APOLLO GOLD CORP
Form 10-K/A
January 25, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K/A
Amendment No. 1

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2004

Commission File Number: 001-31593

Apollo Gold Corporation
(Exact name of registrant as specified in its charter)

Yukon Territory	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

5655 S. Yosemite Street, Suite 200
Greenwood Village, Colorado 80111-3220
(Address of Principal Executive Offices Including Zip Code)
(720) 886-9656
(Registrant s telephone number, including area code)

Securities registered pursuant to Section 12(B) of the Act: None
Securities registered pursuant to Section 12(G) of the Act: Common Shares, no par value

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes þ No o

As of June 30, 2004, the approximate aggregate market value of voting stock held by non-affiliates of the registrant was approximately $102,512,882 (based upon the closing price for shares of the registrant s common shares as reported by the American Stock Exchange on that date).

As of March 11, 2005, the registrant had 95,173,126 common shares, no par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our Definitive Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the 2005 Annual Meeting of Shareholders are incorporated by reference to Part III of this Report on Form 10-K.

Explanatory Note

This Amendment No. 1 to the Company s Annual Report on Form 10-K for the year ended December 31, 2004 is being filed to include additional information in the disclosure regarding the Company s proven and probable reserves appearing in Item 1 on pages 14 and 15. The additional information relates to reconciliation of the Company s reserves estimated pursuant to Securities and Exchange Commission Industry Guide 7 to its reserves estimated pursuant to Canada National Instrument 43-101.

REPORTING CURRENCY, FINANCIAL AND OTHER INFORMATION

All amounts in this Report are expressed in US dollars, unless otherwise indicated. Canadian currency is denoted as Cdn$.

Financial information is presented in accordance with accounting principles generally accepted in Canada (Cdn GAAP). Differences between accounting principles generally accepted in the US (U.S. GAAP) and those applied in Canada, as applicable to Apollo Gold Corporation, are discussed in Note 20 to the Consolidated Financial Statements.

Information in Part I and II of this report includes data expressed in various measurement units and contains numerous technical terms used in the gold mining industry. To assist readers in understanding this information, a conversion table and glossary are provided below.

References to Apollo , we , our , and us mean Apollo Gold Corporation, its predecessors and consolidated subsidiaries, or any one or more of them, as the context requires.

NON-GAAP FINANCIAL MEASURES

The cash operating, total cash and total production costs are non GAAP financial measures and are used by management to assess performance of individual operations as well as a comparison to other gold producers.

This information differs from measures of performance determined in accordance with generally accepted accounting principles in Canada and the United States and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. 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 for a reconciliation of these non-GAAP measures to our Statements of Operations.

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Form 10-K contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act of 1934, as amended (the Exchange Act), with respect to our financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events, capital expenditure, and exploration and development efforts. Words such as anticipates, expects, intends, forecasts, plans, believes, seeks, estimates, may, will, and similar expressions identify forward statements. These statements include comments regarding:

- the establishment and estimates of mineral reserves and resources;
- production;
- production commencement dates;
- production costs;
- cash operating costs;
- total cash costs;
- grade;
- processing capacity;
- potential mine life;
- feasibility studies;

- development costs;
- expenditures;
- exploration;
- permits;
- expansion plans;
- closure costs;
- development drilling and its potential results;
- surveys of claims;
- recovery rates;
- geological prospects;
- impact of governmental laws;
- nonpayment of dividends and use of earnings from operations;
- delivery of metals;
- cash flows;
- future financing;
- our ability to fund our 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 Annual Report on Form 10-K:

- unexpected changes in business and economic conditions;
- significant increases or decreases in gold prices;
- changes in interest and currency exchange rates;
- timing and amount of production;
- unanticipated grade changes;

unanticipated recovery or production problems;

changes in mining and milling costs;

pit slides at our mining properties;

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 this Annual Report on Form 10-K 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 Annual Report on Form 10-K and in any documents incorporated by reference into this Annual Report on Form 10-K. We undertake no obligation to update forward-looking statements.

GLOSSARY OF TERMS

Reserve	The term reserve refers to that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Reserves must be supported by a feasibility study done to bankable standards that demonstrates the economic extraction. (Bankable standards implies that the confidence attached to the costs and achievements developed in the study is sufficient for the project to be eligible for external debt financing.) A reserve includes adjustments to the in-situ tonnes and grade to include diluting materials and allowances for losses that might occur when the material is mined.
Proven Reserve	The term proven reserve refers to reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape depth and mineral content of reserves are well-established.
Probable Reserve	The term probable reserve refers to reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.
Mineralized Material	The term mineralized material refers to material that is not included in the reserve as it does not meet all of the criteria for adequate demonstration for economic or legal extraction.
Exploration Stage	An exploration stage prospect is one which is not in either the development or production stage.
Development Stage	A development stage project is one which is undergoing preparation of an established commercially mineable deposit for its extraction but which is not yet in production. This stage occurs after completion of a feasibility study.
Production Stage	A production stage project is actively engaged in the process of extraction and beneficiation of mineral reserves to produce a marketable metal or mineral product.
Mining	Mining is the process of extraction and beneficiation of mineral reserves to produce a marketable metal or mineral product. Exploration continues during the mining process and, in many cases, mineral reserves are expanded during the life of the mine operations as the exploration potential of the deposit is realized.
Cash Operating Cost per Ounce	is equivalent to direct operating cost expense for the period as found on the Consolidated Statements of Operations, less mining taxes and by-product credits payable for silver, lead, and zinc divided by the number of ounces of gold sold during the period.

Doré	unrefined gold bullion bars containing various impurities such as silver, copper and mercury, which will be further refined to near pure gold.
Fault	a surface or zone of rock fracture along which there has been displacement
Fold	a curve or bend of a planar structure such as rock strata, bedding planes, foliation, or cleavage
Formation	a distinct layer of sedimentary rock of similar composition.
Geochemistry	the study of the distribution and amounts of the chemical elements in minerals, ores, rocks, solids, water, and the atmosphere.
Geophysicist	one who studies the earth; in particular the physics of the solid earth, the atmosphere and the earth s magnetosphere.
Geotechnical	the study of ground stability.
Heap Leach	a mineral processing method involving the crushing and stacking of an ore on an impermeable liner upon which solutions are sprayed that dissolve metals such as gold and copper; the solutions containing the metals are then collected and treated to recover the metals.
Mapped or Geological	the recording of geologic information such as the distribution and nature of rock
Mapping	units and the occurrence of structural features, mineral deposits, and fossil localities.
Mineral	a naturally formed chemical element or compound having a definite chemical composition and, usually, a characteristic crystal form.
Mineralization	a natural occurrence in rocks or soil of one or more metal yielding minerals.
Outcrop	that part of a geologic formation or structure that appears at the surface of the earth.
Put	a financial instrument that provides the right, but not the obligation, to sell a specified number of ounces of gold at a specified price.
Shear	a form of strain resulting from stresses that cause or tend to cause contiguous parts of a body of rock to slide relatively to each other in a direction parallel to their plane of contact.
Strike	the direction or trend that a structural surface, e.g. a bedding or fault plane, takes as it intersects the horizontal.
Strip	to remove overburden in order to expose ore.
Total Cash Cost per Ounce	is equivalent to mining operations expense for the period, less by-product credits payable for silver, lead and zinc, plus royalty expense and mining and property

	taxes, divided by the number of ounces of gold sold during the period.
Total Production Cost per Ounce	is equivalent to total cash cost per ounce plus depreciation and amortization.

