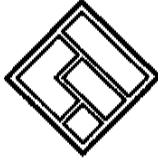


ASIC registered agent number \_\_\_\_\_  
**lodging party or agent name** Apollo Gold Mining Limited  
 office, level, building name or PO Box no. Level 5  
 street number & name 89 St Georges Terrace  
 suburb/city Perth state/territory WA postcode 6000  
 telephone (08) 9322 5833  
 facsimile (08) 9322 5866  
 DX number \_\_\_\_\_ suburb/city \_\_\_\_\_

ASS. PROC.	REC-A	REC-P
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Australian Securities & Investments Commission

notification of

**• Half Yearly Reports**

(to be lodged within 75 days of the end of the accounting period)

form **7051**

(ASX Form 1001)  
Corporations Act 2001  
**285(2), 286(1), 320**

**Disclosing entity**

Please complete A, B or C.

**A a company**

name Apollo Gold Mining Limited  
 A.C.N. 087 360 996

**B a body (other than a company)**

name \_\_\_\_\_  
 A.R.B.N. (if applicable) \_\_\_\_\_

**C a registered scheme**

name \_\_\_\_\_  
 A.R.S.N. \_\_\_\_\_

**Financial period**

from 1 / 07 / 2003 to 31 / 12 / 2003

**Certification**

*I certify that the attached documents comprise the half yearly reports together with every other document that is required to be lodged with the reports by a disclosing entity under the Corporations Act 2001.*

**Signature**

This form is to be signed by:

- if a company or a body a director or secretary or the equivalent
- if a registered scheme a director or secretary of the responsible entity acting in that capacity

name of responsible entity Apollo Gold Minina Limited  
 A.C.N. 087 360 996  
 name of person signing (print) Dean Gallegos capacity Director

sign here  date 11 / 03 / 04

Small Business (less than 20 employees), please provide an estimate of the time taken to complete this form

**Include**

- The time actually spent reading the instructions, working on the question and obtaining the information
- The time spent by all employees in collecting and providing this information

hrs mins

**HALF YEARLY REPORTS**

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

HALF-YEARLY REPORT

31 DECEMBER 2003

This is the Annexure marked "A" referred to in Form 1001  
dated 11th March 2004 and signed by me



D Gallegos  
Director  
11th March 2004

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## **DIRECTORS' REPORT**

---

The directors of Apollo Gold Mining Limited submit herewith the financial report for the half-year ended 31 December 2003. In order to comply with the provisions of the Corporations Act 2001 the directors report as follows:

### **DIRECTORS**

The names of the directors of the company during or since the end of the half year are:

#### **Name**

Mr A J Haythorpe

Mr A S Phillips

Mr D L Gallegos

Mr N T O'Loughlin - Appointed 16 November 2003

### **REVIEW OF OPERATIONS**

#### ***IDENTIFIED GOLD RESOURCES***

As at 31 December the measured, indicated and inferred resources at the Laverton Project amounted to a total of 18,644,000 tonnes at 1.6 g/t Au containing 941,000 ounces of gold. The Mineral Resource Statement is detailed in Table 1 and the locations of the resources are shown in Figure 1.

The mineral resource includes the Jasper Hill Group that is subject to an asset swap agreement with AngloGold Australia Limited ("Anglo") for tenement EL38/915. Tenement EL38/915 hosts the Sickle deposit, which contains significant gold mineralisation that is expected to offset the removal of the Jasper Hill Group resources at the completion of the agreement. Details of the Anglo agreement are contained within the ASX announcement 18 June 2003.

The major increase in the identified gold resources for the Laverton Project results from the ongoing validation and verification of the large database and re-estimation of several deposits. It is considered that further mineral resources will be identified as this process continues, as several known zones of mineralisation have not undergone resource estimations and or been classified in accordance with the Australian Code for Reporting Identified Mineral Resources and Ore Reserves ("JORC Code"). Currently no resource estimates exist for Bulldog, Chivas, Queen Anne and Burtville.

The majority of the identified gold resources detailed in Table 1 are classified as inferred resources. It is expected the ongoing validation and verification of the company's database, in conjunction with further infill and verification drilling, will support a reclassification to a higher confidence class when the various deposits are re-estimated.

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## **DIRECTORS' REPORT CONTINUED**

---

A detailed description of the geology, geometry and significant intersections is set out in the company prospectus. The following summarises the resources contained with mineral resource statement:

### **WEST LAVERTON GROUP ("WLG")**

The WLG covers an area of 38.2 km<sup>2</sup> and the identified gold resources are located between 9 and 12 km's west of the Laverton Gold Plant. The WLG contains a total of 2,312,000 tonnes at 2.1g/t Au containing 153,000 ounces of gold, which is hosted in 5 deposits, namely West Laverton, Mary Mac, Mary Mac South, Craiggie more and Euro (refer Figure 1).

No resource estimation work has been carried out at WLG during the past six months, although work is progressing at Bulldog, which currently has no mineral resource estimate.

