

APOLLO GOLD CORP
Form PREM14A
April 26, 2010

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to ss.240.14a-11(c) or ss.240.14a-12

APOLLO GOLD CORPORATION
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on the table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
Common Stock, no par value per share
 - (2) Aggregate number of securities to which transaction applies:
242,083,209
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
\$0.35 (average of high and low prices of Apollo Gold Corporation common stock reported on the American Stock Exchange for such shares on April 21, 2010)
 - (4) Proposed maximum aggregate value of transaction:
\$84,729,123.15
 - (5) Total fee paid:
\$16,945.82
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

NOTICE AND MANAGEMENT INFORMATION CIRCULAR
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO
BE HELD ON , 2010

CONCERNING, AMONG OTHER THINGS, THE ISSUANCE OF SHARES PURSUANT
TO THE PROPOSED PLAN OF ARRANGEMENT INVOLVING LINEAR GOLD
CORP., APOLLO GOLD CORPORATION AND 1526735 ALBERTA ULC

DATED , 2010

These materials are important and require your immediate attention. They require the shareholders of Apollo Gold Corporation to make important decisions. If you are in doubt as to how to make your decisions, contact your financial, legal or other professional advisors.

If you have any questions regarding the information described in this Notice and Management Information Circular or require assistance in voting your shares, please contact Laurel Hill Advisory Group toll-free, at 1-888-987-3940 (Banks, Brokers and collect calls: 416-637-4661).

APOLLO GOLD CORPORATION
5655 South Yosemite Street, Suite 200
Greenwood Village, Colorado
80111-3220

NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS OF APOLLO GOLD CORPORATION

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “Apollo Meeting”) of the holders (the “Apollo Shareholders”) of common shares (“Apollo Shares”) in the capital of Apollo Gold Corporation (“Apollo”) will be held at for the following purposes:

- to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is attached to the accompanying management information circular (the “Circular”) of Apollo as Schedule A (the “Share Issuance Resolution”) approving the issuance of Apollo Shares, (including the Apollo Shares issuable upon exercise of Apollo warrants (the “Apollo Replacement Warrants”) and Apollo options (the “Apollo Replacement Options”)), the Apollo Replacement Warrants and Apollo Replacement Options, in each case in connection with a court-approved plan of arrangement (the “Arrangement”) under section 193 of the Alberta Business Corporations Act (the “ABCA”), pursuant to which Linear Gold Corp. (“Linear”) will amalgamate with 1526735 Alberta ULC (“Apollo Sub”), a wholly-owned subsidiary of Apollo, such amalgamated corporation will become a wholly owned subsidiary of Apollo and securityholders of Linear will become securityholders of Apollo in accordance with the arrangement agreement dated March 31, 2010 entered into by and among Linear, Apollo and Apollo Sub, all as more particularly set forth in the Circular;
- conditional upon approval of the Share Issuance Resolution, to consider and, if deemed advisable, approve, with or without variation, an ordinary resolution authorizing certain amendments to the Apollo Stock Option Incentive Plan, the full text of which is attached to the Circular as Schedule B (the “Option Plan Amendment Resolution”);
- conditional upon approval of the Share Issuance Resolution and the Option Plan Amendment Resolution, to consider and, if deemed advisable, approve, with or without variation, a special resolution authorizing the filing of articles of amendment to change the name of Apollo to , the full text of which is attached to the Circular as Schedule C (the “Name Change Resolution”);
 - conditional upon approval of the Share Issuance Resolution and the Option Plan Amendment Resolution, to consider and, if deemed advisable, to approve, with or without variation, a special resolution authorizing the filing of articles of amendment to effect a consolidation of Apollo Shares on the basis of one post-consolidation Apollo Share for every four Apollo Shares outstanding immediately prior to the share consolidation, such amendment to be effected as soon as practicable following consummation of the Arrangement without further approval or authorization of the Apollo Shareholders (the “Share Consolidation Resolution”), the full text of which is attached to the Circular as Schedule D;
 - to elect seven directors of Apollo;
 - to re-appoint Apollo’s independent auditors and to authorize the directors to fix their remuneration;
- to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution ratifying Apollo’s shareholder rights plan (the “Rights Plan Resolution”), the full text of which is attached to the Circular as Schedule E;

- to receive the audited consolidated financial statements of Apollo for the fiscal year ended December 31, 2009, together with the report of the auditors thereon; and
-

- to transact such further or other business as may properly come before the Apollo Meeting and any adjournments or postponements thereof.

Only Apollo Shareholders of record as of 5:00 p.m. (Toronto time) on , 2010, the record date for the Apollo Meeting (the “Record Date”), will be entitled to receive notice of the Apollo Meeting and to attend and vote at the Apollo Meeting or any adjournments or postponements thereof. This Notice is accompanied by the Circular and a form of proxy. This Notice, the Circular and accompanying form of proxy are first being mailed to Apollo Shareholders on or about , 2010.

The Circular provides additional information relating to the matters to be dealt with at the Apollo Meeting and is deemed to form part of this Notice. Any adjourned or postponed meeting resulting from an adjournment or postponement of the Apollo Meeting will be held at a time and place to be specified either by Apollo before the Apollo Meeting or by the chairman at the Apollo Meeting.

DATED this day of , 2010.

BY ORDER OF THE BOARD OF DIRECTORS

R. David Russell
President and Chief Executive Officer

Your vote is important. Accordingly, please complete, sign and return the enclosed proxy card or submit your proxy by facsimile according to the instructions on the proxy card. If you have any questions or need assistance, please call the Laurel Hill Advisory Group, which is assisting Apollo in its solicitation efforts, toll-free at (888) 987-3940. For additional information regarding voting your shares, see the section of the Circular entitled “General Information Concerning The Apollo Meeting” beginning on page of the Circular.

**IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL
AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD , 2010.**

The Notice of Annual and Special Meeting, Circular, Proxy and Apollo’s Annual Report for the Fiscal Year Ended December 31, 2009 are available at .

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GLOSSARY OF TERMS

“ABCA” means the Business Corporations Act (Alberta) and the regulations made thereunder, as promulgated or amended from time to time.

“AMEX” means the NYSE Amex Equities.

“Apollo Board” means the board of directors of Apollo, including (unless the context indicates otherwise) the board of directors of the combined company following consummation of the Arrangement.

“Apollo Fairness Opinion” means the written fairness opinion of Haywood Securities dated March 9, 2010, concluding that the consideration to be paid by Apollo in connection with the Arrangement is fair, from a financial point of view, to the Apollo Shareholders, a copy of which is attached hereto as Schedule L.

“Apollo Meeting” or “Meeting” means the annual and special meeting of Apollo Shareholders to be held on , 2010 at 10:00 a.m. (Denver time), and any adjournments or postponements thereof, for the purposes set forth in the attached Notice of Meeting.

“Apollo Proxy” means the instrument of proxy for Apollo accompanying this Circular.

“Apollo Replacement Options” means the stock options to be issued to former optionholders of Linear pursuant to the Arrangement.

“Apollo Replacement Warrants” means the warrants to be issued to former warrantholders of Linear pursuant to the Arrangement.

“Apollo Shareholder Approval” means the approval of the Share Issuance Resolution and the Option Plan Amendment Resolution by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.

“Apollo Shareholders” means, at the relevant time(s), the holders of Apollo Shares.

“Apollo Shares” means common shares in the capital of Apollo, including (unless the context indicates otherwise) shares of the combined company following consummation of the Arrangement.

“Apollo Special Committee” means the special committee of independent directors of Apollo, comprised of Messrs. Stott, Peat, Kaiser and Vaughan, established to consider, among other things, the proposed Arrangement and the Share Issuance.

“Apollo Stock Option Incentive Plan” or “Stock Option Incentive Plan” means the stock option incentive plan of Apollo adopted in December 2003 and amended and restated as of May 16, 2009.

“Apollo Sub” means 1526735 Alberta ULC, a wholly owned subsidiary of Apollo incorporated as an unlimited liability corporation under the ABCA for the purpose of effecting the Arrangement.

“Apollo” means Apollo Gold Corporation, a corporation continued under the Laws of the Yukon Territory pursuant to the provisions of the YBCA.

“Arrangement” means the proposed arrangement under the provisions of section 193 of the ABCA upon the terms and conditions set forth in the Plan of Arrangement and any amendments thereto made in accordance with Article 7 of the

Arrangement Agreement and Article 7 of the Plan of Arrangement or the direction of the Court in the Final Order.

“Arrangement Agreement” means the Arrangement Agreement dated March 31, 2010 among Linear, Apollo and Apollo Sub, a copy of which is attached hereto as Schedule F, and any amendments thereto or amendments and restatements thereof.

“Arrangement Resolution” means the special resolution of the Linear Shareholders approving the Arrangement.

“Articles of Arrangement” means articles of amalgamation in respect of the Arrangement required by the ABCA to be filed with the Registrar after the Final Order is made;

“Binding LOI” means the binding letter of intent dated March 9, 2010 between Apollo and Linear setting out the principal terms of the Arrangement, as amended by amendment no. 1 dated March 18, 2010.

“Business Day” means a day, other than a Saturday or a Sunday or a statutory or civic holiday in Halifax, Nova Scotia and Denver, Colorado.

“Canadian GAAP” means Canadian generally accepted accounting principles.

“CBCA” means the Canada Business Corporations Act and the regulations made thereunder, as promulgated or amended from time to time.

“CIM Standards” means the Definition Standards for Mineral Resources and Mineral Reserves adopted by the Canadian Institute of Mining, Metallurgy and Petroleum Council on December 11, 2005.

“Circular” means this management information circular, including the Notice of Meeting and all Schedules attached hereto and all documents incorporated by reference herein, and all amendments hereof, sent to the Apollo Shareholders in connection with the Apollo Meeting.

“Completion Deadline” means the date by which the transactions contemplated by the Arrangement Agreement are to be completed, which date shall be no later than July 2, 2010.

“Continuance” means the proposed continuance of Linear from the Canadian federal jurisdiction into the Province of Alberta in order to facilitate the Arrangement.

“Continuance Resolution” means the special resolution of the Linear Shareholders approving the Continuance.

“Court” means the Court of Queen’s Bench of Alberta.

“Dissent Procedures” means the dissent procedures set out in Section 190 of the CBCA in respect of the Continuance and Section 191 of the ABCA in respect of the Arrangement, required to be complied with by Dissenting Shareholders in order to exercise Dissent Rights, as qualified in their entirety by the text of the Interim Order.

“Dissent Rights” means the rights of registered shareholders of Linear to dissent in respect of the Continuance or the Arrangement, as applicable, in compliance with the Dissent Procedures.

“Dissenting Shareholder” means a registered shareholder of Linear who dissents in respect of the Continuance or the Arrangement, as applicable, in strict compliance with the Dissent Rights.

“EDGAR” means the Electronic Data Gathering Analysis and Retrieval system, maintained by the SEC.

“Effective Date” means the date shown on the Articles of Arrangement issued under the ABCA giving effect to the Arrangement.

“Effective Time” means 5:00 p.m. (Toronto time) on the Effective Date.

“Exchange Ratio” means 5.4742 Apollo Shares for each Linear Share.

“Final Order” means the order of the Court pursuant to section 193 of the ABCA approving the Arrangement, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed.

“Former Linear Shareholder” means a Linear Shareholder immediately following the Effective Time.

“Governmental Authority” means and includes, without limitation, any national, federal, provincial, state, county or municipal government, governmental or public department, court, tribunal, commission, board, bureau or agency or any political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“Haywood Securities Engagement Letters” means the letter agreements dated December 30, 2009 and April 15, 2010 between the Apollo Special Committee and Haywood Securities pursuant to which Haywood Securities was retained to act as financial advisor to the Apollo Special Committee and provide the Apollo Fairness Opinion.

“Haywood Securities” means Haywood Securities Inc. in its capacity as financial advisor to the Apollo Special Committee.

“Indicated Mineral Resource” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

“Inferred Mineral Resource” means that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

“Insider” has the meaning ascribed to such term in the Securities Act (Ontario).

“Interim Order” means the interim order of the Court dated , 2010, as such order may be amended, with respect to the Arrangement providing for, among other things, the calling and holding of the Linear Meeting, a copy of which is attached hereto as Schedule H.

“Laws” means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, directives, instruments, policies, notices, directions and judgments or other requirements of any Governmental Authority.

“Linear Board” means the board of directors of Linear.

“Linear Circular” means the notice and management information circular (and all schedules and exhibits thereto and documents incorporated by reference therein) sent to the Linear Shareholders in connection with the Linear Meeting.

“Linear Listed Warrants” means, collectively, an aggregate of up to 5,203,750 Linear Warrants that were issued pursuant to the common share purchase warrant indenture dated November 19, 2009 between Linear and Computershare Trust Company of Canada, and are listed for trading on the TSX.

“Linear Meeting” means the special meeting of Linear Shareholders to be held on , and any adjournments or postponements thereof, for the purpose of Linear Shareholders considering and, if deemed advisable, approving the Continuance Resolution and the Arrangement Resolution.

“Linear Optionholders” means the holders of Linear Options.

“Linear Options” means the outstanding options issued pursuant to the Linear Stock Option Plan.

“Linear Shareholder Approval” means the approval of the Continuance Resolution and the Arrangement Resolution by the Linear Shareholders present in person or represented by proxy at the Linear Meeting.

“Linear Shareholders” means, at the relevant time(s), the holders of Linear Shares.

“Linear Shares” means the outstanding common shares in the capital of Linear.

“Linear Stock Option Plan” means the stock option plan of Linear adopted on September 29, 2006.

“Linear Warrantholders” means the holders of Linear Warrants.

“Linear Warrants” means the outstanding common share purchase warrants of Linear.

“Linear” means Linear Gold Corp., a corporation incorporated under the federal Laws of Canada.

“Material Adverse Change” when used in connection with an entity means any change (or any condition, event or development involving a prospective change) in the business, affairs, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights, liabilities, prospects or privileges, whether contractual or otherwise, of such entity which has or is reasonably likely to have a Material Adverse Effect on such entity and its parent (if applicable) or subsidiaries, taken as a whole.

“Material Adverse Effect” when used in connection with an entity means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations of such entity and its parent (if applicable) or subsidiaries, taken as a whole.

“Measured Mineral Resource” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

“Mineral Reserve” means the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

“Mineral Resource” means a concentration or occurrence of natural solid inorganic material or natural solid fossilized organic material, including base and precious metals, in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

“Name Change Resolution” means the special resolution of the Apollo Shareholders, substantially in the form attached hereto as Schedule C, approving the Name Change.

“Name Change” means the proposed change of the name of Apollo to upon completion of the Arrangement.

“NI 43-101” means National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

“Notice of Meeting” means the notice in respect of the Apollo Meeting, as the context requires, accompanying this Circular.

“Option Plan Amendment Resolution” means the ordinary resolution of Apollo Shareholders approving certain amendments to the Apollo Stock Option Incentive Plan required in order to facilitate the Arrangement, all as more particularly described in this Circular.

“Party” or “party” means either Linear, Apollo or Apollo Sub and “Parties” or “parties” means all of Linear, Apollo and Apollo Sub.

“Plan of Arrangement” means the plan of arrangement substantially in the form attached hereto as Schedule G and any amendment or variation thereto made in accordance with its provisions, Article 7 of the Arrangement Agreement or upon the direction of the Court in the Final Order.

“Private Placement” means the issuance from treasury of 62,500,000 Apollo Shares to Linear on March 18, 2010 at a price of Cdn.\$0.40 per Apollo Share for aggregate gross proceeds of Cdn.\$25,000,000.

“Probable Mineral Reserve” means the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

“Project Facility Agreement” means the agreement among Apollo, the Project Lenders and RMB Resources Inc. dated February 20, 2009, as amended, relating to the Apollo credit facility in respect of the Black Fox project.

“Project Lenders” means, collectively, Macquarie Bank Limited and RMB Australia Holdings Limited, being the lenders to Apollo under the Project Facility Agreement.

“Proven Mineral Reserve” means the economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

“Record Date” means 5:00 p.m. (Toronto time) on .

“Registered Shareholder” means a registered holder of Apollo Shares as recorded in the shareholder register of Apollo as maintained by its transfer agent.

“Registrar” means the Registrar of Corporations or Deputy Registrar of Corporations appointed pursuant to Section 263 of the ABCA.

“Resigning Directors” means R. David Russell, Robert W. Babensee, G. Michael Hobart, and W.S. (Steve) Vaughan, each a current director of Apollo who will resign from the Apollo Board upon closing of the Arrangement.

“Rights Plan Resolution” means the special resolution of the Apollo Shareholders, substantially in the form attached hereto as Schedule E, ratifying the Shareholder Rights Plan.

“SEC” means the United States Securities and Exchange Commission and includes any successor thereto.

“SEDAR” means the System for Electronic Document Analysis and Retrieval, maintained by the Canadian Securities Administrators.

“Share Consolidation” means the share consolidation of Apollo Shares on the basis of one post-consolidation Apollo Share for every four Apollo Shares outstanding immediately prior to the share consolidation.

“Share Consolidation Resolution” means the special resolution of the Apollo Shareholders, substantially in the form attached hereto as Schedule D, approving the Share Consolidation.

“Shareholder” means a Linear Shareholder or Apollo Shareholder, as the context requires.

“Share Issuance” means the issuance of Apollo Shares (including those issuable upon exercise of the Apollo Replacement Options and Apollo Replacement Warrants), Apollo Replacement Options and Apollo Replacement Warrants in connection with the Arrangement.

“Share Issuance Resolution” means the ordinary resolution of the Apollo Shareholders, substantially in the form attached hereto as Schedule A, approving the Share Issuance.

“Shareholder Rights Plan” means the shareholder rights plan of Apollo originally adopted on January 17, 2007.

“subsidiary” means, with respect to a specified body corporate, any body corporate of which the specified body corporate is entitled to elect a majority of the directors thereof and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to such a body corporate, excluding any body corporate in respect of which such direction or control is not exercised by the specified body corporate as a result of any existing contract, agreement or commitment.

“TSX” means the Toronto Stock Exchange.

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, and the regulations made thereunder, as promulgated or amended from time to time.

“U.S. GAAP” means United States generally accepted accounting principles.

“U.S. Securities Act” means the United States Securities Act of 1933, and the regulations made thereunder, as promulgated or amended from time to time.

“United States” or “U.S.” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“YBCA” means the Business Corporations Act (Yukon) and the regulations made thereunder, as promulgated or amended from time to time.

GLOSSARY OF GEOLOGIC TERMS

adularia	a transparent or translucent variety of orthoclase (a monoclinic feldspar)
alloy	a homogeneous mixture or solid solution of two or more metals
breccia	rock consisting of angular fragments of other rocks held together by mineral cement or a fine-grained matrix
call	a financial instrument that provides the right, but not the obligation, to buy a specified number of ounces of gold or silver or of pounds of lead or zinc at a specified price
doré	unrefined gold bullion bars containing various impurities such as silver, copper and mercury, which will be further refined to near pure gold
electrum	an alloy of silver and gold
epithermal	pertaining to mineral veins and ore deposits formed from warm waters at shallow depth
fault	a rock fracture along which there has been displacement
feasibility study	a definitive engineering and economic study addressing the viability of a mineral deposit taking into consideration all associated technical factors, costs, revenues, and risks
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
geotechnical	the study of ground stability
grade	quantity of metal per unit weight of host rock

host rock

the rock containing a mineral or an ore body

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hydrothermal	the products of the actions of heated water, such as a mineral deposit precipitated from a hot solution
induced polarization	an exploration method which uses either the decay of an excitation voltage (time-domain method) or variations in the Earth's resistivity at two different but low frequencies (frequency-domain method).
mafic	pertaining to or composed dominantly of the ferromagnesian rock-forming silicates; said of some igneous rocks and their constituent minerals
mapping or geologic mapping	the recording of geologic information such as the distribution and nature of rock units and the occurrence of structural features, mineral deposits, and fossil localities
metamorphism	the process by which rocks are altered in composition, texture, or internal structure by extreme heat, pressure, and the introduction of new chemical substances
metasediment	a sediment or sedimentary rock that shows evidence of having been subjected to metamorphism
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
mining	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.
National Instrument 43-101	Canadian standards of disclosure for mineral projects
open pit	surface mining in which the ore is extracted from a pit or quarry, the geometry of the pit may vary with the characteristics of the ore body
ore	mineral bearing rock that can be mined and treated profitably under current or immediately foreseeable economic conditions
ore body	a mostly solid and fairly continuous mass of mineralization estimated to be economically mineable
outcrop	that part of a geologic formation or structure that appears at the surface of the earth
petrographic	the systematic classification and description of rocks, especially by microscopic examinations of thin sections
put	a financial instrument that provides the right, but not the obligation, to sell a specified number of ounces of gold or of pounds of lead or zinc at a specified price
pyrite	common sulfide of iron
quartz	a mineral composed of silicon dioxide, SiO ₂ (silica)
reclamation	the process by which lands disturbed as a result of mining activity are modified to support beneficial land use. Reclamation activity may include the removal of buildings, equipment, machinery and other physical remnants of mining, closure of tailings storage facilities, leach pads and other mine features, and contouring, covering and re-vegetation of waste rock and other disturbed areas.
reclamation and closure costs	the cost of reclamation plus other costs, including without limitation certain personnel costs, insurance, property holding costs such as taxes, rental and claim fees, and community programs associated with closing an operating mine
recovery rate	a term used in process metallurgy to indicate the proportion of valuable material physically recovered in the processing of ore, generally stated as a percentage of the material recovered compared to the total material originally present
SEC Industry Guide 7	U.S. reporting guidelines that apply to registrants engaged or to be engaged in significant mining operations
sedimentary rock	rock formed at the earth's surface from solid particles, whether mineral or organic, which have been moved from their position of origin and redeposited
stockwork	a complex system of structurally controlled or randomly oriented veins

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
sulfide	a mineral including sulfur (S) and iron (Fe) as well as other elements; metallic sulfur-bearing mineral often associated with gold mineralization
vein	a thin, sheet-like crosscutting body of hydrothermal mineralization, principally quartz
volcanic rock	originally molten rocks, generally fine grained, that have reached or nearly reached the earth's surface before solidifying

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:

Ag	= silver	m	= meter
Au	= gold	m(2)	= square meter
Au g/t	= grams of gold per tonne	m(3)	= cubic meter
g	= gram	Ma	= million years
ha	= hectare	Oz	= troy ounce
km	= kilometer	Pb	= lead
km(2)	= square kilometers	t	= tonne
kg	= kilogram	T	= ton
lb	= pound	Zn	= zinc

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

NOTICE TO UNITED STATES SHAREHOLDERS

The Apollo securities to be issued in connection with the Arrangement have not been registered under the U.S. Securities Act or any U.S. state securities Laws and, to the extent that registration would otherwise be required under Section 5 thereof, are being issued in reliance on the exemption from registration set forth in Section 3(a)(10) thereof on the basis of the approval of the Court. Each of Apollo, Linear and Apollo Sub is a corporation existing under the Laws of Yukon, Canada and Alberta, respectively. The transactions contemplated in this Circular involve securities of a Canadian issuer and are being effected in accordance with Canadian corporate Laws. Residents of the United States should be aware that such requirements differ from such requirements under the Laws of the United States and the states thereof.