Vein	a thin, sheet like crosscutting body of hydrothermal mineralization, principally quartz.
Wall Rock	the rock adjacent to a vein.

CONVERSION FACTORS AND ABBREVIATIONS

For ease of reference, the following conversion factors are provided:

1 acre	= 0.4047 hectare	1 mile	= 1.6093 kilometers
1 foot	= 0.3048 meter	1 troy ounce	= 31.1035 grams
1 gram per metric tonne	= 0.0292 troy ounce/short ton	1 square mile	= 2.59 square kilometers
1 short ton (2000 pounds)	= 0.9072 tonne	1 square kilometer	= 100 hectares
1 tonne	= 1,000 kg or 2,204.6 lbs	1 kilogram	= 2.204 pounds or 32.151 troy oz
1 hectare	= 10,000 square meters	1 hectare	= 2.471 acres

The following abbreviations could be used herein:

Au	= gold	m^2	= square meter
g	= gram	m^3	= cubic meter
Au g/t	= grams of gold per tonne	Mg or mg	= milligram
ha	= hectare	mg/m^3	= milligrams per cubic meter
km	= kilometer	T	= tonnes
km^2	= square kilometers	t	= ton
kg	= kilogram	Oz	= troy ounce
lbs	= pounds	Ppb	= parts per billion
m	= meter	Ma	= million years

Note: All units in this report are stated in metric measurements unless otherwise noted.

PART I

ITEM 1. ***DESCRIPTION OF BUSINESS***

OVERVIEW OF APOLLO GOLD

The earliest predecessor to Apollo Gold Corporation was incorporated under the laws of the Province of Ontario in 1936. We are the result of the Plan of Arrangement that resulted in the amalgamation of International Pursuit Corporation and Nevoro Gold Corporation in June 2002. Pursuant to the terms of the Plan of Arrangement, Pursuit acquired Nevoro and continued operations under the name of Apollo Gold Corporation. Through our wholly-owned subsidiary, Apollo Gold, Inc. (acquired by Nevoro in March 2002), we own the majority of our assets and operate the majority of our business. In May 2003, Apollo Gold Corporation 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 Annual Report on Form 10-K.

We are principally engaged in the exploration, development and mining of gold. We have focused our mining efforts to date on two principal properties: Florida Canyon Mine in Nevada and Montana Tunnels Mine in Montana. In 2004, we completed construction of the Standard Mine, located in Nevada near Florida Canyon.

Our development activities involve our Black Fox property in Ontario and our exploration activities include the Pirate Gold, Nugget Field and newly acquired Willow Creek and Huizopa properties.

We are a reporting issuer, or the equivalent, in Canada and the United States and we file disclosure documents with Canadian securities regulatory authorities and the United States Securities and Exchange Commission (the SEC).

BACKGROUND

Apollo Gold Corporation

The following chart illustrates our operations and principal operating subsidiaries and their jurisdictions of incorporation. We own 100% of the voting securities of each subsidiary.

APOLLO GOLD CORPORATION: American Stock Exchange and Toronto Stock Exchange listed holding company which owns and operates the Black Fox development property.

APOLLO GOLD, INC.: Holding company, employs executive officers and furnishes corporate services.

MINERA SOL DE ORO S.A. de C.V.: Holds our rights to the Huizopa exploration property.

MONTANA TUNNELS MINING, INC.: Owns and operates the Montana Tunnels Mine and owns the Diamond Hill Mine.

FLORIDA CANYON MINING, INC.: Owns and operates the Florida Canyon Mine.

APOLLO GOLD EXPLORATION, INC.: Holds United States exploration properties not related to any existing operation.

STANDARD GOLD MINING, INC.: Owns and operates the Standard Mine.

MINE DEVELOPMENT FINANCE INC.: Provides intercompany loans and other financial services to affiliated companies.

Products

Our mines primarily produce gold but also produce silver, zinc and lead. We sell our products principally to custom smelters, refiners and metals traders. The percentage of sales contributed by each class of product is reflected in the following table.

	Year Ended December 31,		
Product Category	**2004**	**2003**	**2002**
Gold	62%	79%	85%
Zinc	20%	13%	11%
Silver, lead and other metals	18%	8%	4%

The table below summarizes our metals production and average metals prices for the periods indicated.

	Year Ended December 31,		
	2004	2003	2002
Production Summary			
Gold ounces	106,825	145,935	62,699
Silver ounces	1,031,156	471,241	275,925
Lead pounds	10,064,265	10,843,184	5,481,230
Zinc pounds	26,222,805	21,792,452	15,328,392
Average metals prices			
Gold London Bullion Mkt. ($/ounce)	$ 409	$ 364	$ 310
Silver London Bullion Mkt. ($/ounce)	$ 6.66	$ 4.88	$ 4.59
Lead LME Cash ($/pound)	$ 0.40	$ 0.23	$ 0.20
Zinc LME Cash ($/pound)	$ 0.48	$ 0.38	$ 0.35

Gold

Gold Production

We produced 106,825, 145,935, and 62,699 ounces of gold during the years ended December 31, 2004, 2003, and 2002, respectively. For the year ended December 31, 2004, 68% of our gold production came from our Florida Canyon Mine and 32% from our Montana Tunnels Mine. In 2003, 70% of our gold production came from our Florida Canyon Mine, and 30% from our Montana Tunnels Mine. Approximately 82% of our gold production in 2002 came from our Florida Canyon Mine and the remaining 18% from our Montana Tunnels Mine.

Most of our revenue is derived from the sale of refined gold in the international market. However, our end product is doré bars. Because doré is an alloy consisting primarily of gold but also containing silver and other metals, doré bars are sent to refiners to produce bullion that meets the required market standard of 99.99% pure gold. Under the terms of our refining contracts, the doré bars are refined for a fee, and our share of the refined gold and the separately recovered silver is paid to us.

Gold Uses

Gold has two primary uses: product fabrication and bullion investment. Fabricated gold has a variety of end uses, including jewelry, electronics, dentistry, industrial and decorative uses, medals, medallions and official coins. Gold investors purchase gold bullion, official coins and high-carat jewelry.

Gold Supply

The worldwide supply of gold consists of a combination of new production from mining and existing stocks of bullion and fabricated gold held by governments, financial institutions, industrial organizations and private individuals.

Gold Price History

The price of gold is volatile and is affected by numerous factors beyond our control such as the sale or purchase of gold by various central banks and financial institutions, inflation or deflation, fluctuation in the value of the US dollar and foreign currencies, global and regional demand, and the political and economic conditions of major gold-producing countries throughout the world.

