

AON.AU

11 December 2007
 Iron Ore, Uranium, Gold
 Australia (SA,WA)
 Mid Exploration
 Exchanges: ASX:AON

Apollo Minerals Limited

A\$ 0.32

AON added Mt Oscar (WA, Nov. '07) to its iron ore exploration portfolio and has near term resource definition potential at Commonwealth Hill (SA). It also has early stage exploration activities underway for uranium (IOCG, palaeochannel) and gold in the Gawler Craton (SA).

Capital Profile

Share price (A\$)	0.32
52 week range (A\$/share)	0.24 to 0.53
Number of shares (m)	71.5
Options and warrants (m)	2.3
Convertible notes (m)	0.0
Fully diluted (m)	73.8
Market capitalisation (undiluted) (A\$m)	23
Debt (A\$m) - Dec 07F	0.0
Enterprise value (A\$m)	22.9

Major shareholders:
 Tiger Resources PTE (42%), Artemis Resource (6.99%), Board (1.2%)

Avg monthly volume (m)	16
Cash (A\$m) - Dec 07F	6.8
Price/Cash (x)	3.4
Price/Book (x)	3.1
Company options:	No

Investment Points

Apollo is targeting a diverse group of commodities, including iron ore, uranium and gold.

Tenements in Gawler Craton (SA) and Mt Oscar (WA).

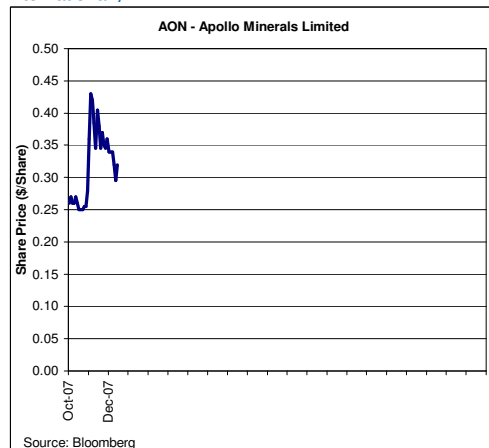
Iron ore: includes established deposit (22mt, Sequoia) with potential to beneficiate to 70% Fe, rail line intersects tenement. Upside at Sequoia and Ibis - drilling 2Q08.

Mt Oscar Iron Ore (WA) option agreement announced Nov. '07. Early stage Hematite target.

Uranium and gold prospects under-explored due to cover - should reward modern exploration techniques.

Iron ore key commodity target. Market expectations of 25% to 50% price increase 2008.

New project generation expected in Australia and internationally.



Production and Financial Forecasts

YEAR END: June	Dec-07F	Mar-08F	2007a	2008F	2009F
Exploration and evaluation (A\$m)	0.20	0.30	na	0.80	1.76
Corporate (A\$m)	0.23	0.23	na	0.68	0.90
Exploration/(Expl.+ Corporate) (%)	47	57	na	54	66
Funding duration at current burn (years)			na	2.1	1.6
Shares on issue (pr end) (m shares)	72	72	na	72	72
Drilling - RAB (m)	0	0	na	3,500	3,500
Drilling - Other/Diamond (m)	0	1,200	na	3,200	9,000
Land holding ('000 ha)*	18	18	na	18	18
Tenement costs (\$k per year)	-	-	na	-	-
Capital raisings (A\$m)	7.0	0.0	na	7.0	0.0
Funding from JV partners (A\$m)	0.0	0.0	na	0.0	0.0
Cash (A\$m)	6.8	6.5	na	6.2	4.3
Cash backing (A\$/share)	9.5	9.1	na	8.7	6.1
Net asset backing (A\$/share)	10.3	10.3	na	10.3	10.2

* Uranium prospective properties only

Company Comment

Overview: Apollo listed on the ASX Oct. '07. Its main project, Commonwealth Hill (SA) includes five properties (Comet, Gina, Commonwealth Hill, Aurora Tank, Commonwealth Hill East) covering 1,793km² in the Gawler Craton. AON has a strategic relationship with Artemis Resources (ASX:ARV) to provide management services and expertise on new acquisitions and JV's (in Australia and internationally) - AON has first right of refusal over uranium projects globally. Tony Grey (former MD of Pancontinental) is specialist advisor to ARV. Sevag Chalabian and Barry Woodhouse are directors of both companies.

Commonwealth Hill Iron ore: (SA) AON's most advanced project - banded iron formations (BIF) with potential to host modest size magnetic iron ore deposits. **Sequoia** prospect (Commonwealth Hill East) is 5km from the Adelaide - Darwin railway. PIRSA found magnetite BIF averaging 28.4% Fe, to a depth of 100m below the 45m oxidation level and defined historic mineralisation (non JORC compliant) based on 8 holes. Metallurgy showed ore to be coarse grained and readily beneficiated to ~70% Fe. Other targets include **Ibis** (5km-long magnetic anomaly) and **St Andrews** (28m intercept @ 53.4% Fe). Airborne magnetic survey expected 1Q08 at Ibis and Sequoia. Drilling expected 2Q-3Q08 (5,000m) at Sequoia (at depth) and Ibis - target resource 40mt to 50mt. The Ibis iron ore prospect has had little previous exploration and there is a large PGE anomaly at Wirrida. Other iron ore explorers active in the region include Western Plains (ASX: WPG, market cap. ~A\$120m) (Peculiar Knob, Hawks Nest).

