

Edgar Filing: APOLLO GOLD CORP - Form DEF 14A

APOLLO GOLD CORP
Form DEF 14A
April 16, 2004

SCHEDULE 14A INFORMATION

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 240.14a-11(c) or 240.14a-12

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

Payment of Filing Fee (Check the appropriate box):

☒ No fee required

☐ Fee computed on table below per Exchange Act Rules 14a-6(i) (1) and 0-11

(1) Title of each class of securities to which transaction applies: N/A

(2) Aggregate number of securities to which transaction applies: N/A

(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): N/A

(4) Proposed maximum aggregate value of transaction: N/A

Total fee paid: N/A

☐ 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: N/A

(2) Form, Schedule or Registration Statement No.: N/A

(3) Filing Party: N/A

(4) Date Filed: N/A

=====

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF
APOLLO GOLD CORPORATION
AND MANAGEMENT INFORMATION AND PROXY CIRCULAR

=====

TABLE OF CONTENTS

| | |
|--|----|
| INVITATION TO SHAREHOLDERS | 1 |
| NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS | 2 |
| GENERAL PROXY INFORMATION. | 3 |
| Solicitation of Proxies | 3 |
| Quorum. | 3 |
| Voting Shares And Principal Holders Thereof | 3 |
| Beneficial Ownership Table. | 3 |
| Q & A on Proxy Voting | 5 |
| STATEMENT OF CORPORATE GOVERNANCE PRACTICES. | 7 |
| Overview of Corporate Governance Practices. | 8 |
| Assumption of Responsibilities by the Board of Directors | 8 |
| Corporate Governance Principles. | 8 |
| Composition of the Board of Directors. | 8 |
| Committees | 9 |
| Board Functioning and Independence | 9 |
| Shareholder Communications | 10 |
| Code of Business Conduct and Ethics. | 10 |
| Whistleblower Policy | 11 |
| Board Committees. | 11 |
| Audit and Finance Committee. | 11 |
| Report of the Audit and Finance Committee. | 11 |
| Compensation Committee | 12 |
| Report of the Compensation Committee | 12 |
| Technical Committee. | 14 |
| Nominating Committee | 14 |
| EXECUTIVE COMPENSATION | 16 |
| How was the Board Compensated in 2003? | 16 |
| Shareholdings of Board Members | 17 |
| Summary of Board and Committee Meetings Held | 17 |
| Summary of Attendance of Directors | 17 |
| Executive Officers and Executive Compensation | 18 |
| Executive Officers | 18 |
| Summary Compensation Table for Named Executive Officers. | 21 |
| Stock Option Plans. | 22 |
| Incentive Stock Option Plan. | 22 |
| Plan of Arrangement Stock Option Plan. | 23 |
| 2003 Stock Option Grants | 24 |
| Aggregated Options Exercised During Most Recently Completed | |

Edgar Filing: APOLLO GOLD CORP - Form DEF 14A

| | |
|---|-----|
| Financial Year And Option Values At Financial Year-End | .24 |
| Management Agreements with Executive Officers | .25 |
| Indebtedness of Directors and Officers. | .26 |
| Equity Compensation Plan Information | .27 |
| Performance Graph | .28 |
| Directors' and Officers' Insurance. | .28 |
| Interests of Insiders and Others in Material Transactions | .28 |
| Section 16(a) Beneficial Ownership Reporting Compliance | .29 |
| Changes in and Disagreements with Accountants on Accounting and Financial Disclosure. | .29 |
| Interest of Certain Persons in Matters to be Acted Upon | .29 |
| PARTICULARS OF MATTERS TO BE ACTED UPON. | .30 |
| Financial Statements. | .30 |
| Proposal #1 - Election of Directors | .30 |
| Proposal #2 - Appointment of Auditors | .32 |
| Proposal #3 - Advanced Shareholder Approval for the Issuance of Common Shares by Private Placement | .33 |
| APPROVAL | .35 |
| OTHER MATTERS. | .35 |
| INCORPORATION BY REFERENCE | .35 |
| SHAREHOLDER PROPOSALS. | .36 |
| ADDITIONAL INFORMATION | .36 |
| SCHEDULE "A" CORPORATE GOVERNANCE PROCEDURES | A-1 |
| SCHEDULE "B" AUDIT AND FINANCE COMMITTEE CHARTER | B-1 |