The following table presents the high, low and average afternoon fixing prices for gold per ounce on the London Bullion Market over the past ten years.

Year	High	Low	Average
1995	$ 396	$ 372	$ 384
1996	415	367	388
1997	362	283	331
1998	313	273	294
1999	326	253	279
2000	313	264	279
2001	293	256	271
2002	349	278	310
2003	416	320	364
2004	454	375	409

Data Source: www.kitco.com

As of March 10, 2005, the high, low, and afternoon fixing prices for gold per ounce on the London Bullion Market were $443, $439 and $440.90 per ounce, respectively.

Zinc

Production from the Montana Tunnels Mine also includes the extraction, processing and sale of zinc and lead contained in sulfide concentrates. We produced 26.2, 21.8 and 15.3 million pounds of zinc in 2004, 2003 and 2002, respectively.

Due to its corrosion resisting property, zinc is used primarily as the coating in galvanized steel. Galvanized steel is widely used in construction of infrastructure, housing and office buildings. In the automotive industry, zinc is used for galvanizing and die-casting, and in the vulcanization of tires. Smaller quantities of various forms of zinc are used in the chemical and pharmaceutical industries, including fertilizers, food supplements and cosmetics, and in specialty electronic applications such as satellite receivers.

Annual Global Supply/ Demand Balance for Zinc, 2000-2004

	2004	2003	2002	2001	2000
			(000 s tonnes)		
Refined Consumption	10,208	9,738	9,388	8,917	8,997
Refined Production	10,005	9,863	9,712	9,228	8,981
Release of Inv. Stocks	12	7	3	23	39
Increase (Decrease) World Stock	-191	132	327	334	23
LME Stocks Total	629	740	651	433	195
Weeks consumption	3.2	4.0	3.6	2.5	1.1
Reported Stocks Total	1,011	1,202	1,095	946	662
Weeks consumption	5.2	6.4	6.1	5.5	3.8
LME cash price $/tonne	1,048	828	779	886	1,128
cents/lb	47.5	37.6	35.3	40.2	51.2

Data Source: Standard Bank Metals Report.

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Zinc Price History

The following table sets forth for the periods indicated the London Metals Exchange s high and low settlement prices of zinc in U.S. dollars per pound.

	Zinc	
Year	**High**	**Low**
2000	0.58	0.46
2001	0.48	0.33
2002	0.42	0.33
2003	0.46	0.34
2004	0.56	0.42
2005*	0.65	0.53

* Through March 10, 2005

Silver

We produced 1,031,156, 471,241, and 275,925 ounces of silver in the years ended December 31, 2004, 2003 and 2002, respectively. Our silver production is a by-product of our gold mining operation. For the year ended December 31, 2004, 94% of our silver production came from our Montana Tunnels Mine and 6% from the Florida Canyon Mine. Approximately 87% of our silver production came from our Montana Tunnels Mine and the remaining 13% from our Florida Canyon Mine in the year ended December 31, 2003.

Silver has traditionally served as a medium of exchange, much like gold. While silver continues to be used for currency, the current principal uses of silver are for industrial uses, primarily for electrical and electronic components, photography, jewelry and silverware. Silver s strength, malleability, ductility, thermal and electrical conductivity, sensitivity to light and ability to endure extreme changes in temperature combine to make silver a widely used industrial metal. Specifically, it is used in photography, batteries, computer chips, electrical contacts, and high technology printing. Silver s anti-bacterial properties also make it valuable for use in medicine and in water purification.

The following table sets forth for the periods indicated the London Metals Exchange s high and low settlement prices of silver in U.S. dollars per pound.

Silver Price History

	Silver	
Year	**High**	**Low**
2000	5.57	4.62
2001	4.83	4.03
2002	5.13	4.22
2003	5.99	4.35
2004	8.29	5.49
2005*	7.60	6.45

* Through March 10, 2005

Lead

Production from the Montana Tunnels Mine also includes the extraction, processing and sale of lead contained in sulfide concentrates. We produced approximately 10.1, 10.8 and 5.5 million pounds of lead in 2004, 2003 and 2002, respectively.

The primary use of lead is in motor vehicle batteries, but it is also used in cable sheathing, solder in printed wiring circuits, shot for ammunition and alloying. Lead in chemical form is used in alloys, glass and plastics.

Annual Global Supply/ Demand Balance for Lead, 2000-2004

	2004	**2003**	**2002**	**2001**	**2000**
			(000 s tonnes)		
Refined Consumption	6,939	6,814	6,641	6,503	6,518
Refined Production	6,726	6,761	6,665	6,575	6,655
Release of Stock	48	60	6	41	32
Increase (Decrease) Stock	-165	7	30	113	169
LME Stocks Total	40	109	184	98	131
Weeks consumption	0.3	0.8	1.4	0.8	1.0
Reported Stocks Total	228	393	483	436	440
Weeks consumption	1.7	3.0	3.8	3.5	3.5
LME cash price $/tonne	887	516	453	476	454
cents/lb	40.2	23.4	20.5	21.6	20.6

Data Source: Standard Bank Metals Report.

Lead Price History

The following table sets forth for the periods indicated the London Metals Exchange s high and low settlement prices for lead in U.S. dollars per pound.

	Lead	
Year	**High**	**Low**
2000	0.26	0.18
2001	0.24	0.20
2002	0.24	0.18
2003	0.34	0.19
2004	0.45	0.29
2005*	0.47	0.41

* Through March 10, 2005

The price of silver, lead and zinc is affected by numerous factors that are beyond our control. See Risk Factors.

Refining Process

We have an annual evergreen agreement with Johnson Matthey to refine our gold doré to a final finished product. Johnson Matthey receives $0.50 for each ounce of gold it refines, in addition to receiving a fee of 0.50% of the payable metal for silver and 0.10% of the payable metal for gold.

Our lead and zinc concentrates are shipped by train to Teck Cominco Metals Ltd. in Trail, British Columbia, Canada, approximately five hours from the Montana Tunnels Mine. Our contract with Teck Cominco expires in March 2007. For further information see Florida Canyon Mine and Montana Tunnels Mine.

2005 OPERATING OUTLOOK

We expect to produce from 122,000 to 151,000 ounces of gold in 2005 at a total cash cost ranging from $325 to $365 per ounce as estimated below. Total cash cost in 2005 will include approximately $80 per ounce related to deferred stripping at Montana Tunnels and leach pad inventory charges at Florida Canyon.

Our gold production estimates by quarter for the year ending December 31, 2005 are set forth in the table below.