### **CENTRAL LAVERTON GROUP ("CLG")**

The CLG covers an area of 59.4 km<sup>2</sup> and also hosts the site of the Laverton Gold Plant. The identified gold resources are located between 0.5 and 10 km's of the Laverton Gold Plant.

The group contains a total of 10,099,000 tonnes at 1.2 g/t Au containing 396,000 ounces of gold, which is hosted in 9 deposits, namely Admiral Hill, She's Right West, She's Right East, Scotland Yet, Grouse, Jacks, Bogle South, Bells, Ida H and Stockpiled Low Grade Dumps (refer Figure 1).

Mineral resource estimates for CLG have been recalculated for Admiral Hill and Ida H during the past six months which has led to a significant increase in the mineral resources as no resource estimates for these two deposits was included in the Company's prospectus. Validation work is progressing at CLG and no resource estimate has been carried out for Chivas and the mineralisation that occurs contiguous with the Barnicoat Superpit.

It is considered that further resources will be added to the CLG from the acquisition of the Sickie deposit, via the completion of the asset swap agreement with Anglo.

### **SOUTH LAVERTON GROUP ("SLG")**

The SLG covers an area of 31.8 km<sup>2</sup> and the identified gold resources are located between 9 and 22 km's south of the Laverton Gold Plant. The group contains a total of 948,000 tonnes at 1.1 g/t Au containing 35,000 ounces of gold, which is hosted in 2 deposits, namely Black Label and Lily Pond Well (refer Figure 1).

Mineral resource estimates for SLG have been recalculated for both Black Label and Lily Pond Well during the past six months which has led to a significant increase in the mineral resources. Lily Pond resource has increased from 100,000t at 1.9 g/t to 338,000t at 1.4 g/t. Black Label resource has increased from 70,000t at 2.0 g/t to 610,000t at 1.0 g/t. Validation work is progressing at SLG and no resource estimate has been carried out for Queen Anne.

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## **DIRECTORS' REPORT CONTINUED**

---

### ***BURTVILLE GROUP ("BG")***

The BG covers an area of 9.2 km<sup>2</sup> and the identified gold resources are located between 22 and 25 km's south-east of the Laverton Gold Plant. The group contains a total of 210,000 tonnes at 2.1 g/t Au containing 14,000 ounces of gold, which is hosted in the Karridale deposit (refer Figure 1).

No resource estimation work has been carried out at BG, although work is progressing at Burtville, which currently has no mineral resource estimate.

### ***JASPER HILL GROUP ("JHG")***

As set out above the JHG is subject to an Asset Swap Agreement with Anglo and as such no resource estimation work has been carried out within the JHG in the past six months.

### ***MINERAL RESOURCE ASSESSMENT CRITERIA***

The assessment criteria, as required by the JORC code is detailed in the announcement made to the Australian Stock Exchange dated 30 January 2004.

### ***ADDITIONAL NOTES FOR TABLE 1***

- Figures contained within Table 1 have been rounded. Gold grades are rounded to 1 decimal figure; both estimated tonnes and contained ounces are rounded to nearest 1000.
- Abbreviations used: Kt = 1,000 tonnes, g/t = grams per tonne.
- The Karridale deposit is hosted within tenements that are subject to the Merolia Joint Venture Agreement ("MJV"), in which the company holds 75.5% interest in the MJV.
- The following mineral resource locations are contiguous with existing open cut pits: West Laverton, Mary Mac, Mary Mac South, Craiggimore, She's Right West, She's Right East, Scotland Yet and Ida H.
- Currently no resources are classified in the measured category.

### ***CONCLUDING STATEMENT***

The information contained within this report that relates to Mineral Resources (excluding the Jasper Hill Group) is based on, and accurately reflects, information compiled by Mr Neil O'Loughlin and Mr Andrew Spinks, who are both employed by the Company and are corporate members of the Australasian Institute of Mining and Metallurgy. The information relating to the Jasper Hill Group has been compiled by Mr Malcolm Castle in the Independent Geologist's Report that is detailed in the company's prospectus dated 15 November 2002. Neil O'Loughlin and Andrew Spinks have in excess of five years experience which is relevant to the style of mineralisation under consideration, and each is a "Competent Person" as defined by the "Australasian Code for Reporting of Mineral Resources and Ore Reserves".

Messrs O'Loughlin, Spinks and Castle have consented to the inclusion in the report of the information on Identified Mineral Resource in the form and context in which it appears.