Likewise, information in this Circular or in the documents incorporated by reference herein concerning the properties and operations of Apollo and Linear has been prepared in accordance with Canadian standards under applicable Canadian securities Laws, which differ from the requirements of U.S. securities Laws. The terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” used in this Circular or in the documents incorporated by reference herein are Canadian mining terms as defined in accordance with NI 43-101 under guidelines set out in the CIM Standards.

While the terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” are recognized and required by Canadian securities regulations, they are not recognized by the SEC. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. “Inferred Mineral Resource” has a great amount of uncertainty as to its existence, as to whether they can be mined and as to its economic and legal feasibility, except in rare cases. It cannot be assumed that all or any part of an “Inferred Mineral Resource” will ever be upgraded to a higher category. Under Canadian securities regulations, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies, except in rare cases. Readers are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into Mineral Reserves. Readers are also cautioned not to assume that all or any part of an “Inferred Mineral Resource” exists, or is economically or legally mineable. Disclosure of contained ounces is permitted disclosure under Canadian regulations; however, the SEC generally only permits issuers to report resources as in place tonnage and grade without reference to unit measures. As such, certain information contained in this Circular or in the documents incorporated by reference herein concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by United States companies subject to reporting and disclosure requirements of the SEC.

In addition, the definitions of “Proven Mineral Reserves” and “Probable Mineral Reserves” under CIM standards differ in certain respects from the U.S. standards. Apollo’s Proven and Probable Mineral Reserves are estimated in accordance with definitions set forth in NI 43-101 and on a basis consistent with the definition of Proven and Probable Mineral Reserves set forth in SEC Industry Guide 7. Because Apollo reports its Mineral Reserves to both NI 43-101 and SEC Industry Guide 7 standards, it is possible for its reserve estimates to vary between the two. Where such a variance occurs it will arise from the differing requirements for reporting Mineral Reserves set forth by the different reporting authorities to which Apollo is subject.

The enforcement by Apollo Shareholders of civil liabilities under the United States federal securities Laws may be affected adversely by the fact that both Linear and Apollo are organized under the Laws of Canada, that some or all of their officers and certain directors and the experts named herein may be resident in jurisdictions outside the United States, and that all or a substantial portion of the assets of Linear and Apollo and such persons are located outside the United States. Accordingly, you may not be able to sue a foreign company or its officers or directors in a court outside the United States for violations of U.S. securities Laws. In addition, it may be difficult to compel a foreign company

and its affiliates to subject themselves to judgment by a U.S. court.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Circular and the documents incorporated by reference herein contain certain “forward-looking statements” and “forward-looking information” under applicable securities Laws. Except for statements of historical fact, certain information contained in this Circular and the documents incorporated by reference herein, constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as “may”, “could”, “will”, “shall”, “might”, “plan”, “expect”, “project”, “schedule”, “forecast”, “budget”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “could”, “would”, “might” or “will” occur. Forward-looking statements include, without limitation, statements with respect to future development, future production, advancement towards feasibility, future cash flows, cash costs, strip ratios, grade, mill capacities, recovery costs, mine life, the estimation of commodity prices, the estimation of Mineral Reserves and resources, the realization of Mineral Reserve and Resource estimates, costs of exploration activities, the success of exploration activities, permitting time lines, costs of production, currency exchange rate fluctuations, expected capital expenditures, requirements for additional capital, government regulation of mining activities, environmental risks, unanticipated reclamation expenses, title disputes or claims, aboriginal disputes or claims, limitations on insurance coverage, the sufficiency of current working capital and anticipated operating cash flow, the sufficiency of Mineral Reserves and Resources and estimated exploration expenditures to be incurred on Linear’s and/or Apollo’s properties, compliance with environmental standards and matters related to the completion of the Arrangement. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of Linear and Apollo and there is no assurance they will prove to be correct. These factors include, but are not limited to, the risks and uncertainties relating to, among other things, changes in commodity prices, currency fluctuations, financing, unanticipated Mineral Reserve and Resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations as well as those factors discussed under the section entitled “Risk Factors” in Apollo’s Form 10-K dated March 17, 2010 which is incorporated by reference herein.

There are also certain risks related to the consummation of the Arrangement including, but not limited to, the risk that the businesses of Linear and Apollo may not be integrated successfully or that such integration may be more difficult, time-consuming or costly than expected; the risk that the expected benefits may not be fully realized or not realized within the expected time frame; and other risks discussed in this Circular or in the documents incorporated by reference herein. Although Apollo has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The information contained in this Circular, including the information under the heading “Risk Factors” identifies additional factors that could affect the operations, results and performance of Apollo. Readers are urged to carefully consider these factors. Apollo undertakes no obligations to update forward-looking statements if circumstances or managements’ respective estimates or opinions change except as required by applicable securities Laws. The reader is cautioned not to place undue reliance on forward-looking statements.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

Unless otherwise indicated, all references to “\$,” “US\$” or “U.S. dollars” in this Circular refer to United States dollars and all references to “Cdn.\$” or “Canadian dollars” in this Circular refer to Canadian dollars. The financial statements of Linear are reported in Canadian dollars and prepared in accordance with Canadian GAAP. The financial statements of Apollo that are incorporated by reference herein are reported in United States dollars and prepared in accordance with

U.S. GAAP.

The following table sets out the high, low, average and closing exchanges rates for Canadian dollars in terms of United States dollars for each of the three years ended December 31, 2009:

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	Year Ended December 31		
	(US\$)		
	2007(1)	2008(1)	2009(1)
High	1.0905	1.0289	0.9695
Low	0.8437	0.7711	0.7653
Average	0.9304	0.9381	0.8706
Closing	1.0120	0.8166	0.9564

(1) Using the daily noon rates for each period.

On , 2010, the exchange rate for one Canadian dollar expressed in United States dollars, based upon the noon buying rates provided by the Bank of Canada, was US\$ (US\$ 1.00=\$).

INFORMATION CONTAINED IN THIS CIRCULAR

The information contained in this Circular is given as at , 2010 except where otherwise noted and except that information in documents incorporated by reference is given as of the dates noted therein.

No person has been authorized by Apollo to give any information or to make any representation in connection with the Arrangement, the Share Issuance and any other matters described herein other than that contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by Apollo or Linear.

Certain information pertaining to Linear included or described herein (including financial statements of Linear) has been provided by or on behalf of Linear or is based on publicly available documents and records on file with the relevant Canadian provincial securities regulators and other public sources. Although Apollo does not have any knowledge that would indicate that any such information is inaccurate or incomplete, Apollo assumes no responsibility for the accuracy or completeness of such information, nor for the failure by Linear to disclose events which may have occurred or which may affect the completeness or accuracy of such information but which is unknown to Apollo.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Apollo Shareholders are urged to consult their own professional advisors in connection herewith.

QUESTIONS AND ANSWERS ABOUT THE ARRANGEMENT AND THE APOLLO MEETING

Q: What is the Arrangement?

A: Apollo and Linear are proposing to engage in a business combination transaction pursuant to which Apollo will acquire all of Linear's outstanding common shares and Linear will amalgamate with Apollo Sub and the amalgamated corporation will become a wholly owned subsidiary of Apollo. The transaction will be carried out pursuant to (i) the Arrangement Agreement dated March 31, 2010 among Linear, Apollo and Apollo Sub, and (ii) a Court-approved arrangement under section 193 of the Alberta Business Corporations Act, which we refer to herein as the Plan of Arrangement. The Arrangement Agreement and Plan of Arrangement provide that Apollo will acquire (i) each outstanding Linear Share (other than those held by Linear Shareholders who properly exercise their Dissent Rights) in exchange for 5.4742 Apollo Shares, (ii) each outstanding Linear Warrant in exchange for an Apollo Replacement Warrant and (iii) each outstanding Linear Option in exchange for an Apollo Replacement Option. In addition, pursuant to the Arrangement Agreement and the Plan of Arrangement, Apollo Sub and Linear will be amalgamated and continue as one unlimited liability corporation under the ABCA.

When the term "transaction" is used throughout this Circular, it means the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement.

Q: Why is Apollo proposing to combine its business with Linear's?

A: Apollo is proposing to combine its business with Linear's because Apollo believes that a combination allows Apollo to materially reduce Black Fox project debt levels, provides immediate capital to fund the new underground development at Black Fox as well as an aggressive exploration program at Grey Fox and Pike River to advance towards feasibility in the near term and expands Apollo's portfolio of quality exploration assets to include Linear's Goldfields Project in northern Saskatchewan, Canada, its properties in the Chiapas area of southern Mexico and the Ampliacion Pueblo Viejo II property in the Dominican Republic.

Q: Why am I receiving this Circular and Apollo Proxy card or form of Apollo Proxy?

A: You are receiving this Circular and Apollo Proxy or form of Apollo Proxy because you own Apollo Shares.

Q: What will happen to Apollo Shares in the Arrangement?

A: Nothing. Each Apollo Share outstanding will remain outstanding as a share of Apollo common stock.

Q: What will happen to Apollo Shares if Apollo Shareholders approve the Share Issuance Resolution, the Option Plan Amendment Resolution and the Share Consolidation Resolution?

A: As soon as practicable following consummation of the Arrangement, the number of Apollo Shares will be consolidated on the basis of one post-consolidation Apollo Share for every four Apollo Shares outstanding immediately prior to the Share Consolidation. The Share Consolidation will affect all Apollo Shareholders uniformly and will not affect any Apollo Shareholder's percentage ownership interests or proportionate voting power, except to the extent that the Share Consolidation results in any Apollo Shareholders owning a fractional Apollo Share (in which case each fractional Apollo Share that is less than one-half of one Apollo Share will be cancelled without any compensation therefor and each fractional Apollo Share that is at least one-half of one Apollo Share will be adjusted upward to one whole Apollo Share). Following the Share Consolidation, the Apollo Shares will have the same voting rights and rights to dividends and distributions, if any, and will be identical in all other respects to the Apollo Shares now authorized.

Q: When does Apollo expect to complete the Arrangement?

A: Apollo expects to complete the transaction toward the end of the second quarter of calendar year 2010. Because the transaction is subject to securityholder, governmental and regulatory approvals and other conditions, some of which are beyond the control of Apollo and Linear, the exact timing of completion of the transaction cannot be predicted.

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Q: Who will manage the combined company after the Arrangement?

A: Following consummation of the Arrangement, the Apollo Board will consist of seven directors, which will be composed of (i) three Apollo designees (currently expected to be Marvin K. Kaiser, David W. Peat and Charles E. Stott); (ii) three Linear designees (including Wade Dawe, the current president and chief executive officer of Linear, who would be appointed as the chairman of the Apollo Board) and (iii) one nominee who would be a technical person mutually agreed upon by Apollo and Linear. In addition, upon consummation of the Arrangement, R. David Russell will resign as president and chief executive officer of Apollo and Wade Dawe will be appointed president and chief executive officer of Apollo.

Q: What is the role of Canadian courts in the Arrangement?

A: Under the Business Corporations Act (Alberta) (which we refer to in this Circular as the ABCA), an Alberta court must approve the Plan of Arrangement. If Linear Shareholders approve the Continuance Resolution and the Arrangement Resolution and Apollo Shareholders approve the Share Issuance Resolution and the Option Plan Amendment Resolution, the Court will hold a hearing regarding the Final Order. The Court will consider, among other things, the fairness and reasonableness of the Arrangement. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. The Court's approval of the fairness of the Plan of Arrangement will serve as the basis for an exemption from the registration requirements of the U.S. Securities Act for the issuance of the Apollo Shares, Apollo Replacement Options and Apollo Replacement Warrants to the Linear Shareholders, Linear Optionholders and Linear Warrantholders in connection with the Arrangement.

Q: On what am I being asked to vote?

A: Apollo Shareholders are being asked to approve the following proposals:

- Proposal No. 1 – Apollo Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is attached to this Circular as Schedule A, approving the issuance of Apollo Shares, including the Apollo Shares issuable upon exercise of the Apollo Replacement Warrants and Apollo Replacement Options, the Apollo Replacement Warrants and the Apollo Replacement Options, in each case in connection with the Plan of Arrangement, pursuant to which Linear would amalgamate with Apollo Sub and the amalgamated corporation would continue as a wholly owned subsidiary of Apollo and securityholders of Linear will become securityholders of Apollo in accordance with the Arrangement Agreement, all as more particularly set forth in this Circular.
- Proposal No. 2 – Conditional upon approval of Proposal No. 1, Apollo Shareholders will be asked to consider and, if deemed advisable, approve, with or without variation, an ordinary resolution authorizing certain amendments to the Apollo Stock Option Incentive Plan.
- Proposal No. 3 – Conditional upon approval of Proposal Nos. 1 and 2, Apollo Shareholders will be asked to consider and, if deemed advisable, approve, with or without variation, a special resolution authorizing the filing of articles of amendment to change the name of Apollo to .
- Proposal No. 4 – Conditional upon approval of Proposal Nos. 1 and 2, Apollo Shareholders will be asked to consider and, if deemed advisable, approve, with or without variation, a special resolution authorizing the filing of articles of amendment to effect a consolidation of Apollo Shares as soon as practicable following consummation of the Arrangement on the basis of one post-consolidation Apollo Share for every four Apollo Shares outstanding immediately prior to the Share Consolidation.

- Proposal No. 5 – Apollo Shareholders will be asked to elect seven directors of Apollo. Each director, if elected, will serve for a one-year term and until his successor shall be elected and qualified, subject, however, to such director's prior death, resignation, retirement, disqualification or removal from office. However, if the Arrangement is approved and consummated, as contemplated by and pursuant to the Arrangement Agreement and the Plan of Arrangement, (i) it is currently contemplated that Messrs. Russell, Babensee, Hobart and Vaughan will resign as directors of Apollo and (ii) the remaining Apollo directors would appoint Wade Dawe, , and to fill the remaining vacancies created by such resignations. As a result thereof, if the Arrangement is consummated, the Apollo Board would consist of seven directors, which would be composed of (i) Messrs. Kaiser, Peat and Stott (three Apollo designees); (ii) Wade Dawe (who would be Chairman of the Apollo Board), and (three Linear designees) and (iii) (the technical person mutually agreed upon by Apollo and Linear).
- Proposal No. 6 – Apollo Shareholders will be asked to re-appoint Apollo's independent auditors and to authorize the directors to fix their remuneration.
- Proposal No. 7 – Apollo Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution ratifying Apollo's shareholder rights plan.

Apollo Shareholder approval of the Share Issuance Resolution is not required under Canadian corporate law or Apollo's constating documents or by-laws, but is required by the rules and regulations of AMEX and TSX. In order for the Arrangement to be consummated, Apollo Shareholders must approve the Share Issuance Resolution and the Option Plan Amendment Resolution. Apollo Shareholder approval of the Share Consolidation Resolution and the Name Change Resolution is required by the YBCA. Apollo Shareholder ratification of Apollo's shareholder rights plan is required by the terms of the rights plan. Apollo Shareholder approval of the amendments to the Apollo Stock Option Incentive Plan is required by the rules and regulations of AMEX and TSX.

Q: Why am I being asked to elect seven directors of Apollo if some of those directors are being replaced upon consummation of the Arrangement?

A: Apollo is nominating seven directors for election to the Apollo Board so that it will have, if elected, seven directors in the event that the Arrangement is not consummated for any reason. If the Arrangement is consummated, it is currently contemplated that Messrs. Russell, Babensee, Hobart and Vaughan will resign as directors of Apollo and the remaining Apollo directors would appoint Wade Dawe, , and to fill the vacancies created by such resignations. If the Arrangement is not consummated, each of the seven directors nominated for election to the Apollo Board in this Circular would serve for a one-year term and until his successor is elected and qualified, subject to such director's prior death, resignation, retirement, disqualification or removal from office.

Q: What vote is required to approve the proposals included in the Circular?

A:

- Proposal No. 1 – The Share Issuance Resolution must be approved by a majority of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting. For the purposes of voting on the Share Issuance Resolution, a total of 62,500,000 Apollo Shares held by Linear (representing approximately % of the currently issued and outstanding Apollo Shares) will be excluded from voting.
- Proposal No. 2 – The amendments to the Apollo Stock Option Incentive Plan must be approved by a majority of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.

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Proposal No. 3 – The Name Change Resolution must be approved by at least two-thirds of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.

- Proposal No. 4 – The Share Consolidation Resolution must be approved by at least two-thirds of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.
- Proposal No. 5 – The election of the directors nominated must be approved by a majority of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.

- Proposal No. 6 – The re-appointment of Deloitte & Touche LLP and approval of the resolution authorizing the directors to fix the remuneration of the auditors must be approved by a majority of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.
- Proposal No. 7 – Apollo’s shareholder rights plan must be ratified by a majority of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.

Q: Who can vote?

A: Only Apollo Shareholders who hold Apollo Shares at the close of business on the record date, which is , 2010, will be entitled to vote at the Apollo Meeting. Apollo Shares constitute the only class of Apollo capital stock entitled to vote at the Apollo Meeting.

Q: How does the Apollo Board recommend that I vote on the proposals?

A: The Apollo Board unanimously recommends that you vote “FOR” approval of each of the proposals.

Q: How do I vote my Apollo Shares?

A: You should carefully read and consider the information contained in or incorporated by reference into this Circular, including the schedules. You should also determine whether you hold your Apollo Shares directly in your name as a Registered Shareholder or through a broker, investment dealer, bank, trust company or other nominee, because this will determine the procedure that you must follow in order to vote. If you are a Registered Shareholder of Apollo (that is, if you hold your Apollo Shares in certificate form), you may vote in any of the following ways:

- in person at the Apollo Meeting—complete and sign a ballot at the Apollo Meeting;
- by mail—complete, sign and date the enclosed Apollo Proxy and return it as soon as possible to Apollo, c/o CIBC Mellon Trust Company, Attention: Proxy Dept., P.O. Box 721, Agincourt, Ontario M1S 0A1, in the envelope provided for that purpose; or
- by facsimile— complete, sign and date the enclosed Apollo Proxy and fax it to 416-368-2502 or toll free fax 1-866-781-3111.

If you are a non-registered holder of Apollo Shares (which for purposes of this Circular means that your Apollo Shares are held in “street name”), you should instruct your broker, investment dealer, bank, trust company or other nominee to vote your shares by following the instructions provided by them. You may vote in person if you obtain written authorization in your name from your broker, investment dealer, bank, trust company or other nominee. Please contact your broker, investment dealer, bank, trust company or other nominee to determine how to vote by mail and whether you will be able to vote by facsimile, telephone or over the Internet.

If you do not vote, or do not instruct your broker, investment dealer, bank, trust company or other intermediary how to vote, you will not be considered to be represented by proxy for the purpose of approving the matters to be voted upon at the Apollo Meeting (other than in respect of any proposal for which your broker, investment dealer, bank, trust company or other intermediary has discretionary authority to vote your Apollo Shares under applicable law, such as the proposal to re-appoint Deloitte & Touch LLP as Apollo’s independent auditors). The Apollo Shares represented by a properly executed proxy will be voted on any ballot that may be conducted at the Apollo Meeting in accordance with your instructions and, if you specify a choice with respect to any matter to be acted upon, your Apollo Shares shall be voted accordingly. In the absence of instructions your Apollo Shares will be voted “FOR” each of the matters

referred to in the Apollo Proxy.

Proxies must be received not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the Apollo Meeting being 10:00 a.m. (Denver time) on , 2010, or any adjournments or postponements thereof, unless the chairman of the Apollo Meeting elects to exercise his discretion to accept proxies subsequently received.

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Q: If my broker holds my shares in “street name,” will my broker vote my shares for me?

A: No. If you hold your shares in “street name,” you will receive instructions from your broker, investment dealer, bank, trust company or other intermediary describing how to vote your Apollo Shares. Generally, if you do not instruct your broker, investment dealer, bank, trust company or other intermediary how to vote your shares, they may not vote your shares.

Q: What happens if I return my Apollo Proxy but don't indicate how to vote?

A: If you properly return your Apollo Proxy, but do not include instructions on how to vote, your Apollo Shares will be voted “FOR” each of the matters referred to in the Apollo Proxy. Apollo's management does not currently intend to bring any proposals to the Apollo Meeting other than those described in this Circular. If other proposals requiring a vote of shareholders are brought before the Apollo Meeting in a proper manner, the persons named in the enclosed Apollo Proxy intend to vote the shares they represent in accordance with their best judgment.