	Estimate for 2005 Three Months Ending				**Estimate for Year Ending December 31, 2005**
	March 31,	**June 30,**	**September 30,**	**December 31,**	
Montana Tunnels	15 17,000	17 20,000	17 21,000	16 17,000	**65 75,000**
Standard Mine	**Development**	8 10,000	9 13,000	13 17,000	**30 40,000**
Florida Canyon	9,000	6 9,000	6 9,000	6 9,000	**27 36,000**
Total 2005 Production	**24 26,000**	**31 39,000**	**32 43,000**	**35 43,000**	**122 151,000**
Total Cash Cost ($/oz)	340 380	340 380	320 360	320 360	325 365

At Montana Tunnels Mine we have commenced the permitting process on the next pit expansion by filing an application with the Montana Department of Environmental Quality, with the required permits expected to be received in 2006.

The Standard Mine, which poured its first ounce of gold in late December 2004, is expected to reach commercial production starting in the second quarter of 2005, with production rates increasing during the year as the available leach pad area expands.

In March 2005, the Company ceased mining activities at Florida Canyon but continues active leaching of the existing heap leach pad. Forecasted 2005 production is therefore reduced to 27,000 to 36,000 ounces, with the first quarter of 2005 forecast at 9,000 ounces. We expect to decide later in 2005 whether to build the designed and permitted leach pad expansion and recommence mining operations.

Development and Exploration.

At the Black Fox Project, we completed 84,349 meters of core drilling in 2004, bringing the total drilling by Apollo to 166,963 meters. The 2005 program includes an additional 30,000 meters of underground infill drilling and 21,000 meters of surface drilling, believed to be sufficient to complete the feasibility study in 2005. The feasibility study will include an updated reserve estimate. Estimated expenditures in 2005 at Black Fox are expected to be between $6.0 and $8.0 million.

The exploration program at the Huizopa Project is expected to continue with scheduled activities including geological mapping and studies, geophysical studies, additional trenching and the commencement of an exploration drilling program scheduled for the first half of 2005.

Mineral Reserves

Proven and probable reserves were prepared by us and audited by Mine Development Associates. The 2004 reserves were calculated based on a gold price of $375 per ounce. Our proven and probable mineral reserves are estimated in conformance with definitions set out in Canada s National Instrument 43-101

(NI 43-101) and on a basis consistent with the definition of proved and probable mineral reserves set forth in U.S. Securities and Exchange Commission Industry Guide 7. See our Glossary of Terms .

Proven and Probable Reserves Gold Ounces(1)

	Year Ended December 31,		
Mines	**2004**	**2003**	**2002**
Montana Tunnels	643,800	692,500	291,600
Florida Canyon	263,600	374,393	330,900
Standard	442,400	404,100	318,300
Black Fox Project	457,100	457,100	
Apollo Gold Total	**1,806,900**	**1,928,093**	**940,800**

(1) Since we report our mineral reserves to both NI 43-101 and SEC Industry Guide 7 standards, it is possible for our reserve figures to vary between the two. Where such a variance occurs it will arise from the differing requirements for reporting mineral reserves. For example, NI 43-101 requires that reserves be supported by a pre-feasibility study, and Industry Guide 7 requires support by a final feasibility study meeting bankable standards. The Black Fox Project thus reports reserves under NI 43-101, but reports no reserves under Industry Guide 7 as a final bankable feasibility study has not been completed. No reconciliation between NI 43-101 and Industry Guide 7 is included for Montana Tunnels, Florida Canyon and Standard as there are no material differences.

At Black Fox the above reserves are for an open pit that was audited last year. At the present time, a feasibility study is underway (due for completion in the third quarter 2006), One of the Company s goals is to add underground reserves.

At the Standard Mine, reserves increased slightly as the 2004 drilling results were finalized.

Employee Relations

As of December 31, 2004, we had approximately 403 employees and contract employees, including 10 employees at our principal executive office in Greenwood Village, Colorado.

Competition

We compete with major mining companies and other natural mineral resource companies in the acquisition, exploration, financing and development of new prospects. Many of these companies are larger and better capitalized than we are. There is significant competition for the limited number of gold acquisition and exploration opportunities. Our competitive position depends upon our ability to successfully and economically explore, acquire and develop new and existing mineral prospects. Factors that allow producers to remain competitive in the market over the long term include the quality and size of their orebodies, costs of operation, and the acquisition and retention of qualified employees. We also compete with other mining companies for skilled mining engineers, mine and processing plant operators and mechanics, geologists, geophysicists and other technical personnel. This could result in higher turnover and greater labor costs.

Available Information

We make available, free of charge, on or through our Internet website links to our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our Internet address is www.apollogold.com. Our Internet website and the information contained therein or connected thereto are not intended to be incorporated into this Annual Report on

Form 10-K.

RISK FACTORS

The risks below address some of the factors that may affect our future operating results and financial performance.

We have identified a material weakness in our internal controls over financial reporting.

Section 404 of the Sarbanes-Oxley Act of 2002 requires management to make an assessment of the design and operating effectiveness of our internal controls and our auditors to audit the design and operating effectiveness of our internal controls as well as forming an opinion on management s assessment. We have identified material weaknesses for the year ended December 31, 2004 in two areas. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. First, we have deficient inventory control and management processes and lack of segregation of procurement and accounting duties at our Florida Canyon Mine, primarily due to a lack of sufficient personnel at the Florida Canyon Mine. Second, we lack appropriate review of non-routine or complex accounting matters, relating accounting entries, and appropriate documentation, disclosure and application of Canadian and U.S. GAAP, primarily due to a lack of sufficient personnel with a level of technical accounting expertise commensurate with our reporting requirements.

We have hired additional personnel and will implement new controls in the second quarter of 2005 at Florida Canyon Mine. In addition, we have developed and will continue to refine policies and procedures for the review, identification, and documentation of non-routine, complex transactions and the application of accounting standards to ensure compliance with Canadian and U.S. GAAP. However, we have not yet been able to test and assess the operating effectiveness of these mitigating steps, surrounding the financial reporting process, and testing may reveal similar or additional weaknesses in the design and effectiveness related to the financial reporting process. Since these material weaknesses were not effectively remediated, management has concluded that Apollo s controls are ineffective. Further, our independent registered chartered accountants have issued an adverse opinion on our internal controls as of December 31, 2004. Because opinions on internal controls have not been issued in the past, it is uncertain what impact an adverse opinion would have on our company or our stock price. Furthermore, any failure to comply with public company reporting requirements could subject us to legal and administrative actions.

The market price of our common shares could experience volatility and could decline significantly.

Our common shares are listed on the American Stock Exchange and the Toronto Stock Exchange. Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Our share price is also likely to be significantly affected by short-term changes in gold prices or in our financial condition or results of operations as reflected in our quarterly earnings reports. As a result of any of these factors, the market price of our common shares at any given point in time might not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We could in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management s attention and resources.

If we complete additional equity financings, then our existing shareholders may experience dilution.

Any additional equity financing that we obtain would involve the sale of our common shares and/or sales of securities that are convertible or exercisable into our common shares, such as share purchase warrants or convertible notes. There is no assurance that we will be able to complete equity financings that are not dilutive to our existing shareholders

The existence of outstanding rights to purchase common shares may impair our ability to raise capital.