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

Table 1: Apollo Gold Mining Limited – Mineral Resource

GOLD RESOURCES AS AT 31 DECEMBER 2003										
PROJECT	GOLD RESOURCES	MEASURED		INDICATED		INFERRED		TOTAL		
		TONNES (kt)	GRADE (g/t)	TONNES (kt)	GRADE (g/t)	TONNES (kt)	GRADE (g/t)	TONNES (kt)	GRADE (g/t)	
	WEST LAVERTON <sup>(1)</sup>			322	1.9	321	2.1	713	2.0	45,000
	BULLDOG <sup>(4)</sup>					WORK IN PROGRESS				
WEST LAVERTON GROUP	MARY MAC					322	2.7	322	2.7	26,000
	MARY MAC SOUTH <sup>(1)</sup>			46	1.9	117	2.2	165	2.1	11,000
	CRAIGSMORE					390	3.0	390	3.0	38,000
	EDRO <sup>(1)</sup>			542	1.3	180	1.3	723	1.3	31,000
	ADMIRAL HILL <sup>(2)</sup>					7,075	1.2	7,075	1.2	262,000
	SHES RIGHT WEST			119	2.2	40	3.2	159	2.5	13,000
	SHES RIGHT EAST			162	1.7			162	1.7	9,000
	HEAP LEACH DUMPS					800	0.6	800	0.6	15,000
	LOW GRADE STOCKPILES			100	0.6			100	0.6	2,000
CENTRAL LAVERTON GROUP	SCOTLAND YET					230	1.4	230	1.4	11,000
	GRONKE					600	1.7	600	1.7	33,000
	JACKS			120	2.3			120	2.3	9,000
	BOGLE SOUTH			43	1.7			43	1.7	2,000
	CHEVAS <sup>(4)</sup>					WORK IN PROGRESS				
	SKILLS					160	2.3	160	2.3	12,000
	FOA H <sup>(4)</sup>					627	1.4	627	1.4	28,000
	SHOCKLE <sup>(5)</sup>									
SOUTH LAVERTON GROUP	QUEEN ANNE <sup>(4)</sup>					WORK IN PROGRESS				
	BLACK LABEL <sup>(4)</sup>					610	1.0	610	1.0	20,000
	LILY POND WELL <sup>(2)</sup>					338	1.4	338	1.4	15,000
BURYVILLE GROUP	BURYVILLE <sup>(4)</sup>					WORK IN PROGRESS				
	KARRIDALE			210	2.1			210	2.1	14,000
JASPER HILL GROUP	FISH <sup>(4,5)</sup>			163	4.5	462	3.9	621	4.1	51,000
	LORD BYRON <sup>(5,6)</sup>					4,454	1.8	4,454	1.8	262,000
	<b>TOTAL RESOURCES</b>			<b>1,895</b>	<b>1.9</b>	<b>16,730</b>	<b>1.8</b>	<b>18,644</b>	<b>1.8</b>	<b>941,000</b>
	<b>TOTAL RESOURCES EXCLUDING JASPER HILL GROUP</b>			<b>1,735</b>	<b>1.7</b>	<b>11,834</b>	<b>1.8</b>	<b>13,599</b>	<b>1.4</b>	<b>596,000</b>

