

APOLLO GOLD CORP  
Form 424B5  
May 14, 2008

**The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the related prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Filed Pursuant to Rule No. 424(b)(5)  
Registration No. 333-150431**

**PROSPECTUS SUPPLEMENT  
Subject to Completion, Dated May 13, 2008**

**APOLLO GOLD CORPORATION**

**Minimum - Cdn\$25,000,000  
Maximum - Cdn\$40,000,000**

<b>Minimum -</b>	<b>Common Shares</b>
<b>Maximum -</b>	<b>Common Shares</b>
<b>Cdn\$</b>	<b>per Common Share</b>

We are offering \_\_\_\_\_ common shares of Apollo Gold Corporation (together with its subsidiaries, "Apollo Gold," "we," "us," or "our company") for Cdn\$ \_\_\_\_\_ per share. The common shares are being offered pursuant to an agency agreement dated as of \_\_\_\_\_, 2008 among Apollo Gold, Haywood Securities Inc., the lead agent and Blackmont Capital Inc., under which the agents conditionally offer the common shares offered by this prospectus supplement for gross proceeds up to Cdn\$40,000,000, subject to prior sale, on a best-efforts basis, if, as and when issued by Apollo Gold. Closing of the offering will be subject to the issue of a minimum of Cdn\$25,000,000 of our common shares. The offering price of the common shares will be determined by negotiation between Apollo Gold and the lead agent, on behalf of the agents. The offering will be conducted in the United States through affiliates of the agents that are registered broker-dealers in the United States.

Our common shares are traded on the American Stock Exchange under the symbol "AGT" and on the Toronto Stock Exchange under the symbol "APG." On May 12, 2008, the closing price for our common shares on the American Stock Exchange was \$0.64 per share and the closing price on the Toronto Stock Exchange was Cdn\$0.63 per share. For a description of our common shares, see "Description of Common Shares" on page 25 of the related prospectus. Unless otherwise indicated, all references to "\$" or "dollars" in this prospectus supplement refer to United States dollars. References to "Cdn\$" in this prospectus supplement refer to Canadian dollars.

**Investing in the common shares involves a high degree of risk. See "Risk Factors" beginning on page 5 of the related prospectus.**

**Neither the U.S. Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved these securities, or determined if this prospectus supplement or the related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	<b>Price to Public (1)</b>	<b>Agents' Fee (2)</b>	<b>Net Proceeds to Apollo Gold (3)</b>
<b>Per Common Share</b>	Cdn\$	Cdn\$	Cdn\$
<b>Minimum Offering (4) (5)</b>	Cdn\$25,000,000	Cdn\$1,625,000	Cdn\$23,375,000
<b>Maximum Offering (4) (5)</b>	Cdn\$40,000,000	Cdn\$2,600,000	Cdn\$37,400,000

- (1) The proceeds from subscriptions will be held by the agents in trust until subscriptions for a minimum of offered shares are received. If the minimum number of offered shares is not sold, funds received from prospective subscribers will be returned to them without interest or deduction.
  - (2) Apollo Gold has agreed to pay to the agents a cash commission equal to 6.5% of the gross proceeds of the offering. In addition, the agents will be granted a non-transferable option to acquire for two years such number of common shares as is equal to 6% of the total number of shares sold under the offering at a price per share equal to the offering price. See "Plan of Distribution".
  - (3) After deducting the agents' fee, but before deducting the expenses of the offering estimated to be Cdn\$250,000, which will be paid by Apollo Gold from the proceeds of the offering.
  - (4) We have granted to the agents an over-allotment option exercisable, in whole or in part, in the sole discretion of the agents until the date that is 30 days after the closing date, to increase the offering by up to an additional 15% of the offered shares sold under the offering at the offering price to cover over-allotments, if any, and for market stabilization purposes. This table excludes any over-
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allotment shares issuable upon exercise of the over-allotment option. A purchaser who acquires common shares forming part of the over-allotment option acquires those common shares under this prospectus supplement. In respect of the over-allotment option, Apollo Gold will pay to the agents a fee equal to 6.5% of the proceeds realized on the exercise of the over-allotment option or \$0. per over-allotment share and will grant to the agents a non-transferable agents' option to purchase that number of common shares equal to 6% of the total number of over-allotment shares sold pursuant to the exercise of the over-allotment option. If the over-allotment option is exercised in full (and assuming the maximum offering), the total price to the public will be Cdn\$46,000,000, the total agents' fee will be Cdn\$2,990,000 and the total net proceeds to Apollo Gold, before deducting the expenses of the offering, will be Cdn\$43,010,000. This prospectus supplement also relates to the common shares which underlie the non-transferable option granted to the agents. See "Plan of Distribution".

(5) There will be no closing of the offering unless a minimum of \_\_\_\_\_ offered shares are issued. If subscriptions for such minimum number of offered shares have not been received within 90 days following the date of this prospectus supplement, the offering may not continue without the consent of the securities regulatory authorities and those who have subscribed for offered shares on or before such date. See "Plan of Distribution".