As of March 10, 2005, approximately 28.4 million of our common shares are issuable on exercise of warrants, options or other rights to purchase common shares at prices ranging from $0.75 to $2.11. During the term of the warrants, options and other rights, the holders are given an opportunity to profit from a rise in the market price of our common shares with a resulting dilution in the interest of the other shareholders. Our ability to obtain additional financing during the period such rights are outstanding may be adversely affected, and the existence of the rights may have an adverse effect on the price of our common shares. The holders of the warrants, options and other rights can be expected to exercise them at a time when we would, in all likelihood, be able to obtain any needed capital by a new offering of securities on terms more favorable than those provided by the outstanding rights.

In addition, there are approximately 11.7 million common shares issuable upon the conversion of the outstanding principal amount of $8,756,000 of our Series B Convertible Debentures at the option of the holder at a conversion price of $0.75 per share.

There may be certain tax risks associated with investments in our company.

Potential investors that are United States taxpayers should consider that we could be considered to be a passive foreign investment company (PFIC) for federal income tax purposes. Although we believe that we currently are not a PFIC and do not expect to become a PFIC in the near future, the tests for determining PFIC status are dependent upon a number of factors, some of which are beyond our control, and we can not assure you that we will not become a PFIC in the future. If we were deemed to be a PFIC, then a United States taxpayer who disposes or is deemed to dispose of our shares at a gain, or who received a so-called excess distribution on the shares, generally would be required to treat such gain or excess distribution as ordinary income and pay an interest charge on a portion of the gain or distribution unless the taxpayer makes a timely qualified electing fund election (a QEF election). A United States taxpayer who makes a QEF election generally must report on a current basis his or her share of any of our ordinary earnings and net capital gain for any taxable year in which we are a PFIC, whether or not we distribute those earnings. Special estate tax rules could be applicable to our shares if we are classified as a PFIC for income tax purposes.

We have a history of losses and we expect to incur losses in the future.

Since our inception through a merger in June 2002, we have incurred significant losses. Our net losses were $18,189,000, $2,186,000 and $3,051,000 for the years ended December 31, 2004, 2003 and 2002, respectively. There can be no assurance that we will achieve or sustain profitability in the future.

We have a limited operating history on which to evaluate our potential for future success.

We were formed as a result of a merger in June 2002 and have only a limited operating history upon which you can evaluate our business and prospects. During this period, we have not generated sufficient revenues to cover our expenses and costs. If we are unsuccessful in addressing these risks and uncertainties, our business, results of operations and financial condition will be materially and adversely affected.

We are dependent on certain key personnel.

We are currently dependent upon the ability and experience of R. David Russell, our President and Chief Executive Officer; Richard F. Nanna, our Senior Vice President-Exploration; and Melvyn Williams, our Chief Financial Officer, Senior Vice President-Finance and Corporate Development. We believe that our success depends on the continued service of our key officers and there can be no assurance that we will be able to retain any or all of such officers. We currently do not carry key person insurance on any of these individuals, and the loss of one or more of them could have a material adverse effect on our operations.

Our earnings may be affected by metals price volatility, specifically the volatility of gold and zinc prices.

We derive all of our revenues from the sale of gold, silver, lead and zinc and, as a result, our earnings are directly related to the prices of these metals. Changes in the price of gold significantly affect our profitability. Gold prices historically have fluctuated widely, based on numerous industry factors including:

- industrial and jewelry demand;
- central bank lending, sales and purchases of gold;
- forward sales of gold by producers and speculators;
- production and cost levels in major gold-producing regions; and
- rapid short-term changes in supply and demand because of speculative or hedging activities.

Gold prices are also affected by macroeconomic factors, including:

- confidence in the global monetary system;
- expectations of the future rate of inflation (if any);
- the strength of, and confidence in, the U.S. dollar (the currency in which the price of gold is generally quoted) and other currencies;
- interest rates; and
- global or regional political or economic events, including but not limited to acts of terrorism.

The current demand for, and supply of, gold also affects gold prices. The supply of gold consists of a combination of new production from mining and existing shares of bullion held by government central banks, public and private financial institutions, industrial organizations and private individuals. As the amounts produced by all producers in any single year constitute a small portion of the total potential supply of gold, normal variations in current production do not usually have a significant impact on the supply of gold or on its price. Mobilization of gold held by central banks through lending and official sales may have a significant adverse impact on the gold price.

The market prices for silver, zinc and lead are also volatile and are affected by numerous factors beyond our control, including global or regional consumptive patterns, speculative activities, and general global political and economic conditions. Our Montana Tunnels Mine has historically produced approximately 45 million pounds of these metals annually, and therefore the market prices of these metals have a significant effect on our financial condition and results of operations.

All of the above factors are beyond our control and are impossible for us to predict. If the market prices for gold, silver, zinc or lead fall below our costs to produce them for a sustained period of time, we will experience additional losses and we could also be required by our reduced revenue to discontinue exploration, development and/or mining at one or more of our properties.

Our reserve estimates are potentially inaccurate.

We estimate our reserves on our properties as either proven reserves or probable reserves. Our ore reserve figures and costs are primarily estimates and are not guarantees that we will recover the indicated quantities of these metals. We estimate proven reserve quantities based on sampling and testing of sites conducted by us and by independent companies hired by us. Probable reserves are based on information similar to that used for proven reserves, but the sites for sampling are less extensive, and the degree of certainty is less. Reserve estimation is an interpretive process based upon available geological data and statistical inferences and is inherently imprecise and may prove to be unreliable.

Our reserves are reduced as existing reserves are depleted through production. Reserves may be reduced due to lower than anticipated volume and grade of reserves mined and processed and recovery rates. Our reserve estimates for the Standard Mine property, that has not yet commenced commercial production, may change based on actual production experience.

Reserve estimates are calculated using assumptions regarding metals prices. These prices have fluctuated widely in the past. Declines in the market price of metals, as well as increased production costs, capital costs and reduced recovery rates, may render reserves uneconomic to exploit. Any material reduction in our reserves may lead to increased net losses, reduced cash flow, asset write-downs and other adverse effects on our results of operations and financial condition. Reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. No assurance can be given that the amount of metal estimated will be produced or the indicated level of recovery of these metals will be realized.

We may not achieve our production estimates.

We prepare estimates of future production for our operations. We develop our estimates based on, among other things, mining experience, reserve estimates, assumptions regarding ground conditions and physical characteristics of ores (such as hardness and presence or absence of certain metallurgical characteristics) and estimated rates and costs of mining and processing. In the past, our actual production from time to time has been lower than our production estimates and this may be the case in the future.

Each of these factors also applies to future development properties not yet in production and to the Standard Mine and Montana Tunnels Mine expansion. In these cases, we do not have the benefit of actual experience in our estimates, and there is a greater likelihood that the actual results will vary from the estimates. In addition, development and expansion projects are subject to unexpected construction and start-up problems and delays.

Our future profitability depends in part, on actual economic returns and actual costs of developing mines, which may differ significantly from our estimates and involve unexpected problems, costs and delays.

