation above a 20% Fe head grade cut-off) including:

- 25m (from 171m) at 35.7% Fe from RC drill hole OSRC006
- 40m (from 121m) at 33.9% Fe from RC drill hole OSRC007
- 25m (from 66m) at 27.6% Fe from RC drill hole OSRC008

QEMSCAN analysis of Composite 13 (refer Table 2) also indicates relatively high levels of weakly to non-magnetic mineralisation (haematite and goethite) in the fresh mineralisation zones.

This test work also identified an opportunity to produce saleable concentrates at even coarser grinds (91% of all iron oxides were available for recovery at a grind of P₈₀ 75µm).

Mineral Percentages	ROM	Concentrate	Rejects
Magnetite/Goethite	35.3	74.1	12.8
Haematite	9.0	1.6	13.2
FeOx Interfaces	10.3	12.2	9.2
FeS	1.0	0.2	1.4
Quartz	28.5	7.1	41.0
Kaolinite	0.5	0.2	0.6
Chlorite	6.7	1.4	9.8
Phosphates	0.5	0.3	0.7
Carbonates	2.0	0.6	2.8
Other Silicates	3.9	1.3	5.5
Others	2.4	1.2	3.0
TOTAL	100.0	100.0	100.0
Mass Percentages	100.0	36.7	63.3

Table 2: Composite 13 QEMSCAN analysis

Collectively these results indicate that approximately 50% of the mineralisation below the base of oxidation may be weakly magnetic or non-magnetic. Significant quantities of this mineralisation could be recoverable with further metallurgical test work.

These significant volumes of largely continuous, weakly to non-magnetic iron ore are indicative of an itabirite-style ore similar to that produced in Brazil and that planned to be processed in the Mid-West of Western Australia.

The BIF is open in all directions and has similar characteristics to those identified during surface mapping.

FUTURE PROGRAM

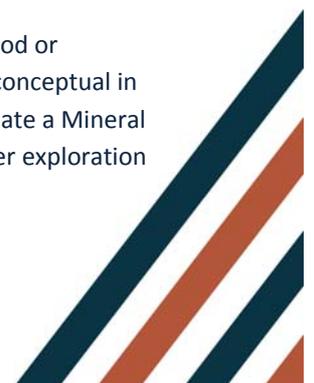
Apollo is continuing to evaluate the drill data and metallurgy results from the initial Unit A drill program to enable the planning of an infill drill program which would be aimed at developing a resource to support a small scale, near-term mine development that has the potential to be scaled up to optimal size through the reinvestment of operating cash flows.

Apollo is also working on a study for the Project which aims to evaluate the development options available for the Project and highlight potential economic returns.

Given the unexpected and positive metallurgical results of Unit A which highlighted the potential for significant quantities of weakly or non-magnetic banded iron ore mineralisation (indicative of itabirite), Apollo is now planning to evaluate the potential for other large, weakly magnetic or non-magnetic prospects on the property. In particular, indications are that similar styles of mineralisation may exist at Unit B and Unit A North amongst others.

Currently, Apollo has an exploration target² of 300 – 500Mt of magnetite at 30 – 37% Fe over a combined strike of 6km at its Mt Oscar Main iron ore project. Recent work suggests a total of 11km of strike is prospective for both styles of iron ore mineralisation at Mt Oscar Main (refer Figure 3).

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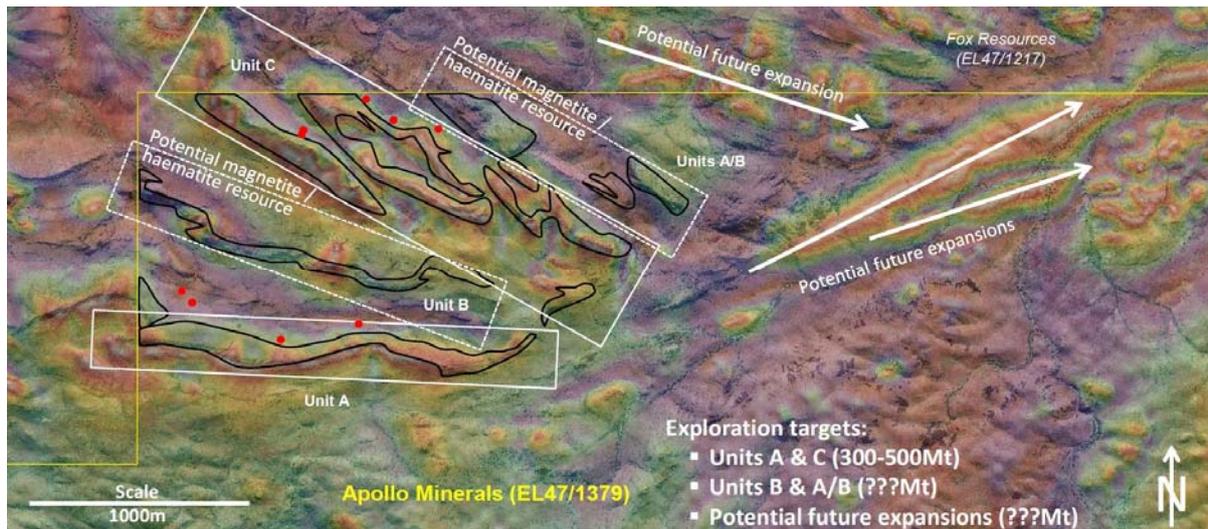