Q: What happens if I don't return my Apollo Proxy or otherwise don't vote?

A: Your failure to return your Apollo Proxy or otherwise vote will mean that your shares will not be counted toward determining whether a quorum is present at the Apollo Meeting.

Q: What does it mean if I receive more than one Apollo Proxy?

A: This means that you own Apollo Shares that are registered under different names. For example, you may own some shares directly as a shareholder of record and other shares through a broker, or you may own shares through more than one broker. In these situations, you will receive multiple sets of proxy materials. It is necessary for you to vote, sign and return all of the proxies you receive in order to vote all of the Apollo Shares you own. If you vote by mail, please make sure you return each proxy in the return envelope that accompanied that Apollo Proxy.

Q: Can I change my vote after I have voted?

A: Yes. You can change your vote at any time before your Apollo Shares are voted at the Apollo Meeting.

If you are a registered Apollo Shareholder, you can do this in any of the following ways:

- by depositing an instrument in writing executed by the Apollo Shareholder or by the Apollo Shareholder's attorney duly authorized in writing or, if the Apollo Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with CIBC Mellon Trust Company, Attention: Proxy Dept., P.O. Box 721, Agincourt, Ontario, M1S 0A1 (facsimile: 416-368-2502 or toll free facsimile 1-866-781-3111), or at the head office of Apollo at 5655 South Yosemite Street, Suite 200, Greenwood Village, Colorado 80111-3220, Attention: Corporate Secretary;
- by completing and submitting an Apollo Proxy bearing a later date and depositing it at or mailing it to the offices of CIBC Mellon Trust Company, Attention: Proxy Dept., P.O. Box 721, Agincourt, Ontario, M1S 0A1 (facsimile: 416-368-2502 or toll free fax 1-866-781- 3111);
 - by voting by facsimile after previously voting or submitting your Apollo Proxy;
- by attending the Apollo Meeting and voting in person. Your attendance at the Apollo Meeting alone will not revoke your proxy. You must also vote at the Apollo Meeting in order to revoke your previously submitted proxy; or

- in any other manner permitted by law.

If your shares are held in “street name,” you must contact your broker or other intermediary and follow the instructions provided to you in order to revoke your Apollo Proxy.

Q: Am I entitled to dissenters' appraisal rights?

A: No. Holders of Apollo Shares are not entitled to dissenters' appraisal rights in connection with the actions to be taken at the Apollo Meeting. See the section of this Circular under the heading "General Information Concerning the Apollo Meeting—Dissent Rights" beginning on page .

Q: Are there risks I should consider in deciding whether to vote for the Share Issuance Resolution?

A: Yes. A number of risk factors that you should consider in connection with the transaction are described in the section of this Circular entitled "Risk Factors" beginning on page .

Q: Who can help answer my questions about the transaction and the Apollo Meeting?

A: You may call Apollo's proxy solicitor, Laurel Hill Advisory Group, 200-366 Bay Street, Toronto, Ontario, M5H 4B2 at (888) 987-3940 with any questions you may have about the transaction or the Apollo Meeting.

SUMMARY

The following information is a summary of certain information contained in this Circular. This summary is provided for convenience only and the information contained in this summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information and financial data and statements contained elsewhere in this Circular, including the Schedules hereto and the documents incorporated by reference herein. Capitalized terms in this Summary have the meanings set out in the Glossary of Terms or as set out in this Summary.

Date, Time and Place of Meeting

The Apollo Meeting will be held on .

The Record Date

The Record Date for determining the Apollo Shareholders entitled to receive notice of and to vote at the Apollo Meeting is as of 5:00 p.m. (Toronto time) on , 2010.

Purpose of the Meeting

The purpose of the Apollo Meeting is (i) to consider and, if deemed advisable, to approve, with or without variation, the Share Issuance Resolution; (ii) conditional upon approval of the Share Issuance Resolution, to consider and, if deemed advisable, approve, with or without variation, the Option Plan Amendment Resolution; (iii) conditional upon approval of the Share Issuance Resolution and the Option Plan Amendment Resolution, to consider and, if deemed advisable, approve, with or without variation, the Name Change Resolution; (iv) conditional upon approval of the Share Issuance Resolution and the Option Plan Amendment Resolution, to consider and, if deemed advisable, approve, with or without variation, the Share Consolidation Resolution; (v) to elect seven directors of Apollo; (vi) to re-appoint Apollo's independent auditors and to authorize the directors to fix their remuneration; (vii) to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution ratifying Apollo's Shareholder Rights Plan; (viii) to receive the audited consolidated financial statements of Apollo for the fiscal year ended December 31, 2009, together with the report of the auditors thereon; and (ix) to transact such further or other business as may properly come before the Apollo Meeting and any adjournments or postponements thereof.

Parties to the Arrangement

Apollo Gold Corporation

Apollo is engaged in gold mining including extraction, processing, refining and the production of by-product metals, as well as related activities including exploration and development. Apollo was continued pursuant to and is a corporation existing under the provisions of the YBCA. Apollo's registered office is located at 204 Black Street, Suite 300, Whitehorse, Yukon Territory, Canada Y1A 2M9. Apollo maintains its principal executive office at 5655 S. Yosemite Street, Suite 200, Greenwood Village, Colorado 80111-3220.

Apollo owns Black Fox, an open pit and underground mine and mill located near Matheson in the Province of Ontario, Canada ("Black Fox"). The Black Fox mine site is situated seven miles east of Matheson and the mill complex is twelve miles west of Matheson. Mining of ores from the open pit began in March 2009, milling operations commenced in April 2009, and commercial gold production commenced in late May 2009. Underground mining at Black Fox is expected to commence in the second half of 2010. Apollo also owns the adjoining Grey Fox and Pike River properties, which, together with the Black Fox property, give Apollo a total land package of 17 square

kilometers which extends over a 6.5 kilometer strike of the Destor-Porcupine fault zone. Apollo also owns Mexican subsidiaries which own concessions at the Huizopa exploration project, located in the Sierra Madres in Chihuahua, Mexico. The Huizopa project is subject to an 80% Apollo/20% Minas de Coronado joint venture agreement.

Apollo is a reporting issuer in the United States and the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador. The Apollo Shares trade on the TSX under the symbol "APG" and on the AMEX under the symbol "AGT."

See “Selected Information Concerning Apollo Gold Corporation” beginning on page of this Circular.

Linear Gold Corp.

Linear is a corporation incorporated pursuant to the provisions of the CBCA. Linear’s registered and head office is located at 2000 Barrington Street, Suite 502, Halifax, Nova Scotia, B3J 3K1. Linear is a reporting issuer in the provinces of Ontario, British Columbia, Alberta, Manitoba, Québec and Nova Scotia. The Linear Shares trade on the TSX under the symbol “LRR.” Certain public disclosure relating to Linear, including, without limitation, the Linear Circular and other materials filed in connection with the Linear Meeting, may be accessed at www.sedar.com.

See “Detailed Information About Linear Gold Corp.” beginning on page of this Circular.

General Information Concerning the Apollo Meeting

Apollo will hold an Annual and Special Meeting on , 2010 at . The Apollo Board has fixed 5:00 p.m. (Toronto time) on , 2010 as the record date for determining shareholders entitled to notice of and to vote at the Apollo Meeting.

The proposals to authorize the filing of articles of amendment to (i) change the name of Apollo to and (ii) effect a consolidation of Apollo Shares as soon as practicable following consummation of the Arrangement on the basis of one post-consolidation Apollo Share for every four Apollo Shares outstanding immediately prior to the Share Consolidation must each be approved by at least two-thirds of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting. Each other proposal must be approved by a majority of the votes cast on such proposal by Apollo Shareholders present in person or by proxy at the Apollo Meeting. For the purposes of voting on the Share Issuance Resolution, a total of 62,500,000 Apollo Shares held by Linear (representing approximately % of the currently issued and outstanding Apollo Shares) will be excluded from voting.

The persons named in the enclosed Apollo Proxy are officers and/or directors of Apollo. An Apollo Shareholder has the right to appoint some other person, who need not be an Apollo Shareholder, to represent him or her at the Apollo Meeting and may do so by inserting such person’s name in the blank space provided in the enclosed Apollo Proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed applicable proxy at the offices of CIBC Mellon Trust Company, Attention: Proxy Dept., P.O. Box 721, Agincourt, Ontario, M1S 0A1 (facsimile: (416) 368-2502 or toll free facsimile (866) 781-3111).

A quorum of shareholders is necessary to hold a valid Apollo Meeting. Pursuant to Apollo’s by-laws, the presence in person or representation by proxy of one or more Apollo Shareholders at any meeting of Apollo Shareholders, holding, in the aggregate, not less than one-third of the outstanding Apollo Shares entitled to vote at the meeting will constitute a quorum. If a quorum is not present at the Apollo Meeting, the meeting may be postponed or adjourned, without notice other than announcement at the Apollo Meeting, until a quorum is present or represented, unless the Apollo Meeting is postponed or adjourned for an aggregate of thirty or more days. At any subsequent reconvening of the Apollo Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Apollo Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

See “General Information Concerning the Apollo Meeting” beginning on page of this Circular.

The Arrangement

General

Apollo and Linear are proposing to engage in a business combination transaction pursuant to which Apollo will acquire all of the Linear Shares and Linear will amalgamate with Apollo Sub and the amalgamated corporation will become a wholly owned subsidiary of Apollo. The transaction will be carried out pursuant to (i) the Arrangement Agreement dated March 31, 2010 among Linear, Apollo and Apollo Sub, and (ii) a Court-approved arrangement under section 193 of the ABCA, which we refer to herein as the Plan of Arrangement. The Arrangement Agreement and Plan of Arrangement provide that Apollo will acquire (i) each outstanding Linear Share (other than those held by Linear Shareholders who properly exercise their Dissent Rights) in exchange for 5.4742 Apollo Shares, (ii) each outstanding Linear Warrant in exchange for an Apollo Replacement Warrant and (iii) each outstanding Linear Option in exchange for an Apollo Replacement Option. In addition, pursuant to the Arrangement Agreement and the Plan of Arrangement, Apollo Sub and Linear will be amalgamated and continue as one unlimited liability corporation under the ABCA.

On completion of the Arrangement, there will be approximately Apollo Shares outstanding and the Former Linear Shareholders will hold approximately % of the total number of Apollo Shares then outstanding. Linear and Apollo Sub will be amalgamated, the amalgamated corporation will be a wholly owned subsidiary of Apollo, and Linear will cease to be publicly traded. If the required securityholder approvals are received, the Final Order is obtained, every other requirement of the ABCA relating to the Arrangement is complied with and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Arrangement will become effective on the Effective Date. Linear and Apollo currently expect that the Effective Date will be on or about July 2, 2010.

See “The Arrangement” and “The Arrangement Mechanics” beginning on pages and , respectively.

Reasons and Benefits of the Arrangement

The key strategic benefits identified by the Apollo Special Committee and Apollo Board include:

- **Advancing Black Fox** – The transaction is expected to allow Apollo to reduce Black Fox project debt levels and provide capital to fund the new underground development at Black Fox as well as an exploration program at Grey Fox and Pike River to advance towards feasibility in the near term.
- **Additional Production** – The transaction provides a near term development asset in Linear’s Goldfields project that is expected to add low-cost production of approximately 70,000 ounces of gold per year by 2013.
- **Improved Portfolio of Properties** – The transaction expands the portfolio of quality exploration assets to include Linear’s Goldfields Project in northern Saskatchewan, Canada, Linear’s properties in the Chiapas area of southern Mexico and Linear’s Ampliacion Pueblo Viejo II property in the Dominican Republic.
- **Participation by Shareholders in the Assets of Linear** – Apollo Shareholders, through the combination with Linear, will participate in any increase in the value of the mineral projects and other assets currently owned by Linear.
- **Improved Balance Sheet and Enhanced Financial Flexibility** – The transaction and related Private Placement of Cdn.\$25 million allows Apollo to reduce its outstanding indebtedness and enhance its working capital position thereby providing Apollo the flexibility to expand its business and pursue its exploration and development efforts.

See “The Arrangement – Reasons and Benefits of the Arrangement” beginning on page .

Haywood Fairness Opinion

Haywood Securities was retained by the Apollo Special Committee to provide advice and assistance to the Apollo Special Committee in connection with Apollo’s consideration of the Share Issuance. Pursuant to the terms of the Haywood Securities Engagement Letters, Haywood Securities agreed to consider the fairness, from a financial point of view, to the Apollo Shareholders of the consideration to be paid by Apollo in connection with the Arrangement.

As at the date of the Apollo Fairness Opinion and subject to the analysis, assumptions, qualifications and limitations contained in the Apollo Fairness Opinion, Haywood Securities has opined that the offered consideration pursuant to the Arrangement of 5.4742 Apollo Shares for each Linear Share is fair from a financial point of view, to the Apollo Shareholders. The Apollo Fairness Opinion is not a recommendation as to how the Apollo Shareholders should vote at the Apollo Meeting. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications of the review undertaken by Haywood Securities in rendering its opinion. The summary of the Apollo Fairness Opinion in this Circular is qualified in its entirety by the full text of the

Apollo Fairness Opinion which is attached as Schedule L to this Circular, and Apollo Shareholders are urged to read the Apollo Fairness Opinion in its entirety. Haywood Securities' opinion was provided to the Apollo board of directors and addresses only the fairness, from a financial point of view, of the consideration to be paid by Apollo in connection with the Arrangement as of the date of the opinion. It does not address any other aspect of the transaction and does not constitute a recommendation to the Apollo Shareholders as to how to vote with respect to the Share Issuance Resolution or act on any other matter.

See “The Arrangement – Opinion of Apollo’s Financial Advisor-Haywood Securities Inc.” beginning on page .

Recommendation of the Apollo Board and Apollo Special Committee

The Apollo Board established the Apollo Special Committee to, among other things, review and consider the transaction with Linear. The Apollo Special Committee retained Haywood Securities as its financial advisor. Haywood Securities has provided the Apollo Fairness Opinion, which states that, as of the date of such Apollo Fairness Opinion and subject to the assumptions, qualifications and limitations set forth therein, the offered consideration of 5.4742 Apollo Shares for each Linear Share is fair, from a financial point of view, to the Apollo Shareholders. The Apollo Special Committee, having taken into account the Apollo Fairness Opinion, the results of due diligence investigations, and such other matters as it considered relevant, including consulting with its financial and independent legal advisors, unanimously determined that the Arrangement is in the best interests of Apollo. Accordingly, the Apollo Special Committee voted unanimously to recommend to the Apollo Board that it approve, among other things, the execution and delivery of the Binding LOI, the Arrangement Agreement and the Arrangement, and that the Apollo Board recommend that Apollo Shareholders vote for the Share Issuance.

Having received and considered the recommendation of the Apollo Special Committee, the directors of Apollo have unanimously determined that the Share Issuance pursuant to the Arrangement is fair to Apollo Shareholders and in the best interests of Apollo and have authorized the submission of the Share Issuance Resolution to the Apollo Shareholders for their approval at the Apollo Meeting. The directors of Apollo have determined and unanimously recommend that Apollo Shareholders vote “FOR” the Share Issuance Resolution, the Option Plan Amendment Resolution, the Name Change Resolution and the Share Consolidation Resolution.

See “The Arrangement – Recommendation of the Apollo Special Committee” and “The Arrangement – Recommendation of the Apollo Board” beginning on pages and , respectively.

The Arrangement Agreement

Apollo and Linear entered into the Arrangement Agreement on March 31, 2010. The terms and conditions of the Arrangement are governed by the Arrangement Agreement. The Arrangement Agreement is attached to this Circular as Schedule F and is incorporated by reference herein. Apollo urges you to read the Arrangement Agreement carefully as it is the legal document that governs the Arrangement.

See “The Arrangement Agreement” beginning on page .

The Combined Company Upon Completion of the Arrangement

On completion of the Arrangement, Apollo will continue to be a corporation existing under the Laws of the YBCA and the Former Linear Shareholders will be shareholders of Apollo. After the Effective Date, Linear will amalgamate with Apollo Sub and the amalgamated corporation will be a wholly owned subsidiary of Apollo.

The business and operations of Apollo and Linear will be consolidated and the principal executive office of the combined company will be . Apollo will continue to maintain its registered office at 204 Black Street, Suite 300, Whitehorse, Yukon Territory, Canada Y1A 2M9.

Upon closing of the Arrangement, and subject to Apollo Shareholders approving the Name Change Resolution and the Share Consolidation Resolution, Apollo intends to file articles of amendment in order to change its name to “ .”

See “The Combined Company Upon Completion of the Arrangement” beginning on page .

Risk Factors

There are certain risk factors relating to Apollo, Linear and the Arrangement which should be carefully considered by Apollo Shareholders, including the fact that the Arrangement may not be completed if, among other things, Linear Shareholder Approval and Apollo Shareholder Approval are not obtained at the Linear Meeting and the Apollo Meeting, respectively, or if any other conditions precedent to the completion of the Arrangement are not satisfied or waived, as applicable.

See “Risk Factors” and “Detailed Information About Linear Gold Corp.” beginning on pages and , respectively.

Particulars of Matters to be Acted Upon at the Apollo Meeting

The Share Issuance Proposal

The Apollo Shareholders will be asked at the Apollo Meeting to approve the Share Issuance in connection with the Arrangement. Pursuant to Section 611 of the TSX Company Manual, securityholder approval is required in those instances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction. Similarly, rules of the AMEX require that a listed issuer obtain the consent of its shareholders prior to completing any transaction that would result in the issuance of more than 20% of the issuer’s outstanding common stock.

Upon completion of the Arrangement, the Former Linear Shareholders will receive approximately Apollo Shares, representing approximately % of the Apollo Shares anticipated to be outstanding immediately prior to the completion of the Arrangement (excluding the 62,500,000 Apollo Shares held by Linear, which will be cancelled upon completion of the Arrangement without payment of any consideration).

The Arrangement cannot be completed unless the Share Issuance Resolution is duly approved by Apollo Shareholders at the Apollo Meeting.

The full text of the Share Issuance Resolution that Apollo Shareholders will be asked to approve at the Apollo Meeting is set forth as Schedule A to this Circular. The Share Issuance Resolution must be approved by a majority of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting. For the purposes of voting on the Share Issuance Resolution, a total of 62,500,000 Apollo Shares held by Linear (representing approximately % of the currently issued and outstanding Apollo Shares) will be excluded from voting.

The Apollo Board believes that it is in the best interests of Apollo and its shareholders to approve the Share Issuance Resolution. The Apollo Board unanimously recommends that you vote “FOR” the Share Issuance Resolution.

See “The Share Issuance Proposal” on page .

The Stock Option Incentive Plan Amendments Proposal

The Apollo Shareholders will be asked at the Apollo Meeting to approve a proposal to amend the Apollo Stock Option Incentive Plan because such amendments are required in order to issue Apollo Replacement Options to former Linear optionholders as contemplated by the Arrangement. Specifically, the Apollo Stock Option Incentive Plan must be amended to:

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- increase the number of Apollo Shares issuable under the Apollo Stock Option Incentive Plan to a maximum of the lesser of: (a) 10% of the issued and outstanding Apollo Shares, from time to time; and (b) Apollo Shares (an increase from 12,139,686 Apollo Shares as presently provided in the Apollo Stock Option Incentive Plan);
- add holders of Linear Options who will not be Apollo employees following the consummation of the Arrangement to the definition of “Eligible Person” under the Apollo Stock Option Incentive Plan;
- permit the Apollo Board to fix the exercise price per Apollo Share under any Apollo Replacement Option issued in the Arrangement at a price less than the market price per Apollo Share at the time of the exchange of the Linear Options for Apollo Replacement Options (this amendment is required because some of the Linear Options may be “in-the-money” and the Apollo Stock Option Incentive Plan presently prohibits issuance of “in-the-money” options); and
 - make other conforming changes in order to give effect to the foregoing.

The Apollo Board has approved an amended Stock Option Incentive Plan (the “Amended Plan”) in order to incorporate the changes described above, subject to shareholder and regulatory approval. The principal terms of the Amended Plan are summarized in this Circular under the heading “The Stock Option Incentive Plan Amendment Proposal.” The principal terms of the Amended Plan are substantially similar to the Apollo Stock Option Incentive Plan, except for those provisions specifically identified above as amendments to the Apollo Stock Option Incentive Plan. The full text of the Amended Plan appears as Schedule J to this Circular.

The full text of the Option Plan Amendment Resolution that Apollo Shareholders will be asked to approve at the Apollo Meeting is set forth as Schedule B to this Circular. The Option Plan Amendment Resolution must be approved by a majority of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.

The Arrangement cannot be completed unless the Option Plan Amendment Resolution is duly approved by Apollo Shareholders at the Apollo Meeting.

The Apollo Board believes that it is in the best interests of Apollo and its shareholders to approve the Option Plan Amendment Resolution. The Apollo Board unanimously recommends that you vote “FOR” the approval of the Option Plan Amendment Resolution.

See “The Stock Option Incentive Plan Amendments Proposal” beginning on page .

The Name Change Proposal

Apollo Shareholders are also being asked to approve the Name Change Resolution to authorize an amendment to the articles of Apollo to change the name of Apollo to “ ”. The purpose of the proposed Name Change is to better reflect the combined business of Apollo and Linear after giving effect to the Arrangement. The Apollo Board is of the view that the proposed name of “ ”, when combined with new marketing initiatives, will assist in re-branding the combined company as an emerging Canadian mid-tier gold producer.

The full text of the Name Change Resolution that Apollo Shareholders will be asked to approve at the Apollo Meeting is set forth as Schedule C to this Circular. The Name Change Resolution must be approved by at least two-thirds of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.

The Apollo Board believes that it is in the best interests of Apollo and its shareholders to approve the Name Change Resolution. The Apollo Board unanimously recommends that you vote “FOR” the Name Change Resolution.