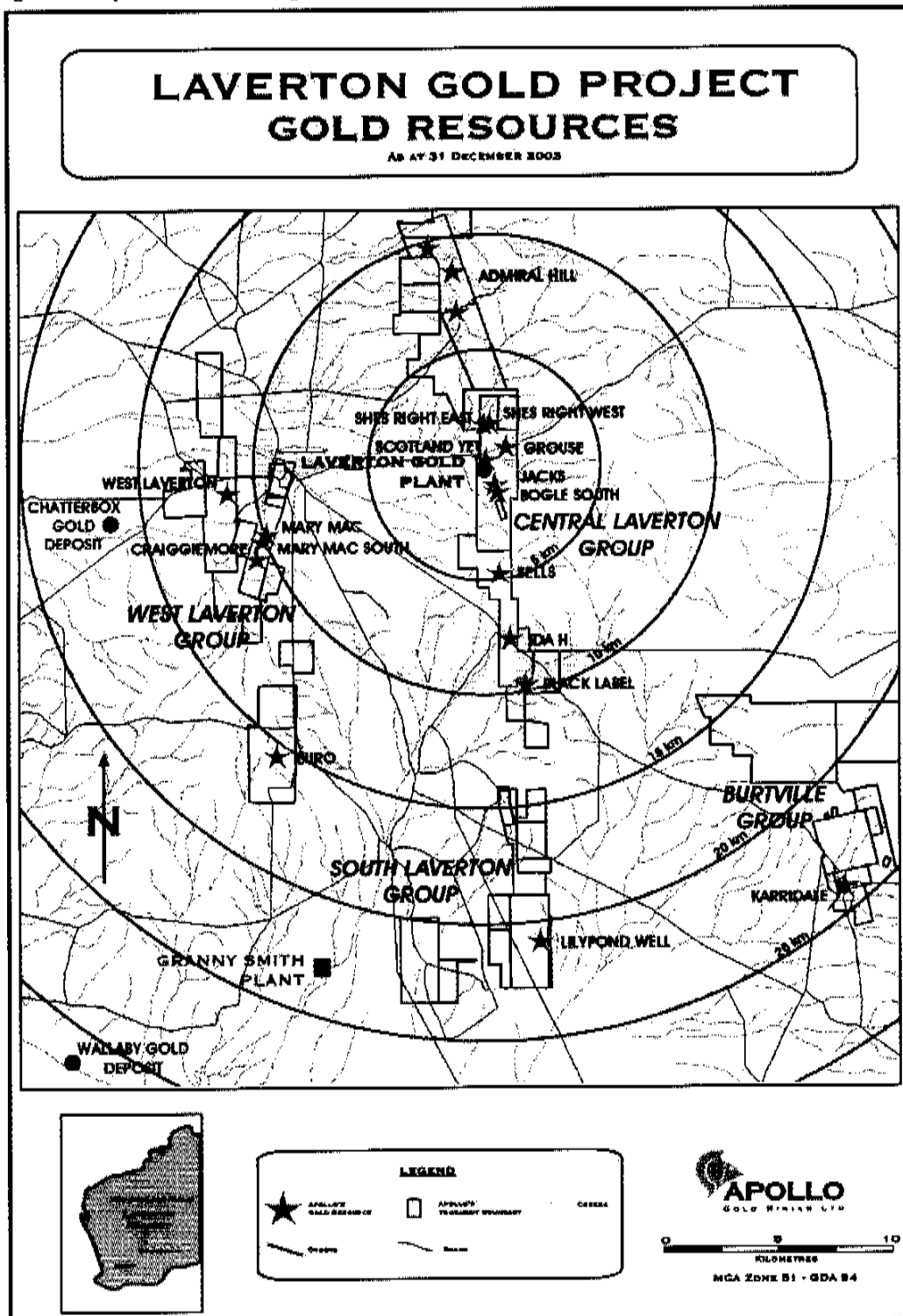
**Notes:**

- 1 RESOURCES ESTIMATED BY SRK CONSULTING
- 2 RESOURCES ESTIMATED BY AN INDEPENDENT CONSULTANT
- 3 JASPER HILL GROUP IS SUBJECT TO AN ASSET SWAP WITH APOLLO GOLD FOR \$1.38/201 WHICH HOSTS THE SHOCKLE DEPOSIT
- 4 RESOURCE ESTIMATED NOT CLASSIFIED TO JORC CODE
- 5 RESOURCES CLASSIFIED BY M.CASTLE, INDEPENDENT REPORT ON THE LAVERTON PROJECTS, 13 OCTOBER 2002

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

Figure 1: Apollo Gold Mining Limited – Mineral Resource Locality Plan



# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## DIRECTORS' REPORT CONTINUED

---

### Laverton Project - Nickel bearing ultramafics verified

- Apollo has identified at least 4 Ultramafic packages with anomalous Nickel oxides within its Laverton Project area;
  - Oxide scout drilling returned grades of 3m @ 2.2% Ni (including 1m @ 3.5% Ni) from 27m at the Western Ultramafic;
  - Encouragingly, this overlays a recently discovered electromagnetic anomaly;
  - Drilling of the Southern Ultramafic returned grades of 13m @ 1.00% Ni from 28m and 6m @ 1.12% Ni from 38m in separate holes in regolith;
  - Disseminated to semi-massive sulphides observed in some holes drilled;
  - 7 high priority EM targets identified so far;
  - EM work completed over three Ultramafic targets;
  - 15 km of Ultramafic strike with anomalous nickel in oxides;
  - All tenements owned 100% by Apollo Gold;
- 2,000 metre drilling program was scheduled.

A mid-year review of historical information indicated the presence of ultramafic units (Eastern Ultramafic Unit), which was endorsed by a detailed review of the Company's recently completed consolidated database showing the presence of nickel in drilling completed by previous operators which were not followed up.

While the nickel discovered in drilling was contained in the regolith cover, no electromagnetic (EM) work or drilling at depth had been completed by previous operators.

The Company completed an initial drilling program (prior to any EM work) at the Western Ultramafic to verify the drilling of previous operators. Significant results are shown in Table 2.

**Table 2: Western Ultramafic Drilling Results**

HOLE	From (m)	To (m)	Interval (m)	Ni - %	EOH (m)
EL 171	27	30	3	2.23	78
		Including 1m @ 3.5%			
EL 172	26	34	8	0.76	66
EL 173	23	26	3	0.77	54

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## DIRECTORS' REPORT CONTINUED

---

### Southern Ultramafic

Again the Company completed an initial drilling program. Significant results are shown in Table 3.

**Table 3: Southern Ultramafic Drilling Results**

HOLE	From (m)	To (m)	Interval (m)	Ni - %	EOH (m)
EL 175	28	41	13	1.00	78
		Including 6m @ 1.15%			
EL 176	32	38	6	1.12	72
EL 177	33	39	6	0.99	68

### EM Exploration

To supplement the drilling program the Company engaged Southern Geoscience to design an EM survey to cover the ultramafic units. In addition, Fugro Ground Geophysics was engaged to complete a moving loop EM survey, which was successful in identifying several moderate to strong anomalies on both ultramafic units.