Mt. Oscar Iron Ore: (WA, EL Application) located 25km south of Cape Lambert magnetite project (ASX:CFE, 977mt @ 32.4% Fe). The project is early stage and targets hematite iron. It straddles both AON's tenements (~40%) and Fox Resources (ASX:FXR, ~60%). BIF outcrop covering an area of approx. 5km x 2km is coincident with a regional magnetic anomaly. FXR has rock chip samples exceeding 40% Fe. Most recent exploration was undertaken by KKR Resources in '94 including airborne magnetics, and rock chip sampling. Option agreement to acquire up to 80% interest announced Nov. '07. Terms include payment of up to 0.95m in cash and shares and 20% free carried interest.

IOCGU (uranium) targets: Previous exploration targeted Olympic Dam-scale geophysical features rather than the more subtle signatures of Prominent Hill or Carrapateena IOCG systems. A new geophysical interpretation based on detailed gravity surveys aims to locate potential IOCGU signatures of this type.

Palaeochannel roll front uranium: Palaeochannel uranium in the region has only recently been targeted, following research by PIRSA (Dept. Primary Industries and Resources of South Australia) which defined the Garford palaeochannel beneath cover. Airborne radiometrics show uranium channel anomalies in the project area. Shallow RAB drilling expected 2Q-3Q08 (7,000m). Other uranium explorers active in the region include Toro Energy, Tasman Resources and Mega Uranium.

Investment Comment: The Gawler Craton is highly prospective for multiple commodities and Apollo's Commonwealth Hill project area is under-explored, largely due to lack of basement outcrop. There is potential for modern exploration techniques to identify new drill targets in gold and uranium (both IOCGU and palaeochannel). The area is now widely targeted for uranium and previous gold exploration peaked in the late 1990s, before scaling back in parallel with gold prices. Early news flow could include results from geophysics (iron ore), drill target definition and potential acquisitions. Also, further rock chip sample results are awaited from Mt. Oscar. AON plans to issue a loyalty option.

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian:		(JORC)							
Uranium (U ₃ O ₈)	Classification	Project	Ore	Grade	Cut Off	Eqty			
		Equity	Mt	%	ppm	Kt	Mlb	Mlb	
Reserves						0.0	0.0	0.0	
Resources						0.0	0.0	0.0	
Mineralised Material	(est., non compliant with JORC)					0.0	0.0	0.0	

Iron ore (historic - non JORC compliant)

C'wealth Hill (Sequoia)	100%	22.0	28.4% Fe
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Key Projects

Project	Ownership/		JV/ Partner	Target Type	Process Route	Project	
	Option	Metal				Status	Location
Commonwealth Hill Eas	100%	Fe	na	BIF	convent'l	Mid. Expl.	Aus (SA)
Mt Oscar	0/80%	Fe	na	BIF	convent'l	Early Expl.	Aus (WA)
Comet	100%	U, Gold	na	IOCG, calc.	na	Early. Expl.	Aus (SA)
Gina	100%	U, Gold	na	IOCG, shear	na	Early. Expl.	Aus (SA)
Commonwealth Hill	100%	U, Gold	na	IOCG, shear	na	Early. Expl.	Aus (SA)
Aurora Tank	100%	U, Gold	na	IOCG, calc.	na	Early. Expl.	Aus (SA)

