APOLLO GOLD CORP
Form 424B3
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Registration No. 333-158089
PROSPECTUS

APOLLO GOLD CORPORATION

83,191,106 Common Shares

The selling shareholders identified on page 21 may use this prospectus to offer and resell from time to time up to 83,191,106 common shares of Apollo Gold Corporation (together with its subsidiaries, "we," "us" or "our company"). The 83,191,106 common shares offered hereby are comprised of 77,450,365 common shares issuable upon exercise of warrants issued to Macquarie Bank Limited and RMB Australia Holdings Limited, which we sometimes refer to in this prospectus as the project finance banks, as consideration for financing services provided to us in connection with the execution of the project facility agreement dated February 20, 2009 and 3,172,840 common shares and 2,567,901 common shares issuable upon warrants issued to Haywood Securities Inc., which we sometimes refer to as Haywood in this prospectus, as consideration for financial advisory services provided to us in connection with, among other things, the project facility agreement. For more information regarding the foregoing, see "The Company – Recent Events" on page 6 of this prospectus.

Our common shares are traded on the NYSE Amex exchange under the symbol "AGT" and on the Toronto Stock Exchange under the symbol "APG." On July 22, 2009, the closing price for our common shares on the NYSE Amex exchange was $0.43 per share and the closing price on the Toronto Stock Exchange was Cdn.$0.47 per share.

We will not receive any proceeds from the sale of the shares resold under this prospectus by the selling shareholders. The issuances of the common shares and warrants described above were made in private placements in reliance upon exemptions from registration contained in Section 4(2) of the U.S. Securities Act of 1933, as amended.

The selling shareholders may sell the shares in transactions on the NYSE Amex exchange or the Toronto Stock Exchange and by any other method permitted by applicable law. The selling shareholders may sell the shares at prevailing market prices or at prices negotiated with purchasers and will be responsible for any commissions or discounts due to brokers or dealers. The amount of these commissions or discounts cannot be known at this time because they will be negotiated at the time of the sales. See "Plan of Distribution" beginning on page 38.

References in this prospectus to "$" are to United States dollars. Canadian dollars are indicated by the symbol "Cdn.$".

The common shares offered in this prospectus involve a high degree of risk. You should carefully consider the matters set forth in "Risk Factors" beginning on page 9 of this prospectus in determining whether to purchase our common shares.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved our common shares, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is July 28, 2009.

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You should rely only on information contained or incorporated by reference in this prospectus. See “Incorporation of Certain Documents by Reference” on page 2 of this prospectus. We have not authorized anyone to provide you with information different from that contained or incorporated in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. Information on any of the websites maintained by us does not constitute a part of this prospectus.

You should assume that the information appearing in this prospectus or any documents incorporated by reference in this prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (which we sometimes refer to in this prospectus as the Exchange Act), and file annual, quarterly and periodic reports, proxy statements and other information with the United States Securities and Exchange Commission, which we sometimes refer to in this prospectus as the SEC. The SEC maintains a web site (http://www.sec.gov) on which our reports, proxy statements and other information are made available. Such reports, proxy statements and other information may also be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

We have filed with the SEC a Registration Statement on Form S-3, under the Securities Act of 1933, as amended (which we sometimes refer to in this prospectus as the Securities Act), with respect to the securities offered by this prospectus. This prospectus, which constitutes part of the Registration Statement, does not contain all of the information set forth in the Registration Statement, certain parts of which have been omitted in accordance with the rules and regulations of the SEC. Reference is hereby made to the Registration Statement and the exhibits to the Registration Statement for further information with respect to the securities and us.

CURRENCY AND EXCHANGE RATE INFORMATION

We report in United States dollars. Accordingly, all references to “$,” “U.S.$” or “dollars” in this prospectus refer to United States dollars unless otherwise indicated. References to “Cdn.$” or “Canadian dollars” are used to indicate Canadian dollar values.

The noon rate of exchange on July 22, 2009 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was Cdn.$1.00 equals $0.9107 and the conversion of United States dollars was $1.00 equals Cdn.$1.0981.

NON-GAAP FINANCIAL MEASURES

In this prospectus or in the documents incorporated herein by reference, we use the terms “cash operating costs,” “total cash costs,” and “total production costs,” each of which are considered non-GAAP financial measures as defined in the SEC Regulation S-K Item 10 and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with U.S. generally accepted accounting principles or U.S. GAAP. These terms are used by management to assess performance of individual operations and to compare our performance to other gold producers.

The term “cash operating costs” is used on a per ounce of gold basis. Cash operating costs per ounce is equivalent to direct operating cost as found on the Consolidated Statements of Operations, less production royalty expenses and mining taxes but includes by-product credits for payable silver, lead and zinc.