Figure 3: Exploration targets for Mt Oscar Main

Furthermore, Apollo has completed modelling and analysis of its Mt Oscar East iron ore project located 7km east of Mt Oscar Main. This work has highlighted the potential for large volumes of itabirite-style iron ore mineralisation in addition to the magnetite mineralization already identified. The current magnetite exploration target³ for this property is 50 – 150Mt of magnetite at 30-37% Fe.

Apollo is now planning to conduct a ground gravity survey on its Mt Oscar East property to attempt to identify significant quantities of near surface, directly shippable ore (DSO) similar to that delineated in the Roper Bar district of the Northern Territory.

RECENT SENIOR APPOINTMENTS

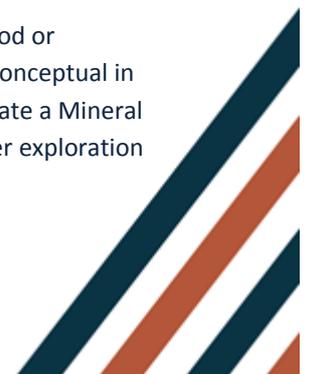
Apollo is pleased to announce that in support of its ambitious development plans, the Company has recently appointed Mr Dominic Tisdell and Mr Derek Macauley, a consultant, to the respective positions of Executive General Manager and Technical Advisor to the Board.

Dominic brings to the Company valuable experience in the mining industry with his background in international business evaluation and strategy, project development, planning and operations.

Previous to joining Apollo, Dominic had business development responsibilities for international uranium, coal and iron ore investment with a subsidiary of Japan's largest general trading company Mitsubishi Corporation. Dominic also brings valuable strategic perspectives gained whilst working with Accenture's mining and metals strategy consulting practice.

He began his career with Rio Tinto Iron Ore in Western Australia where he developed an expert understanding of the industry and the commercialisation of greenfield mining projects through his management positions at both Hamersley Iron and the Robe River Mining Company. During this period he worked across a variety of sites and divisions including Mining Operations, Mining

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Engineering and Resource Planning groups and held key roles associated with the development of both the West Angelas and Nammuldi iron ore mines.

Dominic holds a Bachelor of Engineering (Mining) from the UNSW and an MBA from the Melbourne Business School. He has held directorships with the Australian Uranium Association and MDP Uranium Pty Ltd.

Mr Derek Macauley brings to the Board more than 40 years' experience in all aspects of conventional iron and steelmaking and the mineral processing of a wide range of iron ores. Derek has developed a large number of key professional relationships, both domestically and internationally which Apollo expects will support the Company in accessing capabilities and insights required to maximise value for its shareholders.

Derek has spent over 30 years in the UK office of Aker Solutions (previously known as Kvaerner and Davy McKee) where, among other roles, he held the position of Technical Director Iron and Steel Division. Derek came to Australia in 1997 to oversee Kvaerner's participation in the development of the HIs melt technology at Kwinana.

Derek is currently the Australian Technical Director for ProMet Engineers, who are among leading providers of project management, process plant design, general engineering design and consultancy services to the metallurgical and minerals processing industries. ProMet has offices in Australia and Africa.

Derek holds a wide range of professional accreditations including BSc(Hons), CP(Met), FAusIMM, FIChemE, CEng, MIM.

The Company welcomes both Dominic and Derek to the organisation and strongly believes these appointments enhance its ability to maximise the value of existing assets and deliver on ambitious growth plans.

FOR FURTHER INFORMATION CONTACT:

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Competent Person Declaration

The information in this Report that relates to Exploration Results is based on information compiled by Andy Border who is a member of the Australian Institute of Mining and Metallurgy. Andy Border 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'. Andy Border consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