INVITATION TO SHAREHOLDERS

It is my great pleasure to invite you to join our board of directors and the senior management of Apollo Gold Corporation at our next annual and special meeting, which convenes at 11:00 a.m. (Denver time) on May 20, 2004, at the Hyatt Regency Tech Center, 7800 East Tufts Avenue, Denver, Colorado 80237.

I urge you to attend if you can. This occasion is your opportunity to receive a first-hand account of how Apollo Gold Corporation performed for the year ended December 31, 2003, as well as to hear our plans for the future.

Should you have any questions for senior management, the annual meeting is an excellent place to raise them.

If you cannot attend in person, I encourage you to exercise the power of your proxy, by signing, dating and returning the enclosed proxy promptly in the accompanying reply envelope. If you decide to attend the annual and special meeting and wish to change your proxy vote, you may do so automatically by voting in the annual and special meeting. For further information regarding the power of your proxy please read the accompanying Management Information and Proxy Circular.

I appreciate your participation, and I look forward to seeing you this May in Denver.

Sincerely,

(Signed) R. DAVID RUSSELL
President and
Chief Executive Officer

April 8, 2004

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Edgar Filing: APOLLO GOLD CORP - Form DEF 14A

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the "MEETING") of the shareholders of Apollo Gold Corporation (the "CORPORATION") will be held at the Hyatt Regency Tech Center, 7800 East Tufts Avenue, Denver, Colorado 80237 on Thursday, May 20, 2004 at 11:00 a.m. (Denver time) for the following purposes:

- (1) to receive the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2003, together with the report of the auditors thereon;
- (2) to elect directors of the Corporation;
- (3) to appoint auditors and to authorize the directors to fix their remuneration;
- (4) to consider and, if thought appropriate, pass a resolution with or without variation, (the "PRIVATE PLACEMENT RESOLUTION"), authorizing the board of directors of the Corporation to enter into additional private placements of securities of the Corporation during the 12 month period ending May 20, 2005, as further set out in the accompanying Management Information and Proxy Circular;
- (5) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying Management Information and Proxy Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice of Meeting.

SHAREHOLDERS WHO ARE UNABLE TO ATTEND THE MEETING IN PERSON ARE REQUESTED TO COMPLETE, DATE AND SIGN THE ENCLOSED PROXY, AND TO RETURN IT IN THE ENVELOPE PROVIDED FOR THAT PURPOSE.

If you are a REGISTERED SHAREHOLDER of the Corporation and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy. Proxies to be used at the Meeting must be deposited with CIBC Mellon Trust Company, Proxy Department, 200 Queens Quay East, Unit #6, Toronto, Ontario, M5A 4K9 Canada, before 5:00 p.m. (Toronto time) on May 18, 2004.

If you are a NON-REGISTERED SHAREHOLDER of the Corporation and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. In addition, please read the section entitled Q&A ON PROXY VOTING "If my shares are not registered in my name but are held in the name of a nominee (a bank, trust company, securities broker, trustee or other), how do I vote my shares?"

By Order of the Board

(Signed) R. David Russell
President and
Chief Executive Officer

Denver, Colorado
April 8, 2004

Page 2

Edgar Filing: APOLLO GOLD CORP - Form DEF 14A

APOLLO GOLD CORPORATION

MANAGEMENT INFORMATION AND PROXY CIRCULAR

GENERAL PROXY INFORMATION

Solicitation of Proxies

THIS MANAGEMENT INFORMATION AND PROXY CIRCULAR (THE "CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF APOLLO GOLD CORPORATION (THE "CORPORATION" OR "APOLLO") FOR USE AT THE ANNUAL AND SPECIAL MEETING (THE "MEETING") OF SHAREHOLDERS OF THE CORPORATION (THE "SHAREHOLDERS") TO BE HELD ON THURSDAY, MAY 20, 2004, AT 11:00 A.M. (DENVER TIME), OR ANY ADJOURNMENT THEREOF, AT THE HYATT REGENCY TECH CENTER, 7800 EAST TUFTS AVENUE, DENVER, COLORADO 80237 FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING (THE "NOTICE OF MEETING").