From time to time we will engage in the development of new ore bodies. Our ability to sustain or increase our present level of production is dependent in part on the successful exploration and development of new ore bodies and/or expansion of existing mining operations. Decisions about the development of Black Fox and other future projects may be based on feasibility studies.

Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and receipt of adequate financing.

Development projects have no operating history upon which to base estimates of future cash flow. Our estimates of proven and probable ore reserves and cash operating costs are, to a large extent, based upon detailed geologic and engineering analysis. We also conduct feasibility studies that derive estimates of capital and operating costs based upon many factors.

It is possible that actual costs and economic returns may differ materially from our best estimates. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase and to require more capital than anticipated. There can be no assurance that our operations at the Standard Mine or any other development property will be profitable.

Exploration in general, and gold exploration in particular, are speculative and are frequently unsuccessful.

Mineral exploration, particularly for gold and silver, is highly speculative in nature, capital intensive, involves many risks and frequently is nonproductive. There can be no assurance that our mineral exploration efforts will be successful. If we discover a site with gold or other mineralization, it will take a number of years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish ore reserves through drilling, to determine metallurgical processes to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that our exploration programs will result in the expansion or replacement of existing ore reserves that are being depleted by current production.

We are dependent upon three mining properties.

All of our revenues are currently derived from our mining and milling operations at the Montana Tunnels Mine, Florida Canyon Mine and the newly developed Standard Mine, which are low-grade mines. During 2004 we experienced problems related to the milling of low-grade ore at the Montana Tunnels Mine and problems associated with the leaching of gold at our Florida Canyon Mine, both of which negatively affected our revenues. Our Standard Mine is in the pre-production stage and commercial production is expected in the second quarter of 2005. If operations at any of these mines or at any of our processing facilities are reduced, interrupted or curtailed for any reason, our results of operations and financial condition could be materially adversely affected.

We do not currently have and may not be able to raise the funds necessary to explore and develop our Black Fox and Huizopa properties and our other properties.

We do not currently have sufficient funds to complete all of our planned exploration activities at Black Fox and Huizopa or to develop a mine at Black Fox. The development of Black Fox, and exploration of Huizopa and our other properties will require significant capital expenditures. Sources of external financing may include bank and nonbank borrowings and future debt and equity offerings. There can be no assurance that financing will be available on acceptable terms, or at all. The failure to obtain financing would have a material adverse effect on our growth strategy and our results of operations and financial condition.

Most of our assets are pledged to the holders of our 12% Series 2004-B Secured Convertible Debentures and we may not be able to obtain financing from an asset based lender.

The majority of our assets are pledged to the holders of our 12% Series 2004-B Secured Convertible Debentures as security for our obligations under these debentures. Because we have pledged most of our assets to other parties, it may be difficult for us to raise additional external funds through bank, asset based lenders, or other types of lenders, which may require us to raise additional funds through future debt and equity offerings. In addition, the inability to pledge significant assets may make it difficult or impossible to obtain financing on acceptable terms, or at all. The failure to obtain acceptable financing may have a material adverse effect on our growth strategy and our results of operations and financial condition.

Possible hedging activities could expose us to losses.

In connection with a previous financing we have gold hedging contracts covering 8,000 ounces as of March 1, 2005 that involve the use of put and call options. The contracts give the holder the right to buy and us the right to sell stipulated amounts of gold at the upper and lower exercise prices, respectively. The contracts continue through April 25, 2005, with a call option of $345 per ounce and a put option of $295 per ounce. Based on recent gold prices of approximately $420 per ounce, we are realizing about $75 an ounce less than the market price on our currently outstanding hedging positions.

In the future, we may enter into additional precious and/or base metals hedging contracts that may involve outright forward sales contracts, spot-deferred sales contracts, the use of options which may involve the sale of call options and the purchase of all these hedging instruments. There can be no assurance that we will be able to successfully hedge against price, currency and interest rate fluctuations. In addition, our ability to hedge against zinc and lead price risk in a timely manner may be adversely affected by the smaller volume of transactions in both the zinc and lead markets. Further, there can be no assurance that the use of hedging techniques will always be to our benefit. Some hedging instruments may prevent us from realizing the benefit from subsequent increases in market prices with respect to covered production. This limitation would limit our revenues and profits. Hedging contracts are also subject to the risk that the other party may be unable or unwilling to perform its obligations under these contracts. Any significant nonperformance could have a material adverse effect on our financial condition and results of operations.

We face substantial governmental regulation.

Safety. Our U.S. mining operations are subject to inspection and regulation by the Mine Safety and Health Administration of the United States Department of Labor (MSHA) under the provisions of the Mine Safety and Health Act of 1977. The Occupational Safety and Health Administration (OSHA) also has jurisdiction over safety and health standards not covered by MSHA. Our policy is to comply with applicable directives and regulations of MSHA and OSHA. We have made and expect to make in the future, significant expenditures to comply with these laws and regulations.

Current Environmental Laws and Regulations. We must comply with environmental standards, laws and regulations that may result in increased costs and delays depending on the nature of the regulated activity and how stringently the regulations are implemented by the regulatory authority. The costs and delays associated with compliance with such laws and regulations could stop us from proceeding with the exploration of a project or the operation or future exploration of a mine. Laws and regulations involving the protection and remediation of the environment and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. We have made, and expect to make in the future, significant expenditures to comply with such laws and regulations.

Some of our properties are located in historic mining districts with past production and abandoned mines. The major historical mine workings and processing facilities owned (wholly or partially) by us in Montana are being targeted by the Montana Department of Environmental Quality (MDEQ) for publicly funded cleanup, which reduces our exposure to financial liability. We are participating with the MDEQ under Voluntary Cleanup Plans on those sites. Our cleanup responsibilities have been completed at the Corbin Flats Facility and at the Gregory Mine site, both located in Jefferson County, Montana, under programs involving cooperative efforts with the MDEQ. MDEQ is also contemplating remediation of the Washington Mine site at public expense under the Surface Mining Control and Reclamation Act of 1977 (SMCRA). In February 2004, we consented to MDEQ s entry onto the portion of the Washington Mine site owned by us to undertake publicly funded remediation under SMCRA. In March 2004, we entered into a definitive written settlement agreement with MDEQ and the Bureau of Land Management (BLM) under which MDEQ will conduct publicly funded remediation of the Wickes Smelter site under SMCRA and will grant us a site release in exchange for our donation of the portion of the site owned by us to BLM for use as a waste repository. However, there can be no assurance that we will continue to resolve disputed liability for historical mine and ore processing facility waste sites on such favorable terms in the future. We remain exposed to liability, or assertions of liability, that would require expenditure of legal defense costs, under joint and several liability statutes for cleanups of historical wastes that have not yet been completed.

Environmental laws and regulations may also have an indirect impact on us, such as increased costs for electricity due to acid rain provisions of the Clean Air Act Amendments of 1990. Charges by refiners to which we sell our metallic concentrates and products have substantially increased over the past several years because of requirements that refiners meet revised environmental quality standards. We have no control over the refiners operations or their compliance with environmental laws and regulations.