To give the Company the required confidence prior to making any detailed announcement to the ASX, some additional drilling (Phase 1) was undertaken after the receipt of the first results. The drilling was specifically targeting a coherent, strong conductor proximal to the northern boundary of the tenement hosting the Eastern Ultramafic Unit. The moving loop EM survey indicated that the anomaly could be intersected at depths of 150-200 metres.

Disseminated to semi-massive sulphides, namely pyrite and pyrrhotite, were observed in both holes drilled along the southern line, but no significant concentrations capable of explaining the geophysical anomaly were seen in the holes drilled along the northern line. Although anomalous Ni to 0.6% (over 4m) was received from samples collected in transported lacustrine clays above the saprolitic zone.

The follow-up drilling did not intercept the anomaly identified by the moving loop EM. As a result the Company engaged Fugro to commence a fixed loop EM program over both ultramafic units to better identify the anomalies, prior to further drilling being undertaken.

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## DIRECTORS' REPORT CONTINUED

---

### Eastern Ultramafic – Geology

The drilling and EM programs assisted in the geological modeling of the ultramafic units. A sequence of ultramafic rocks including fine to medium grained spinifex-textured komatiites, fine to medium grained olivine cumulates and peridotites were intersected in the drilling. These rocks ranged from massive to moderately-strongly sheared. Fine grained granular magnetite was ubiquitous throughout the ultramafic sequence, and, together with some serpentinization of cumulate olivines is probably responsible for the high magnetic response recorded by the hand held magnetic susceptibility metre.

Drilling along the southern line, over the interpreted weaker part of the anomaly, intersected a 30m plus wide zone of fine grained pyrite-pyrrhotite mineralisation to 25% massive sulphide abundance. The sulphides were concentrated along foliation planes suggesting a degree of mobilization along a shear or fault zone.

Whilst all four holes in the Phase 4 drilling program returned anomalous nickel values the more significant were as follows:

**Table 4: Eastern Ultramafic - Phase 1 Drilling Results**

HOLE	From (m)	To (m)	Interval (m)	Ni - %	EOH (m)
EL 185	28	64	28	0.28	204
		Including 4m @ 0.57%			
EL 186	40	56	16	0.18	217
EL 187	26	48	12	0.20	198

### Phase 2 Drilling Program

The Company completed the fixed loop EM survey on both Eastern and Southern Ultramafic units, the results of which provided the basis for designing the drilling program on the high priority targets in both areas.

Drill hole targeting of the completed fixed looped surveys was finalized and the Phase 2 drilling program commenced at the end of October 2003.

Six RC holes, EL188-EL193, were drilled for 1,060 metres over the electromagnetic anomalies for no significant result. Two further RC holes EL194 and EL195 are planned for drilling in March 2004.

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## **DIRECTORS' REPORT CONTINUED**

---

### **Ida H Gold Project – Drilling Update**

- Drill program successfully intersected Ida H and Wabash lodes;
- Wabash hole (CL 79) re-assayed with larger sample returned 2 metres @ 12.8 g/t previously 1 m @ 9.8 g/t;
- Ida H deep hole (CL 78) encountered 1m @ 14.4 g/t;
- Main Lode target missed by historical drilling;
- Follow-up 6 hole 2,000 metre drill program commenced on 27 October 2003.

### **Introduction**

The drill program was aimed at possible repetitions of the high grade lodes/shoots previously mined at Ida H. An initial investigation by the Company identified the Wabash to the south and White Horse to the north as worthy exploration targets.

The Ida H mine was operated in the early 1900's and produced a total of 229,900t @ 22.6 g/t Au for 170,650 oz. The deeper levels of the mine (16 Level) are approximately 480m below surface, and appear to have exploited the plunge component of the 'Main lode' high grade system.

Apollo Gold spent over 3 months gathering and digitizing all available data, and from this Apollo interpreted that historical drilling may have intercepted hanging wall mineralisation and stopped just short of the main lode target.

A program of drilling was designed to test the following targets;

- Down plunge continuity and potential of Ida H high grade lode(s),
- Down plunge continuity and potential of Wabash lode(s)
- Initial drilling of White Horse system at depth.

A total of 1,448 metres of drilling in 6 holes was completed to initially test these targets. It is evident that the gold hosted in the quartz-sulphide veins is "nuggety", all samples were sent to SGS/Analabs in Leonora. Gold was assayed using lead collection fire assay 30gm charge and some were re-assayed using a 50gm charge.

# APOLLO GOLD MINING LIMITED

ABN 49 087 380 996

## DIRECTORS' REPORT CONTINUED

---

### Results

#### Wabash Lode - Hole CL 79

As reported on the 2nd October the Wabash lode was intersected at 250-251m down hole, assaying 9.8g/t over 1m using a 30gm sample, the intersection was re-assayed using a 50gm sample lode was intersected at 250 – 252m down hole, assaying 12.8 g/t over 2 metres.

These results were consistent with one of the three drillholes completed in 1911 which returned an intercept of 0.5m @ 29g/t Au from 268m (250m vertical depth).

