APOLLO GOLD CORP
Form S-8
March 24, 2004

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION
ON MARCH 23, 2004

REGISTRATION NO. 333-________

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

APOLLO GOLD CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

YUKON TERRITORY	1040	Not Applicable
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code)	(I.R.S. Employer Identification Number)

SUITE 300, 204 BLACK STREET
WHITEHORSE, YUKON TERRITORY, CANADA Y1A 2M9
(720) 886-9656

(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Executive Offices)

Plan of Arrangement Stock Option Incentive Plan
Stock Option Incentive Plan

(Full title of the plan)

R. DAVID RUSSELL
PRESIDENT AND CHIEF EXECUTIVE OFFICER
SUITE 300, 204 BLACK STREET
WHITEHORSE, YUKON TERRITORY, CANADA Y1A 2M9

(Name and address of agent for service)

(720) 886-9656

(Telephone number, including area code, of agent for service)

COPY TO:
CATHRYN S. GAWNE, ESQ.
MICHAEL H. IRVINE, ESQ.
SILICON VALLEY LAW GROUP
152 NORTH THIRD STREET, SUITE 900
SAN JOSE, CALIFORNIA 95112
(408) 286-6100

If any of the securities being registered on this Form are being offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [X]

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per share (1)	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, no par value	7,191,596 shares	$2.06	$14,814,687.76	$1,877.02

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457 (h).

PART I

INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

The documents containing the information specified in this Part I are being separately provided to the Registrant's employees, officers, directors and consultants as specified by Rule 428(b)(1) promulgated under the Securities Act of 1933, as amended (the "Securities Act").

The following reoffer prospectus filed as part of this registration statement has been prepared in accordance with General Instruction C of Form S-8 and, pursuant thereto, may be used for reofferings and resales of the shares of common stock registered hereby. The reoffer prospectus is for use in reoffering and reselling shares of common stock that may be deemed to be "control securities" or "restricted securities" under the Securities Act.

SUBJECT TO COMPLETION, DATED ___________, 2004

REOFFER PROSPECTUS

[LOGO OMITED]

APOLLO GOLD CORPORATION

7,580,412 Shares

Common Stock

(No Par Value)

This is an offering of common stock of Apollo Gold Corporation. All of the shares are being offered by the selling stockholders listed in the section of this prospectus entitled "Selling Stockholders." These stockholders are our current or former directors, officers or employees. They acquired the common stock pursuant to the exercise of options granted under our option plans. We will not receive any proceeds from the potential sale of the shares being offered by the selling stockholders.

The shares of common stock are "control securities" or "restricted securities" under the Securities Act of 1933, as amended, before their sale under this reoffer prospectus. The selling stockholders may resell all, a portion, or none of the shares of common stock from time to time.

Our common stock trades on the American Stock Exchange under the symbol "AGT" and on the Toronto Stock Exchange under the symbol "APG". On March 10, 2004, the closing sales price for our common stock on the American Stock Exchange was $1.97 per share and on the Toronto Stock Exchange was Cdn $2.61 per share.

Investment in our common stock involves a high degree of risk. Please carefully consider the "Risk Factors" beginning on page 5 of this prospectus.

Neither the Securities and Exchange Commission (the "SEC"), nor any state securities commission, has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____________, 2004.

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus or to which this prospectus specifically refers you. We have not authorized anyone else to provide you with different information. This document may be used only where it is legal to sell these securities. The information in this prospectus may only be accurate on the date of this prospectus.

Unless the context otherwise requires, the terms "we," "our," "us" and "Apollo" refer to Apollo Gold Corporation and its subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements that reflect our current expectations and projections about our future results, performance, prospects, and opportunities. We have tried to identify these forward-looking statements by using words such as "may," "expect," "anticipate," "believe," "intend," "plan," "estimate," and similar expressions. These forward-looking statements are based on information currently available to us and are subject to a number of risks, uncertainties, and other factors that could cause our actual results, performance, prospects, or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties, and other factors include, but are not limited to:

- metal prices and price volatility;
- amount of metal production;
- costs of production;
- remediation, reclamation, and environmental costs;
- regulatory matters;
- the results or settlement of pending litigation;
- cash flow;
- revenue calculations;
- the nature and availability of financing; and
- project risks.

