

**APOLLO GOLD CORP.
(FORMERLY INFORM RESOURCES CORP.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)**

FOR THE PERIOD ENDED MAY 31, 2020

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial condensed interim condensed interim statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

APOLLO GOLD CORP.
(FORMERLY INFORM RESOURCES CORP.)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

	May 31, 2020	November 30, 2019
ASSETS		
Current		
Cash	\$ 2,113,444	\$ 10,822
Receivables	10,019	2,920
Prepaid expenses	<u>93,779</u>	<u>10,000</u>
	2,217,242	23,742
Exploration and evaluation (Note 3)	50,000	-
Property and equipment	<u>692</u>	<u>815</u>
	<u>\$ 2,267,934</u>	<u>\$ 24,557</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities [CAN WE WRITE OFF LONG TERM AP? ETC.]	<u>\$ 356,967</u>	<u>\$ 220,549</u>
Shareholders' equity (deficiency)		
Share capital (Note 4)	8,426,717	6,254,197
Reserves (Note 4)	1,325,534	672,095
Warrants (Note 4)	88,362	-
Deficit	<u>(7,929,646)</u>	<u>(7,122,284)</u>
	<u>1,910,967</u>	<u>(195,992)</u>
	<u>\$ 2,267,934</u>	<u>\$ 24,557</u>

Nature and continuance of operations (Note 1)
Subsequent Events (Note 8)

Approved and authorized by the Board on July 25, 2020:

"Daryn Gordon" Director _____
"Simon Clarke" Director

The accompanying notes are an integral part of these condensed interim financial statements.

APOLLO GOLD CORP.
(FORMERLY INFORM RESOURCES CORP.)
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE PERIODS ENDED

	Three Months ended May 31, 2020	Three Months ended May 31, 2019	Six Months ended May 31, 2020	Six Months ended May 31, 2019
OPERATING EXPENSES				
Accounting and audit	\$ 1,950	\$ 3,522	\$ 3,850	\$ 5,322
Consulting fees	17,000	10,500	27,500	21,000
Depreciation	61	524	122	1,381
Investor relations and shareholder communications	41,890	-	41,890	-
Professional fees	27,526	-	27,526	-
Office and administration	31,490	15,090	46,584	30,185
Exploration	7,166	-	7,166	-
Share-based payments	653,439	-	653,439	-
Transfer agent and filing fees	<u>10,412</u>	<u>2,626</u>	<u>19,220</u>	<u>8,696</u>
	(790,934)	(32,262)	(827,297)	(66,584)
OTHER ITEMS				
Gain on settlement of accounts payable	<u>19,935</u>	<u>-</u>	<u>19,935</u>	<u>-</u>
Loss and comprehensive loss for the period	<u>\$ (770,999)</u>	<u>\$ (32,262)</u>	<u>\$ (807,362)</u>	<u>\$ (66,584)</u>
Basic and diluted loss per share	<u>\$ (0.03)</u>	<u>\$ (0.00)</u>	<u>\$ (0.03)</u>	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding - basic and diluted	<u>24,584,223</u>	<u>20,140,584</u>	<u>23,171,694</u>	<u>20,140,584</u>

The accompanying notes are an integral part of these condensed interim financial statements.

APOLLO GOLD CORP.
(FORMERLY INFORM RESOURCES CORP.)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE [SIX MONTH] PERIODS ENDED

	May 31, 2020	May 31, 2019
CASH FROM OPERATING ACTIVITIES		
Loss for the period	\$ (807,362)	\$ (66,584)
Items not affecting cash:		
Depreciation	122	1,381
Share-based compensation	653,439	-
Gain on settlement of accounts payable	(19,935)	-
Changes in non-cash working capital items:		
Receivables	(7,099)	(3,637)
Prepaid expenses	(83,779)	-
Accounts payable and accrued liabilities	<u>156,354</u>	<u>26,750</u>
Net cash used in operating activities	<u>(108,260)</u>	<u>(42,090)</u>
CASH FROM FINANCING ACTIVITIES		
Proceeds from private placements, net of share issue costs	<u>2,260,882</u>	<u>-</u>
	-	-
CASH FROM INVESTING ACTIVITIES		
Purchase of exploration and evaluation	(50,000)	-
Purchase of property and equipment	<u>-</u>	<u>(1,442)</u>
	(50,000)	(1,442)
Change in cash during the period	2,102,622	(43,532)
Cash, beginning of period	<u>10,822</u>	<u>59,471</u>
Cash, end of period	<u>\$ 2,113,444</u>	<u>\$ 15,939</u>
Supplemental cash flow information:		
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	-	-

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APOLLO GOLD CORP.
(FORMERLY INFORM RESOURCES CORP.)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited)
(Expressed in Canadian Dollars)