The term “total cash costs” is equivalent to cash operating costs plus production royalties and mining taxes.

The term “total production costs” is equivalent to total cash costs plus non-cash costs including depreciation and amortization.

These measures are not necessarily indicative of operating profit or cash flow from operations as determined under generally accepted accounting principles in Canada and the United States and may not be comparable to similarly titled measures of other companies. See Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 for a reconciliation of these non-GAAP measures to our Statements of Operations.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" our publicly filed reports into this prospectus, which means that information included in those reports is considered part of this prospectus. Information that we file with the SEC after the date of this prospectus will automatically update and supersede the information contained in this prospectus and in prior reports. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, other than information in a report on Form 8-K furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K and exhibits filed in connection with such information, until all of the securities offered pursuant to this prospectus have been sold:

1. Our Annual Report on Form 10-K for the year ended December 31, 2008, filed with the SEC on March 27, 2009;

2. Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, filed with the SEC on May 15, 2009;

3. Our Current Reports on Form 8-K, filed with the SEC on January 5, 2009, February 13, 2009, February 19, 2009, February 24, 2009, February 25, 2009, March 25, 2009, June 4, 2009, June 26, 2009 and July 20, 2009; and

4. The description of our capital stock set forth in our Registration Statement on Form 10, filed June 23, 2003.

In addition, all filings filed by us pursuant to the Exchange Act after the date of this registration statement and prior to effectiveness of this registration statement shall be deemed to be incorporated by reference into this prospectus.

We will furnish without charge to you, on written or oral request, a copy of any or all of the above documents, other than exhibits to such documents that are not specifically incorporated by reference therein. You should direct any requests for documents to the Chief Financial Officer, Apollo Gold Corporation, 5655 S. Yosemite Street, Suite 200, Greenwood Village, Colorado 80111-3220, telephone (720) 886-9656.

The information relating to us contained in this prospectus is not comprehensive and should be read together with the information contained in the incorporated documents. Descriptions contained in the incorporated documents as to the contents of any contract or other document may not contain all of the information that is of interest to you. You should refer to the copy of such contract or other document filed as an exhibit to our filings.

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This prospectus and the documents incorporated by reference in this prospectus contain forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995, with respect to our financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events, capital expenditures, and exploration and development efforts. Forward-looking statements can be identified by the use of words such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "intends," "continue," or the negative of such terms, or ot comparable terminology. These statements include comments regarding:

- plans for the further development of the Black Fox mine and mill including, without limitation, the timing of the development of the underground mine at Black Fox;
- estimates of future production and the timing of gold pours at Black Fox;
- our ability to meet our repayment obligations under the Black Fox project facility;
- our ability to finance exploration at our Huizopa project;
- our ability to repay the convertible debentures issued to RAB due February 23, 2010;
- the future effect of recent issuances and registration for immediate resale of a significant number of common share purchase warrants on our share price;

- future financing of projects, including the financing required for the M Pit expansion at Montana Tunnels;

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- costs associated with placing the Montana Tunnels mine and mill on care and maintenance and the decision to undertake the M Pit expansion;
- liquidity to support operations and debt repayment;
- the establishment and estimates of mineral reserves and resources;
- daily production, mineral recovery rates and mill throughput rates;
- total production costs;
- cash operating costs;
- total cash costs;
- grade of ore mined and milled from Black Fox and cash flows therefrom;
- anticipated expenditures for development, exploration, and corporate overhead;
- timing and issue of permits, including permits necessary to conduct phase II of open pit mining at Black Fox;
- expansion plans for existing properties;
- estimates of closure costs;
- estimates of environmental liabilities;
- our ability to obtain financing to fund our estimated expenditure and capital requirements;
- factors impacting our results of operations; and
- the impact of adoption of new accounting standards.

Although we believe that our plans, intentions and expectations reflected in these forward-looking statements are reasonable, we cannot be certain that these plans, intentions or expectations will be achieved. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and other factors described in more detail in this prospectus:

- changes in business and economic conditions, including the recent significant deterioration in global financial and capital markets;
- significant increases or decreases in gold and zinc prices;
- changes in interest and currency exchange rates including the LIBOR rate;
- changes in availability and cost of financing;
- timing and amount of production;
- unanticipated ore grade changes;
- unanticipated recovery or production problems;
- changes in operating costs;
- operational problems at our 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 we operate;
- local and community impacts and issues;
- timing of receipt of government approvals;
- accidents and labor disputes;
- environmental costs and risks;
- competitive factors, including competition for property acquisitions;
- availability of external financing at reasonable rates or at all; and
- the factors discussed in this prospectus under the heading “Risk Factors.”