The Wabash lode itself was intersected from 250-253m down hole. It is visually distinct, comprising milky, brecciated quartz veining with up to 15-25% sulphides, predominantly arsenopyrite with lesser pyrite and pyrrhotite. The arsenopyrite occurs both in its rhomboidal form and also as tiny needles, randomly orientated. A positive correlation of gold with Arsenic can be seen in the geochemistry.

It should be noted that the interval 250-251m was panned from the drill cuttings on site. No free gold was observed, suggesting that the gold may be associated with the sulphides. This may be part of the reason why the historical miners did not develop the Wabash lode to the same depths as the 'Main Lode' at Ida H, as the technology of the time would not have been able to extract gold associated with sulphides.

#### Ida H "Main Lode" - Hole CL 78

The Ida H hole was designed to test down plunge potential of the Ida H high grade main lode. The main lode was intersected at 585 – 586m down hole, assaying 14.4 g/t. Panning on site of the interval 585-586m revealed several specks of visible gold.

Historical mining in the early 1900's of the 'Main Lode' at Ida H reached a depth of some 450m below surface. High grade material remained in the deeper levels of the old mine, suggesting continuity of the 'Main Lode' at depths of +500m below surface.

#### Whitehorse Lode - Hole CL80

Drill hole CL80 aimed at confirming the down dip continuity of shallow intersections recorded in RAB and RC drilling completed over the area in the early 1990's. Results included 1m @ 7.3 g/t and 1m @ 3.5g/t Au. No deeper drilling had been completed in the area.

An intercept of 3m @ 2.7g/t Au and 7000ppm as was returned from 158-161m within shales. Quartz veining to 10-15% associated with 5% pyrite and arsenopyrite was noted. There is a strong association between high gold and high arsenic, similar to what was seen at Wabash. The mineralised envelope at a 0.1 g/t Au cut is over 9m (157-166m) wide and averages 1 g/t Au. Interestingly, arsenic steadily increases and peaks over the higher gold grades, and then gradually decreases.

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## DIRECTORS' REPORT CONTINUED

---

### Whitehorse Lode – Hole CL81

Located 200m south of CL80, the second RC hole at Whitehorse aimed at intersecting the down dip continuation of the Whitehorse lode. Previous intercepts from shallow angled RAB drilling included 1m @ 19.4 g/t Au from 40m. No deeper drilling has been completed in the area.

A similar sequence of lithologies to that seen in CL80 was also observed in CL81, again with a black shale sequence representing the footwall. A zone approximately 6m wide was observed from 168m and consisted of silicified, bleached and slightly brecciated felsic schist with 10-15% milky quartz veining and 10-15% pyrite and arsenopyrite.

The mineralized envelope (@ +0.1g/t cut) assayed 6m @ 1.18g/t Au, including 2m @ 2.75 g/t Au (169-171m).

### Ida H Lode – Hole CL82

A hole was planned approximately 120m north of CL79, and aimed at intersecting mineralization below the historical development drives between Ida H and Wabash. It was considered that the possible sulphide association inferred for the Wabash lode may mean that ore grade mineralization could exist along strike, and like Wabash, was not economically exploited by historical mining.

A package of fine to medium grained felsic schists, shales and tuffs with intercalated intermediate rocks were intersected 208m down hole. After that, a sequence of black graphitic shales considered to represent the footwall was observed.

This interval contained 5-10% milky quartz –sulphide veins. Alteration similar to that seen in CL79 within the felsic rocks was observed from 188m, however, no lode-style quartz veining was noted.

**Table 5: Drilling Summary – Ida H**

HOLE	East	North	Azi	Dip	Depth (m)
CL78	451522	6826920	271	-75	598
CL79	451484	6826318	270	-70	264
CL80	451229	6827373	270	-60	186
CL81	451270	6827170	270	-60	180
CL82	451418	6826458	270	-70	220
				<b>TOTAL</b>	<b>1,448</b>

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## DIRECTORS' REPORT CONTINUED

---

### **Bankable Feasibility Study**

The Company has changed its study from a Project Verification Study to a Bankable Feasibility Study (BFS). The main objective of this study is to develop 2 million tonnes of mineable reserve which, given the projected processing rate of 700,000 tonnes per year will provide 3 years of mine life.

The BFS will focus on developing 6 resources and they include, Euro, Admiral Hill, Grouse, West Laverton, Bulldog and Burtville. A 12,500 metre resource drilling program will commence in March and continue through to May 2004. During this period, detailed metallurgical sampling will be undertaken to develop appropriate process design criteria for the plant. Other studies including geotechnical, hydrogeological and detailed mine planning and scheduling will be completed by the end of June.

Completion of the study is planned for the end of September 2004, with financing of the project to be planned following completion.

During the last half, the technical team at Apollo has been increased with the following people being engaged:

- Neil O'Loughlin - Exploration Director
- Andrew Spinks – Resource Geologist
- Steve Craig – Project Mining Engineer

Other specialist consultants including resource, metallurgical and processing specialists continue to be involved during this critical period of the project.