See “The Name Change Proposal” beginning on page .

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The Share Consolidation Proposal

The Apollo Board has unanimously approved and is recommending that Apollo Shareholders vote to authorize the filing of articles of amendment to effect a consolidation (or reverse stock split) of outstanding Apollo Shares on the basis of one post-consolidation Apollo Share for every four Apollo Shares outstanding immediately prior to the Share Consolidation. Assuming the proposal is approved, it is anticipated that articles of amendment will be filed so as to effect the Share Consolidation as soon as practicable following consummation of the Arrangement. However, pursuant to the Share Consolidation Resolution, the Apollo Board may, in its discretion, decide not to proceed with the Share Consolidation at any time prior to the filing of articles of amendment without further authorization from or notice to the Apollo Shareholders. This proposal is conditional upon Apollo Shareholder approval of the Share Issuance Resolution and the Option Plan Amendment Resolution.

If the Share Consolidation is implemented by the Apollo Board:

- all of the issued and outstanding Apollo Shares (which, following the consummation of the Arrangement, will include Apollo Shares held by current holders of Apollo Shares and Former Linear Shareholders) will automatically be consolidated on the basis of one post-consolidation Apollo Share for every four Apollo Shares outstanding immediately prior to the Share Consolidation;
- subject to the terms and conditions of each optionholder's option agreement with Apollo and each warrant holder's warrant certificate, the number of Apollo Shares issuable upon the exercise of Apollo's outstanding options and warrants (which, following the consummation of the Arrangement, will include Apollo Shares issuable upon the exercise of Apollo Replacement Options and Apollo Replacement Warrants), the exercise price thereof and the number of shares reserved for future issuances under Apollo's Stock Option Incentive Plan will be adjusted as appropriate to reflect the Share Consolidation; and
- the exercise price with respect to Apollo's series A junior participating preferred stock pursuant to our Shareholder Rights Plan (assuming the Rights Plan Resolution is approved at the Apollo Meeting) and the number of Apollo Shares issuable upon exercise thereof shall be proportionately adjusted to reflect the Share Consolidation.

The full text of the Share Consolidation Resolution that Apollo Shareholders will be asked to approve at the Apollo Meeting is set forth as Schedule D to this Circular. The Share Consolidation Resolution must be approved by at least two-thirds of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.

The Apollo Board believes that it is in the best interests of Apollo and its shareholders to approve the Share Consolidation Resolution. The Apollo Board unanimously recommends that you vote "FOR" the Share Consolidation Resolution.

See "The Share Consolidation Proposal" beginning on page .

Election of Directors

The Apollo Shareholders will be asked at the Apollo Meeting to elect seven directors. Each director, if elected, will serve for a one-year term and until his successor shall be elected and qualified, subject, however, to such director's prior death, resignation, retirement, disqualification or removal from office. However, if the Arrangement is approved and consummated, as contemplated by and pursuant to the Arrangement Agreement and the Plan of Arrangement, (i) it is currently contemplated that Messrs. Russell, Babensee, Hobart and Vaughan will resign as directors of Apollo

and (ii) the remaining Apollo directors intend to appoint Wade Dawe, , and to fill the remaining vacancies created by such resignations. As a result thereof, if the Arrangement is consummated, the Apollo Board would consist of seven directors, which would be composed of (i) Marvin K. Kaiser, David W. Peat and Charles E. Stott (three Apollo designees); (ii) three Linear designees (including Wade Dawe, the current president and chief executive officer of Linear, who will be appointed as the chairman of the board of directors of the combined company) and (iii) one nominee who would be a technical person mutually agreed upon by Apollo and Linear.

The election of the each director nominated must be approved by a majority of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.

The Apollo Board unanimously recommends that Apollo Shareholders vote “FOR” the election of Robert W. Babensee, G. Michael Hobart, Marvin K. Kaiser, David W. Peat, R. David Russell, Charles E. Stott and W.S. (Steve) Vaughan.

See “Election of Directors” beginning on page .

Re-appointment of Auditors Proposal

The Apollo Shareholders will be asked at the Apollo Meeting to re-appoint Deloitte & Touche LLP as Apollo’s independent registered chartered accountants and authorize the directors to fix their remuneration. The re-appointment of Deloitte & Touche LLP and approval of the resolution authorizing the directors to fix the remuneration of the auditors must be approved by a majority of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.

The Apollo Board recommends that you vote “FOR” the proposal to re-appoint Deloitte & Touche LLP as Apollo’s independent registered chartered accountants and the resolution authorizing the directors to fix the remuneration of the auditors.

See “Re-appointment of Auditors Proposal” beginning on page .

Ratification of the Shareholder Rights Plan Proposal

At the Apollo Meeting, Apollo Shareholders will be asked, as required by the TSX and as provided under the terms of the Shareholder Rights Plan, to vote on a resolution to ratify the Shareholder Rights Plan. Apollo believes that the Shareholder Rights Plan preserves the fair treatment of Apollo Shareholders, is consistent with current best Canadian corporate practices and conforms to institutional investor guidelines. The Arrangement does not trigger any of the terms of the Shareholders Rights Plan.

The full text of the Rights Plan Resolution that Apollo Shareholders will be asked to approve at the Apollo Meeting is set forth as Schedule E to this Circular. The Shareholder Rights Plan must be ratified by a majority of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting.

The Apollo Board believes that it is in the best interests of Apollo and its shareholders to ratify the Shareholders Rights Plan. The Apollo Board unanimously recommends that you vote “FOR” the ratification of the Shareholder Rights Plan.

See “Ratification of the Shareholder Rights Plan Proposal” beginning on page .

Selected Unaudited Pro Forma Combined Financial Information

The following table contains selected unaudited pro forma combined financial information for Apollo and Linear as a combined company, giving effect to the acquisition of Linear by Apollo as if it had occurred on the dates indicated and after giving effect to the pro forma adjustments. The unaudited pro forma combined balance sheet data is presented as if the transaction had been completed on January 1, 2009. The unaudited pro forma combined statement of operations data for the period ended December 31, 2009 is presented as if the transaction had taken place on January 1, 2009. The transaction will be accounted for under the acquisition method of accounting.

You should read the selected unaudited pro forma combined financial information together with the “Unaudited Pro Forma Financial Statements” and related notes thereto are attached as Schedule N to this Circular and the respective consolidated financial statements and accompanying notes of Apollo and Linear, which, in the case of Apollo, are incorporated by reference into this document and, in the case of Linear, are attached to this Circular as Schedule M. The unaudited pro forma operating data is presented for informational purposes only and is not necessarily indicative of what the actual combined results of operations of the combined company would have been for the periods presented, nor does this data purport to represent the results of future periods.

Linear's consolidated financial statements are prepared in accordance with Canadian GAAP, which differs in some respects from U.S. GAAP. For purposes of presenting the selected unaudited pro forma combined financial information, adjustments were made to Linear's historical financial information to conform to U.S. GAAP. Please refer to Schedules 1 and 2 to "Unaudited Pro Forma Financial Statements" and related notes thereto attached as Schedule N to this Circular for descriptions of the adjustments required to conform Linear's financial statements to U.S. GAAP.

**SELECTED UNAUDITED PRO FORMA
COMBINED FINANCIAL INFORMATION**

The following table contains selected unaudited pro forma combined financial information for Apollo and Linear as a combined company, giving effect to the acquisition of Linear by Apollo as if it had occurred on the dates indicated and after giving effect to the pro forma adjustments. The unaudited pro forma combined balance sheet data is presented as if the transaction had been completed on January 1, 2009. The unaudited pro forma combined statement of operations data for the period ended December 31, 2009 is presented as if the transaction had taken place on January 1, 2009. The transaction will be accounted for under the acquisition method of accounting.

You should read the selected unaudited pro forma combined financial information together with the "Unaudited Pro Forma Financial Statements" and related notes thereto attached as Schedule N to this Circular and the respective consolidated financial statements and accompanying notes of Apollo and Linear, which, in the case of Apollo, are incorporated by reference into this document and, in the case of Linear, are included in this Circular beginning on page . The unaudited pro forma operating data is presented for informational purposes only and is not necessarily indicative of what the actual combined results of operations of the combined company would have been for the periods presented, nor does this data purport to represent the results of future periods.

Linear's consolidated financial statements are prepared in accordance with Canadian GAAP, which differs in some respects from U.S. GAAP. For purposes of presenting the selected unaudited pro forma combined financial information, adjustments were made to Linear's historical financial information to conform to U.S. GAAP. Please refer to Schedules 1 and 2 to "Unaudited Pro Forma Financial Statements" and related notes thereto attached as Schedule N to this Circular for descriptions of the adjustments required to conform Linear's financial statements to U.S. GAAP.

	Year Ended December 31, 2009 (in thousands of U.S. dollars, except per share data)
Selected Pro Forma Statement of Operations Data:	
Revenue from sale of gold	\$ 47,008
Total operating expenses	41,200
Operating income (loss) from operations	5,808
Net income (loss)	(61,678)
Per Common Share Data:	
Basic and Diluted net loss per share	(0.13)

As of
December 31, 2009
(in thousands of U.S.

dollars)

Selected Pro Forma Balance Sheet Data:

Cash and cash equivalents	\$	22,822
Share capital		294,759
Total assets		267,962
Total liabilities		182,673
Total shareholders' equity		85,289

Comparative Per Share Data

The following table sets forth for the Apollo Shares and Linear Shares certain historical, pro forma combined and pro forma equivalent per share financial information. The pro forma combined and pro forma equivalent per share information gives effect to the transaction as if the transaction had been effective at January 1, 2009. The pro forma data in the table are derived from, and should be read in conjunction with, the “Unaudited Pro Forma Financial Statements” and related notes thereto attached as Schedule N to this Circular. Apollo’s historical per share information is derived from the audited consolidated financial statements of Apollo as at December 31, 2009 contained in Apollo’s Annual Report on Form 10-K for the year ended December 31, 2009, which is incorporated by reference into this Circular. Linear’s historical per share information is derived from the unaudited consolidated balance sheet of Linear as at December 31, 2009, the unaudited interim consolidated statements of operations for the nine month periods ended December 31, 2009 and 2008 and the audited consolidated financial statements of Linear for the year ended March 31, 2009, each of which is located on page .

The unaudited pro forma combined per share information does not purport to represent what the actual results of operations of the combined company would have been had the transaction been in effect for the periods described below or to project the future results of the combined company after the transaction.

Per Common Share Data	Apollo Historical (U.S. GAAP)	Linear Historical (Canadian GAAP)(5)	Unaudited Pro Forma Combined (U.S. GAAP)(4)	Pro Forma Equivalent Per Linear Share(1) (U.S. GAAP)
As of and for the period ended December 31, 2009:				
Net loss				
Basic	\$ (0.25)	\$ (0.12)	\$ (0.13)	\$ (0.71)
Diluted	(0.25)	(0.12)	(0.13)	(0.71)
Cash dividends paid(2)	N/A	N/A	N/A	N/A
Book value(3)	(0.05)	2.16	0.17	0.93

- (1) The equivalent per Linear Share was calculated by multiplying the unaudited pro forma combined per share data by an exchange ratio of 5.4742 in order to equate the pro forma combined amounts to the value of one Linear Share.
- (2) Following the completion of the transaction, Apollo’s dividend policy will be determined by its board of directors.
- (3) The unaudited pro forma combined book value per share was calculated by dividing the unaudited pro forma combined shareholders’ equity at December 31, 2009 by the sum of the number of Apollo Shares outstanding at December 31, 2009 and the number of additional Apollo Shares that would have been delivered to Linear Shareholders had the combination been completed on January 1, 2009.
- (4) In conjunction with closing of the acquisition of Linear, the Company intends to effect a share consolidation of outstanding Apollo Shares on the basis of one post-consolidation Apollo Share for every four Apollo Shares outstanding immediately prior to the Share Consolidation. On this basis, the unaudited pro forma combined basic and diluted net loss per share would be \$(0.51). The unaudited pro forma combined book value per share would be \$0.70.
- (5) The Linear historical information for the period ended December 31, 2009 has been constructed using the unaudited interim consolidated statements of operations for the nine month periods ended December 31, 2009 and 2008 and the audited consolidated financial statements of Linear for the year ended March 31, 2009.

Accompanying Documents

The Notice of Meeting of Apollo and the Circular are accompanied by several Schedules which are incorporated by reference into, form an integral part of, and should be read in conjunction with this Circular. It is recommended that Apollo Shareholders read the Notice of Meeting, this Circular and the attached Schedules in their entirety.

RISK FACTORS

In addition to the other information contained in or expressly incorporated by reference in this Circular (including the risk factors applicable to Apollo contained under the heading "Risk Factors" in Apollo's annual information form and Annual Report on Form 10-K for the fiscal year ended December 31, 2009 incorporated herein by reference and the risk factors applicable to Linear contained under the heading "Detailed Information about Linear Gold Corp." beginning on page of this Circular), the following factors should be considered carefully when considering risks related to the Arrangement and the combined company. These risks and uncertainties are not the only ones Apollo, Linear and combined company may face nor do they include all risks and uncertainties associated with the Arrangement. Additional risks and uncertainties not presently known to Apollo or that Apollo currently considers immaterial may also exist. If any of such risks actually occur, Apollo's business, prospects, financial condition, cash flows and operating results could be materially adversely affected.

Risks Relating to the Arrangement

Failure to complete the Arrangement with Linear could negatively impact Apollo's stock price and future business and financial results.

The Arrangement Agreement contains a number of important conditions that must be satisfied before Apollo can complete the Arrangement, including, among other things, conditions relating to (i) obtaining the Interim and Final Orders from the Court, (ii) approval of the transaction by the Linear Shareholders and the Apollo Shareholders, (iii) approval by the TSX and the AMEX of the listing of the Apollo Shares to be issued in the Arrangement, including the Apollo Shares issuable upon exercise of the Apollo Replacement Options and Apollo Replacement Warrants, (iv) absence of certain actions, suits, proceedings or objection or opposition before any governmental or regulatory authority, (v) receipt of required regulatory approvals, (vi) the Apollo Shares, Apollo Replacement Options and Apollo Replacement Warrants issued in the Arrangement being exempt from the registration requirements of the U.S. Securities Act and (vii) the effectiveness of a U.S. registration statement registering the issuance of the Apollo Shares issuable upon exercise of the Apollo Replacement Options and Apollo Replacement Warrants under the U.S. Securities Act.

If the transaction is not completed for any reason, Apollo's ongoing business and financial results may be adversely affected. For example, the amended repayment schedule agreed to on March 9, 2010 under the Project Facility Agreement with the Project Lenders requires Apollo to pay \$10,000,000 upon the earlier to occur of July 2, 2010 and two Business Days following the consummation of the Arrangement. If the Arrangement with Linear is not consummated, Apollo may not have sufficient cash-on-hand to meet this and the other repayment obligations under the Project Facility Agreement or under the \$4,290,000 principal amount of convertible debentures due August 23, 2010 owned by RAB Special Situations (Master) Fund Limited. In addition, if the transaction is not completed, Apollo will be subject to a number of additional risks, including the following:

- Under the terms of the Arrangement Agreement, in certain circumstances, if the Arrangement is not completed, Apollo will be required to pay a Cdn.\$4,000,000 termination fee to Linear; and
- The price of Apollo Shares may decline to the extent that the current market price of Apollo Shares reflect a market assumption that the transaction will be completed and that the related benefits and synergies will be realized, or as a result of the market's perceptions that the transaction was not consummated due to an adverse change in Apollo's business or financial condition.

In addition, whether or not the transaction is completed, the pending transaction could adversely affect Apollo's operations because:

- matters relating to the Arrangement (including integration planning) require substantial commitments of time and resources by Apollo's management and employees, whether or not the transaction is completed, which could otherwise have been devoted to other opportunities that may have been beneficial to Apollo;
- Apollo's ability to attract new employees and consultants and retain its existing employees and consultants may be harmed by uncertainties associated with the transaction, and Apollo may be required to incur substantial costs to recruit replacements for lost personnel or consultants; and

- shareholder lawsuits could be filed against Apollo challenging the transaction. If this occurs, even if the lawsuits are groundless and Apollo ultimately prevails, it may incur substantial legal fees and expenses defending these lawsuits, and the transaction may be prevented or delayed.

Apollo cannot guarantee when, or whether, the Arrangement will be completed, that there will not be a delay in the completion of the Arrangement or that all or any of the anticipated benefits of the Arrangement will be obtained. If the transaction is not completed or is delayed, Apollo may experience the risks discussed above which may adversely affect Apollo's business, financial results and share price.

Apollo may be unable to successfully integrate the operations of Apollo and Linear.

Achieving the anticipated benefits of the Arrangement will depend in part upon Apollo's ability to integrate its business with Linear's business in an efficient and effective manner. Apollo's attempt to integrate two companies that have previously operated independently may result in significant challenges, and Apollo may be unable to accomplish the integration smoothly or successfully. In particular, the necessity of coordinating geographically dispersed organizations and addressing possible differences in corporate cultures and management philosophies may increase the difficulties of integration. The integration will require the dedication of significant management resources, which may temporarily distract management's attention from the day-to-day operations of the businesses of the combined company. The process of integrating operations after the transaction could cause an interruption of, or loss of momentum in, the activities of one or more of the combined company's businesses and the loss of key personnel. Employee uncertainty, lack of focus or turnover during the integration process may also disrupt the businesses of the combined company. Any inability of management to integrate the operations of Apollo and Linear successfully could have a material adverse effect on the business and financial condition of the combined company.

The issuance of Apollo Shares, Apollo Replacement Warrants and Apollo Replacement Options pursuant to the Arrangement may cause the market price of Apollo Shares to decline.

As of , 2010, Apollo Shares were outstanding and an additional Apollo Shares were subject to outstanding options or warrants to purchase or acquire Apollo Shares. Apollo currently expects that in connection with the Arrangement it will issue approximately million Apollo Shares (assuming that no Linear Shareholder exercises Dissent Rights) to the Former Linear Shareholders and reserve approximately million Apollo Shares for issue on exercise of the Apollo Replacement Options and Apollo Replacement Warrants. The issuance of these Apollo Shares and the sale of such Apollo Shares in the public market from time to time could depress the market price for Apollo Shares.

If Apollo is able to complete the transaction, Apollo Shareholders will experience immediate dilution as a consequence of the issuance of Apollo Shares as consideration in the transaction. The existence of a large minority share position may reduce the influence that current Apollo Shareholders have on the management of the combined company.

If the Arrangement is completed, the influence of current Apollo Shareholders, in their capacity as shareholders of the combined company, will be significantly reduced. Following the Arrangement, if consummated, current Apollo Shareholders would hold, in the aggregate, approximately % of the issued and outstanding shares of the combined company and current Linear Shareholders would hold, in the aggregate, approximately % of the combined company (based on the number of Apollo Shares and Linear Shares outstanding as of the date hereof). Therefore, certain Former Linear Shareholders may have the ability to exercise influence over the election of directors and other issues submitted to the shareholders of the combined company.

Apollo will incur significant transaction, combination-related and restructuring costs in connection with the transaction, some of which will be incurred even if the transaction is never completed.

Apollo expects that it will be obligated to pay transaction fees and other expenses related to the transaction of approximately \$4.7 million, including financial advisors' fees, filing fees, legal and accounting fees, soliciting fees, regulatory fees and mailing costs. This amount is a preliminary estimate and the actual amount may be higher or lower but a significant portion of these fees and expenses will be incurred even if Apollo does not complete the transaction. In addition, in connection with the closing of the Arrangement, Linear is expected to pay up to Cdn.\$1.7 million in payments and retention bonuses to Linear management and staff. Also, upon the resignation of R. David Russell as president and chief executive officer, Apollo expects to pay R. David Russell up to approximately \$1.7 million in severance and other benefits under his employment agreement.

Furthermore, Apollo expects to incur significant costs associated with combining the operations of the two companies. However, it will be difficult to predict the specific size of those charges before Apollo begins the integration process. The combined company may incur additional unanticipated costs as a consequence of difficulties arising from Apollo's efforts to integrate the operations of the two companies. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction, combination-related and restructuring costs over time, we cannot give any assurance that a net benefit will be achieved in the near future, or at all.

Charges to earnings resulting from the application of the acquisition method of accounting may adversely affect the market value of Apollo Shares following the transaction.

In accordance with U.S. GAAP, the transaction will be accounted for using the acquisition method of accounting, which will result in charges to earnings that could have an adverse impact on the market value of Apollo Shares following completion of the transaction. Under the acquisition method of accounting, the total estimated purchase price will be allocated to Linear's net tangible assets and identifiable intangible assets based on their fair values as of the date of completion of the transaction.

Apollo may incur additional expenses and find it necessary to record impairment to the value of acquired mineral resource properties after completion of the transaction. Changes in earnings per share, including as a result of this incremental expense, could adversely affect the trading price of Apollo Shares.

Potential payments made to the Dissenting Shareholders in respect of their shares could exceed the amount of consideration otherwise due to them under the terms of the Arrangement Agreement.

Under Canadian and Alberta corporate law, Linear Shareholders will have the right to dissent in respect of the Continuance Resolution and the Arrangement Resolution, as applicable. If the Linear Shareholders exercise their right to dissent in compliance with the Dissent Procedures, such Dissenting Shareholders will be entitled to be paid the judicially determined fair value of their Linear Shares. While Apollo and Linear believe that the value of the consideration to be paid to Linear Shareholders pursuant to the transaction is equal to or exceeds the fair value of the Linear Shares, there can be no assurance that a court would agree with this assessment and consequently the amount the Dissenting Shareholders receive could be higher than the consideration to which such shareholders would have been entitled under the Arrangement Agreement. As a result, Apollo may be required to pay a portion of the purchase price in cash where it otherwise would not have do so if all Linear Shares were exchanged for Apollo Shares in accordance with the Arrangement Agreement. Such payments to Dissenting Shareholders could have an adverse effect on the combined company's financial position.

