

31 July 2015

Company Announcements Office
Australian Securities Exchange Limited

QUARTERLY ACTIVITIES REPORT TO 30 JUNE 2015

HIGHLIGHTS

- **Ongoing review of Aphrodite oxides and transitional gold resource to evaluate a new Mining project at Aphrodite**

MINING PROJECT CURRENTLY BEING EVALUATED

In the Company's March 2015 Quarterly Activities Report, it was reported that plans were ongoing to conduct a further drill campaign below and along strike from the Aphrodite gold resource which was released to ASX on 12 June 2013. Since the end of the March quarter however, the Company's Consultant, Mr Eduard Eshuys has been reviewing the gold resource in great detail. This review has focused on whether initial open pit mining and processing of the Oxides and Transitional mineral resources could be economic prior to consideration of any further exploration or development of the refractory gold mineralisation at depths of greater than 150 metres

Work is currently focussing on the following issues:

1. Statistical analysis and review of the top cut that is currently applied to the resource of 12 g/t Au
2. A geological and metallurgical review of the transitional resources and the depth to which the transitional resources extend to determine with greater clarity the resources that could be treated with conventional CIL processing to achieve satisfactory gold recovery.
3. The Company has recently aggregated 40 composite samples of the transition zone for bottle roll tests to determine the depth extent of the transition zone and the metallurgical characteristics of the zone with depth.

The Company has previously reported to the market that it halted its Preliminary Feasibility Study approximately 2 years ago at a time when A\$ gold prices were low and all costs of mining and processing were very high. Today, mining and processing costs have fallen to the point where it may be feasible in conjunction with a better understanding of the metallurgy and depth extent of the transition zone for mining and processing of the oxide and transition zone to establish an economically viable operation.

Previous metallurgical test work on the oxide and transition mineralisation indicated metallurgical recoveries of gold of +90% with that recovered by gravity test work of 60%.

Once the above steps have been completed, and if positive, the Company will plan for a further 4 new drill holes (RC with Diamond tails) to gather more data for an oxides and transitional mineralisation for definitive metallurgical testing of gold recoveries and to provide some data for further geotechnical analysis and review.

Following this work, if the results continue to be positive, the Company will appoint a suitably qualified and experienced Consultant Mine Engineer to remodel the revised mineral resource estimate using current costs to assess whether an economically viable operation can be established

Aphrodite has nearby third party processing facilities technically capable of processing Aphrodite Gold oxide and transition zone resources and is well located close to infrastructure and services in Kalgoorlie only 65km to the South.

FURTHER STRATEGIC DRILLING DEFERRED WHILST A MINE PROJECT IS EVALUATED

The Company has deferred a deep drilling program at the present time in light of the review into a mining project. The concepts supporting such a drill program are still entirely valid but the Company believes that the current mining study to be the best current use of shareholder funds.

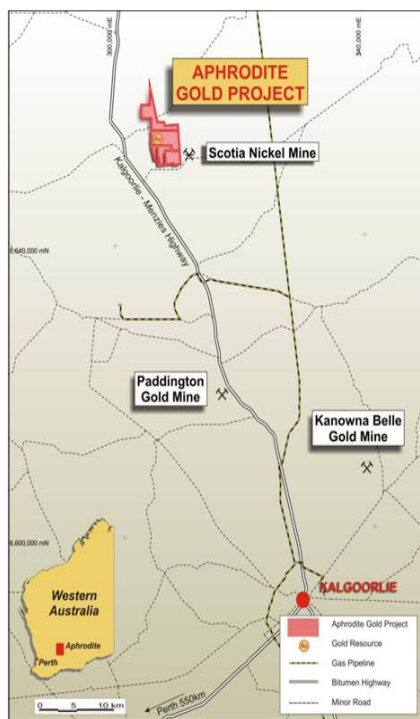


Figure 1 – Aphrodite Location Map

COMPLETION OF RIGHTS ISSUE

During the Quarter the Company raised \$737,927 from a renounceable rights issue to shareholders.

CONVERSION OF CONVERTIBLE NOTE

During the Quarter, the \$2.5m Convertible Note held by RMS (Aust) Pty Ltd, a Company associated with the Company's Executive Chairman, Mr Peter Buttigieg, was converted to 100m shares at 2.5 cents per share, in accordance with the terms of the Convertible Note.

APHRODITE GOLD LTD TENEMENT SCHEDULE AT 30 JUNE 2015

Project	JV Partner	Status	Tenement	Annual Expenditure	Interest Held by Aphrodite Gold Ltd
Aphrodite		Granted	M24/720	\$99,600	100%
		Granted	M24/779	\$94,400	
		Granted	M24/649	\$18,100	
		Granted	M24/681	\$44,700	
		Granted	E24/186	\$20,000	
		Granted	L24/204	N/A	
		Granted	L29/114	N/A	
		Granted	L29/115	N/A	
		Pending	L24/217	N/A	
		Dalrymple	Granted	M24/662	\$36,400

Yours sincerely



Michael Beer
Company Secretary