See "Risk Factors" for a description of these factors. Other matters, including unanticipated events and conditions, also may cause our actual future results to differ materially from these forward-looking statements. We cannot assure you that our expectations will prove to be correct. In addition, all subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements mentioned above. You should not place undue reliance on these forward-looking statements. All of these forward-looking statements are based on our expectations as of the date of this periodic filing. Except as required by federal securities laws, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

1

PROSPECTUS SUMMARY

THE COMPANY

We are principally engaged in the exploration, development and mining of gold. We have focused our efforts to date on two principal properties: our Montana Tunnels Mine, owned by one of our subsidiaries, Montana Tunnels Mining, Inc. ("Montana, Inc.") and our Florida Canyon Mine, owned by another one of our subsidiaries, Florida Canyon Mining, Inc. ("Florida, Inc."). Our exploration activities involve our Pirate Gold, Nugget Field and Diamond Hill properties as well as our Black Fox Property, acquired in September 2002.

We are the result of the plan of arrangement that resulted in the merger of International Pursuit Corporation, a public company previously trading on the Toronto Stock Exchange under the ticker symbol "IPJ" (Pursuit"), and Nevoro Gold Corporation, a privately held corporation ("Nevoro"). Pursuant to the terms of the plan of arrangement, Pursuit acquired Nevoro and continued operations under the name of Apollo Gold Corporation. Through our wholly-owned subsidiary, Apollo Gold, Inc. ("AGI"), acquired by Nevoro in March 2002, we own the majority of our assets and operate our business. We continued trading on the Toronto Stock Exchange under our new name, Apollo Gold Corporation, and with a new ticker symbol, APG.U, on July 3, 2002. On August 2, 2002 our ticker symbol changed to APG.

In February 2003, we filed a Registration Statement on Form 10 with the SEC. The Registration Statement was declared effective on August 13, 2003. On August 26, 2003 the Company began trading on the American Exchange under the ticker symbol AGT.

We own and operate the Florida Canyon Mine, a low grade heap leach gold mine located approximately 42 miles southwest of Winnemucca, Nevada. The Florida Canyon Mine employs approximately 178 full-time non-unionized employees and produces approximately 110,000 ounces of gold annually. During 2003, 101,811 ounces of gold were produced. In addition to the mining activities being conducted at the Florida Canyon Mine, we are continuing a drilling program which is directed at confirmation and expansion of additional mineralization, and we are conducting a study to determine if areas in some of the mine walls may be used for additional mining.

We also own and operate the Montana Tunnels Mine, an open pit located near Helena, Montana. When in full production, the Montana Tunnels Mine has historically produced approximately 70,000 ounces of gold, 26,000 tons of zinc, 6,676 tons of lead and 1,200,000 ounces of silver annually. The Montana Tunnels Mine produces approximately 15% of its annual gold production in the form of dore, an unrefined material consisting of approximately 90% gold, which is then further refined. The remainder of the mine's production is in the form of concentrates, one a zinc-gold concentrate and the other a lead-gold concentrate which are shipped to a smelter. We are paid for the metal content, net of smelter charges. The Montana Tunnels Mine was idle for approximately four months in 2002, while we made preparations to begin the removal of waste rock at the Mine. Limited production resumed in October 2002, and full production on the K-Pit resumed in April 2003. During 2003, 44,124 ounces of gold were produced. Currently, an additional 17 million tons of waste is being removed from the

Southwest Pit Wall. Adequate funding is in place and this program is expected to be complete by August 2004. The Montana Tunnels Mine employs approximately 162 full-time non-unionized employees.

We have several exploration assets including Pirate Gold and Nugget Field, each located in Nevada and owned by our wholly-owned subsidiary, Apollo Gold Exploration, Inc., a Delaware corporation. In addition, we also own Diamond Hill, which is located in Montana and Standard Mine which is located in Nevada.

In the third quarter of 2003, we received three operating permits for the Standard Mine from the State of Nevada, and we have begun drafting preliminary operating and production plans for mine production set to begin in 2005. At the Standard Mine, drilling began in October 2003, and we expect to drill at numerous targets through several phases of drilling. All but two of our drilling sites require additional permitting, and we have submitted an exploration drill planning map to the State of Nevada for these additional permits. At Pirate Gold we have solicited drilling bids and we expect to drill approximately 14 holes in 2004 to explore the mineralization of this property.