Linear's public filings are subject to Canadian disclosure standards, which differ from SEC requirements.

Linear is a Canadian issuer that is required to prepare and file its periodic and other filings in accordance with Canadian disclosure requirements. As a result, certain of the information about Linear that is contained in this proxy statement was prepared with a view to compliance with Canadian GAAP and Canadian disclosure regulations, rather than the requirements that would apply in the United States. Because Canadian disclosure requirements are different from SEC requirements, the information about Linear contained in this proxy statement may not be comparable to similar information available about Apollo or other U.S. issuers.

Directors and executive officers of Apollo may have interests in the Arrangement that are different from those of Apollo Shareholders generally.

Certain executive officers and directors of Apollo may have interests in the Arrangement that may be different from, or in addition to, the interests of Apollo Shareholders generally. For example, R. David Russell, Apollo's president and chief executive officer, will resign following the completion of the transaction and, in connection therewith, Apollo and Linear have agreed that, although the Arrangement does not qualify as a "change of control" as defined in Mr. Russell's employment agreement, Mr. Russell shall receive all termination and other amounts owing under his employment agreement as if he had been terminated without cause, which amounts will not exceed approximately \$1.7 million. Furthermore, immediately following the Effective Time of the transaction, three directors who currently serve on the Apollo Board, currently expected to be Marvin K. Kaiser, David W. Peat and Charles E. Stott, will continue to serve as directors of the combined company.

Risks Relating to the Business of Apollo, Linear and the Combined Company

The business of the combined company will be subject to risks currently affecting the businesses of Apollo and Linear.

After the completion of the transaction, the business of the combined company, as well as the price of Apollo Shares, will be subject to numerous risks currently affecting the businesses of Apollo and Linear, including:

- unexpected changes in business and economic conditions, including the recent significant deterioration in global financial and capital markets;
 - significant increases or decreases in gold prices;
- changes in interest and currency exchange rates including the LIBOR rate;
 - timing and amount of production;
 - unanticipated changes in grade of ore;
 - unanticipated recovery or production problems;
 - changes in operating costs;
- operational problems at the combined company's mining properties;
- metallurgy, processing, access, availability of materials, equipment, supplies and water;
 - determination of reserves;
 - costs and timing of development of new reserves;
- results of current and future exploration and development activities;
 - results of future feasibility studies;
 - joint venture relationships;
- political or economic instability, either globally or in the countries in which the companies operate;
 - local and community impacts and issues;
 - banking relationships;
 - timing of receipt of government approvals;
 - accidents and labor disputes;
 - environmental costs and risks;

- competitive factors, including competition for property acquisitions; and
- availability of external financing at reasonable rates or at all.

For a discussion of the businesses of Apollo and Linear, together with factors to consider in connection with those businesses, see the documents incorporated by reference in this Circular including Apollo's Annual report on Form 10-K for the fiscal year ended December 31, 2009, the section of this Circular under the heading "Where You Can Find More Information" beginning on page and the discussion of Linear's business and the risks associated therewith under the heading "Information About Linear Gold Corp." beginning on page .

The combined company's substantial debt could adversely affect its financial condition, and its related debt service obligations may adversely affect its cash flow and ability to invest in and grow its businesses.

As of the date hereof, Apollo has approximately \$51.8 million of indebtedness outstanding under the Project Facility Agreement. Under the revised repayment schedule relating to the Project Facility Agreement that was agreed to with the Project Lenders on March 9, 2010, Apollo will be required to make additional repayments totaling at least \$25 million in 2010, which will be payable as follows: (i) \$10 million on the earlier of July 2, 2010 and the date that is two Business Days following the consummation of the Arrangement, (ii) \$10 million on the earlier of September 30, 2010 and the date on which the proceeds from any one or more equity raisings following the consummation of the Arrangement equals \$10 million, and (iii) \$5 million on December 31, 2010. The remaining indebtedness outstanding under the Project Facility Agreement is to be repaid between March 31, 2011 and March 31, 2013 on dates to be agreed to by the combined company and the Project Lenders. If the combined company and the Project Lenders are unable to agree on a repayment schedule with respect to this remaining indebtedness on or before September 30, 2010, such amount will become due and payable on December 31, 2010. In addition, Apollo has approximately \$4.29 million principal amount of convertible debentures that are due on August 23, 2010. If the combined company is unable to satisfy its indebtedness obligations, it will be unable to continue its operations, including its planned development and exploration activities.

Apollo will require significant additional capital to continue its and Linear's exploration and development activities, and, if warranted, to develop mining operations.

Upon completion of the transaction, substantial expenditures will be required to develop Linear's Goldfields mine development project located in Saskatchewan, Canada and to continue with exploration at Apollo's Grey Fox and Pike River properties and its Huizopa exploration project, as well as Linear's Ixhuan project in Chiapas, Mexico and its exploration properties located in the Dominican Republic. In order to develop and explore these projects and properties, the combined company will be required to expend significant amounts for, among other things, geological and geochemical analysis, assaying, and, if warranted, feasibility studies with regard to the results of exploration. Apollo may not benefit from these investments if it is unable to identify commercially exploitable mineralized material. If Apollo is successful in identifying reserves, it will require significant additional capital to construct facilities necessary to extract those reserves. Apollo's ability to obtain necessary funding depends upon a number of factors, including the state of the national and worldwide economy and the price of gold. Apollo may not be successful in obtaining the required financing for these or other purposes on terms that are favorable to it or at all, in which case its ability to continue operating would be adversely affected. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration or potential development.

Even if the combined company is able to acquire capital to continue its exploration and development activities, there can be no certainty that its exploration and development activities will be commercially successful.

Linear currently has no properties that produce gold in commercial quantities. Similarly, Apollo's Grey Fox and Pike River properties, as well as its Huizopa project, are in the exploration phase. Substantial efforts and regulatory hurdles are required to establish ore reserves through drilling and analysis, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Apollo cannot assure you that any gold reserves or mineralized material acquired or discovered will be in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all.

The Linear properties could be subject to environmental risks, which Apollo will assume after the transaction and which could expose Apollo to significant liability and delay, suspension or termination of exploration and development efforts.

Mining is subject to federal, state and local environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Future changes in environmental regulation, if any, may adversely affect our operations, make our operations prohibitively expensive, or prohibit them altogether. Environmental hazards may exist on the properties in which Apollo may hold interests in the future, including the Linear properties, that are unknown to Apollo at the present and that have been caused by Apollo, Linear, or previous owners or operators, or that may have occurred naturally. Under applicable environmental Laws, prior property owners may be liable for remediating any damage that those owners may have caused. Mining properties that Apollo obtains from Linear in the Arrangement may cause Apollo to be liable for remediating any damage that Linear may have caused. The liability could include response costs for removing or remediating the release and damage to natural resources, including ground water, as well as the payment of fines and penalties.

INFORMATION ABOUT THE COMPANIES

Apollo Gold Corporation
5655 South Yosemite Street, Suite 200
Greenwood Village, Colorado 80111-3220
(720) 886-9656
Internet address: www.apollogold.com

Apollo Gold Corporation is a Canadian-based mining company which is principally engaged in the extraction, processing, and refining of mineral deposits as well as related activities including the acquisition, exploration and development of such properties principally located in North America.

Apollo owns a 100% interest in the Black Fox property, an open pit and underground mine and mill located in the Province of Ontario. The Black Fox mine site is situated seven miles east of Matheson, Ontario and the mill complex is twelve miles west of Matheson, Ontario. Mining of ores from the open pit began in March 2009 and milling operations commenced in April 2009. Underground mining at Black Fox is expected to commence in 2010. Apollo owns two exploration properties adjacent to the Black Fox mine site: (a) Grey Fox; and (b) Pike River, which together with the Black Fox property, give Apollo a total land package of 17 square kilometers which extends over a 6.5 kilometer strike of the Destor-Porcupine fault zone.

Apollo also owns Mexican subsidiaries, which own concessions at the Huizopa exploration project, located in the Sierra Madres in Chihuahua, Mexico. The Huizopa project is subject to an 80% Apollo / 20% Minas de Coronado joint venture agreement.

Additional information about Apollo's business is set forth in Apollo's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and the other documents that Apollo files with the SEC, which are available on the SEC's website at www.sec.gov. See the heading "Additional Information" beginning on page .

Linear Gold Corp.
2000 Barrington Street, Suite 501
Cogswell Tower
Halifax, Nova Scotia
B3J 3K1, Canada
(902) 422-1421
Internet address: www.lineargoldcorp.com

Linear is a Canadian-based mineral exploration and development company with interests in properties in Canada, Mexico and the Dominican Republic. During August 2009, Linear, through its wholly owned subsidiary 7153945 Canada Inc., acquired the Goldfields Development Project in the Lake Athabasca region of Saskatchewan, Canada from GLR Resources Inc. Linear is the registered mining claim holder of the mineral/mining claims and mineral/mining leases comprising the Goldfields Development Project which includes a 100% interest in the Box Mine and the Athona Mine properties, subject to certain royalties and other interests. Linear's primary objective is advancing the Goldfields Development Project to production.

Additional information about Linear's business is set forth in the Linear Circular and the other documents that Linear files with securities regulatory authorities in Canada, which are available under Linear's SEDAR profile at www.sedar.com.

See the heading "Detailed Information about Linear Gold Corp." beginning on page .

GENERAL INFORMATION CONCERNING THE APOLLO MEETING

This Circular is furnished in connection with the solicitation of proxies by the management and the Apollo Board for use at the Apollo Meeting to be held , , 2010 at 10:00 a.m. (Denver time) at for the purposes set forth in the accompanying Notice of Meeting.

Date, Time and Place

The Apollo Meeting will be held on , , 2010 at 10:00 a.m. (Denver time) at .

Purpose of the Apollo Meeting

The purpose of the Apollo Meeting is:

- to consider and, if deemed advisable, to approve, with or without variation, the Share Issuance Resolution;
- conditional upon approval of the Share Issuance Resolution, to consider and, if deemed advisable, approve, with or without variation, the Option Plan Amendment Resolution;
- conditional upon approval of the Share Issuance Resolution and the Option Plan Amendment Resolution, to consider and, if deemed advisable, approve, with or without variation, the Name Change Resolution;
- conditional upon approval of the Share Issuance Resolution and the Option Plan Amendment Resolution, to consider and, if deemed advisable, approve, with or without variation, the Share Consolidation Resolution;
- to elect seven directors of Apollo;
- to re-appoint Apollo's independent auditors and to authorize the directors to fix their remuneration;
- to consider and, if deemed advisable, to approve, with or without variation, the Rights Plan Resolution;
- to receive the audited consolidated financial statements of Apollo for the fiscal year ended December 31, 2009, together with the report of the auditors thereon; and
- to transact such further or other business as may properly come before the Apollo Meeting and any adjournments or postponements thereof.

Copies of the Arrangement Agreement, Plan of Arrangement, the Apollo Stock Option Incentive Plan and the Shareholder Rights Plan are attached to this Circular as Schedules F, G, J and K, respectively. Apollo Shareholders should review the Arrangement Agreement, Plan of Arrangement, the Apollo Stock Option Incentive Plan, the Shareholder Rights Plan and this Circular carefully and in their entirety before deciding how to vote.

The rules of the TSX require that a listed issuer obtain the consent of its shareholders prior to completing any acquisition that would result in the issuance of more than 25% of the issuer's outstanding common stock. Similarly, rules of the AMEX require that a listed issuer obtain the consent of its shareholders prior to completing any transaction that would result in the issuance of more than 20% of the issuer's outstanding common stock. If the transaction is completed, Apollo will issue shares of common stock representing, in the aggregate, in excess of 25% of its outstanding shares of common stock.

In addition, shareholder ratification of Apollo's Shareholder Rights Plan is required by the terms of the rights plan and shareholder approval of the amendments to the Apollo Stock Option Incentive Plan is required by the rules and regulations of the AMEX and the TSX.

Record Date

The Apollo Board has fixed 5:00 p.m. (Toronto time) on , 2010 as the record date for determining shareholders entitled to notice of and to vote at the Apollo Meeting.

Outstanding Shares

As of 5:00 p.m. (Toronto time) on , 2010, the record date for the Apollo Meeting, there were Apollo Shares outstanding and entitled to vote.

Shares Entitled to Vote

Shares entitled to vote at the Apollo Meeting are shares of Apollo common stock held as of the close of business on the record date, , 2010. Each Apollo Shareholder is entitled to one vote at the Apollo Meeting for each Apollo Share held by that shareholder at the close of business on the record date.

Vote Required

The proposal to authorize the filing of articles of amendment to change the name of Apollo to and the proposal to effect the Share Consolidation each must be approved by at least two-thirds of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting. Each other proposal must be approved by a majority of the votes cast on such proposal by Apollo Shareholders present in person or by proxy at the Apollo Meeting.

The Apollo Board urges Apollo Shareholders to complete, date and sign the accompanying Apollo Proxy and return it promptly in the envelope provided for that purpose or to promptly submit their proxies by facsimile.

Recommendation of the Apollo Board

The Apollo Board recommends that Apollo Shareholders vote "FOR" each of the proposals set forth in this Circular and the Apollo Proxy.

Shares Beneficially Owned by Apollo Directors and Executive Officers

On the record date, Apollo directors and named executive officers beneficially owned and had the right to vote approximately million Apollo Shares. These shares represent, in the aggregate, approximately % of the total voting power of Apollo's outstanding shares of common stock entitled to vote at the Apollo Meeting. On March 31, 2010, Linear entered into support agreements with each of the following directors and officers of Apollo: R. David Russell, Melvyn Williams, Marvin K. Kaiser, David W. Peat, Richard F. Nanna, Robert W. Babensee, W.S. (Steve) Vaughan, Brent E. Timmons, Timothy G. Smith, Wendy Yang, G. Michael Hobart and Charles E. Stott.

Pursuant to these support agreements, each Apollo director and officer party to such agreement committed to, among other things:

- not sell, assign, transfer or otherwise convey, dispose of, encumber or restrict the voting rights of any of their Apollo securities (including Apollo Shares);
- vote all of their Apollo Shares in favor of the Arrangement and any resolutions or matters relating thereto at any meeting of Apollo Shareholders called to consider the same;

- not withdraw any proxy (if any) delivered to Apollo or its depositary agent in connection with any meeting of Apollo Shareholders called to approve the Arrangement; and
- vote against any proposal (other than a Superior Proposal as defined in the Arrangement Agreement) submitted to Apollo Shareholders in respect of any amalgamation, merger, sale of Apollo's or its affiliates' or associates' assets, take-over bid, plan of arrangement, reorganization, recapitalization, shareholder rights plan, liquidation or winding-up of, reverse take-over or other business combination or similar transaction involving Apollo or any of its subsidiaries; (i) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement; or (ii) which would reasonably be expected to result in a material adverse effect in respect of Apollo.

For more information regarding beneficial ownership of shares of Apollo Shares by each current Apollo director, certain executive officers of Apollo and all directors and executive officers of Apollo as a group, see “Security Ownership of Certain Beneficial Owners and Management” beginning on page .

Quorum

A quorum of shareholders is necessary to hold a valid Apollo Meeting. Pursuant to Apollo’s by-laws, the presence in person or representation by proxy of one or more Apollo Shareholders at any meeting of Apollo Shareholders, holding, in the aggregate, not less than one-third of the outstanding Apollo Shares entitled to vote at the meeting will constitute a quorum. If a quorum is not present at the Apollo Meeting, the meeting may be postponed or adjourned, without notice other than announcement at the Apollo Meeting, until a quorum is present or represented, unless the Apollo Meeting is postponed or adjourned for an aggregate of thirty or more days. At any subsequent reconvening of the Apollo Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Apollo Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting. Shares held by Apollo in its treasury do not count toward a quorum.

Voting by Proxy

Your vote is very important. Whether or not you plan to attend the Apollo Meeting, please take the time to vote by completing, signing and mailing the enclosed Apollo Proxy or by facsimile according to the instructions on the Apollo Proxy. A signed and completed Apollo Proxy received by Apollo or its agent prior to or at the Apollo Meeting will be voted as instructed. If your broker or other nominee holds your shares in its name, carefully follow the instructions given to you by your broker or other nominee to ensure that your shares are properly voted.

Appointment of Proxies

The persons named in the enclosed Apollo Proxy are officers and/or directors of Apollo. An Apollo Shareholder has the right to appoint some other person, who need not be an Apollo Shareholder, to represent him or her at the Apollo Meeting and may do so by inserting such person’s name in the blank space provided in the enclosed Apollo Proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed applicable proxy at the offices of CIBC Mellon Trust Company, Attention: Proxy Dept., P.O. Box 721, Agincourt, Ontario, M1S 0A1, (facsimile: (416) 368-2502 or toll free facsimile (866) 781-3111).

An Apollo Shareholder forwarding the applicable proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Apollo Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The securities represented by the proxy submitted by an Apollo Shareholder will be voted in accordance with the directions, if any, given in the proxy.

To be valid, an Apollo Proxy must be executed by an Apollo Shareholder or by a Shareholder’s attorney duly authorized in writing or, if the Apollo Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

Proxies without Instructions

If a proxy card is signed and dated by an Apollo Shareholder but does not include instructions on how to vote, the Apollo Shares represented by such Apollo Proxy will follow the respective Apollo Board recommendations and consequently will be voted “FOR” each of the proposals included in this Circular and the Apollo Proxy.

Revocation of Proxies

An Apollo Shareholder can change such shareholder's vote at any time before such shareholder's proxy is voted at the Apollo Meeting. An Apollo Shareholder may revoke such shareholder's proxy in several ways:

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- by depositing an instrument in writing executed by the Apollo Shareholder or by the Apollo Shareholders' attorney duly authorized in writing or, if the Apollo Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with CIBC Mellon Trust Company, Attention: Proxy Dept., P.O. Box 721, Agincourt, Ontario, M1S 0A1 (facsimile: (416) 368-2502 or toll free facsimile (866) 781-3111), or at the head office of Apollo at 5655 South Yosemite Street, Suite 200, Greenwood Village, Colorado 80111-3220, Attention: Corporate Secretary;
- by completing and submitting an Apollo Proxy bearing a later date and depositing it at or mailing it to the offices of CIBC Mellon Trust Company, Attention: Proxy Dept., P.O. Box 721, Agincourt, Ontario, M1S 0A1 (facsimile: 416-368-2502 or toll free facsimile 1-866-781-3111);
 - by voting by facsimile after previously voting or submitting your Apollo Proxy;
- by attending the Apollo Meeting and voting in person. Your attendance at the Apollo Meeting alone will not revoke your proxy. You must also vote at the Apollo Meeting in order to revoke your previously submitted proxy; or
 - in any other manner permitted by law.
- Apollo Shareholders whose shares are held in "street name" must contact their brokers or other nominee and follow the instructions provided to them in order to revoke their proxies.

Solicitation of Proxies

This Circular is being furnished in connection with the solicitation of Apollo Proxies by the management and the Apollo Board for use at the Apollo Meeting on , 2010. Following the original mailing of the Circular and accompanying materials, directors, officers and employees of Apollo may, without payment of any additional consideration, solicit proxies by mail, telephone, facsimile, email or personal interviews. Apollo may request brokers, custodians, nominees and other record holders to forward copies of the Circular and soliciting materials to persons for whom they hold shares of Apollo and to request authority for the exercise of proxies. In such cases, Apollo may reimburse such holders for their reasonable expenses. The cost of soliciting proxies in connection with the meetings will be borne directly by Apollo. Apollo has engaged Laurel Hill Advisory Group, 200-366 Bay Street, Toronto, Ontario, M5H 4B2, to assist in its proxy solicitation effort at an estimated aggregate cost of approximately \$, plus reimbursement of expenses. The extent to which these proxy-soliciting efforts will be necessary depends entirely upon how promptly proxies are submitted. You should submit your Apollo Proxy without delay.

Dissent Rights

Under applicable Canadian Law, Apollo Shareholders are not entitled to dissenters' appraisal rights in connection with any matters to be acted upon at the Apollo Meeting.

Shareholder Proposals For Next Annual Meeting

Shareholder Proposals for Inclusion in Proxy Statement for 2011 Annual Meeting of Apollo Shareholders

To be considered for inclusion in Apollo's proxy statement for the 2011 annual meeting of shareholders, a shareholder proposal must be received by Apollo no later than the close of business on . Shareholder proposals must be sent to the Secretary of Apollo at the following address: Apollo Gold Corporation, 5655 South Yosemite Street, Suite 200, Greenwood Village, Colorado, 80111-3220. Apollo will not be required to include in its proxy statement any shareholder proposal that does not meet all the requirements for such inclusion established by applicable law.

Other Shareholder Proposals for Presentation at 2011 Annual Meeting of Apollo Shareholders

For any proposal that is not submitted for inclusion in Apollo's proxy statement for the 2011 annual meeting of shareholders, but is instead sought to be presented directly at the 2011 annual meeting of shareholders, the SEC's rules permit management to vote proxies in its discretion if: (1) Apollo receives notice of the proposal before the close of business on , 2011, and advises shareholders in the proxy statement about the nature of the matter and how management intends to vote on such matter (and certain other conditions are met); or (2) Apollo does not receive notice of the proposal prior to the close of business on , 2011. Notices of intention to present proposals at the 2011 annual meeting of shareholders should be sent to Secretary of Apollo at the following address: Apollo Gold Corporation, 5655 South Yosemite Street, Suite 200, Greenwood Village, Colorado, 80111-3220.

Other Matters

Apollo does not expect that any matters other than the proposals described in this Circular and set forth on the Apollo Proxy will be raised at the Apollo Meeting. However, if other matters are properly raised at the Apollo Meeting, the persons named as proxies will vote in accordance with the recommendations of the Apollo Board.