Continued work on geological coding of the drill hole database is nearing completion and data verification is well advanced.

### **Exploration Review**

The recovery of previously unreported and/or unrecognized exploration data continued during the quarter. By March 2004 it is anticipated that some 12,000 hard copy sheets will have been incorporated into an electronic database, with high priority exploration, reserve and resource opportunities extracted for prioritization and drill follow up.

This will be the first time that all known available data has been assimilated and verified by one team, for the entire Laverton project area.

### **AngloGold and Apollo Gold – Asset Swap Agreement**

Apollo Gold Mining Limited is pleased to announce that it has reached an agreement with AngloGold Australia Limited to extend the condition Precedent End Date on the Asset Swap Agreement, announced on the 18<sup>th</sup> June 2003, from the 31<sup>st</sup> December 2003 to the 31<sup>st</sup> March 2004.

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## **DIRECTORS' REPORT CONTINUED**

---

### **Capital Raising**

During the month of October, the Company raised \$1,687,050 through the placement of 7,335,000 fully paid ordinary shares, at an issue price of 23 cents per share. For every 4 shares purchased, 1 free option, exercisable at 20 cents on or before 30 November 2005, was attached.

### **Results of the Annual General Meeting**

The Company held its Annual General Meeting on 28 November 2003. The meeting approved the following resolutions:

- The re-election of Mr D Gallegos as a director of the Company.
- The re-election of Mr A Haythorpe as a director of the Company.
- The re-election of Mr A Phillips as a director of the Company.
- The ratification of the placement of 7,335,000 shares and 1,833,750 options issued in October 2003.
- Issue of shares and options to Mr A Phillips in lieu of consultancy and directors fees.
- Issue of shares and options to Mr A Haythorpe in lieu of consultancy and directors fees.
- Issue of shares and options to Mr D Gallegos and GM Resources in lieu of consultancy and directors fees.
- Issue of securities under the Directors and Employees Incentive Plans.
- Issue of Options to Mr D Kingsnorth under the Directors and Employees Incentive Plans.

All resolutions were carried on a show of hands.

Proxies totaling 14,903,526 shares were received. The majority of proxies voted in favour of the resolutions.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors:



---

**D Gallegos**  
**Director**  
**Perth, Western Australia**  
**11th March 2004**

## INDEPENDENT REVIEW REPORT TO THE MEMBERS OF APOLLO GOLD MINING LIMITED

### Scope

We have reviewed the financial report of Apollo Gold Mining Limited for the half-year ended 31 December 2003 as set out on pages 15 to 20. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.


Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### Statement

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 Gold Mining Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

  
DELOITTE TOUCHE TOHMATSU

  
G K McHarrie  
Partner  
Chartered Accountants

Perth, 11 March 2004

Member of  
Deloitte Touche Tohmatsu

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## **DIRECTORS' DECLARATION FOR THE HALF-YEAR ENDED 31 DECEMBER 2003**

---

The directors declare that:

- a) the attached financial statements and notes thereto comply with Accounting Standards;
- b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the consolidated entity;
- c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and
- d) in the directors' opinion, there are reasonable grounds to believe that the disclosing entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



---

**D Gallegos**  
**Director**  
**11th March 2004**  
**Perth, Western Australia**

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	Half-Year Ended 31 December 2003 \$	Half-Year Ended 31 December 2002 \$
Revenue from ordinary activities	55,645	7,052
Revenue from sale of properties and assets	40,891	-
<b>Total revenue from ordinary activities</b>	<b>96,536</b>	<b>7,052</b>
Administrative Expenses	(182,406)	(56,939)
Advertising & Communications	-	(33,798)
Auditor's Remuneration	(9,514)	(6,100)
Depreciation	(122,258)	-
Directors' Remuneration	(180,131)	(202,046)
Exploration Costs	(253,129)	-
Exploration Written Off	(214,036)	-
Insurance	(32,241)	-
Interest Expense	(4,909)	-
Legal Fees	(91,766)	-
Other Professional Fees	(126,028)	(75,788)
Rent	(26,689)	(1,184)
Staff Costs	(58,864)	(88,528)
Travel Expense	(27,015)	(89,149)
	<b>(1,328,986)</b>	<b>(553,532)</b>
<b>Loss from ordinary activities before income tax</b>	<b>(1,232,450)</b>	<b>(546,480)</b>
Income tax expense relating to ordinary activities	-	-
<b>Loss from ordinary activities after income tax</b>	<b>(1,232,450)</b>	<b>(546,480)</b>
<b>Net loss attributable to members</b>	<b>(1,232,450)</b>	<b>(546,480)</b>
<b>Basic loss per share</b>	<b>(1.82) cents</b>	<b>(3.38) cents</b>
<b>Diluted loss per share</b>	<b>(1.82) cents</b>	<b>(3.38) cents</b>

*The above consolidated statement of financial performance should be read in conjunction with the accompanying notes.*