The solicitations will be made primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers and regular employees of the Corporation at nominal cost. Banks, brokers, custodians, nominees and fiduciaries will be requested to forward the proxy soliciting materials to beneficial owners, and the Corporation will reimburse such persons for reasonable out-of-pocket expenses incurred by them in this connection. The expenses of soliciting proxies, including the cost of preparing, assembling and mailing this proxy material to shareholders, will be borne by the Corporation.

This Circular, the Notice of Meeting and accompanying Proxy are being mailed on or about April 16, 2004.

Quorum

A quorum is required in order for the Meeting to be properly constituted. The holders of at least one-third of the shares entitled to vote at a meeting of shareholders, personally present or represented by proxy, shall constitute a quorum.

Voting Shares And Principal Holders Thereof

The authorized capital of the Corporation consists of an unlimited number of common shares ("COMMON SHARES"). As of the close of business on April 8, 2004, 79,456,865 Common Shares were outstanding and entitled to vote. Each Common Share is entitled to one (1) vote. The outstanding Common Shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol APG, and on the American Stock Exchange ("AMEX") under the symbol AGT.

Beneficial Ownership Table

The following table sets forth certain information known to us with respect to the beneficial ownership of our Common Shares as of March 26, 2004 by (i) all persons who are known to us to be beneficial owners of five percent (5%) or more of the Common Shares, (ii) each of our directors, (iii) the chief executive officer and the other four most highly compensated executive officers (the "NAMED EXECUTIVE OFFICERS") and (iv) all current directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to the securities. Common Shares subject to options or warrants that are currently exercisable or exercisable within 60 days of March 26, 2004 are deemed to be outstanding and to be beneficially owned by the person or group

Edgar Filing: APOLLO GOLD CORP - Form DEF 14A

holding such options or warrants for the purpose of computing the percentage ownership of such person or group but are not treated as outstanding for the purpose of computing the percentage ownership of any other person or group. Unless otherwise indicated, the address for each of the individuals listed in the table is care of Apollo Gold Corporation, 4601 DTC Boulevard, Suite 750, Denver,

Page 3

Colorado 80237-2571. Unless otherwise indicated by footnote, the persons named in the table have sole voting and sole investment power with respect to all Common Shares shown as beneficially owned by them, subject to applicable community property laws. Percentage of beneficial ownership is based on 79,017,575 of our Common Shares outstanding as of March 26, 2004.

| BENEFICIAL OWNER | SHARES BENEFICIALLY OWNED | PERCENT OF CLASS |
|--|---------------------------|------------------|
| G.W. (Bill) Thompson | 125,071 (1) | * |
| W.S. (Steve) Vaughan | 68,365 (1) | * |
| R. David Russell | 1,574,928 (1) (2) | 1.98% |
| G. Michael Hobart | 111,071 (1) | * |
| Charles E. Stott | 112,071 (1) | * |
| R. Llee Chapman | 354,929 (1) | * |
| Richard F. Nanna | 1,321,166 (1) | 1.66% |
| Donald W. Vagstad | 192,009 (1) | * |
| David K.Young | 218,659 (1) | * |
| Gerald J. Schissler | 35,000 (1) | * |
| Robert A. Watts | Nil | * |
| All officers and directors as a group (14 persons) | 4,167,269 (3) | 5.12% |
| Goodman & Company, Investment Counsel Ltd. | 5,375,000 (4) | 5.17% |