Many of these factors are beyond our ability to control or predict. These factors are not intended to represent a complete list of the general or specific factors that may affect us. We may note additional factors elsewhere in this prospectus and in any documents incorporated by reference into this prospectus. We undertake no obligation to update forward-looking statements.

THE COMPANY

Overview

Our earliest predecessor was incorporated under the laws of the Province of Ontario in 1936. In May 2003, we reincorporated under the laws of the Yukon Territory. We maintain our registered office at 204 Black Street, Suite 300, Whitehorse, Yukon Territory, Canada Y1A 2M9, and the telephone number at that office is (867) 668-5252. We maintain our principal executive office at 5655 S. Yosemite Street, Suite 200, Greenwood Village, Colorado 80111-3220, and the telephone number at that office is (720) 886-9656. Our internet address is http://www.apollogold.com. Information contained on our website is not a part of this prospectus or the documents incorporated herein by reference.

We are engaged in gold mining including extraction, processing, refining and the production of by-product metals, as well as related activities including exploration and development. We own the Black Fox project, an open pit mine and mill located near the Township of Matheson in the Province of Ontario, Canada. The Black Fox project consists of mining operations located 7 miles east of Matheson and the Black Fox mill complex located 12 miles west of Matheson, therefore approximately 19 miles from the mine. Mining of ores at the open pit mine began in March 2009 and the first gold bars were poured in May 2009. We also own an exploration property, which we refer to as Grey Fox or the Grey Fox project, located 3.5 kilometers southeast of our Black Fox mine. In addition, we are the operator of the Montana Tunnels mine, which is a 50% joint venture with Elkhorn Tunnels, LLC.

The Montana Tunnels mine, which is located near Helena, Montana, is an open pit mine and mill that historically has produced gold doré and lead-gold and zinc-gold concentrates. We ceased mining at Montana Tunnels on December 5, 2008 and, following the completion of milling of stockpiled ore at the end of April 2009, we placed the mine on care and maintenance. We also own Mexican subsidiaries which own concessions at the Huizopa exploration project, located in the Sierra Madres in Chihuahua, Mexico. The Huizopa project is an 80% Apollo/20% Mineras Coronado joint venture.

Black Fox

On April 14, 2008, we filed a Canadian Instrument, NI 43-101 Technical Report. The mineral reserves reflected in the table below are taken from this report and were calculated based on a gold price of $650 per ounce.

Black Fox Probable Reserve Statement as of February 29, 2008

Mining Method	Cutoff Grade Au g/t	Tonnes (000)	Grade Au g/t	Contained Au Ounces
Open Pit	0.88	4,350	5.2	730,000
Underground	3.0	2,110	8.8	600,000
Total Probable Reserves				1,330,000

Since April 2008, when we completed the bankable feasibility study on the Black Fox mine, we have made progress at Black Fox on a number of fronts. Specifically, we received all necessary permits and approvals required to commence mining activities, purchased all mining equipment required to commence mining at the open pit and transported such equipment to the Black Fox mine location.

On July 28, 2008, we completed the acquisition from St Andrew Goldfields Ltd., which we refer to in this prospectus as St Andrew, of a mill and related equipment, infrastructure, property rights, laboratory and tailings facilities, located near Matheson. Under the terms of the asset purchase agreement pursuant to which we purchased the mill complex, St Andrew agreed to sell the mill complex to us for a purchase price of Cdn.$20 million and the refund to St Andrew of its bonding commitment at the mill complex in the amount of approximately Cdn.$1.2 million.

In the third quarter of 2008, we awarded GBM Engineering Limited an engineering, procurement, construction and management contract, which we refer to in this prospectus as an EPCM contract, to increase the throughput of the Black Fox mill from its current rate of 1,100 tonnes per day at a cost of approximately $22.0 million. The mill was commissioned in April 2009 and, as a result of the work performed under the EPCM contract, reached a throughput rate of 1,500 tonnes per day by the end of May 2009.

On February 20, 2009, we entered into a project facility agreement with Macquarie Bank Limited and RMB Australia Holdings Limited, which we sometimes refer to as the project finance banks, pursuant to which we may borrow up to $70,000,000 from the project finance banks at any time between February 20, 2009 and June 30, 2009. The project facility agreement refinanced the $15,000,000 bridge facility agreement that we had previously entered into on December 10, 2008, under which we had drawn down $14.8 million as of the closing of the project facility agreement. As of June 2, 2009, we had drawn down the full $70 million available under the project facility agreement. See the discussion below under the heading "Recent Events – Black Fox Financing" for additional information.