# APOLLO GOLD MINING LIMITED

ABN 49 087 380 996

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2003

	31 December 2003 \$	30 June 2003 \$
<b>Current assets</b>		
Cash assets	2,353,096	2,697,433
Receivables	243,527	107,311
<b>Total current assets</b>	<b>2,596,623</b>	<b>2,804,744</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,025,110	1,052,226
Other financial assets	5,556,344	4,600,149
<b>Total non-current assets</b>	<b>6,581,454</b>	<b>5,652,375</b>
<b>Total assets</b>	<b>\$9,178,077</b>	<b>\$8,457,119</b>
<b>Current liabilities</b>		
Payables	522,961	673,837
Other	15,000	15,000
<b>Total current liabilities</b>	<b>537,961</b>	<b>688,837</b>
<b>Non-current liabilities</b>		
Interest bearing liabilities	100,000	100,000
Provisions	2,462,000	2,462,000
	<b>2,562,000</b>	<b>2,562,000</b>
<b>Total liabilities</b>	<b>\$3,099,961</b>	<b>\$3,250,837</b>
<b>Net assets</b>	<b>\$6,078,116</b>	<b>\$5,206,282</b>
<b>Equity</b>		
Contributed equity	24,263,913	22,159,629
Accumulated Losses	(18,185,797)	(16,953,347)
<b>Total equity</b>	<b>\$6,078,116</b>	<b>\$5,206,282</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	Half-Year Ended 31 December 2003 \$	Half-Year Ended 31 December 2002 \$
<b>Cash flows related to operating activities</b>		
Payments to suppliers and employees	(587,600)	(110,600)
Interest and other items of similar nature received	20,253	6,852
Borrowing costs	(4,909)	-
<b>Net operating cash flows</b>	<b>(572,256)</b>	<b>(103,748)</b>
<b>Cash flows related to investing activities</b>		
Payment for purchases of property, plant and equipment	(24,142)	(11,310)
Proceeds from sale of property, plant and equipment	165,891	-
Payments for deferred exploration expenditure	(1,520,360)	(515,293)
<b>Net investing cash flows</b>	<b>(1,378,611)</b>	<b>(526,603)</b>
<b>Cash flows related to financing activities</b>		
Proceeds from issue of securities	1,687,050	620,000
Other – capital raising costs	(80,520)	(357,907)
<b>Net financing cash flows</b>	<b>1,606,530</b>	<b>262,093</b>
<b>Net increase (decrease) in cash held</b>	<b>(344,337)</b>	<b>(368,258)</b>
Cash at the beginning of the reporting period	2,697,433	403,134
<b>Cash at the end of the reporting period</b>	<b>\$2,353,096</b>	<b>\$34,876</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

# APOLLO GOLD MINING LIMITED

ABN 49 087 380 996

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

---

### 1. BASIS OF PREPARATION

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 1029 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the 2003 annual financial report.

#### Significant Accounting Policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2003 annual financial report.

##### a) Going Concern

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. The company is likely to be required to raise additional capital in order to fund its planned exploration program and to commercialise its tenement assets. The ability of the company to pay its debts as and when they fall due and the appropriateness of adopting a going concern basis of accounting is largely dependent on obtaining further funding to enable planned exploration and commercialisation of the tenement assets. The directors believe the going concern basis to be appropriate based upon their confidence that the company will be able to obtain further funding to enable it to commercialise its tenement assets in the form currently envisaged.

### 2. SUBSEQUENT EVENTS

During the month of February, the Company raised \$1,650,000 through the placement of 10,312,500 fully paid ordinary shares, at an issue price of 16 cents per share.

On 18 February 2004, the Company announced the acquisition of 100% of RAB Projects Pty Ltd, a China focused resource company with several exciting gold and base metals projects. The transaction is subject to shareholder approval.

On 19 February 2004, the Company announced that it had reached an agreement with Marc Rich & Co Investment AG ("MRI") to establish a continuing relationship for the development and production of gold and base metal ore resources in China. MRI is one of the world's foremost commodity and metals concentrate trading houses, and has been operating in China for many years.

On 20 February 2004, the Company announced that 11,775,000 shares and 2,775,000 options were to be released from escrow on 28 February 2004.

# APOLLO GOLD MINING LIMITED

ABN 49 087 360 996

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

---

### 3. SEGMENT INFORMATION

The consolidated entity operates in one geographical segment for primary reporting, being Australia.

### 4. CONTINGENT LIABILITIES

The Company has a contingent liability in respect to an amount claimed by Australian Posters Pty Ltd which is the subject of current litigation in the Supreme Court of Queensland. The claim amounts to \$328,200 plus interest and costs.

A defence has been filed by the Company and mediation is scheduled to take place within the next 3 months. Unless the claim is settled at the mediation, the Company expects that the action will go to trial within the next 12 months. The directors estimate that the maximum liability that could arise under this matter is approximately \$450,000 inclusive of interest and costs.

No provision for any liability, that may result, has been made in the financial report.