Contacts

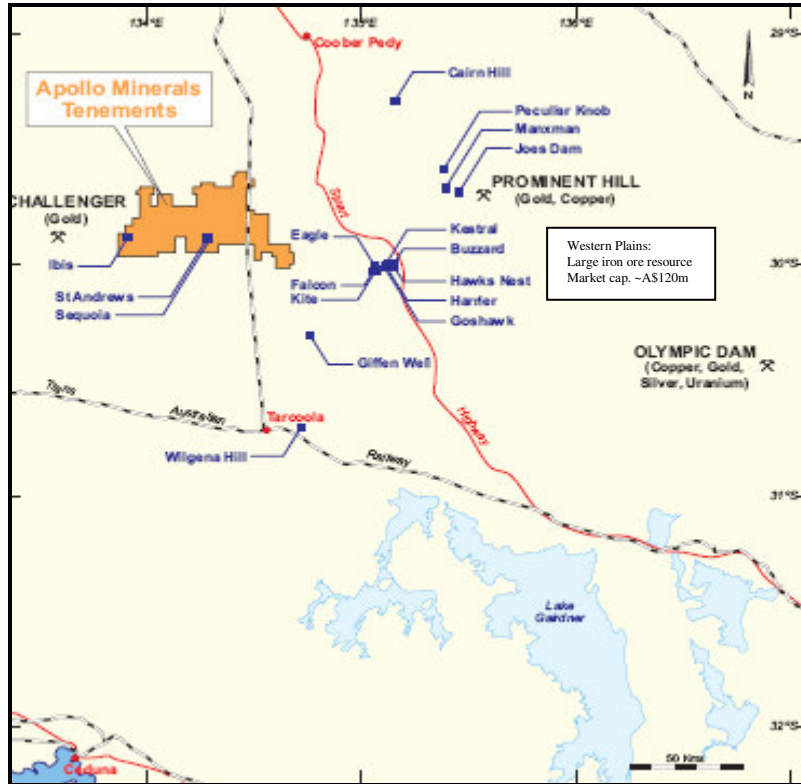
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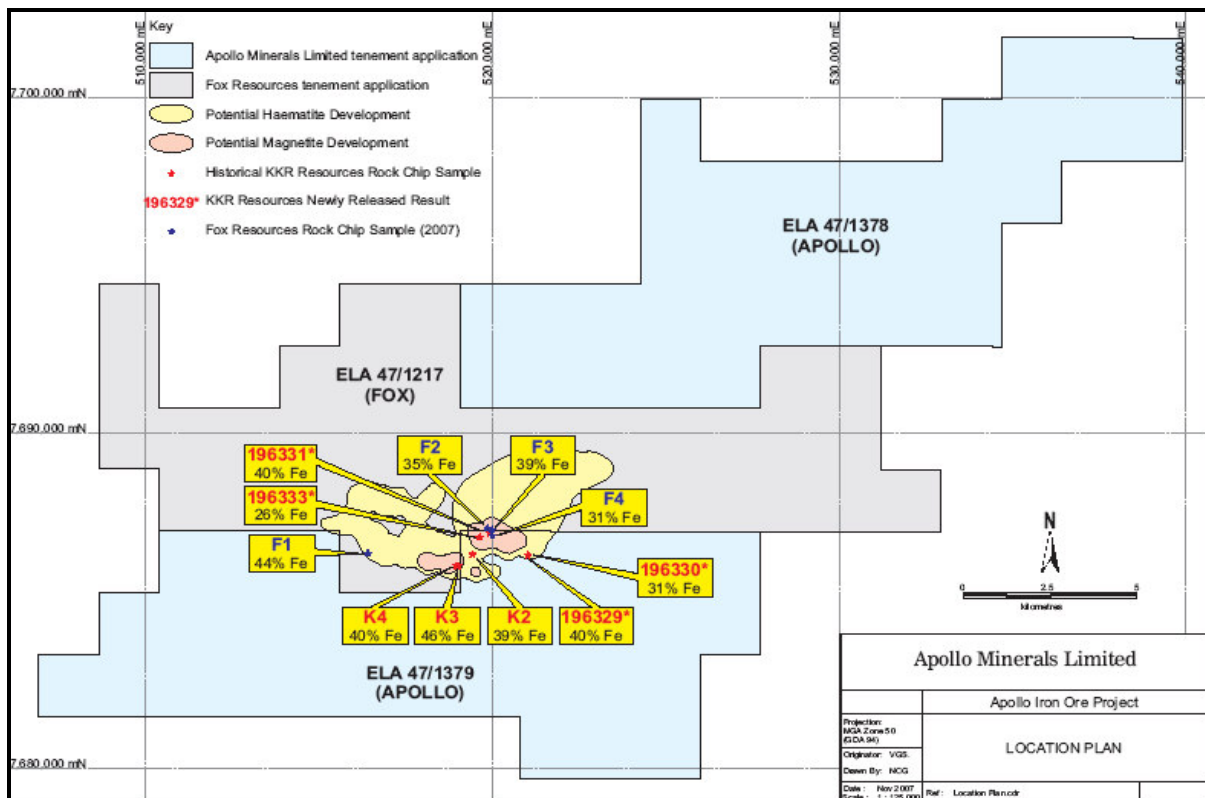
Directors

S. Chalabian (Chair)
 N. Bancroft-Cooke (Dir)
 B. Woodhouse (Dir)

SA iron ore deposits (Gawler Craton): Apollo's Commonwealth Hill project is in a region of advancing iron ore projects (Western Plains (ASX:WPG) and Ironclad (ASX:IFE)). Tenements are prospective for iron ore, uranium, gold and base metals.



Mt Oscar Iron Ore (WA): 35km from deep water port at Cape Lambert. Targeting BIF outcrop covering 5km x 2km (~40% occurs on AON tenement). Rock chip sample grades of 40% Fe. AON earning 80%.



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