Potential Legislation. Changes to the current laws and regulations governing the operations and activities of mining companies, including changes to the U.S. General Mining Law of 1872, and permitting, environmental, title, health and safety, labor and tax laws, are actively considered from time to time. We cannot predict which changes may be considered or adopted and changes in these laws and regulations could have a material adverse impact on our business. Expenses associated with the compliance with new laws or regulations could be material. Further, increased expenses could prevent or delay exploration or mine development projects and could therefore affect future levels of mineral production.

We are subject to environmental risks.

Environmental Liability. We are subject to potential risks and liabilities associated with environmental compliance and the disposal of waste rock and materials that could occur as a result of our mineral exploration and production. To the extent that we are subject to environmental liabilities, the payment of such liabilities or the costs that we may incur to remedy any non-compliance with environmental laws would reduce funds

otherwise available to us and could have a material adverse effect on our financial condition or results of operations. If we are unable to fully remedy an environmental problem, we might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on us. We have not purchased insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) because it is not generally available at a reasonable price or at all.

Environmental Permits. All of our exploration, development and production activities are subject to regulation under one or more of the various state, federal and provincial environmental laws and regulations in Canada, Mexico and the U.S. Many of the regulations require us to obtain permits for our activities. We must update and review our permits from time to time, and are subject to environmental impact analyses and public review processes prior to approval of the additional activities. It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of our business, causing those activities to be economically reevaluated at that time. Those risks include, but are not limited to, the risk that regulatory authorities may increase bonding requirements beyond our financial capabilities. The posting of bonding in accordance with regulatory determinations is a condition to the right to operate under all material operating permits, and therefore increases in bonding requirements could prevent our operations from continuing even if we were in full compliance with all substantive environmental laws.

We face strong competition from other mining companies for the acquisition of new properties.

Mines have limited lives and as a result, we may seek to replace and expand our reserves through the acquisition of new properties. In addition, there is a limited supply of desirable mineral lands available in the United States, Canada and Mexico and other areas where we would consider conducting exploration and/or production activities. Because we face strong competition for new properties from other mining companies, some of which have greater financial resources than we do, we may be unable to acquire attractive new mining properties on terms that we consider acceptable.

The titles to some of our properties may be uncertain or defective.

Certain of our United States mineral rights consist of unpatented mining claims created and maintained in accordance with the U.S. General Mining Law of 1872. Unpatented mining claims are unique U.S. property interests, and are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented mining claims is often uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations that supplement the General Mining Law. Also, unpatented mining claims and related rights, including rights to use the surface, are subject to possible challenges by third parties or contests by the federal government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims.

In recent years, the U.S. Congress has considered a number of proposed amendments to the General Mining Law. Although no such legislation has been adopted to date, there can be no assurance that such legislation will not be adopted in the future. If ever adopted, such legislation could, among other things, impose royalties on gold production from unpatented mining claims located on federal lands or impose fees on production from patented mining claims. If such legislation is ever adopted, it could have an adverse impact on earnings from our operations, could reduce estimates of our reserves and could curtail our future exploration and development activity on federal lands or patented claims.

While we have no reason to believe that the existence and extent of any of our properties are in doubt, title to mining properties are subject to potential claims by third parties claiming an interest in them.

We may lose rights to properties if we fail to meet payment requirements or development or production schedules.

We derive the rights to most of our mineral properties from unpatented mining claims, leaseholds, joint ventures or purchase option agreements which require the payment of maintenance fees, rents, or purchase price installments, exploration expenditures, or other fees. If we fail to make these payments when they are due, our rights to the property may lapse. There can be no assurance that we will always make payments by the requisite payment dates. In addition, some contracts with respect to our mineral properties require development or production schedules. There can be no assurance that we will be able to meet any or all of the development or production schedules. Our ability to transfer or sell our rights to some of our mineral properties requires government approvals or third party consents, which may not be granted.

Our operations may be adversely affected by risks and hazards associated with the mining industry.

Our business is subject to a number of risks and hazards including adverse environmental effects, technical difficulties due to unusual or unexpected geologic formations, and pit wall failures.

Such risks could result in personal injury, environmental damage, damage to and destruction of production facilities, delays in mining and liability. For some of these risks, we maintain insurance to protect against these losses at levels consistent with our historical experience and industry practice. However, we may not be able to maintain current levels of insurance, particularly if there is a significant increase in the cost of premiums. Insurance against environmental risks is generally too expensive or not available for us and other companies in our industry, and, therefore, we do not maintain environmental insurance. To the extent we are subject to environmental liabilities, we would have to pay for these liabilities. Moreover, in the event that we are unable to fully pay for the cost of remedying an environmental problem, we might be required to suspend or significantly curtail operations or enter into other interim compliance measures.

You could have difficulty or be unable to enforce certain civil liabilities on us, certain of our directors and our experts.

We are a Yukon Territory, Canada, corporation. Substantially all of our assets are located outside of Canada and our head office is located in the United States. Additionally, a number of our directors and the experts named in this Annual Report on Form 10-K are residents of Canada. Although we have appointed Lackowicz, Shier & Hoffman as our agents for service of process in the Yukon Territory, it might not be possible for investors to collect judgments obtained in Canadian courts predicated on the civil liability provisions of securities legislation. It could also be difficult for you to effect service of process in connection with any action brought in the United States upon such directors and experts. Execution by United States courts of any judgment obtained against us, or any of the directors, executive officers or experts named in this Annual Report on Form 10-K, in United States courts would be limited to the assets or the assets of such persons or corporations, as the case might be, in the United States. The enforceability in Canada of United States judgments or liabilities in original actions in Canadian courts predicated solely upon the civil liability provisions of the federal securities laws of the United States is doubtful.

If we cannot successfully operate our production properties or raise additional funds to finance our Black Fox Property we may not be able to continue as a going concern.

The Company s ability to continue as a going concern is dependent on its ability to successfully operate the Montana Tunnels Mine and Florida Canyon Mine, as well as the new Standard Mine. The Company will not have sufficient resources from existing operations to finance the development of the Black Fox project. The Company is actively seeking financing for the Black Fox exploration activities and plans in the future to seek financing for development; however, the availability and timing of this financing is not certain at this time.

PART IV

ITEM 15. *EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K*

(a) *Documents filed as part of this report on Form 10-K or incorporated by reference:*

(1) Our consolidated financial statements are listed on the Index to Financial Statements on Page F-1 to this report.

(2) Financial Statement Schedules (omitted because they are either not required, are not applicable, or the required information is disclosed in the notes to the financial statements or related notes).

(3) The following exhibits are filed with this report on Form 10-K or incorporated by reference.