Transfer Agent

Apollo's transfer agent is CIBC Mellon Trust Company. All communications concerning accounts of Apollo shareholders of record, including address changes, name changes, inquiries as to requirements to transfer common stock and similar issues may be handled by calling Apollo - Investor Relations at (303) 524-3217, by calling CIBC Mellon Trust Company at (416) 643-5000 or by writing to CIBC Mellon Trust Company at 320 Bay Street, P.O. Box 1, Toronto ON M5H 4A6, Canada. For other information about Apollo, you may visit Apollo's web site at www.apollogold.com.

THE ARRANGEMENT

The following discussion contains material information pertaining to the transaction, including the Arrangement Agreement and the Plan of Arrangement. This discussion is subject, and qualified in its entirety by reference, to the Arrangement Agreement and the form of Plan of Arrangement, which are attached to this document as Schedules F and G, respectively. We urge you to read and review the Arrangement Agreement and the form of Plan of Arrangement in their entirety as well as the discussion in this Circular.

General

This section provides material information about the combination of the business of Linear and Apollo and the circumstances surrounding the transaction. The next sections of this document, entitled “The Arrangement Mechanics” and “The Arrangement Agreement” beginning on pages and , respectively, contain additional and more detailed information regarding the legal documents that govern the transaction, including information about the conditions to completion of the transaction and the provisions for terminating the Arrangement Agreement.

Both the Apollo Board and the Linear Board have approved the Arrangement Agreement. The Arrangement Agreement and the Plan of Arrangement provide that Apollo will acquire all of the outstanding Linear Shares subject to, among other things:

- approval of the Option Plan Amendment Resolution and the Share Issuance Resolution by Apollo Shareholders;
- approval of the Continuance and the Arrangement by Linear Shareholders; and
- approval of the Arrangement by the Court.

As a consequence of the transaction, Linear will amalgamate with Apollo Sub and the amalgamated corporation will become a wholly owned subsidiary of Apollo. Pursuant to the transaction, Apollo will acquire (i) each outstanding Linear Share (other than those held by Linear Shareholders who properly exercise their Dissent Rights) in exchange for 5.4742 Apollo Shares (ii) each outstanding Linear Warrant in exchange for an Apollo Replacement Warrant and (iii) each outstanding Linear Option in exchange for an Apollo Replacement Option. Linear Shareholders who properly exercise their Dissent Rights will be entitled to be paid the fair value of their Linear Shares. Non-registered holders of Linear Shares, Linear option holders and Linear warrant holders are not entitled to Dissent Rights. Dissenters’ appraisal rights are not available to Apollo Shareholders in connection with the transaction. See “Dissenting Shareholder Rights” beginning on page .

The purpose of the Arrangement is for Apollo to acquire all of the issued and outstanding Linear Shares, Linear Options and Linear Warrants upon the amalgamation of Apollo Sub and Linear and, as consideration therefor, to issue Apollo Shares to the Former Linear Shareholders, Apollo Replacement Options to the former Linear Optionholders and Apollo Replacement Warrants to the former Linear Warrantholders, all on the basis of the Exchange Ratio (subject to corresponding adjustment to the respective exercise prices of the Apollo Replacement Options and Apollo Replacement Warrants). If permitted by applicable Laws, Apollo intends to cause Linear to apply to de-list the Linear Shares and the Linear Listed Warrants from the TSX as soon as practicable following the Effective Date and to apply to cease to be a reporting issuer under the securities Laws of each province of Canada in which it is a reporting issuer. Apollo has agreed to use its commercially reasonable best efforts to arrange for the Apollo Replacement Warrants issued in exchange for the Linear Listed Warrants to be listed on the TSX and to maintain such listing until 5:00 p.m. (Halifax time) on November 19, 2014.

When the Arrangement Becomes Effective

Under the ABCA, the Court must approve the Plan of Arrangement. If Apollo Shareholder Approval is obtained at the Apollo Meeting and Linear Shareholder Approval is obtained at the Linear Meeting, the Court will hold a hearing regarding the Final Order. The Court will consider, among other things, the fairness and reasonableness of the Arrangement. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

If the required securityholder approvals are received, the Final Order is obtained, every other requirement of the ABCA relating to the Arrangement is complied with and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Arrangement will become effective on the Effective Date. Linear and Apollo currently expect that the Effective Date will be on or about , 2010.

Background of the Arrangement

The provisions of the Arrangement Agreement are the result of arm's length negotiations conducted between representatives of Apollo, Linear, and their respective legal and financial advisors. The following is a summary of the background to the execution of the Arrangement Agreement.

In June 2008, Haywood Securities approached the management team of Apollo and raised the concept of a business combination with Linear. Also in June 2008, but in separate discussions, Haywood Securities approached the management team of Linear and presented the idea of a business combination with Apollo. Both Apollo and Linear were receptive to exploring the opportunity further and certain preliminary discussions were held between the management of both companies. It was subsequently determined, however, that Apollo would continue to focus on the development of its Black Fox mine while Linear pursued alternative transaction opportunities. Preliminary discussions were again entertained in December of 2008; however, no agreement was able to be achieved.

In August 2009, the Apollo Board established the Apollo Special Committee to review and supervise any proposed transaction that could arise in respect of Apollo, and any potential issuance of securities, change of control or similar transaction. The Apollo Special Committee consisted of Messrs. Stott (Chairman), Kaiser, Peat and Vaughan. The Apollo Board fixed the compensation for each committee member at \$20,000.

The Apollo Special Committee met only twice in calendar 2009. The Apollo Special Committee retained Stikeman Elliott LLP and Haywood Securities as its independent legal and financial advisors, respectively.

On or about December 20, 2009, Apollo received a draft indication of interest from a third party outlining the potential acquisition of Apollo by such third party. In response to this indication of interest, Haywood Securities contacted Linear to discuss Linear's level of interest in pursuing some form of business combination transaction with Apollo.

As a result of the positive outcome of these preliminary discussions between Haywood Securities and Linear, on or about December 18, 2009, a draft form of an indicative term sheet was prepared which outlined the preliminary terms and conditions that had been discussed to date of a potential merger between Linear and Apollo.

In an engagement letter dated December 30, 2009, the Apollo Special Committee and the Apollo Board formally engaged Haywood Securities as financial advisor to review the strategic alternatives available to Apollo, including but not limited to potential business combinations, an outright sale of Apollo, and potential financing opportunities.

On January 6, 2010, Apollo and Linear entered into a mutual confidentiality agreement in order to formally commence the due diligence analysis required to better assess a potential business combination. Upon execution of the confidentiality agreement, both Apollo and Linear provided each other with access to confidential information regarding their respective companies.

On January 18, 2010, representatives from Apollo, accompanied by a representative from Haywood Securities, and an independent mining consultant engaged by Apollo, visited Linear's Goldfields project located near Uranium City, Saskatchewan to perform on-site due diligence on Linear's exploration and development projects.

On January 27, 2010 and January 28, 2010, representatives from Linear visited Apollo's Black Fox project located near Timmins, Ontario to perform on-site due diligence on Apollo's exploration projects and mining operations.

Concurrently with the evaluation of a potential business combination with Linear, Apollo and Haywood Securities continued to explore other strategic alternatives financing opportunities and an outright sale of Apollo. Between December 30, 2009 and March 8, 2010, the Apollo Special Committee met ten times to review the progress of the potential business combination with Linear as well as these other various alternatives and opportunities.

By the end of February 2010, Apollo and Linear had substantially completed their mutual due diligence processes. Between March 1, 2010 and March 8, 2010, significant negotiations were held between Apollo, Linear and their respective advisors regarding the Arrangement.

Concurrent with the discussions with Linear, the Apollo Special Committee also considered a number of financing transactions and other alternatives available to Apollo. With the advice of its independent legal and financial advisors, the Apollo Special Committee examined in an in-depth manner, four potential financing and other transactions. Based on the outcome of the meetings held between December 30, 2009 and March 8, 2010, the Apollo Special Committee determined that a transaction with Linear represented the best financing and strategic opportunity available to Apollo.

On March 8, 2010, both the Apollo Special Committee and the Apollo Board held meetings to further consider the final terms of the proposed transaction with Linear. After receiving a detailed review of the transaction and having a thorough discussion on, among other factors, the timing of the transaction in the context of market and economic conditions, the consideration being offered and possible alternatives to the Arrangement, the results of due diligence investigations of Linear and its assets, the Apollo Fairness Opinion and the assumptions and limitations outlined therein, the Apollo Special Committee and the directors of Apollo unanimously determined that the Arrangement is in the best interests of Apollo. Accordingly, the Apollo Special Committee voted unanimously to recommend to the Apollo Board that it approve, among other things, the execution and delivery of the Binding LOI and the Arrangement and that the Apollo Board recommend that Apollo Shareholders vote for the Share Issuance. The Apollo Board subsequently voted unanimously to approve the Arrangement and the Binding LOI.

Linear, Apollo, and their respective legal advisors completed the negotiation of the Binding LOI, at which time the Binding LOI was signed by the parties. A press release announcing the Arrangement was issued on March 9, 2010. The Binding LOI was amended on March 18, 2010 to reflect certain agreed changes to the proposed board and management of Apollo following completion of the Arrangement. The formal, definitive Arrangement Agreement was executed on March 31, 2010, thereby superseding the Binding LOI (as amended).

Consent, Lock-Up and Support of the Project Lenders

Concurrently with the execution of the Binding LOI, Apollo entered into a consent letter with the Project Lenders in respect of the Project Facility Agreement. Pursuant to the consent letter, the Project Lenders agreed, subject to the terms and conditions contained in the consent letter, (i) to consent to the Arrangement and the Private Placement, (ii) subject to completion of the Arrangement and satisfaction of various terms and conditions, not to accelerate repayment of any amounts owing under the Project Facility Agreement or to enforce any remedies in each case prior to September 30, 2010, in the event of certain “events of default” or “review events” (each as defined in the Project Facility Agreement), and (iii) to make certain amendments to the Project Facility Agreement. The amendments to the Project Facility Agreement include amendments to the original debt repayment schedule and an extension to September 30, 2010 of various covenants contained in the Project Facility Agreement, including relating to the satisfaction of certain completion tests related to the Black Fox project and the obligation to fund a debt reserve account.

On March 18, 2010, the Project Lenders entered into lock-up agreements in favour of Apollo and Linear pursuant to which the Project Lenders agreed to, subject to certain exceptions, refrain from offering, selling, contracting to sell, lending, or entering into any other agreement to transfer the economic consequences of any of the Apollo Shares or

Apollo warrants held by them until December 31, 2010. The Project Lenders also entered into support agreements representing 8,716,800 Apollo Shares in the aggregate, pursuant to which they agreed, subject to customary exceptions in the context of a Superior Proposal and other terms and conditions set out in such agreements, to vote their Apollo Shares in favour of the Share Issuance Resolution and all other matters relating to the Arrangement at the Apollo Meeting.

Private Placement

On March 18, 2010, Apollo completed a private placement from treasury of 62,500,000 Apollo Shares to Linear at a price of Cdn.\$0.40 per Apollo Share for aggregate gross proceeds of Cdn.\$25,000,000. Linear did not own or exercise control over any securities of Apollo prior to completion of the Private Placement. Immediately following completion of the Private Placement, the 62,500,000 Apollo Shares owned by Linear represented approximately 18.6% of the issued and outstanding Apollo Shares. In the event that the Arrangement is not completed for any reason, Apollo has agreed to file a registration statement with the SEC in respect of the Apollo Shares issued pursuant to the Private Placement and to take all necessary steps in order to have such registration statement declared effective by the SEC as expeditiously as possible so as to register the resale of such shares by Linear in the United States. US\$10 million of the gross proceeds from the Private Placement was applied to repay a portion of the debt owing under the Project Facility Agreement, and the remaining proceeds are being used to advance the development of the new Black Fox underground mine and for general working capital purposes.

Support Agreements

Prior to signing the Arrangement Agreement, the management and directors of both Apollo and Linear entered into customary support agreements, representing, in the aggregate, approximately 3.7 million Apollo Shares and 3.4 million Linear Shares.

Pursuant to the support agreements, each director and executive officer of Apollo party to such agreement committed to, among other things:

- immediately cease and terminate existing discussions, if any, with any person with respect to any potential direct or indirect acquisition of, or any other business combination involving, Apollo or any material part of its assets (each, an “Apollo Acquisition Proposal”);
- not, directly or indirectly, make, solicit, assist, initiate, encourage or otherwise facilitate any inquiries, proposals or offers from any person, other than Apollo or its affiliates, relating to any Apollo Acquisition Proposal or participate in, any discussions or negotiations regarding any information with respect to any Apollo Acquisition Proposal or conduct any activity otherwise detrimental to the Arrangement;
- not sell, assign, transfer or otherwise convey, dispose of, encumber or restrict the voting rights of any of their Apollo securities (including Apollo Shares);
- vote all of their Apollo Shares in favor of the Arrangement and any resolutions or matters relating thereto at any meeting of Apollo Shareholders called to consider the same;
- not withdraw any proxy (if any) delivered to Apollo or its depositary agent in connection with any meeting of Apollo Shareholders called to approve the Arrangement; and
- vote against any proposal (other than a Superior Proposal as defined in the Arrangement Agreement) submitted to Apollo Shareholders in respect of any amalgamation, merger, sale of Apollo’s or its affiliates’ or associates’ assets, take-over bid, plan of arrangement, reorganization, recapitalization, shareholder rights plan, liquidation or winding-up of, reverse take-over or other business combination or similar transaction involving Apollo or any of its subsidiaries; (i) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement; or (ii) which would reasonably be expected to result in a material adverse effect in respect of Apollo.

Reasons and Benefits of the Arrangement

In evaluating and approving the Share Issuance, the directors of Apollo considered a number of factors including, among others, the following.

- Advancing Black Fox – The transaction allows Apollo to materially reduce Black Fox project debt levels and provides immediate capital to fund the new underground development at Black Fox as well as an aggressive exploration program at Grey Fox and Pike River to advance towards feasibility in the near term.

- Improved balance sheet and enhanced financial flexibility – The transaction and related Private Placement of Cdn.\$25 million allows Apollo to reduce its project debt facility, enhance its working capital and advance the new underground mine development at Black Fox, thereby positioning Apollo with improved financial flexibility.
- Additional Production – The transaction provides a near term development asset in Linear’s Goldfields project that will add low-cost production of approximately 70,000 ounces of gold per year by 2013.
- Improved Portfolio of Properties – The transaction expands the portfolio of quality exploration assets to include Linear’s Goldfields Project in northern Saskatchewan, Canada, Linear’s properties in the Chiapas area of southern Mexico and Linear’s Ampliacion Pueblo Viejo II property in the Dominican Republic.
- Participation by Shareholders in the Assets of Linear – Apollo Shareholders, through the combination with Linear, will participate in any increase in the value of the mineral projects and other assets currently owned by Linear.

In reaching their conclusion and making their recommendation, the members of the Apollo Special Committee and Apollo Board relied on their knowledge of Apollo and Linear and the industry in which they are involved, on the information provided by Apollo and its advisors and on the advice of its legal and financial advisors. The Apollo Special Committee and Apollo Board considered numerous other factors to be in favour of the transaction, including, among other things:

- Fairness Opinion – The opinion of the Apollo Special Committee’s financial advisor, Haywood Securities, to the effect that, as of March 9, 2010 and subject to the analyses, assumptions, qualifications and limitations set forth in the Apollo Fairness Opinion, the offered consideration of 5.4742 Apollo Shares for each Linear Share pursuant to the Arrangement is fair, from a financial point of view, to the Apollo Shareholders.
- Due Diligence – The positive results of the due diligence review conducted by Apollo’s management and Apollo’s financial and legal advisors.
- Ability to Accept a Superior Proposal – Under the Arrangement Agreement, the Apollo Board remains able to respond, in accordance with its fiduciary duties, to certain unsolicited proposals that are more favourable to Apollo Shareholders than the Arrangement.
- Apollo Shareholder Approval – The Share Issuance Resolution and the Option Plan Amendment Resolution must each be approved by no less than a majority of the votes cast in respect thereof by Apollo Shareholders present in person or represented by proxy at the Apollo Meeting. For the purposes of voting on the Share Issuance Resolution, a total of 62,500,000 Apollo Shares held by Linear (representing approximately % of the currently outstanding Apollo shares) will be excluded from voting. The Apollo Board believes that the required approvals protect the rights of Apollo Shareholders.
- Absence of Competing Proposal – Since the entering into of the Arrangement Agreement on March 31, 2010, Apollo has not received any expressions of interest or competing offers related to a merger or acquisition transaction.
- Market and Industry Trends – Current economic, industry and market trends affecting Apollo and Linear and the current and historical trading prices of their respective common stock.

The Apollo Special Committee and Apollo Board also considered potential adverse factors associated with the transaction, including, among other things:

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Dilution of Apollo Shareholders' Ownership Interest in the Combined Company; Ownership Interest by Linear Shareholders in the Combined Company – As a result of the issuance of Apollo Shares in the Arrangement, Apollo's existing shareholders will experience a significant degree of dilution in their ownership of Apollo. Upon completion of the transaction and based on the number of Apollo Shares and Linear Shares outstanding as of , 2010, Apollo Shareholders and Linear Shareholders will own, respectively, approximately % and % of the combined company (on an undiluted basis).

- Termination Fee – The fact that Apollo may be obligated to pay a termination fee under the Arrangement Agreement in certain circumstances.
- Market Disruption if Transaction Not Completed – The fact that if the transaction is not completed, Apollo may be adversely affected due to potential disruptions in its operations and market perceptions.
- Integration Challenges – The challenges inherent in the combination of two enterprises of the size and scope of Apollo and Linear and the possible resulting diversion of management attention for an extended period of time as well as the risk that anticipated benefits, long-term as well as short-term, of the transaction for the Apollo shareholders might not be realized.
- Dissent Rights – The availability of Dissent Rights to the Linear Shareholders and that the Arrangement Agreement contains a condition that Linear Shareholders representing in excess of 5% of the outstanding Linear Shares will not have exercised rights of dissent in connection with the transaction.

The foregoing summary of the information and factors considered by the Apollo Board is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Arrangement, the directors of Apollo did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching their conclusions and recommendations. The recommendations of the directors of Apollo were made after consideration of all of the above-noted factors and in light of their collective knowledge of the business, financial condition and prospects of Linear, and were also based upon the advice of financial advisors and legal advisors to the Apollo Special Committee and the Apollo Board. In addition, individual directors of Apollo may have assigned different weights to different factors.

Opinion of Apollo's Financial Advisor-Haywood Securities Inc.

Pursuant to the Haywood Securities Engagement Letters, Haywood Securities was formally engaged by the Apollo Special Committee to consider the proposed Arrangement and provide its opinion to the Apollo Special Committee as to the fairness, from a financial point of view, to the Apollo Shareholders, of the consideration to be paid by Apollo to the Linear Shareholders. The Haywood Securities Engagement Letters also provide the terms upon which Haywood Securities agreed to act as a financial advisor to Apollo in connection with an analysis of various strategic alternatives, including a potential business combination or an investment by a strategic investor. Pursuant to the Haywood Securities Engagement Letters, in consideration for the services provided by Haywood Securities thereunder, Apollo agreed to pay to Haywood Securities, in addition to reimbursement of its reasonable expenses, (i) 1.5% of the total value of all consideration paid or received by Apollo in connection with the transaction with Linear plus any amounts payable in respect of employment or consulting agreements (the "Success Fee"), and (ii) Cdn.\$260,000 for the Apollo Fairness Opinion. Apollo currently estimates that, if the transaction is completed, the aggregate amount of fees payable to Haywood Securities under the Haywood Securities Engagement Letters would be Cdn.\$, of which Cdn.\$ would represent the Success Fee. The Haywood Engagement Letters also state that in the event the proposed Arrangement is not consummated but that Apollo receives a break-up fee or any other payment as a result of the termination of the Arrangement, Apollo will pay to Haywood Securities the lesser of 20% of any such break-up fee or other payment received by Apollo and Cdn.\$200,000.

On March 8, 2010, Haywood Securities delivered an oral form of the Apollo Fairness Opinion to the Apollo Special Committee with respect to the Share Issuance. Subsequent to the delivery of the oral form of Apollo Fairness Opinion, Haywood Securities delivered the written Apollo Fairness Opinion dated March 9, 2010 to the Apollo Special Committee. Based upon and subject to the various considerations set forth in the Apollo Fairness Opinion, Haywood Securities is of the opinion that the consideration to be paid by Apollo to the Linear Shareholders is fair, from a

financial point of view, to the Apollo Shareholders. The Apollo Fairness Opinion was provided to, and for the use and benefit of, the Apollo Special Committee solely for the purpose of its consideration of the Share Issuance and addresses the fairness, from a financial point of view, to the Apollo Shareholders, of the consideration to be paid by Apollo to the Linear Shareholders and does not address any other aspect of the Share Issuance Resolution or any other transaction.

The full text of the Apollo Fairness Opinion, which sets forth, among other things, the analysis, assumptions, qualifications and limitations on the scope of review undertaken by Haywood Securities in rendering the Apollo Fairness Opinion, is set forth in Schedule L attached to this Circular. Apollo Shareholders are urged to read the Apollo Fairness Opinion in its entirety. The Apollo Fairness Opinion does not address the merits of the underlying business decision to enter into the transaction contemplated by the Share Issuance Resolution versus any alternative strategy or transaction and does not constitute advice or a recommendation as to whether Apollo Shareholders should vote in favour of the Share Issuance Resolution or any other transaction and the Apollo Fairness Opinion states that it may not be used or relied upon by any other person other than the Apollo Special Committee and the Apollo Board without the express prior written consent of Haywood Securities. This summary of the Apollo Fairness Opinion is qualified in its entirety by reference to the full text of the Apollo Fairness Opinion as set forth in the attached Schedule L. Any capitalized terms used in this Summary of the Apollo Fairness Opinion but not otherwise defined in this Circular have the meanings ascribed to such terms in Schedule L.

