

16 October 2017

The Company Announcements Office
Australian Securities Exchange Limited

Update on Asset Impairment

The Company wishes to advise that the Company's Board has completed an impairment review (announced to the market on 10 October 2017) in relation to the carrying value of the Company's exploration and evaluation assets in the Company's accounts as at 30 June 2017.

Following a review of the technical valuation which has been prepared to form part of the Independent Expert's Report in relation to the proposed Merger with Spitfire Materials Limited, the Company's Board has determined to take the necessary step of writing down the carrying value of the Company's exploration and evaluation assets in its accounts to \$12.5 million (being the preferred value in the technical valuation).

An impairment charge of approximately \$15.2 million will be booked in the Company's 31 December 2017 financial report, which will be sent to Aphrodite Shareholders if the Merger has not been implemented by the time required for that report to be sent to shareholders.

As previously advised, the impairment charge will be expensed in the Company's profit and loss statement. As the impact of the impairment will be a non-cash item, it will not have any impact on cash flow or the Company's existing operations. Nor will it have any impact on the amount of the consideration the Company's shareholders will receive under the proposed Merger.

The full Independent Expert's Report including the technical valuation will be dispatched to shareholders in due course with the Scheme Booklet following ASIC review and the First Court Hearing in relation to the scheme of arrangement.

The Company is in the process of finalising the draft Scheme Booklet for lodgment with ASIC for its review, and will provide further updates in due course.

Yours sincerely,



Michael Beer
Company Secretary

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