As a result of the foregoing progress, we commenced open pit operations at the Black Fox project with the first blast on March 18, 2009.

The commissioning of the upgraded mill, with the exception of the new ball mill, commenced in mid April utilizing an existing low grade ore stockpile. During the first week of May 2009, the new ball mill was brought online and we are now processing normal grade ores from the Black Fox open pit. The first gold pour from Black Fox occurred at the end of May 2009.

Capital expenditures at Black Fox for the three months ended March 31, 2009 were approximately $22 million, which included (1) $13 million towards the cost of upgrading the Black Fox mill to increase its throughput rate from 1,100 tonnes per day to an eventual goal of 2,000 tonnes per day, (2) $3 million for contract pond and road construction at the mine site and (3) capitalized expenditures of $6 million including contract pre-stripping of the open pit.

Montana Tunnels Mine

During the first quarter of 2009, the Montana Tunnels mill processed 1,086,163 tons of ore, which had been stockpiled as of December 31, 2008, at an average throughput of 12,100 tons per day for the quarter. Payable production in the first quarter of 2009 was 7,700 ounces of gold, 99,000 ounces of silver, 2,392,000 pounds of lead and 8,185,000 pounds of zinc. Our share of this production is 50%. Total cash costs for the first quarter of 2009 on a by-product basis were $1,217 per ounce of gold and on a co-product basis they were $1,083 per ounce of gold, $16.87 per ounce of silver, $0.68 per lb of lead and $0.63 per lb of zinc.

The Montana Tunnels mine ceased milling operations on April 30, 2009 and we placed the mine and mill on care and maintenance at that time. See the discussion below under the heading "Recent Events – Cessation of Mining at Montana Tunnels" for additional information.

Huizopa Project

During the second quarter 2008, the helicopter assisted core drilling program on two identified targets (Puma de Oro and Lobo de Oro) at our Huizopa project was completed. On August 14, 2008, we announced the results of the core drilling program on the Puma de Oro exploration target. Twenty five NQ core holes were drilled on a north-trending zone targeted for drilling based on our geochemical sampling and geologic mapping. We released our Huizopa project report prepared in compliance with Canadian National Instrument 43-101 in July 2009. In addition to the previously announced drill results, this project report contains details on the surface exploration, geochemical sampling and geophysical programs completed by us to date on the Huizopa project.

RECENT EVENTS

Private Placement

On July 15, 2009, we completed a private placement of 12,221,640 common shares issued to purchasers within and outside the United States at Cdn.$0.45 per share and 13,889,390 common shares issued to Canadian purchasers at Cdn.$0.54 per share on a "flow through" basis pursuant to the Income Tax Act (Canada) for total gross proceeds equal to Cdn.$13 million. We intend to use the proceeds from the sale of the flow through shares (Cdn.$7,500,270.60) for exploration activities at our Black Fox project and our Grey Fox exploration property, located 3.5 km southeast of our Black Fox mine. The costs associated with these exploration activities will qualify as "Canadian Exploration Expenses" as defined in the Income Tax Act (Canada) and will be renounced in favor of the purchasers of the flow through shares. We intend to use the proceeds from the sale of the common shares (Cdn.$5,499,738) for working capital and general corporate purposes.

In connection with the private placement, we entered into an underwriting agreement with Haywood and Blackmont Capital Inc. Pursuant to the underwriting agreement, Haywood and Blackmont Capital Inc., which we sometimes refer to in this prospectus as the Underwriters, agreed to act as underwriters/agents in respect of the private placement and, in consideration therefor, we agreed to (i) pay the Underwriters an aggregate cash underwriting commission equal to the amount of Cdn.$845,000.56, which represents 6.5% of the total gross proceeds of the private placement, and (ii) issue to the Underwriters compensation options to purchase 1,566,662 common shares in the aggregate (which is equal to 6% of the number of common shares and flow through shares sold in the private placement). Each compensation option is exercisable into one of our common shares at a price of Cdn.$0.45 for a period of 24 months from the closing date of the private placement. In addition, we paid all of the Underwriters' costs and expenses incidental to the placement of the common shares and flow through shares. Pursuant to the underwriting agreement, we also made customary representations, warranties and covenants, including an agreement not to issue any of our equity securities within 120 days of the closing of the private placement (subject to certain exceptions relating to employee compensation, outstanding convertible debentures, warrants or other derivative securities or in connection with the acquisition of properties or settlement of claims).