The agents expect to deliver the common shares to purchasers on \_\_\_\_\_, 2008.

**HAYWOOD SECURITIES (USA) INC.**

The date of this prospectus supplement is \_\_\_\_\_, 2008.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the related prospectus. See “Incorporation of Certain Documents by Reference” on page S-19 of this prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. Information on any of the websites maintained by us does not constitute a part of this prospectus supplement or the related prospectus. You should assume that the information appearing in this

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prospectus supplement and the related prospectus or any documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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## **ABOUT THIS PROSPECTUS**

This prospectus supplement and the related prospectus have been filed with the Securities and Exchange Commission, which we refer to as the SEC, pursuant to a registration statement on Form S-3, which we refer to as the registration statement. We have also filed a Canadian short form prospectus relating to the common shares, which we refer to as the Canadian prospectus, with the securities regulatory authorities in each of the provinces of Canada other than Quebec. Under the Canadian prospectus, the securities registered under the registration statement may be offered and sold in each of the provinces of Canada other than Quebec, subject to any applicable securities laws.

Our financial statements are prepared in accordance with generally accepted accounting principles in Canada, which we refer to as Canadian GAAP. We provide certain information reconciling our financial information with generally accepted accounting principles in the United States, which we refer to as U.S. GAAP.

## **CURRENCY INFORMATION**

We report in United States dollars. Accordingly, all references to “\$,” “U.S.\$” or “dollars” in this prospectus supplement refer to United States dollars unless otherwise indicated. References to “Cdn\$” or “Canadian dollars” are used to indicate Canadian dollar values.

The noon rate of exchange on May 12, 2008 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was Cdn\$1.00 equals \$0.9961 and the conversion of United States dollars was \$1.00 equals Cdn\$1.0039.

## **NON-GAAP FINANCIAL MEASURES**

In this prospectus supplement, related prospectus or in the documents incorporated herein by reference, Apollo Gold uses the terms “cash operating costs,” “total cash costs,” and “total production costs,” each of which are considered non-GAAP financial measures as defined in the United States Securities and Exchange Commission Regulation S-K Item 10 and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These terms are used by management to assess performance of individual operations and to compare Apollo Gold’s performance to other gold producers.

The term “cash operating costs” is used on a per ounce of gold basis. Cash operating costs per ounce is equivalent to direct operating cost as found on the Consolidated Statements of Operations, less production royalty expenses and mining taxes but includes by-product credits for payable silver, lead and zinc.

The term “total cash costs” is equivalent to cash operating costs plus production royalties and mining taxes.

The term “total production costs” is equivalent to total cash costs plus non-cash costs including depreciation and amortization.

These measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP and may not be comparable to similarly titled measures of other companies. See Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in Apollo Gold's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations in Apollo's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 for an explanation of these measures.

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## STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This prospectus supplement, the related prospectus and the documents incorporated by reference in this prospectus supplement and the related prospectus contain forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995, with respect to our financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events, capital expenditures, and exploration and development efforts. Words such as “anticipates,” “expects,” “intends,” and similar expressions identify forward-looking statements. These statements include comments regarding:

- our proposed acquisition of the mill complex from St Andrew Goldfields Ltd., which we refer to as St Andrew;
  - future timing and operational results and cash flows from the Montana Tunnels mine;
  - the establishment and estimates of mineral reserves and resources;
    - production and production costs;
    - daily production and mill throughput rates;
    - cash operating costs;
    - total cash costs;
    - grade of ore mined and milled;
    - grade of concentrates produced;
  - anticipated expenditures for development, exploration, and corporate overhead;
    - timing and issue of permits;
    - expansion plans for existing properties;
    - plans for Black Fox and Huizopa, including drilling;
    - estimates of closure costs;
- future financing of projects by Apollo, including the contemplated \$75 million debt financing for Black Fox;
  - our liquidity;
  - estimates of environmental liabilities;
- our ability to obtain financing to fund our estimated expenditure and capital requirements;
  - factors impacting our results of operations; and
  - the impact of adoption of new accounting standards.

Although we believe that our plans, intentions and expectations reflected in these forward-looking statements are reasonable, we cannot be certain that these plans, intentions or expectations will be achieved. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and other factors described in more detail in this prospectus:

- unexpected changes in business and economic conditions;
- significant increases or decreases in gold prices and zinc prices;
- changes in interest and currency exchange rates;
- timing and amount of production;
- unanticipated grade changes;
- unanticipated recovery or production problems;
- operational problems at our mining property;
- metallurgy, processing, access, availability of materials, equipment, supplies and water;
- determination of reserves;
- changes in project parameters;

- costs and timing of development of new reserves;
- results of current and future exploration activities;
- results of pending and future feasibility studies;
- joint venture relationships;
- political or economic instability, either globally or in the countries in which we operate;
- local and community impacts and issues;
- timing of receipt of government approvals;
- accidents and labor disputes;
- environmental costs and risks;
- competitive factors, including competition for property acquisitions;
- availability of external financing at reasonable rates or at all; and
- the factors discussed in the related prospectus under the heading “Risk Factors.”

