

29 April 2016

The Company Announcements Office  
Australian Securities Exchange Limited

## QUARTERLY ACTIVITIES REPORT TO 31 March 2016

### HIGHLIGHTS

- **Entech Open Pit Scoping Study released**

Aphrodite Gold Limited (“Aphrodite” or the “Company”) presents its quarterly activity statement for the period ended 31 March 2016. During the Quarter Aphrodite released to the ASX the results of a scoping study undertaken by Entech. A summary of the Scoping Study results are outlined below.

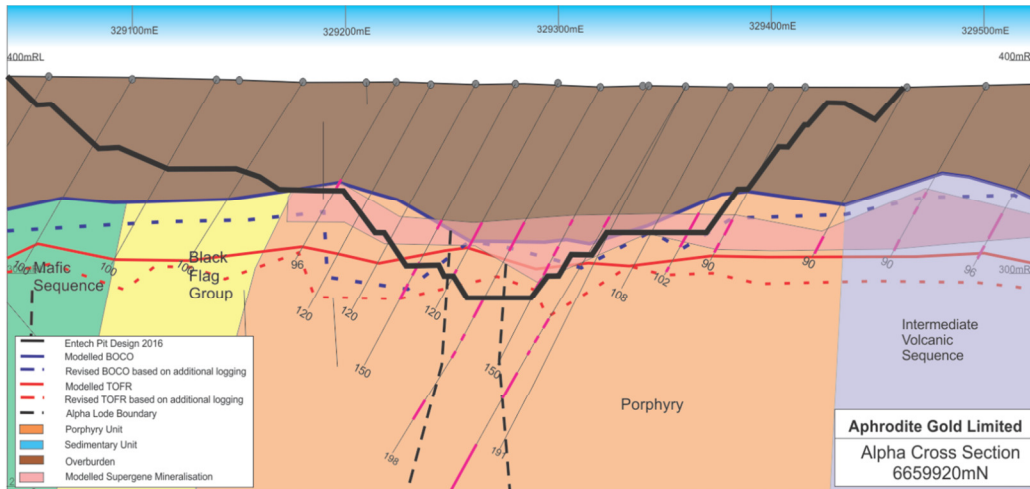
#### Entech Scoping Study

Entech engineering consultants were commissioned by Aphrodite, to undertake a scoping study into the mining and processing of only the open pit component of the oxide / supergene and transitional zones of the total mineral resource estimate at the Aphrodite Gold Deposit (AGD).

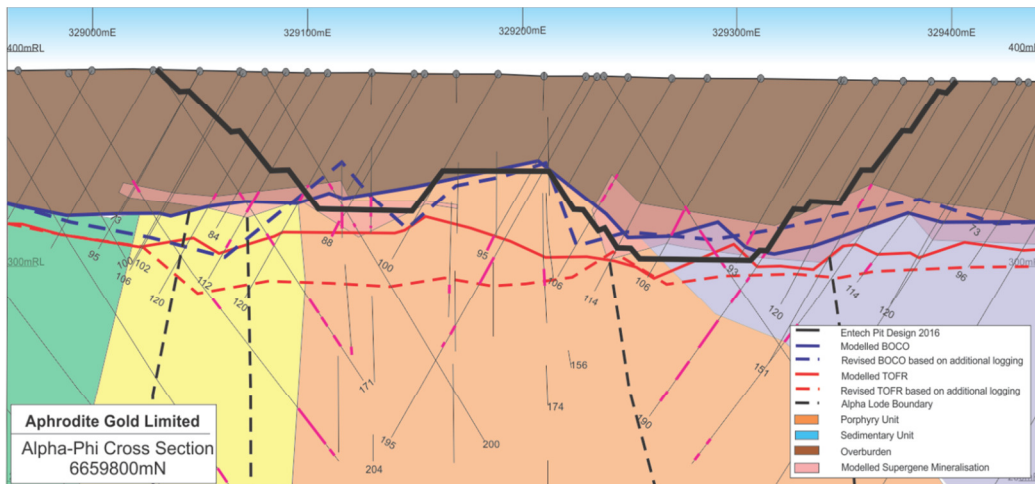
Entech was provided with the AGD resource completed on 12<sup>th</sup> June 2013. (App 1). This resource comprises 28.7 Mt averaging 1.5 g/t Au for a total of 1.4M ounces in JORC compliant Indicated (898,000 oz) and Inferred (498,000 oz) Resource categories.

The scoping study was based on

- Establishment of a standalone onsite conventional carbon in pulp/leaching processing plant of a nominal capacity of 1 million tonnes per annum
- Current mining, labour and services costs prevailing in the industry
- Australian gold price of \$1,600 per ounce
- Cut-off grades for the oxide and transitional component of the geological model of 0.5g/t
- Prior to the Entech study a comprehensive internal geological review of the depth extent of the transitional zone was completed. This review indicated that the transitional zone extended by approximately 10 metres deeper than previously modelled. This is demonstrated in the 2 cross sections shown below (Figure 1 and 2).