The flow through shares were offered and sold to eligible purchasers resident in Canada in reliance on the exemption from registration contained in Regulation S of the Securities Act. The common shares were offered and sold to eligible purchasers resident in jurisdictions outside of the United States in reliance on the exemption from registration contained in Regulation S of the Securities Act and to eligible purchasers resident in the United States in reliance on the exemption from registration contained in Regulation D under the Securities Act.

Extension of Maturity Date for February 2007 Convertible Debentures held by RAB Special Situations (Master) Fund Limited

On February 23, 2007, we concluded a private placement pursuant to which we sold $8,580,000 aggregate principal amount of convertible debentures due February 23, 2009, which debentures we sometimes refer to in this prospectus as the February 2007 convertible debentures. Each $1,000 principal amount of the February 2007 convertible debentures was convertible at the option of the holder into 2,000 of our common shares, at any time until February 23, 2009. Additionally, each $1,000 principal amount of the February 2007 convertible debentures included 2,000 common share purchase warrants, which we sometimes refer to herein as the accompanying warrants, entitling the holder to purchase one of our common shares at an exercise price of $0.50 per share, with such accompanying warrants expiring February 23, 2009. We filed a Form 8-K with the SEC on February 26, 2007 disclosing the terms of the February 2007 convertible debentures, the warrants and the private placement pursuant to which such securities were issued.

RAB Special Situations (Master) Fund Limited, which we sometimes refer to in this prospectus as RAB, owns $4,290,000 principal amount of February 2007 convertible debentures (on which $772,200 of interest was accrued and unpaid on the original maturity date of February 23, 2009) and 8,580,000 accompanying warrants. On February 16, 2009, we and RAB agreed to extend the original maturity date of the February 2007 convertible debentures owned by RAB to February 23, 2010. Furthermore, RAB agreed that we shall have the option to repay the $772,200 of accrued interest on RAB's February 2007 convertible debentures in either our common shares or cash. If we elected to pay the accrued interest in common shares, the number of shares issued would be calculated by dividing the accrued interest owed by the volume weighted average market price of our common shares as quoted on the Toronto Stock Exchange during the five trading days ending February 23, 2009. We elected to exercise our right to pay the $772,200 of accrued interest in our common shares and, in accordance with the foregoing formula, issued 2,444,765 shares to RAB. In consideration for the foregoing, we agreed to (i) issue 2,000,000 common shares to RAB, (ii) extend the expiration date of the accompanying warrants issued to RAB to March 5, 2010 and (iii) reduce the exercise price of the accompanying warrants issued to RAB from $0.50 to $0.25. The terms and conditions of the $3,148,100 aggregate principal amount of February 2007 convertible debentures and accompanying warrants not owned by RAB were not amended and the principal amount and accrued interest thereon was repaid to the holders thereof in cash on February 23, 2009. Consequently, 8,152,000 of the accompanying warrants not held by RAB expired unexercised.

In December 2008, we retained Haywood Securities Inc., which we sometimes refer to in this prospectus as Haywood, to provide financial and advisory services, including in connection with the repayment or restructuring of the February 2007 convertible debentures. In consideration for those services, we agreed to issue 1,000,000 of our common shares to Haywood by February 28, 2009. In addition, the Black Fox project facility agreement constitutes an "alternative transaction" under the terms of our agreement with Haywood and requires us to pay certain compensation to Haywood. Specifically, we are obligated to compensate Haywood by issuing to it 2,172,840 common shares and 2,567,901 common share purchase warrants exercisable for a two year period at an exercise price of Cdn.$0.256 per share. The warrants issued to Haywood contain customary anti-dilution provisions in the event of certain corporate reorganizations or issuances of securities by us to all of our shareholders.

Black Fox Financing

On February 20, 2009, we entered into a project facility agreement with Macquarie Bank Limited and RMB Australia Holdings Limited, which we sometimes refer to as the project finance banks, to act as joint arrangers and underwriters for the Black Fox project finance facility. The project facility agreement refinanced the $15,000,000 bridge facility agreement that we had previously entered into on December 10, 2008. Under the project facility agreement, we may borrow up to $70,000,000 from the project finance banks at any time between February 20, 2009 and June 30, 2009. As of June 2, 2009, we had drawn down the full $70 million available under the project facility agreement. The project facility agreement requires that we to use proceeds from the facility only for: (i) the funding of the development, construction and operation of our Black Fox project; (ii) the funding of certain fees and costs due under the project facility agreement and certain related project agreements; (iii) corporate expenditures of up to $7,000,000 as approved by the project finance banks in our corporate budget ($3,723,939 of which was used to repay the February 2007 convertible debentures, and interest thereon, not held by RAB); (iv) r