The Apollo Fairness Opinion was rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date of the Apollo Fairness Opinion and the condition and prospects, financial and otherwise of Apollo and its subsidiaries and affiliates, as they were reflected in the information and documents reviewed by Haywood Securities and as they were represented to Haywood Securities in discussions with management of Apollo. Subsequent developments may affect the Apollo Fairness Opinion and Haywood Securities reserves the right to change, modify or withdraw the Apollo Fairness Opinion prior to the completion of the Arrangement.

Haywood Securities is one of Canada's leading independent investment dealers with operations in investment banking, equity sales and trading and investment research. The Apollo Fairness Opinion represents the opinion of Haywood Securities and the form and content of the Apollo Fairness Opinion have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters. As per the Haywood Securities Engagement Letters, Haywood Securities is paid a fee upon delivery and publication of the Apollo Fairness Opinion and will be reimbursed for any out-of-pocket expenses.

Neither Haywood Securities nor any of its affiliated entities is an associated or affiliated entity or issuer insider (as those terms are defined in Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions) of Linear or Apollo or any of their respective associates or affiliates. Haywood Securities may, in the future, in the ordinary course of business, provide financial advisory services to Linear or Apollo or any of their respective associates or affiliates.

The following is a list detailing all fees, commissions, shares, and warrants that Haywood Securities has received from Apollo in the past two years:

- On July 24, 2008, Cdn.\$928,347.87 and 1,713,873 broker warrants of Apollo exercisable at Cdn.\$0.60 as sales commission relating to a financing;
- On August 21, 2008, 1,020,000 broker warrants of Apollo exercisable at Cdn.\$0.50 as sales commission relating to a financing;
- On September 19, 2008, Cdn.\$25,000 for financial advisory services relating to the analysis of potential merger and acquisition opportunities;
- On December 31, 2008, Cdn.\$36,000 and 255,000 warrants of Apollo exercisable at Cdn.\$0.30 for financial advisory services relating to a private placement financing;

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- On February 23, 2009, 2,172,840 common shares of Apollo and 2,567,901 broker warrants of Apollo exercisable at Cdn.\$0.256 for financial advisory services;
- On March 23, 2009, 1,000,000 common shares of Apollo relating to the successful completion of financial advisory services;
- On July 15, 2009, Cdn.\$718,250 and 1,292,796 broker warrants of Apollo exercisable at Cdn.\$0.45 as sales commission relating to a financing;
 - On August 21, 2009, Cdn.\$552,500 as sales commission relating to a financing;

- From September to November, 2009, Cdn.\$50,000 for financial advisory services relating to the analysis of potential merger and acquisition opportunities;
- On January 5, 2010, Cdn.\$50,000 for financial advisory services relating to the analysis of strategic alternatives, including financing options and merger and acquisition opportunities;
- On January 14, 2010, 300,000 common shares of Apollo for financial advisory services relating to the successful completion of a merger and acquisition transaction; and
- In February, 2010, Cdn.\$100,000 for financial advisory services relating to the analysis of strategic alternatives, including financing options and merger and acquisition opportunities.

In addition, Haywood Securities has provided services to Linear in connection with the analysis of potential merger and acquisition opportunities and its financing efforts. The following is a list detailing all fees, commissions, shares, and warrants Haywood Securities has received from Linear in the past two years:

§ From June to August, 2008, Cdn.\$30,000 for financial advisory services relating to the analysis of potential merger and acquisition opportunities;

§ On February 2, 2009, Cdn.\$75,000 for financial advisory services relating to the analysis of potential merger and acquisition opportunities; and

§ On November 29, 2009, Cdn.\$317,009.55 and 192,330 broker warrants of Linear exercisable at Cdn.\$2.15 as sales commission relating to a financing.

In preparing the Apollo Fairness Opinion, Haywood Securities performed a variety of financial and comparative analyses, including those described below. The summary of Haywood Securities' analyses described below is not a complete description of the analyses underlying the Apollo Fairness Opinion. In arriving at the Apollo Fairness Opinion, Haywood Securities made qualitative judgments as to the significance and relevance of each factor that it considered. Accordingly, Haywood Securities believes that its analyses must be considered as a whole and that selecting portions of its analyses, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and the Apollo Fairness Opinion.

In its analyses, Haywood Securities considered industry performance, general business, economic, market, political and financial conditions and other matters, many of which are beyond the control of Apollo and Linear. No company, transaction or business used in Haywood Securities' analyses as a comparison is identical to Apollo or Linear or the proposed transaction, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the business combination, public trading or other values of the companies, business segments or transactions being analyzed. The estimates contained in Haywood Securities' analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favourable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Haywood Securities' analyses and estimates could be subject to substantial uncertainty.

In connection with the Apollo Fairness Opinion, Haywood Securities performed a variety of financial and comparative analyses, including but not necessarily limited to those described below. In performing its analyses and

rendering its opinion with respect to the Share Issuance Resolution, Haywood, with the Apollo Board's consent:

- relied, without independent verification, upon all financial and other information that was obtained by it from public sources or that was provided to it by Apollo or Linear and their respective affiliates, associates, advisors or otherwise; and
- assumed that this information was complete and accurate as of the date thereof and did not omit to state any material fact or any fact necessary to be stated to make that information not misleading.

In assessing the fairness of the consideration, from a financial point of view, to be paid pursuant to the Arrangement by the Apollo Shareholders, Haywood Securities considered, among other factors, the following items and methodologies relative to Apollo and Linear and their peer group:

- Discounted cash flow analysis;
- Comparable company analysis;
- Precedent transaction analysis; and
- Historical share price trading analysis.

Discounted Cash Flow

The discounted cash flow (“DCF”) approach considers the present value of the future cash flows generated, incorporating the timing and relative certainty of projected cash flows. The DCF analysis requires that certain assumptions be made regarding, among other things, commodity prices, exchange rates, capital costs, operational costs and discount rates. In addition to considering the present value of the future cash flows generated, Haywood Securities assigns a value to exploration projects which have not necessarily demonstrated economically viable mineral deposits, but do in the opinion of Haywood Securities possess the potential for economically viable mineral deposits. To arrive at the net asset values (“NAV”) for Apollo and Linear, liabilities were subtracted from the total value of the assets for each respective company.

A range of discount rates of between 5% and 15% were selected for the various projects of Apollo and Linear based on Haywood Securities’ experience valuing mining companies. The discount rates reflect the risks associated with the projected free cash flows and incorporates factors including, but not limited to, the risk-free rate, risks associated with mining, estimated cost of capital, and development timelines for Apollo and Linear, as well as any non-sector risks such as country risk.

To complete the DCF analysis, Haywood Securities did not rely on any single series of projected cash flows but performed a variety of sensitivity analyses. Variables used by Haywood Securities in the sensitivity analyses included, but were not limited to, commodity prices, mining grades, production rates, discount rates, capital expenditures and operating costs. Based on this sensitivity analysis, the consideration offered to Linear Shareholders in the Arrangement represented an average premium of approximately 30.7% over the average implied exchange ratio calculated on the relative NAV per-share for Apollo and Linear of approximately 4.2.

Comparable Company Analysis

Haywood Securities reviewed selected comparable public company trading ranges in terms of adjusted market capitalization (“AMC”) to ounces of gold equivalent resource. Metals were converted into gold equivalent (“AuEq”) based on Haywood Securities’ long-term metal price forecasts. Haywood Securities then evaluated Linear by applying an implied range of capitalization factors to Linear’s current resource base to evaluate the consideration offered to Linear Shareholders in the Arrangement versus the trading range of the peer group. The companies utilized for comparative purposes in Haywood Securities’ analysis were not identical to Linear. As a result, a complete valuation analysis cannot be limited to a quantitative review of the selected publicly traded companies, but also requires complex considerations and judgments concerning differences in financial and operating characteristics of such companies, as well as other factors that could affect their value relative to that of Linear.

The data for the comparable multiple analysis as at March 8, 2010 is summarized as follows:

Company	Market Capitalization (US\$M)	AMC (US\$M)	Total Resource (M oz AuEq)	AMC/oz AuEq (US\$)
Aurizon Mines Ltd.	\$ 733.8	\$ 645.4	5.6	\$ 115.3
Minefinders Corporation Ltd.	\$ 580.7	\$ 599.1	7.0	\$ 85.6
Kirkland Lake Gold Inc.	\$ 483.2	\$ 417.6	3.3	\$ 126.5
St. Andrew Goldfields Ltd.	\$ 248.7	\$ 271.1	4.0	\$ 67.8
Wesdome Gold Mines Ltd.	\$ 199.1	\$ 173.4	1.4	\$ 123.9
Claude Resources Inc.	\$ 122.5	\$ 117.6	0.8	\$ 147.0
Alexis Minerals Corp.	\$ 50.5	\$ 46.8	0.8	\$ 58.5
			Low	\$ 58.5
			Mean	\$ 103.5
			Median	\$ 115.3
			High	\$ 147.0

Based on the market data as at March 8, 2010, the consideration offered to Linear Shareholders under the Arrangement implied an AMC/oz AuEq value for Linear of US\$17.8/oz AuEq which was a premium to Linear's AMC/oz AuEq as at March 8, 2010 of US\$13.2/oz AuEq but was significantly below the median AMC/oz AuEq of US\$115.3/oz AuEq for the comparable group evaluated.

Precedent Transactions

Haywood Securities reviewed publicly available information on selected merger and acquisition transactions in the mining sector, and compared these to the Arrangement. The basis for this analysis was to determine whether the consideration that other companies had paid in similar transactions was comparable to the consideration being offered to Linear Shareholders in the Arrangement. The analysis of these precedent transactions is not purely mathematical, but involves considerations and judgments concerning, among other things, differences in the comparable transactions, company-specific risk factors, share performance preceding each transaction announcement, and prevailing economic and market conditions, including metal prices.

In each case, two key metrics were evaluated:

- a) Price / oz AuEq: Calculated by dividing the total acquisition price by the target company's ounces of AuEq; and
- b) Premium to 20-day VWAP: The premium of the acquisition price paid per share to the volume weighted average price ("VWAP") of the target company's shares for the 20 trading days prior to the announcement of the transaction.

Using company filings, company presentations, and information from data providers including, but not limited to, Minesearch, Bloomberg, Capital IQ, and Thomson One, Haywood Securities examined the following transactions:

Buyer	Target	Date	Price / oz AuEq (US\$)	Premium to 20-day VWAP
AngloGold Ashanti Ltd.	Golden Cycle Gold Corp.	January 2008	\$ 35.1	29.7%
Eldorado Gold Corp.	Frontier Pacific Mining Corp.	April 2008	\$ 90.1	34.8%
Iamgold Corp.	Orezone Resources Inc.	December 2008	\$ 37.2	162.9%
B2Gold Corp.	Central Sun Mining Inc.	January 2009	\$ 19.0	71.0%
Avocet Mining PLC	Wega Mining ASA	April 2009	\$ 60.9	50.9%
Paramount Gold & Silver Corp.	Klondex Mines Ltd.	July 2009	\$ 27.1	24.1%
Ramelius Resources Ltd.	Dioro Exploration NL	July 2009	\$ 30.5	40.8%
International Minerals Corp.	Ventura Gold Corp.	September 2009	\$ 75.5	40.7%
Ontex Resources Ltd.	Roxmark Mines Ltd.	October 2009	\$ 77.8	31.0%
Argonaut Gold Inv.	Castle Gold Corp.	December 2009	\$ 66.1	n.a.
	Low		\$ 19.0	24.1%
	Mean		\$ 51.9	54.0%
	Median		\$ 49.1	40.7%
	High		\$ 90.1	162.9%

Based on the market data as at March 8, 2010, the consideration offered to Linear Shareholders under the Arrangement implied a Price/oz AuEq value for Linear of US\$31.3 and represented a 20% premium over Linear's 20-day VWAP, both of which are below the median metrics represented in the analysis of the precedent transactions.

Historical Share Price Trading Analysis

Haywood Securities reviewed the historical trading price of Apollo Shares and Linear Shares. Haywood Securities specifically reviewed the 5-day, 10-day, 15-day, 20-day, 30-day, and 60-day VWAP prior to the announcement of the Binding LOI on March 9, 2010. The VWAPs were calculated based on the closing price and daily volume for each of Apollo and Linear's common shares on the TSX as at March 8, 2010.

The following table summarizes the implied share price ratio for each of the VWAP periods listed as well as the premium of the consideration offered to Linear Shareholders under the Arrangement to such share price ratio:

VWAP	Apollo (Cdn.\$)	Linear (Cdn.\$)	Ratio (Apollo/Linear)	Consideration Premium
5-day	\$ 0.4160	\$ 2.0077	4.8260	13.4%
10-day	\$ 0.4133	\$ 1.9662	4.7576	15.1%
15-day	\$ 0.4238	\$ 1.9628	4.6311	18.2%
20-day	\$ 0.4280	\$ 1.9523	4.5614	20.0%
30-day	\$ 0.4273	\$ 1.8997	4.4456	23.1%
60-day	\$ 0.4754	\$ 2.0171	4.2430	29.0%

The consideration offered under the Arrangement Agreement represents a premium of between 13.4% to 29.0% to the implied exchange ratios for the VWAP periods listed.

Recommendation of the Apollo Special Committee

The Apollo Special Committee held a meeting on March 8, 2010 and unanimously recommended that the Apollo Board approve, among other things, the execution and delivery of the Binding LOI. The Apollo Special Committee, having taken into account such factors and other matters as it considered relevant, including the Apollo Fairness Opinion, unanimously determined that the Arrangement is in the best interests of Apollo and unanimously recommended that the Apollo Board approve the Binding LOI and that the Apollo Board recommend that the Apollo Shareholders vote "FOR" the Share Issuance.

Recommendation of the Apollo Board

The directors of Apollo have considered all factors they have deemed necessary to be considered based on the information available to them, including the Apollo Fairness Opinion and the approval and recommendation of the Share Issuance by the Apollo Special Committee and have unanimously determined that the offered consideration of 5.4742 Apollo Shares for each Linear Share under the Arrangement is fair to Apollo Shareholders and that the Share Issuance is in the best interests of Apollo. Accordingly, the directors of Apollo unanimously recommend that the Apollo Shareholders vote “FOR” the Share Issuance Resolution and each of the other proposals set forth in this Circular.

Issuance and Resale of Apollo Shares

The Apollo Shares, Apollo Replacement Options and Apollo Replacement Warrants to be issued pursuant to the Arrangement have not been, and will not be registered under the U.S. Securities Act or the securities Laws of any other jurisdiction. The Apollo Shares, Apollo Replacement Options and Apollo Replacement Warrants to be issued in the Arrangement will be issued pursuant to an exemption from the prospectus requirements of Canadian securities law and from the registration requirements of the U.S. Securities Act under an exemption provided by Section 3(a)(10) of the U.S. Securities Act based on the approval of the Plan of Arrangement by the Court.

Section 3(a)(10) of the U.S. Securities Act exempts securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the fairness of the terms and conditions of the issuance and exchange of the securities have been approved by any court or authorized governmental entity, after a hearing upon the fairness of the terms and conditions of exchange at which all persons to whom the securities will be issued have the right to appear and to whom adequate notice of the hearing has been given. If the Court approves the Plan of Arrangement, its approval will constitute the basis for the Apollo Shares, Apollo Replacement Options and Apollo Replacement Warrants to be issued without registration under the U.S. Securities Act in reliance on the exemption from the registration requirements of the U.S. Securities Act by Section 3(a)(10) of the U.S. Securities Act.

On [redacted], 2010 Linear and Apollo Sub obtained the Interim Order providing for the calling and holding of the Linear Meeting and for Linear to submit the Arrangement Resolution to the Linear Meeting and to seek approval thereof from the Linear Shareholders in the manner set forth in the Interim Order. Subject to obtaining Linear Shareholder Approval at the Linear Meeting, the hearing in respect of the Final Order is scheduled to take place on [redacted] (Calgary time) in the Court at [redacted] or as soon thereafter as is reasonably practicable.

The Apollo Shares issued in the Arrangement will be freely transferable under U.S. federal securities Laws, except by persons who are deemed to be “affiliates” (as that term is defined under the U.S. Securities Act) of Apollo after the Arrangement. Shares held by Apollo affiliates may be resold only in transactions permitted by Rule 901 in combination with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, the resale provisions of Rule 144 under the U.S. Securities Act or as otherwise permitted under the U.S. Securities Act. Rule 144 generally provides that “affiliates” of Apollo may not sell securities of Apollo received in the Arrangement unless the sale is effected by use of an effective registration statement or in compliance with the volume, current public information, manner of sale and timing limitations set forth in Rule 144 under the U.S. Securities Act. These limitations generally permit sales made by an affiliate in any three-month period that do not exceed the greater of 1% of the outstanding shares of Apollo common stock or the average weekly reported trading volume in such securities over the four calendar weeks preceding the placement of the sell order, provided the sales are made in unsolicited, open market “broker transactions” and that current public information on Apollo is available. Persons who may be deemed to be affiliates of an issuer generally include individuals or entities that directly or indirectly control, are controlled by, or are under common control with, that issuer and may include officers and directors of the issuer as well as beneficial owners of 10% or more of any class of capital stock of the issuer.

Section 3(a)(10) of the U.S. Securities Act does not exempt the issuance of Apollo Shares upon exercise of the Apollo Replacement Options or the Apollo Replacement Warrants from the registration requirements of the U.S. Securities Act. Accordingly, pursuant to the terms of the Arrangement Agreement, Apollo has agreed to file with the SEC a registration statement on Form S-8 and a registration statement on Form S-3 or a supplement to its currently effective shelf registration statement on Form S-3 to register the Apollo Shares issuable upon the exercise of Apollo Replacement Options and the Apollo Replacement Warrants.

Regulatory and Other Approvals Required for the Arrangement

Under the Arrangement Agreement, Apollo and Linear have both agreed to use commercially reasonable best efforts to effect all necessary registrations, filings and submissions requested by any governmental entity required in order to consummate the transaction and to obtain all consents, approvals and authorizations required to be obtained under applicable Law or from any governmental entity which would, if not obtained, materially impede the completion of the transaction.

Shareholder Approvals. In order for the Arrangement to become effective, Apollo Shareholders must approve the Share Issuance Resolution and the Option Plan Amendment Resolution at the Apollo Meeting, and the Linear Shareholders must approve the Continuance Resolution and the Arrangement Resolution at the Linear Meeting.

Court Approval. An arrangement under the ABCA requires Court approval. On , 2010 Linear and Apollo Sub obtained the Interim Order providing for the calling and holding of the Linear Meeting and for Linear to submit the Arrangement Resolution to the Linear Meeting and to seek approval thereof from the Linear Shareholders in the manner set forth in the Interim Order. A copy of the Interim Order is attached to this Circular as Schedule H.

The hearing in respect of the Final Order is currently scheduled to be held on , 2010, subject to approval of the Continuance Resolution and the Arrangement Resolution by Linear Shareholders. A copy of the Notice of Application for the Final Order is attached to this Circular as Schedule I. In accordance with the Interim Order, should the Court adjourn the hearing to a later date, notice of the later date will be given to those who have filed and delivered an appearance in accordance with the Interim Order. Any Linear Shareholder who wishes to appear or be represented and to present evidence or arguments must serve and file an appearance as set out in the Notice of Application for the Final Order and satisfy any other requirements of the Court. The Court is expected to consider, among other things, the fairness of the Arrangement. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

After the Final Order is obtained and the other conditions in the Arrangement Agreement are satisfied or waived, the Articles of Arrangement must be filed with the Registrar to give effect to the Arrangement and the various other documents necessary to consummate the transactions contemplated under the Arrangement Agreement must be executed and delivered.

Regulatory Matters. There are no material filings, consents, waiting periods or approvals required to be made with, applicable to, or required to be received from any Governmental Authority in connection with the Arrangement prior to the Effective Time, except for the approval of the Final Order by the Court, which will be sought on , 2010 or as soon as practicable thereafter and which is a condition to the completion of the Arrangement.

Stock Exchange Approvals. The Linear Shares and the Linear Listed Warrants are listed on the TSX. The TSX has conditionally approved the Arrangement, subject to Linear Shareholder Approval being obtained at the Linear Meeting and the approval of the Court.

The Apollo Shares are listed on the TSX and on the AMEX. It is a condition to closing the transaction that the Apollo Shares to be issued to the holders of Linear Shares and the Apollo Shares to be issued upon exercise of the Apollo Replacement Options and Apollo Replacement Warrants be approved for listing by the AMEX subject only to official notice of issuance and other customary conditions. It is also a condition to closing the transaction that the Apollo Shares to be issued to the holders of Linear Shares and the Apollo Shares to be issued upon exercise of the Apollo Replacement Options and Apollo Replacement Warrants be conditionally approved for listing by the TSX subject only to customary conditions. In addition, pursuant to the Arrangement Agreement, Apollo is required to use commercially reasonable best efforts to arrange for the Apollo Replacement Warrants issued upon exchange of the

Linear Listed Warrants to be listed on the TSX and to maintain that listing until November 19, 2014. On , 2010, the TSX conditionally approved the listing of the Apollo Shares to be issued pursuant to the Arrangement and the Apollo Replacement Warrants to be issued upon exchange of the Linear Listed Warrants pursuant to the Arrangement, subject to Apollo Shareholder Approval being obtained and the satisfaction of customary listing requirements and on , 2010 the AMEX approved the listing of the Apollo Shares to be issued pursuant to the Arrangement, subject to Apollo Shareholder Approval being obtained and the satisfaction of customary listing requirements.