Many of these factors are beyond our ability to control or predict. These factors are not intended to represent a complete list of the general or specific factors that may affect us. We may note additional factors elsewhere in this prospectus supplement, the related prospectus and in any documents incorporated by reference into this prospectus supplement and the related prospectus. We undertake no obligation to update forward-looking statements.

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**THE OFFERING**

Securities offered	common shares. The number of common shares offered assumes full exercise of the agents' option.
Issue price	per share.
Common shares outstanding before this offering	160,975,757 common shares (1)
Common shares outstanding after this offering	common shares. If the over-allotment option were exercised in full, common shares would be outstanding after the offering (which number includes the agents' option).
Risk factors	An investment in the common shares involves a high degree of risk. Please refer to "Risk Factors" beginning on page 5 of the related prospectus for factors you should consider before investing.
Use of proceeds	The proceeds of this offering, net of the agents' fee and before expenses, are estimated to be between a minimum of Cdn\$23,375,000, if the minimum amount of common shares are sold hereunder, and a maximum of Cdn\$37,400,000, if the maximum of common shares are sold hereunder, in each case excluding exercise of the agent's over-allotment option, and will be used to fund the proposed acquisition of the mill complex from St Andrew, for development activities at the Black Fox project and general corporate purposes.
Trading symbols	The issued and outstanding Apollo Gold common shares are currently listed and posted for trading on the TSX under the symbol "APG" and on the AMEX under the symbol "AGT". Apollo Gold has applied to list the offered shares being issued and sold by it under this offering (including the over-allotment shares issuable upon exercise of the over-allotment option and the common shares underlying the agents' option) on the TSX and the AMEX. Listing will be subject to Apollo Gold fulfilling all of the requirements of the TSX and AMEX.

(1) Common shares outstanding at May 12, 2008.

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## THE COMPANY

### Our Business

The earliest predecessor to Apollo Gold Corporation was incorporated under the laws of the Province of Ontario in 1936. In May 2003, Apollo Gold reincorporated under the laws of the Yukon Territory. Apollo Gold Corporation maintains its registered office at 204 Black Street, Suite 300, Whitehorse, Yukon Territory, Canada Y1A 2M9, and the telephone number at that office is (867) 668-5252. Apollo Gold Corporation maintains its principal executive office at 5655 S. Yosemite Street, Suite 200, Greenwood Village, Colorado 80111-3220, and the telephone number at that office is (720) 886-9656. Our internet address is <http://www.apollogold.com>. Information contained on our website is not a part of this prospectus supplement or the related prospectus.

Apollo is engaged in gold mining including extraction, processing, refining and the production of by-product metals, as well as related activities including exploration and development. Apollo Gold is the operator of the Montana Tunnels mine, which is a 50% joint venture with Elkhorn Tunnels, LLC. The mine is an open pit mine and mill producing gold doré and lead-gold and zinc-gold concentrates.

Apollo has a development project, the Black Fox project, which is located near the Township of Matheson in the Province of Ontario, Canada. Apollo also owns Mexican subsidiaries which own concessions at the Huizopa exploration project, located in the Sierra Madres in Chihuahua, Mexico. The Huizopa project is subject to an 80% Apollo/20% Mineras Coronado joint venture agreement.

#### Montana Tunnels Mine

During the first quarter 2008, approximately 2,255,000 tons were mined, of which 1,982,000 tons were ore. The mill processed 1,227,000 tons of ore at an average throughput of 13,500 tons per day for the quarter and there was an increase in the ore stockpiled at the mill site of approximately 750,000 tons of ore during the quarter. As at March 31, 2008 the ore stockpile sitting alongside the mill was 1,260,000 tons. Payable production was 13,900 ounces of gold, 170,000 ounces of silver, 4,249,000 lbs of lead and 8,864,000 lbs of zinc. Apollo Gold's share of this production is 50%. Total cash costs for the first quarter 2008 on a by-product basis were minus \$3 per ounce of gold and on a co-product basis they were \$561 per ounce of gold, \$8.20 per ounce of silver, \$0.81 per lb of lead and \$0.62 per lb of zinc. For the fiscal year ended December 31, 2008, Apollo Gold has budgeted total cash costs on a by-product basis of \$100 per ounce of gold.

#### Reserve Statement at Black Fox

On February 29, 2008, we announced a new probable reserve statement with respect to our Black Fox project that shows a new probable reserve of 1,330,000 ounces of gold, based on a gold price of \$650 per ounce. The table below summarizes the Black Fox probable reserve statement.

#### **Black Fox Probable Reserve Statement as of February 29, 2008**

<b>Mining Method</b>	<b>Cutoff Grade Au g/t</b>	<b>Tonnes (000)</b>	<b>Grade Au g/t</b>
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