	<u>Share capital</u>						
	Number	Amount	Warrants	Reserves	Deficit	Total	
Balance at November 30, 2018	20,140,584	\$ 6,254,197	\$ -	\$ 672,095	\$ (6,985,934)	\$ (59,642)	
Loss for the period	-	-	-	-	(66,584)	(66,584)	
Balance at May 31, 2019	20,140,584	6,254,197	-	672,095	(7,052,518)	(126,226)	
Loss for the period	-	-	-	-	(69,766)	(69,766)	
Balance at November 30, 2019	20,140,584	6,254,197	-	672,095	(7,122,284)	(195,992)	
Private placement	20,532,000	2,362,100	-	-	-	2,362,100	
Share issue costs	-	(101,218)	-	-	-	(101,218)	
Broker warrants	-	(88,362)	88,362	-	-	-	
Share-based compensation	-	-	-	653,439	-	653,439	
Loss for the period	-	-	-	-	(807,362)	(807,362)	
Balance at May 31, 2020	40,672,584	\$ 8,426,717	\$ 88,362	\$ 1,325,534	\$ (7,929,646)	\$ 1,910,967	

The accompanying notes are an integral part of these condensed interim financial statements.

APOLLO GOLD CORP.
(FORMERLY INFORM RESOURCES CORP.)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTH PERIOD ENDED MAY 31, 2020
(Unaudited)
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Apollo Gold Corp. (formerly Inform Resources Corp.) (the “Company”) is an exploration company incorporated on September 22, 1999 under the laws of the Province of Alberta, Canada. The Company filed for continuance under the Canada Business Corporations Act on December 1, 2003 and then under the laws of British Columbia on November 4, 2010. The Company is listed on the TSX Venture Exchange (“TSX-V”) and trades under the symbol APGO. The Company’s head office, principal address and registered and records office is Suite 1507, 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

The condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of Compliance and basis of presentation

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s November 30, 2019 annual financial statements.

Critical accounting estimates and significant judgments

Estimates:

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgement uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgements, and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project.

APOLLO GOLD CORP.
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTH PERIOD ENDED MAY 31, 2020
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The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Judgments:

The most significant judgments relate to the recoverability of capitalized amounts and recognition of deferred tax assets and liabilities.

3. EXPLORATION AND EVALUATION ASSETS

	Apollo / Sancarron Properties
Balance, December 1, 2019	\$ -
Additions during the year	
Property acquisition costs	50,000
Total additions during the year	50,000
Balance, May 31, 2020	\$ 50,000

On March 25, 2020, the Company entered into an option agreement to earn up to 90% interest in two prospective gold-silver properties, comprising 5 exploration and 18 exploitation concessions, in the El Indio Gold Belt of western Chile. The terms of the option agreement are as follows:

- To earn a 65% interest, the Company must make cash payments totalling \$600,000 as follows:
 - \$50,000 upon signing of the agreement;
 - \$50,000 within 7 business days of TSX Venture Exchange approval;
 - \$100,000, \$150,000, and \$250,000 on the first, second and third anniversary date of Exchange approval of the agreement.

The Company must also incur \$3,000,000 of expenditures on the Properties as follows: \$500,000, \$1,000,000, and \$1,500,000, during the first, second and third respective years following Exchange approval of the Agreement. [NTD sorry had issues formatting!]

- To earn an additional 25%, the Company must make total cash payments of \$250,000 and \$500,000 on or before 90 days after the fourth and fifth respective years following the Exchange approval. In addition, the Company must also incur an aggregate total of \$5,000,000 of expenditures within 5 years of TSX Venture Exchange approval of the agreement.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTH PERIOD ENDED MAY 31, 2020
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4. SHARE CAPITAL AND RESERVES

Authorized share capital

As at May 31, 2020 the authorized share capital of the Company is an unlimited number of common shares without par value.

Private placements

On April 27, 2020, the Company closed a private placement of 12,500,000 units for gross proceeds of \$625,000. Each unit consists of one common share and one warrant to purchase one common share of the Company at \$0.25 per share for two years from the date of closing. There were no issue costs associated with this private placement. The full amount of the offering was allocated to share capital.

On May 27, 2020, the Company closed a private placement of 8,032,000 units for gross proceeds of \$2,008,000. Each unit consists of one common share and one warrant to purchase an additional common share at \$0.50 per share for a period of two years from the date of closing. At May 31, 2020, a total of \$270,900 [??] was receivable for the issuance of shares. In connection of this private placement, the Company paid \$65,085 in finders' fees and issued 320,000 finders' warrants to purchase one common share for \$0.50 per share for a period of two years. The full amount of the offering was allocated to share capital.