Dissenting Shareholder Rights

Under applicable Canadian Law, Apollo Shareholders are not entitled to dissenters' appraisal rights with respect to any matters to be acted upon at the Apollo Meeting. Any registered holder of Linear Shares who properly dissents from the Continuance Resolution in accordance with the CBCA or the Arrangement Resolution in accordance with the ABCA will be entitled, in the event the transaction becomes effective, to be paid by Apollo in accordance with the terms of the Plan of Arrangement the fair value of the Linear Shares held by the Dissenting Shareholder determined as of the close of business on the day before the such resolution is approved.

Accounting Treatment

The transaction will be accounted for as an acquisition of Linear by Apollo under U.S. GAAP. As required under U.S. GAAP, we considered all pertinent facts and circumstances in identifying Apollo as the acquiring entity for accounting purposes. These facts and circumstances include the relative voting rights in the combined company of former holders of Linear Shares and holders of Apollo Shares prior to the combination, the composition of the board of directors of the combined company and the terms of the exchange of Apollo Shares for Linear Shares. Under the acquisition method of accounting, the assets and liabilities of Linear will be recorded, as of the completion of the transaction, at their respective fair values and added to those of Apollo. The reported financial condition and results of operations of Apollo issued after completion of the transaction will reflect Linear's balances and results after completion of the transaction but will not be restated retroactively to reflect the historical financial position or results of operations of Linear. Following the completion of the transaction, the earnings of the combined company will reflect acquisition accounting adjustments.

Fees, Costs and Expenses

Except as otherwise noted herein, all fees, costs and expenses incurred in connection with the Arrangement will be paid by the party incurring those expenses.

Interests of Apollo Directors and Executive Officers in the Arrangement

You should be aware that certain members of the management of Apollo and the Apollo Board have interests in the transaction that may be different from, or in addition to, the interests of Apollo Shareholders generally. These interests include, but are not limited to, the following:

Compensation Payable to R. David Russell, President and Chief Executive Officer of Apollo. Upon the successful completion of the Arrangement, Mr. Russell shall resign from the position of president and chief executive officer of Apollo. Apollo and Linear have agreed that Mr. Russell shall receive all termination and other amounts owing under his employment agreement as if he had been terminated without cause, which amounts shall not exceed approximately \$1.7 million in the aggregate. See the "Interests of Insiders and Others in Material Transactions – Related Party Transactions – Arrangement Agreement and Related Transactions" below beginning on page .

Appointments to the Combined Company's Board of Directors. Immediately following the Effective Time, three directors who currently serve on the Apollo Board, currently expected to be Messrs. Kaiser, Peat, and Stott, will continue to serve on the board of directors of the combined company. See the "Interests of Insiders and Others in Material Transactions – Related Party Transactions – Arrangement Agreement and Related Transactions" below beginning on page .

THE ARRANGEMENT MECHANICS

The Arrangement

The purpose of the Arrangement is to effect the acquisition of all of the issued and outstanding securities of Linear by Apollo. If the Option Plan Amendment Resolution and the Share Issuance Resolution are approved at the Apollo Meeting and the Continuance Resolution and the Arrangement Resolution are approved at the Linear Meeting, and all other conditions to the closing of the Arrangement are satisfied or waived, the Arrangement will be implemented by way of a Court-approved plan of arrangement under the ABCA.

Pursuant to the terms of the Plan of Arrangement, the following events will occur and be deemed to occur in the following order without further act or formality:

- immediately prior to the Effective Time, each Linear Share in respect of which Dissent Procedures have been exercised shall be deemed to be transferred to Apollo, following which Apollo shall pay to such Dissenting Shareholder the fair value of such Dissenting Shareholder's Linear Shares;
- at the Effective Time, Linear and Apollo Sub shall be amalgamated and continue as one unlimited liability corporation under the ABCA (we refer to this below as the Amalgamation);
- immediately upon the Amalgamation, all Linear Shares held by Apollo Sub, if any, shall be cancelled without any repayment of capital in respect thereof;
- immediately upon the Amalgamation, all Linear Shares (other than Linear Shares acquired by Apollo in accordance with the Dissent Procedures) held by Former Linear Shareholders (other than Dissenting Shareholders) shall be exchanged with Apollo for Apollo Shares on the basis of 5.4742 Apollo Shares for each Linear Share, and shall thereafter be cancelled without any repayment of capital in respect thereof;
- immediately upon the Amalgamation, each Linear Share acquired by Apollo in accordance with the Dissent Procedures shall be cancelled;
- immediately upon the Amalgamation, each Linear Option outstanding immediately prior to the Effective Time shall be exchanged for an Apollo Replacement Option;
- immediately upon the Amalgamation, each Linear Warrant outstanding immediately prior to the Effective Time shall be exchanged for an Apollo Replacement Warrant;
- immediately upon the Amalgamation, each Apollo Share held by Linear (including the 62,500,000 Apollo Shares acquired in the Private Placement) shall be cancelled without the payment of any consideration;
- immediately upon the Amalgamation, each common share of Apollo Sub shall be exchanged for one share of the resulting unlimited liability corporation following the Amalgamation; and
- immediately upon the Amalgamation, the resulting unlimited liability corporation following the Amalgamation shall be a wholly owned subsidiary of Apollo and there shall not be any issued or outstanding options, warrants or other rights or privileges to acquire securities of such corporation.

Assuming all outstanding Linear Shares are exchanged for Apollo Shares, no Linear Shareholders exercise Dissent Rights and that none of the Linear Options or Linear Warrants are exercised prior to the completion of the

Arrangement, and based upon the number of Linear Shares and Apollo Shares outstanding as of , 2010, immediately following the completion of the Arrangement, existing Linear Shareholders will hold approximately % of the outstanding Apollo Shares (on an undiluted basis). Following consummation of the Arrangement, Linear will amalgamate with Apollo Sub and the amalgamated corporation will become a wholly owned subsidiary of Apollo in the manner described above and Linear will cease to be publicly traded.

In addition, if the Share Consolidation Resolution is approved and implemented by the Board:

- all of the issued and outstanding Apollo Shares (which, following the consummation of the Arrangement, will include Apollo Shares held by current holders of Apollo Shares and Former Linear Shareholders) will automatically be consolidated on the basis of one post-consolidation Apollo Share for every four Apollo Shares outstanding immediately prior to the Share Consolidation.
- subject to the terms and conditions of each optionholder's option agreement with Apollo and each warrant holder's warrant certificate, the number of Apollo Shares issuable upon the exercise of Apollo's outstanding options and warrants (which, following the consummation of the Arrangement, will include Apollo Shares issuable upon the exercise of Apollo Replacement Options and Apollo Replacement Warrants), the exercise price thereof and the number of shares reserved for future issuances under Apollo's Stock Option Incentive Plan will be adjusted as appropriate to reflect the Share Consolidation; and
- the exercise price with respect to Apollo's series A junior participating preferred stock pursuant to our Shareholder Rights Plan (assuming the Rights Plan Resolution is approved at the Apollo Meeting) and the number of Apollo Shares issuable upon exercise thereof shall be proportionately adjusted to reflect the Share Consolidation.

See "The Share Consolidation Proposal" beginning on page for additional information regarding the Share Consolidation.

Articles of Arrangement

Upon the Linear Shareholders approving the Continuance in accordance with the CBCA and the Arrangement in accordance with the Interim Order, the Apollo Shareholders approving the resolutions at the Apollo Meeting as required by the Arrangement Agreement and applicable Laws, including the rules and policies of the TSX and AMEX and Linear and Apollo Sub obtaining the Final Order, Linear shall proceed with the Continuance and thereafter Linear and Apollo Sub shall jointly file the Articles of Arrangement, in duplicate, with the Registrar together with such other documents as may be required in order to effect the Arrangement.

Fractional Shares

No fractional shares of Apollo common stock will be issued pursuant to the Plan of Arrangement. In lieu of any fractional shares of Apollo common stock, any fractional number of Apollo Shares issuable pursuant to the Plan of Arrangement shall be rounded up or down to the nearest whole number.

Apollo Replacement Warrants

On , 2010, there were outstanding Linear Warrants exercisable to acquire a total of approximately 8,177,000 Linear Shares at prices between Cdn.\$1.50 and Cdn.\$3.00, with various expiration dates to 2014.

Each Linear Warrant that is outstanding as of the Effective Time will be deemed to be exchanged for or converted into an Apollo Replacement Warrant exercisable to acquire that number of Apollo Shares (rounded to the nearest whole number) that is the product of (A) the number of Linear Shares that would be deliverable upon exercise of such Linear Warrant immediately prior to the Effective Time multiplied by (B) 5.4742. The exercise price per Apollo Share represented by any such Apollo Replacement Warrant shall be an amount (rounded to the nearest cent) equal to the quotient of: (A) the exercise price per Linear Share subject to such Linear Warrant immediately prior to the Effective Time divided by (B) 5.4742.

The Apollo Replacement Warrants will otherwise be subject to same terms and conditions as were applicable to such Linear Warrant immediately prior to the Effective Time.

In accordance with the terms of the Arrangement Agreement, Apollo agreed to file with the SEC a registration statement on Form S-3 or a supplement to its currently effective shelf registration statement on Form S-3 to register the Apollo Shares issuable upon exercise of the Apollo Replacement Warrants. Apollo also agreed to use its commercially reasonable best efforts to arrange for the Apollo Replacement Warrants issued upon exchange of 5,203,750 of the Linear Listed Warrants (which were listed on the TSX upon execution of the Arrangement Agreement) to be listed on the TSX and to maintain such listing until 5:00 p.m. (Halifax time) on November 19, 2014.

Apollo Replacement Options

As of , 2010, there were outstanding Linear Options which, when vested, would be exercisable to acquire a total of approximately 2,770,000 Linear Shares at prices between Cdn.\$1.05 and Cdn.\$3.00, with various expiration dates to 2014.

Each Linear Option that has not been exercised prior to the Effective Time will be exchanged for or converted into an Apollo Replacement Option issued under the Apollo Stock Option Incentive Plan which shall be exercisable to purchase a number of Apollo Shares (rounded to the nearest whole number) equal to the product of (A) the number of Linear Shares that would be deliverable upon exercise of the Linear Option multiplied by (B) 5.4742. The exercise price per Apollo Share represented by any such Apollo Replacement Option shall be an amount (rounded to the nearest cent) equal to the quotient of: (A) the exercise price per Linear Share subject to such Linear Option immediately prior to the Effective Time divided by (B) 5.4742.

Current employees of Linear holding Linear Options whose employment is terminated in connection with the Arrangement shall have their Linear Options exchanged for Apollo Replacement Options which shall expire on the earlier of: (i) the current expiry date of the corresponding Linear Options and (ii) the first anniversary of the date of completion of the Arrangement. Current employees of Linear holding Linear Options whose employment is not terminated in connection with the Arrangement shall receive Apollo Replacement Options with the same expiration dates as those of their Linear Options. The remaining conditions to and manner of exercising and all other terms and conditions of the Apollo Replacement Options, including, without limitation, terms in respect of the vesting periods for such options, will otherwise be materially unchanged from those of the Linear Options. In order to effect the exchange of Linear Options for Apollo Replacement Options, Apollo must make certain amendments to its existing Stock Option Incentive Plan. For this reason, Apollo is submitting the Option Plan Amendment Resolution for approval by its shareholders at the Apollo Meeting. For more information, see “The Stock Option Incentive Plan Amendment Proposal” on page .

In accordance with the terms of the Arrangement Agreement, Apollo has agreed to file with the SEC a registration statement on Form S-8 and/or a registration statement on Form S-3 or a supplement to its currently effective shelf registration statement on Form S-3 to register the Apollo Shares issuable upon the exercise of the Apollo Replacement Options.

Court Approval of the Arrangement and Completion of the Arrangement

An arrangement under the ABCA requires Court approval. Prior to the mailing of this Circular, Linear and Apollo Sub obtained the Interim Order, providing for the calling and holding of the Linear Meeting and other procedural matters. A copy of each of the Interim Order and the Notice of Application for Final Order are attached to this Circular as Schedules H and I, respectively.

Subject to the approval of the Continuance Resolution and the Arrangement Resolution by Linear Shareholders at the Linear Meeting and the approval of the Share Issuance Resolution and the Option Plan Amendment Resolution by Apollo Shareholders at the Apollo Meeting, the hearing in respect of the Final Order is expected to take place on or

about, , 2010 at (Alberta Time) in the Court at the Courts Centre, 601-5th Street S.W., Calgary, Alberta.

In making its determination, the Court will consider, among other things, the fairness and reasonableness of the Arrangement. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Stock Exchange Listings

The Linear Shares are listed on the TSX, trading under the symbol “LRR” and the Linear Listed Warrants are listed on the TSX under the symbol “LRR.WT.” Conditional approval of the TSX in respect of the Arrangement and related transactions has been obtained by Linear. It is expected that following the Effective Date the Linear Shares will be delisted from the TSX.

The Apollo Shares are listed on the TSX under the symbol “APG” and on the AMEX under the symbol “AGT”. The obligation of Apollo and Linear to complete the Arrangement is subject to, among other matters, the TSX and AMEX approving the listing of the Apollo Shares to be issued pursuant to the Arrangement, including, without limitation, those Apollo Shares to be issued upon exercise of the Apollo Replacement Options and Apollo Replacement Warrants. In addition, pursuant to the Arrangement Agreement, Apollo is required to use commercially reasonable best efforts to arrange for the Apollo Replacement Warrants issued upon exchange of the Linear Listed Warrants to be listed on the TSX and to maintain that listing until November 19, 2014. On , 2010, the TSX conditionally approved the listing of the Apollo Shares to be issued pursuant to the Arrangement and the Apollo Replacement Warrants issued upon exchange of the Linear Listed Warrants pursuant to the Arrangement, subject to Apollo Shareholder Approval being obtained and the satisfaction of customary listing requirements and on , 2010, the AMEX approved the listing of the Apollo Shares to be issued pursuant to the Arrangement, subject to Apollo Shareholder Approval being obtained and the satisfaction of customary listing requirements.

Ongoing Reporting Obligations

Linear is a reporting issuer in the provinces of Ontario, British Columbia, Manitoba, Alberta, Québec and Nova Scotia. Upon completion of the Arrangement, Linear will be a wholly owned subsidiary of Apollo. Accordingly, after the Effective Date, Apollo will, on Linear’s behalf, apply to the applicable securities regulatory authorities in Canada to cease to be a reporting issuer, so as to no longer be subject to statutory financial and reporting requirements under Canadian securities Laws.

Apollo is a reporting issuer in the U.S. and the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador. Upon completion of the Arrangement, Apollo will continue to be a reporting issuer in these provinces of Canada and in the U.S. Apollo will also continue to be subject to the ongoing statutory financial and other reporting requirements of applicable Canadian and U.S. securities Laws.

THE ARRANGEMENT AGREEMENT

Apollo and Linear entered into the Arrangement Agreement on March 31, 2010. The following is a summary of certain provisions of the Arrangement Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Arrangement Agreement, a copy of which is attached as Schedule F to this Circular and is incorporated herein by reference. We urge you to read the Arrangement Agreement carefully and in its entirety because it, and not this description or this Circular, is the legal document that governs the Arrangement.

General; The Arrangement

At the Effective Time of the Arrangement, upon the terms and subject to the conditions of the Arrangement Agreement and in accordance with the Plan of Arrangement, Apollo will acquire all of the Linear Shares and Linear will amalgamate with Apollo Sub and the amalgamated corporation will become a wholly owned subsidiary of Apollo. The Arrangement Agreement and Plan of Arrangement provide that Apollo will acquire (i) each outstanding Linear Share (other than those held by Linear Shareholders who properly exercise their Dissent Rights) in exchange for 5.4742 Apollo Shares, (ii) each outstanding Linear Warrant in exchange for an Apollo Replacement Warrant and (iii) each outstanding Linear Option in exchange for an Apollo Replacement Option. Linear Shareholders who properly exercise their Dissent Rights will be entitled to be paid the fair value of their Linear Shares.

The Plan of Arrangement, which is deemed part of the Arrangement Agreement, provides that, on the Effective Date, a series of events shall occur without any further act or formality thereby giving effect to the transactions contemplated by the Arrangement. See the discussion above under the heading “The Arrangement Mechanics-The Arrangement” on page for a summary of these events. See also the discussion above under the heading “The Arrangement – When the Arrangement Becomes Effective” on page .

Treatment of Linear Options

In accordance with the terms of the Plan of Arrangement, each Linear Option outstanding immediately prior to the Effective Time shall be exchanged for an Apollo Replacement Option issued under the Apollo Stock Option Incentive Plan, provided that the rights of the holders under the Apollo Replacement Options shall not materially adversely differ from the rights of the holders of such Linear Options outstanding immediately prior to the Effective Time. Current employees of Linear holding Linear Options whose employment is terminated in connection with the Arrangement shall have their Linear Options exchanged for Apollo Replacement Options which shall expire on the earlier of: (i) the current expiry date of the corresponding Linear Options; and (ii) the first anniversary of the date of completion of the Arrangement.

The number of Apollo Shares (rounded to the nearest whole number) issuable under an Apollo Replacement Option shall be equal to the product of: (A) the number of Linear Shares subject to such Linear Option immediately prior to the Effective Time and (B) 5.4742. The exercise price per Apollo Share subject to any such Apollo Replacement Option shall be an amount (rounded to the nearest cent) equal to the quotient of: (A) the exercise price per Linear Share subject to such Linear Option immediately prior to the Effective Time divided by (B) 5.4742. The obligations of Linear under the Linear Options as so exchanged shall be assumed by Apollo.

Treatment of Linear Warrants

In accordance with the terms of the Plan of Arrangement, each Linear Warrant outstanding immediately prior to the Effective Time shall be exchanged for an Apollo Replacement Warrant which shall be exercisable to acquire, on the same terms and conditions as were applicable to such Linear Warrant immediately prior to the Effective Time, the

number of Apollo Shares (rounded to the nearest whole number) equal to the product of: (A) the number of Linear Shares subject to such Linear Warrant immediately prior to the Effective Time; and (B) 5.4742.

The exercise price per Apollo Share subject to any such Apollo Replacement Warrants shall be an amount (rounded to the nearest cent) equal to the quotient of: (A) the exercise price per Linear Share subject to such Linear Warrant immediately prior to the Effective Time divided by (B) 5.4742. The obligations of Linear under the Linear Warrants as so exchanged shall be assumed by Apollo and Apollo agreed to use commercially reasonable best efforts to arrange for the Apollo Replacement Warrants issued upon exchange of the Linear Listed Warrants to be listed on the TSX and to maintain such listing until 5:00 p.m. (Halifax time) on November 19, 2014.

Treatment of Apollo Options

In accordance with the terms of the Arrangement Agreement, immediately prior to the Effective Date (a) the terms of the Apollo Options held by the Resigning Directors (other than R. David Russell) shall be amended to provide that such Apollo Options shall expire on the earlier of: (i) the current expiry date of such Apollo Options; and (ii) the first anniversary of the Effective Date regardless of whether such Resigning Directors are "Eligible Persons" under the terms of the Apollo Stock Option Incentive Plan; and (b) an aggregate of 2,231,000 Apollo Options previously granted to R. David Russell and outstanding on March 31, 2010 will expire on the first anniversary of the Effective Date.

Representations and Warranties

Pursuant to the Arrangement Agreement, Linear made customary representations and warranties to Apollo and Apollo Sub. The Arrangement Agreement also contains customary representations and warranties made by Apollo and Apollo Sub to Linear. These representations and warranties include, among other things, representations and warranties made by each of Linear on the one hand and Apollo and Apollo Sub on the other hand as to:

- corporate organization and valid existence, power to conduct business, qualification and good standing of the respective entities and their subsidiaries;
 - ownership of subsidiaries and other investments;
 - encumbrances on the capital stock of their subsidiaries;
- licenses, registrations, qualifications, permits and consents necessary to conduct their business;
 - properties and mining rights;
 - technical reports in respect of their properties;
- compliance with disclosure obligations of the TSX, AMEX, Canadian securities regulators, the U.S. Securities Act and the U.S. Exchange Act, as the case may be, and the applicable rules and regulations promulgated thereunder;
 - compliance with other applicable Laws and regulations;
- accuracy and completeness of financial statements and other information provided to the respective entities;
 - tax matters;
 - matters concerning their auditors;
- matters affecting the voting or control of the securities of the respective entities and their subsidiaries;
 - interests of officers, directors and affiliates in the Arrangement;
 - litigation and government proceedings;
 - material contracts;
 - intellectual property;

- capitalization;
- indebtedness;
- leases;
- insurance;
- employment matters;

- maintenance of internal accounting and disclosure controls;
 - environmental matters;
 - brokers' fees; and
- compliance with covenants contained in the Letter of Intent, dated March 9, 2010, between Apollo and Linear, as amended.

Many of the representations and warranties are qualified by the concept of Material Adverse Effect. The representations and warranties contained in the Arrangement Agreement do not survive the Effective Time of the Arrangement and will expire on the Effective Date.

Mutual Covenants

Under the terms of the Arrangement Agreement, Linear on the one hand and Apollo and Apollo Sub on the other hand made a number of commitments in connection with the Arrangement including, but not limited to, the following undertakings:

- file, proceed with and diligently prosecute an application to the Court for the Interim Order and carry out the terms of the same;
- prepare and file a proxy circular in respect of the Arrangement;
- take all commercially reasonable lawful action to solicit shareholders to vote in favour of the Arrangement including, without limitation, retaining a proxy solicitation agent;
- recommend to their respective Shareholders that they vote in favour of the Arrangement and the other transactions contemplated thereby;
- use reasonable efforts to deliver or cause to be delivered all certificates and legal, tax and other opinions necessary to support the disclosure contained or to be contained in their respective proxy circulars;
- not adjourn, postpone or cancel their respective shareholder meetings at which the Arrangement is to be considered except under limited circumstances;
- file, proceed with and diligently prosecute an application for the Final Order and carry out the terms of the same;