In September 2002, we completed the acquisition of certain assets known as our Black Fox Property from two unrelated third parties, Exall Resources Limited and Glimmer Resources, Inc. The Black Fox Property is located east of Timmins, Ontario. We currently anticipate that the development and commercialization of our Black Fox Property will require three phases. The first phase commenced in early 2003, and involved core drilling of approximately 215 core holes. As a result of the core drilling, we have identified proven and probable reserves at the Black Fox Property. We are conducting a study to confirm the reserves and the study should be complete by March 2004. We believe that the first phase will cost approximately US $3.5 million.

Upon completion of the first phase of the drilling program, we will then begin the second phase of our Black Fox project. The second phase will provide for the development of underground access for further exploratory drilling with an anticipated cost of US $11.7 million for the period from January, 2004 through December, 2004. We plan to develop an underground ramp from existing structures. We currently anticipate commencing the second phase underground drilling in January 2004. We also plan to begin the permitting process for the third phase of the Black Fox project, and anticipate that this process will require approximately two years, based on a plan for combined open pit and underground mine, with on-site milling, at a capacity of 1500 metric tons of ore per day. The third phase will include the development of these capabilities, at an aggregate estimated cost of approximately US $45.0 million.

THE OFFERING

The selling stockholders listed in the section of this prospectus entitled "Selling Stockholders" may offer and sell up to 7,191,596shares of our common stock. These stockholders are our current or former directors, officers, employees or consultants. They acquired the common stock pursuant to the exercise of options granted under our option plans.

3

We will not receive any proceeds from the potential sale of the 7,191,596shares being offered by the selling stockholders.

The shares of common stock offered by this prospectus have the status of "control securities" or "restricted securities" under the Securities Act until their sale under this reoffer prospectus. The selling stockholders may resell all, a portion, or none of the shares of common stock from time to time.

Under this prospectus, the selling stockholders may sell their shares of common stock in the open market at prevailing market prices or in private transactions at negotiated prices. They may sell the shares directly, or may sell them through underwriters, brokers or dealers. Underwriters, brokers or dealers may receive discounts, concessions or commissions from the selling stockholders or from the purchaser, and this compensation might be in excess of the compensation customary in the type of transaction involved. See the section of this prospectus entitled "Plan of Distribution."

4

RISK FACTORS

Any of the following risks could materially adversely affect our business, financial condition, or operating results and could negatively impact the value of our common shares. These risks have been separated into two groups: risks relating to our operations and risks related to the metals mining industry generally.

RISKS RELATING TO OUR OPERATIONS

WE ARE THE PRODUCT OF A RECENT MERGER, AND HAVE A LIMITED OPERATING HISTORY ON WHICH TO EVALUATE OUR POTENTIAL FOR FUTURE SUCCESS.

We were formed as a result of an merger of two separate companies, Nevoro and Pursuit, in June 2002, and to date have only five complete fiscal quarters of combined operations. While both Nevoro's wholly-owned subsidiary, AGI, and Pursuit had a prior operating history, we have only a limited operating history as a combined company, upon which you can evaluate our business and prospects, and we have yet to develop sufficient experience regarding actual revenues to be received from our combined operations. Pursuit had net losses of Cdn$703,000, Cdn$624,000, and Cdn$2,281,000 for the respective years ended December 31, 2001, 2000 and 1999. The operations of AGI were profitable in 2001, prior to the Plan of Arrangement. For the nine months ended September 30, 2003 we had a loss of approximately Cdn$3,535,000 and for the year ended December 31, 2002 we had a loss of Cdn$4,780,000.

You must consider the risks and uncertainties frequently encountered by companies in situations such as ours, including but not limited to the ability to integrate our operations and eliminate duplicative costs. If we are unsuccessful in addressing these risks and uncertainties, our business, results of operations and financial condition will be materially and adversely affected.

WE ARE CURRENTLY INVOLVED IN ONGOING LITIGATION WHICH MAY ADVERSELY AFFECT US.

We are engaged in litigation from time to time. On May 29, 2003 we successfully defended Safeco Insurance Company of America's ("Safeco's") appeal involving a mining reclamation bond in the amount of US$16,936,130 issued by Safeco. The purpose of the bond is to provide financial guarantees to the United States Government to ensure that our Florida Canyon Mine in Pershing County, Nevada, will be reclaimed in the event we fail to do so. The provision of such financial guarantee is a condition of our operating permit. Loss of the litigation would have required us to find replacement bonding in a material amount. If any claims results in a judgment against us or are settled on unfavorable terms, our results of operations, financial condition and cash flows could be materially adversely affected.

