



## **Apollo Gold Update Development Activities and Financing of the Black Fox Mine**

**Denver, Colorado – December 4, 2008** - Apollo Gold Corporation (“Apollo”) (TSX: APG) (AMEX: AGT) is pleased to provide an update on the financing of and status of project development related to its 100% owned Black Fox Project (“Black Fox”) located near Timmins, Ontario, Canada.

### **Financing**

In May 2008 Apollo retained Macquarie Bank Ltd. (“Macquarie”) and RMB Resources Inc. (“RMB”) as joint arrangers (the “Banks”) and underwriters for the Black Fox project finance facility. The Banks have been conducting extensive due diligence and project review with Apollo and this process is still ongoing but nearing completion. However, to ensure that development of the mine and the upgrade of the mill continues on a timely basis so as to meet the agreed development plan the Banks have proposed a US\$15 million bridge facility which we expect will proceed through their internal approval process during the week of December 8, 2008. Apollo expects that following completion of the diligence process and receipt of all necessary internal approvals Apollo and the Banks will be in a position to finalize the overall project finance facility agreement sufficient to fund Black Fox through to commencement of production in April 2009. Repayment of the facility is expected to be the earlier of the first draw down under the project finance facility or June 30, 2009.

### **Project Development**

The Feasibility Study published pursuant to a Canadian National instrument 43-101 in April 2008 envisaged the development of both an underground and open pit mine at Black Fox at the same time with production commencing in January 2009. Ores were to be processed at the nearby Stock Mill, owned at the time by St Andrew Goldfield (“St Andrew”), at a rate of 1,100 tonnes per day with any excess ore being toll treated at St Andrew’s Holt-Holloway mill.

The Stock Mill was purchased from St. Andrew in July 2008. Since then, a review of the processing capability of the mill has been completed by GBM Engineering for the work and costs associated with upgrading the Black Fox mill complex to process between 1,500 and 2,000 tonnes of ore per day. The cost estimate of the upgrade is \$21.0 million and it is expected to be completed by April 2009 assuming the project financing facility is completed as expected.

Based upon the mill review we now expect that, by the second quarter of 2009, the open pit will be able to produce 1,500 tonnes of ore per day, which will be sufficient to feed the mill. Based on this assessment, we have decided to defer underground mining to periods after 2009. Apollo

does not intend to toll treat any ores though toll treating remains an alternative subject to satisfactory toll milling terms and arrangements.

### **Permits**

Apollo has received all necessary permits and approvals required to commence mining activities. In particular, it has received Certified Closure Plan Approval, an Amended Certificate of Approval for Industrial Sewage Works, and a Permit to Take Water (Surface and Ground Water.)

### **Mining Operations**

On October 23, 2008, a contractor commenced on site and to date all access roads and mine haul roads have been constructed and the removal of the glacial till material which overlays the open pit has commenced. To date approximately 300,000 tonnes of till has been stockpiled and completion is scheduled in May 2009. Mining of the open pit (ore and waste material) by Apollo is expected to commence in March 2009. Apollo has placed orders for its mining equipment, and all items required to commence mining are scheduled to be on site in January and February 2009.

### **Mill Complex**

Following the review by GBM and Apollo of increasing the Black Fox mill complex to process a minimum 1,500 tonnes of ore per day, Apollo has awarded GBM the Engineering Procurement Construction Management contract (“EPCM”) to complete the upgrade by April 2009. GBM has been on site for several weeks now and work progresses according to schedule. The completion of the final designs, engineering and costing for the upgrade is a critical component to finalizing due diligence for the arrangement of the project finance facility.

R. David Russell, President and CEO said “I am happy that I can announce today that we have a proposal from the Banks for a bridge facility that will keep work at Black Fox moving forward while the remaining work associated with final engineering for the Stock Mill upgrade, and to a lesser extent underground mine planning, is completed so that the Banks’ due diligence for the project financing facility can be concluded and the facility arranged. I am confident we will bring Black Fox into production in April 2009 on schedule. In review, we have a mill, we have started developing the open pit, equipment is on order, the refurbishment of the mill is underway, we are finalizing a bridge facility to keep the project moving forward and believe we are nearing completion of the project financing.”

### **Apollo Gold Corporation**

Apollo is a gold mining and exploration company which operates the Montana Tunnels Mine, which is a 50% joint venture with Elkhorn Tunnels, LLC, in Montana, the Black Fox development project in Ontario, Canada, and the Huizopa project, an early stage exploration project in the Sierra Madres in Chihuahua, Mexico.

This press release has been reviewed and approved for release by Richard Nanna, Professional Geologist, Apollo's Senior Vice-President, Exploration and Development and is a designated a "Qualified Person" under NI 43-101.

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**FORWARD-LOOKING STATEMENTS**

This press release includes "Forward-Looking Statements" within the meaning of section 21E of the United States *Securities Exchange Act* of 1934, as amended. Forward-looking statements can be identified by the use of words such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "intends," "continue," or the negative of such terms, or other comparable terminology. All statements regarding completion of the bridge financing facility, sufficiency of proceeds from the bridge financing facility to maintain the progress of the Black Fox project pending completion of a completion of a project finance facility, availability, amount and timing of a project finance facility for Black Fox, estimated reserves of the Black Fox project, the timing of commencement of production and amount of ore that may be produced at Black Fox, the timing of receipt of equipment needed to commence mining and for mill upgrade, the cost and timing of upgrades to the Black Fox mill, the timing assumptions regarding development of the mine at Black Fox, the timing of mining and processing operations at Black Fox; the receipt of permits, the timing of removal of open pit glacial till, and throughput rates of the stock mill are forward-looking statements that involve various risks and uncertainties. There is no assurance that the mining at Black Fox will occur on the schedule, or with the results, set forth in this press release. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from these forward-looking statements include: global economic factors, which may affect the availability and cost of financing; results of due diligence reviews by financing parties; unforeseen obstacles in the glacial till removal; increases in anticipated cash costs, operating costs, mining costs, capital expenditures and other costs; delays in obtaining equipment; decreases in anticipated plant gold recoveries and gold prices, delays or problems in construction and start-up; variations in ore grade; mining or processing problems or issues; and other factors disclosed under the heading "Risk Factors" and elsewhere in Apollo documents filed from time to time with the Toronto Stock Exchange, the American Stock Exchange, the United States Securities and Exchange Commission and other regulatory authorities. All forward-looking statements included in this press release are based on information available to Apollo on the date hereof. Apollo assumes no obligation to update any forward-looking statements.