



# APHRODITE Gold Limited

ABN: 61 138 879 928

45 Ventnor Avenue West Perth WA 6005 • PO Box 829 West Perth WA 6872 • Phone (08) 9389 4421

[www.aphroditegold.com.au](http://www.aphroditegold.com.au)

1 September 2011

Dear Shareholder,

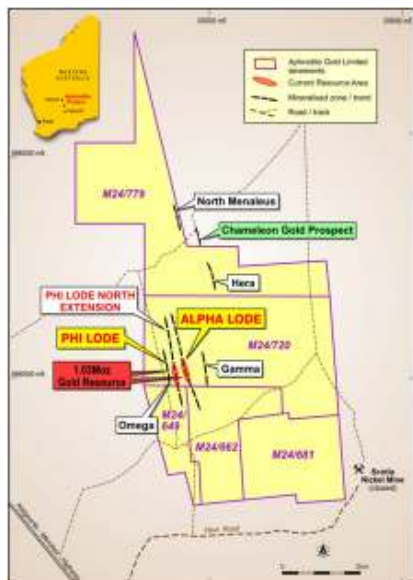
I am pleased to write to you to bring you up-to-date on the progress that your Company, Aphrodite Gold has been making recently at the Aphrodite Gold Project.

The Aphrodite Gold Project is located 65Km North of Kalgoorlie in WA along the Kalgoorlie – Menzies Highway and consists of 5 mining leases covering almost 30 Km<sup>2</sup>.

The project has previously been owned by a number of the world's largest gold companies who were frustrated in their plans to develop the project simply because the gold price was not high enough at the time.

In our first year since listing on the ASX we have met a number of crucial milestones on our 'drive to production' including;

- Far exceeding the work program outlined in the Prospectus
- Over 30,000m of drilling has been completed with more being undertaken
- Updated JORC Resource estimated at over 1 million ounces (Inferred and Indicated, see note 1)
- Initiated a major metallurgical program, which is nearing completion, with highly encouraging results
- Farmed into adjoining tenements held by Breakaway Resources to acquire up to 80% of the gold rights in their adjoining Scotia Nickel Project.
- Established a clear path to production with gold production targeted to commence in 2013.



In March this year we announced to the ASX an updated JORC Resource Estimate of 10.06Mt averaging 3.19g/t gold containing 1.03 million ounces of gold (see note 1.) This estimate consists of;

- 7.06Mt averaging 1.85g/t gold containing 420,000 ounces above 150m vertical depth ('potential open pit')
- 3Mt averaging 6.35g/t gold containing 613,000 ounces between 150m and 440m depth ('underground')

These resources are contained in the two main parallel lodes, Alpha and Phi which remains open at depth and along strike.

We have excellent potential to increase the resources by further exploration and development of;

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- Excellent historic intersections, below the existing resource area (below 440m depth) to around 600m depth.
- The Epsilon Lode (between the Alpha and Phi lodes) which has returned high grade drill results including 12m @ 10.94g/t gold including 2m @ 31.01g/t gold.
- Recent drilling of the Phi lode which has doubled the length of mineralised strike length to 1,200m
- The recently acquired Scotia JV tenements including the Chameleon prospect which have shown excellent potential to add further resources with drill results including 29m @ 3.40 g/t gold.

Further to this the Company is nearing completion of its critical initial metallurgical testwork program with highly encouraging results received to date.

Test work is being conducted on oxide, transitional (near surface) and primary (sulphide, deeper) ore at AMMTEC laboratories under the supervision of leading mineral engineering consultants METS. Results received to date indicate that recovery of over 90% of the gold is achievable.

We have developed a clear strategy to bring the project into production utilising initial open pit mining, followed by a transition to underground mining of higher grade ores. We are assessing nearby processing facilities to treat our ore so that we can commence operations as soon as possible and keep our capital expenditure to a minimum.

We aim for initial gold production during 2013.

Markets are tough right now, however we are well placed to ride out the current uncertainty and continue developing the Aphrodite Project to production. The board of Aphrodite Gold and I believe that the current market presents an excellent opportunity for investors to buy into companies with high quality projects and a development plan in place for development.

We believe Aphrodite Gold presents an excellent investment opportunity and we will be working as hard as possible to demonstrate this to the wider market.

So that we are able to keep you up-to-date with further development from the company I have attached a data form and a reply paid envelope. Please fill it out and return it to us so we can add your contact details to our database. Also, if you would like any further information on the Company or our objectives please contact our Investor Relations Manager, Aaron Ryder on 08 9389 4421 or email [aaron@aphroditegold.com.au](mailto:aaron@aphroditegold.com.au)

Yours Sincerely

**Warren Staude**

Chairman  
Aphrodite Gold Limited

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### **Note1:**

Existing JORC Resource for the Aphrodite Gold Project consists of 3.67Mt @ 3.83g/t Au for 451,000 ounces (Indicated) and 6.39Mt @ 2.83g/t Au for 582,000 ounces (Inferred) totalling 10.06Mt @ 3.19g/t Au for 1,033,000 ounces. This resource has been broken down into two domains; potential open pit (0 to 150m depth) and underground (150 to 440m depth). Potential open pit resources consist of 1.92Mt @ 1.96g/t Au for 121,000 ounces (Indicated) and 5.14Mt @ 1.81g/t Au for 299,000 ounces (Inferred) totalling 7.06Mt @ 1.85 g/t Au for 420,000 ounces at a cut-off grade of 0.5g/t. Potential underground resources consist of 1.75Mt @ 5.87g/t Au for 330,000 ounces (Indicated) and 1.25Mt @ 7.02g/t Au for 283,000 ounces (Inferred) totalling 3.0Mt @ 6.35 g/t Au for 613,000 ounces at a cut off grade of 3.0g/t. Full details of the JORC resource are contained in the Company's ASX announcement of 24 March 2011.

### **Competent Person Statement**

Information in this report that relates to exploration targets, exploration results and resources reflects information compiled by Leon Reigys FAusIMM and Exploration and Development Director of Aphrodite Gold Ltd who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is reporting on as a competent person as defined in the 2004 Edition of "The Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves." Mr. Reigys consents to the inclusion in this report of the matters based on the information compiled by him, in the form and context in which it appears.

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