WE ARE DEPENDENT ON CERTAIN KEY PERSONNEL.

We are currently dependent upon the ability and experience of R. David Russell, our President and Chief Executive Officer; R. Llee Chapman, our Vice President, Chief Financial

Officer, Treasurer and Controller; Richard F. Nanna, our Vice President of Exploration; David K. Young, our Vice President of Business Development; Donald W. Vagstad, our Vice President, Legal, Secretary and General Counsel; and Wade Bristol, Vice President, U.S. Operations. There can be no assurance that we will be able to retain any or all of such officers. We currently do not carry key person insurance on any of these individuals, and the loss of one or more of them could have a material adverse effect on our operations. We have entered into employment agreements with each of Messrs. Russell, Chapman, Nanna, Young, Vagstad and Bristol, which provide for certain payments upon termination or resignation resulting from a change of control (as defined in such agreements). We compete with other companies both within and outside the mining industry in connection with the recruiting and retention of qualified employees knowledgeable in mining operations.

RISKS RELATING TO THE METALS MINING INDUSTRY

OUR EARNINGS MAY BE AFFECTED BY METALS PRICE VOLATILITY, SPECIFICALLY THE VOLATILITY OF GOLD AND ZINC PRICES.

We derive all of our revenues from the sale of gold, silver, lead and zinc and, as a result, our earnings are directly related to the prices of these metals. Changes in the price of gold significantly affect our profitability.

Gold prices historically have fluctuated widely, based on numerous industry factors including:

- industrial and jewelry demand;

- central bank lending, sales and purchases of gold;

- forward sales of gold by producers and speculators;

- production and cost levels in major gold-producing regions; and

- rapid short-term changes in supply and demand because of speculative or hedging activities.

- Gold prices are also affected by macroeconomic factors, including:

- confidence in the global monetary system;

- expectations of the future rate of inflation (if any);

- the strength of, and confidence in, the U.S. dollar (the currency in which the price of gold is generally quoted) and other currencies;

- interest rates; and

- global or regional political or economic events, including but not limited to acts of terrorism.

The current demand for, and supply of, gold also affects gold prices. The supply of gold consists of a combination of new production from mining and of existing stocks of bullion held by government central banks, public and private financial institutions, industrial organizations and private individuals. As the amounts produced by all producers in any single year constitute a small portion of the total potential supply of gold, normal variations in current production do not usually have a significant impact on the supply of gold or on its price. Mobilization of gold stocks held by central banks through lending and official sales may have a significant adverse impact on the gold price. If revenue from gold sales declines for a substantial period below the cost of production at any or all of our operations, we could be required to reduce our reserves and make a determination that it is not economically feasible to continue either the commercial production at any or all of our current operations or the exploration at some or all of our current projects.

Price volatility also appears in the silver, zinc and lead markets. In particular, our Montana Tunnels Mine has historically produced approximately 45 million pounds of these metals annually, and therefore we are subject to factors such as world economic forces and supply and demand.

All of the above factors are beyond our control and are impossible for us to predict. If the market prices for these metals fall below our costs to produce them for a sustained period of time, we will experience additional losses and may have to discontinue exploration and/or mining at one or more of our properties.

The following table sets forth the average daily closing prices of the following metals for 1980, 1985, 1990, 1995, 1997 and each year thereafter through December 31, 2003.

	1980	1985	1990	1995	1997	1998	1999	2000
Gold (1) (per ounces)	US$612.56	US$317.26	US$383.46	US$384.16	US$331.10	US$294.16	US$278.77	US$279.03
Silver (2) (per ounces)	US$20.63	US$6.14	US$4.82	US$5.19	US$4.90	US$5.53	US$5.25	US$5.00
Lead (3) (per lb.)	US$0.41	US$0.18	US$0.37	US$0.29	US$0.28	US$0.24	US$0.23	US$0.21
Zinc (4) (per lb.)	US$0.34	US$0.36	US$0.69	US$0.47	US$0.60	US$0.46	US$0.49	US$0.51