Warrants

Warrants transactions are summarized as follows:

	Number	Average Exercise Price	Weighted Average Remaining Life
Balance, December 1, 2018	-	\$ -	-
Granted on private placements	20,532,000	\$ 0.35	1.94
Finders' fees	320,600	\$ 0.50	1.99
Balance, May 31, 2020	20,852,600	\$ 0.35	1.94

Details of the warrants outstanding at May 31, 2020 are as follows:

Exercise Price	Outstanding Number of Warrants	Weighted Average Remaining Life
\$0.25	12,500,000	1.91
\$0.50	8,352,600	1.99
	20,852,600	1.94

Share-based payments

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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Stock option transactions are summarized as follows:

	Number	Average Exercise Price	Weighted Average Remaining Life
Balance, December 1, 2018	-	\$ -	-
Granted	2,500,000	\$ 0.33	4.93
Balance, May 31, 2020	2,500,000	\$ 0.33	4.93

Details of the stock options outstanding at May 31, 2020 are as follows:

Exercise Price	Outstanding Number of Options	Weighted Average Remaining Life
\$0.33	2,500,000	4.93
	2,500,000	4.93

The weighted average fair value of the share purchase options granted during the period is \$0.26 (2019 – nil). Options were priced using the Black-Scholes option pricing model using the weighted average assumptions to estimate the fair value of options granted. The expected volatility of the Company was estimated by using the historical volatility of comparable public entities.

	2020	2019
Risk-free interest rate	0.41%	-%
Expected life	5.0 years	- years
Expected volatility	100%	-%
Weighted average grant date share price	\$ 0.35	\$ -
Expected dividend yield	0%	-%

5. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors, and corporate officers. The remuneration of directors and key management personnel during the periods ended May 31, 2020 and February 29, 2019, were as follows:

- Accounting fees of \$1,950 (2019 - \$1,900) to a company controlled by Daryn Gordon, an officer and director of the Company.
- Andrew Cheshire, CEO and director, participated in the private placement that closed on April 27, 2020 and acquired 500,000 units of the Company.
- During the period, 1,300,000 share options were awarded to directors and officers of the Company. As a result, \$339,788 of share-based compensation has been recognized in the statement of operations, attributable to these awards.
- Included in accounts payable and accrued liabilities at May 31, 2020 is \$96,548 (November 30, 2019 - \$33,330) due to a director and officer of the Company and a former director and officer.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist mainly of GST receivable from the Government of Canada. The Company has been successful in recovering input tax credits and believes credit risk with respect to receivables to be insignificant.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2020, the Company had a cash balance of \$2,113,444 (November 30, 2019 - \$10,822) to settle current liabilities of \$356,967 (November 30, 2019 - \$220,549). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at May 31, 2020, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

The Company's business is conducted in Canadian dollars. As such, the Company considers exposure to foreign currency risk to be minimal.

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c) Price risk

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond control of the Company may affect the marketability of any minerals discovered. The price of gold has experienced volatile and significant price movements over short periods of time and is affected by numerous factors beyond the Company's control. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

7. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the acquisition and exploration of its exploration and evaluation assets. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

8. SUBSEQUENT EVENTS

On June 23, 2020, the Company announced it had entered into a non-binding letter of intent with First Majestic Silver Corp. ("First Majestic") for a three year earn-in option ("the Option") to acquire a 100% ownership of First Majestic's Jalisco Group of properties in the state of Jalisco, Mexico.

Under the terms of the Transaction, Apollo Gold may exercise the Option by paying a total of \$750,000, as well as issuing shares in the Company to First Majestic over a 3-year period as follows:

- On closing of the definitive Agreement ("Closing"), Apollo Gold will pay \$250,000 and issue shares equivalent to 9.9% of the outstanding share capital of the Company as at the date of the letter of intent and issue 1,500,000 share purchase warrants, entitling First Majestic to acquire one common share in the Company for \$0.50 per share for a period of 2 years;
- On the date that is 12 months after Closing, Apollo Gold will pay \$200,000 and issue 1,000,000 common shares of the Company to First Majestic;
- On the date that is 24 months after Closing, Apollo Gold will pay \$300,000 and issue 1,000,000 common shares to First Majestic.

In addition, Apollo Gold will commit to exploration expenditures of at least \$1,250,000 on the Jalisco Group of Properties within 36 months of Closing.

On June 23, 2020 the Company also announced that it is conducting a non-brokered private placement of up to 10,000,000 units at a price of \$0.50 per unit for total gross proceeds of up to \$5,000,000 (the "Offering"). Each unit will consist of one common share (a "Share") and one-half of one common share purchase warrant (each whole warrant a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional share at a price of \$0.75 per Share for a period of 24 months from the date of issuance.