Exhibit No.	Exhibit Name
1.2	Underwriting Agreement between Apollo Gold Corporation and Regent Mercantile Bancorp, Inc.(2)
1.3	Agency Agreement between Apollo Gold Corporation and Regent Mercantile Bancorp, Inc., dated November 4, 2004.(3)
1.4	Engagement Letter between Apollo Gold Corporation and Regent Mercantile Bancorp, Inc. dated December 29, 2004.(4)
1.5	Agency Agreement between Apollo Gold Corporation and Regent Mercantile Bancorp, Inc., dated December 31, 2004.(5)
2.1	Merger Agreement dated as of January 31, 2002, by and among Nevoro Gold Corporation, Nevoro Gold USA, Inc. and Apollo Gold Corporation.(6)
2.2	International Pursuit Corporation and Nevoro Gold Corporation Arrangement Agreement dated May 13, 2002.(6)
2.3	Purchase Agreement dated May 30, 2003 by and between Exall Resources Limited, Glimmer Resources, Inc. and International Pursuit Corporation.(6)
2.3(a)	Amendment Agreement dated as of September 5, 2002, by and between Exall Resources Limited, Glimmer Resources, Inc. and Apollo Gold Corporation.(6)
3.1	Letters Patent of the Registrant Brownlee Mines (1936) Limited from the Province of Ontario dated June 30, 1936; Certificate of Amendment of Articles of the Registrant effective July 20, 1972; Certificate of Amendment of Articles of the Registrant effective on November 28, 1975; Certificate of Amendment of Articles of the Registrant effective on August 14, 1978 (Change of name to J-Q Resources Inc.); Certificate of Articles of Amendment of the Registrant effective on July 15, 1983; Certificate of Articles of Amendment of the Registrant effective July 7, 1986; Certificate of Articles of Amendment of the Registrant effective August 6, 1987 (Change of name to International Pursuit Corporation); Certificate of Articles of Arrangement of the Registrant effective June 25, 2002 (Change of name to Apollo Gold Corporation); Certificate of Continuance filed May 28, 2003.(6)
3.2	By-Laws of the Registrant, as amended to date.(6)
4.1	Sample Certificate of Common Shares of the Registrant.(6)
4.2	Registration Rights Agreement dated September 13, 2002 by and among Registrant and BMO Nesbitt Burns Inc., acting on behalf of and for the benefit of each of the holders.(6)
4.3	Registration Rights Agreement dated December 23, 2002, by and among Registrant and BMO Nesbitt Burns Inc., acting on behalf of and for the benefit of each of the holders.(6)
4.4	Form of Subscription Agreement dated September 26, 2003, by and among Registrant and certain investors.(1)

4.5	Registration Rights Agreement dated September 26, 2003, by and among Registrant and BMO Nesbitt Burns Inc., acting on behalf of and for the benefit of each of the holders.(1)
4.6	Form of Senior Indenture.(7)

Exhibit No.	Exhibit Name
4.7	Form of Subordinated Indenture.(7)
4.8	Debenture between Apollo Gold Corporation and Regent Securities Capital Corporation.(3)
4.9	Form of Compensation Warrant.(2)
4.10	Form of Subscription for Special Notes.(3)
4.11	Trust Indenture by and among Apollo Gold Corporation, Apollo Gold, Inc. and The Canada Trust Company.(3)
4.12	Form of Special Note.(3)
4.13	Form of Subscription Agreement for Special Warrants.(3)
4.14	Form of Special Warrants.(3)
4.15	Form of Compensation Option.(3)
4.16	Form of Subscription Agreement.(4)
4.17	Form of Registration Rights Agreement.(4)
10.1	Amended and Restated Employment Agreement dated May, 2003, by and between Apollo Gold Corporation and R. David Russell, President and Chief Executive Officer.(6)
10.2	Amended and Restated Employment Agreement dated May, 2003, by and between Apollo Gold Corporation and Richard F. Nanna, Vice-President, Exploration.(6)
10.3	Amended and Restated Employment Agreement dated May, 2003, by and between Apollo Gold Corporation and Donald W. Vagstad, Vice-President, General Counsel and Secretary.(6)
10.4	Amended and Restated Employment Agreement dated May, 2003, by and between Apollo Gold Corporation and David K. Young, Vice-President, Business Development.(6)
10.5	Apollo Gold Corporation Plan of Arrangement Stock Option Incentive Plan.(6)
10.6	Apollo Gold Corporation Stock Option Incentive Plan.(6)
10.7	Form of Stock Option Agreement used for Apollo Gold Corporation Stock Option Incentive Plan.(6)
10.8	Term Bonding Agreement dated August 1, 2002 among National Fire Insurance Company of Hartford, Apollo Gold Corporation, Apollo Gold, Inc. and Montana Tunnels Mining, Inc.(6)
10.9	Apollo Gold, Inc. and Affiliated Companies Company Retirement Plan (Employee Savings Plan).(6)
10.10	Installment Sales Contract between Florida Canyon Mining, Inc. and Caterpillar Financial Services Corporation dated January 9, 2002.(6)
10.11	Second Installment Sales Contract between Florida Canyon Mining, Inc. and Caterpillar Financial Services Corporation dated January 9, 2002.(6)
10.12	Finance Lease between Florida Canyon Mining and Caterpillar Financial Services Corporation dated as of August 23, 2002.(6)
10.13	Form of Indemnification Agreement between Apollo Gold Corporation and its officers and directors.(8)
10.14	Form of Indemnification Agreement between Apollo Gold Corporation subsidiaries and their respective officers and directors.(8)
10.15	Employment Agreement between Apollo Gold Corporation and Melvyn Williams, effective as of February 16, 2004.(8)
10.16	Employment Agreement between Apollo Gold Corporation and Donald O. Miller, effective as of March 1, 2004.(8)
10.17	Employment Agreement between Apollo Gold Corporation and Wade Bristol, Vice President of United States Operations.(7)

21.1	List of subsidiaries of the Registrant.(9)
23.1	Consent of Deloitte & Touche LLP(9)
23.2	Consent of Mine Development Association*

Exhibit No.	Exhibit Name
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act*
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act*
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act*

* Filed herewith.

(1) Incorporated by reference to the Registration Statement on Form S-1 (File No. 333-109511).

(2) Incorporated by reference to the Current Report on Form 8-K filed October 25, 2004.

(3) Incorporated by reference to the Current Report on Form 8-K filed on November 9, 2004.

(4) Incorporated by reference to the Current Report on Form 8-K filed on January 5, 2005.

(5) Incorporated by reference to the Current Report on Form 8-K filed on January 6, 2005.

(6) Incorporated by reference to the Registration Statement on Form 10 (File No. 001-31593).

(7) Incorporated by reference to the Registration Statement on Form S-3 (File No. 333-119198).

(8) Incorporated by reference to the Current Report on Form 8-K filed on September 24, 2004.

(9) Filed with the Annual Report on Form 10-K filed March 16, 2005

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this amendment to be signed January 25, 2006 on its behalf by the undersigned, thereunto duly authorized.

APOLLO GOLD CORPORATION
By: /s/ R. DAVID RUSSELL

R. David Russell
President and Chief Executive Officer

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INDEX TO EXHIBITS

Exhibit No.	Exhibit Name
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