**Figure 1- Cross section 6659920mN showing the depth extent to the transitional zone**



**Figure 2- Cross Section 6659800mN showing the depth extent to the transitional zone**

Metallurgical testwork conducted by METS (Mineral Engineering Technical Services), in 2013 showed that the AGD contains both free milling and refractory gold. The free milling gold contained within oxide, alluvial and transitional zones displayed excellent leach recoveries at 75microns of 93%. These recovery figures were provided to Entech and formed the basis of their processing input parameters. The value generated from gold mined within fresh material types was eliminated.

The processing and mining costs were calculated and based on the following:

- As noted above, Entech relied on indicative metallurgical recovery rates provided by Aphrodite of 93% for oxide, alluvial and transitional zones and 0% for fresh zones.
- An incremental processing cost of \$18.00/t<sub>ore</sub> has been applied to all ore material, with an additional cost of \$4.00/t<sub>ore</sub> for general and administration charges and \$1.00/t<sub>ore</sub> for grade control activities, resulting in a total processing input cost of \$23.00/ t<sub>ore</sub>.

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- Mining costs were sourced by Entech from open pit mining contractor quotes for a similar operation to the Company's and ranged from \$1.94 to \$2.42 per bcm for mineralized material and \$1.84 to \$2.31 per bcm for waste from surface to a depth of 100m respectively.
- Production rates were heavily discounted in the final months of operations given the high proportion of ore material (mined with more care, grade control) in the final benches;
- Provisional capital costs were estimated for the clearing and land disturbance for the extent of the open pit with allowance for on-site offices and laydown areas, and rehabilitation of the surface waste dumps.
- Drill and blast costs (sourced from open pit contractor tender quotes for similar operations to the Company's) were assumed to be \$1.13 per bcm for waste material and \$1.83 per bcm in ore zones.
- Thus the cost per tonne of mineralized material for mining cost is estimated based on the above at \$25 per tonne, processing is \$18 per tonne based on commercial knowledge, administration is \$4, royalties (State Government and Franco Nevada) \$3.85, for a total cost of \$51 per tonne of ore;

The mining schedules were based on usage of large Komatsu Ex3600 excavator and CAT 785 haul trucks for first 7 months (while excavating near surface) followed by use of Komatsu Ex 1900 excavator with the haul trucks and similar haul trucks for mining of ore and waste. A total of 7.4 million bank cubic metres of waste and 0.5 million bank cubic metres of mineralized material will be mined including pre-strip resulting in a strip ratio 15:1. Pit wall angles were assumed to be 32 degrees for Oxide, 40 degrees for Transitional and 52 degrees for Fresh on all sides of the pit.

The pit design extends approximately 450m in the north-south direction and approximately 40m in the east-west direction. The pit extends to a maximum depth of approximately 100m with the use of 15m wide single lane ramps at a gradient of 1:10. Figure 3 shows the plan view of the open pit design.

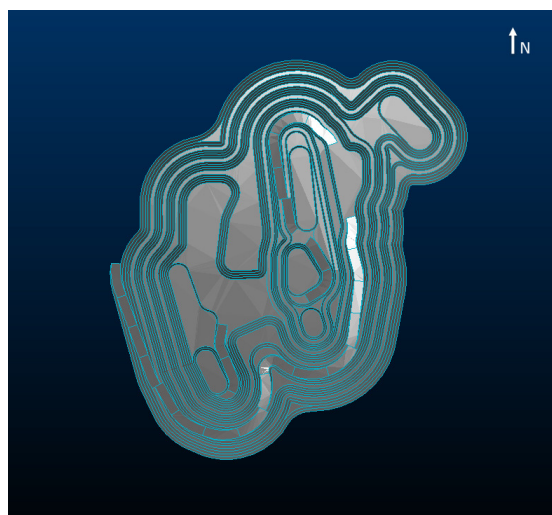


Figure 3- Aphrodite Open Pit Mine Design (Plan View)

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The Entech Study delivered a first stage open pit possible operation of 1.1 million tonnes at 1.6g/t for 54,000 of recoverable gold ounces, which includes 1.06Mt @ 1.66g/t Au indicated resource (99%) and 9,193t @ 1.78g/t Au inferred resource (1%). As this target does include inferred resources there is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the first stage open pit possible operation itself will be realised. The stated first stage open pit possible operation is based on the company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

The Entech study reported that mining production activity would occur over a 17 month period from the commencement of overburden removal. The estimated capital cost for the pre strip mining is \$15M over a 7 month period based on the overburden production schedule using the mining equipment described above.

The mineralised material production and processing according to the Entech study would then occur over a subsequent 10 month period.

The total cash operating cost identified by the Entech study is A\$1,100 per ounce including state government and the Franco-Nevada royalties of 2.5% respectively and pre-strip and establishment costs of A\$15M of capital referred to above.

#### **Future Activities**

The integration of the two studies may facilitate a new pre-feasibility study as the next step, which will incorporate:

- Drilling for geotechnical purposes to assist with cost estimates of mining the overburden and confirm the overall open pit wall angles.
- Infill drilling to improve the understanding of gold grade distribution of the oxide/supergene and transition zone.
- Additional metallurgical testwork on the transitional zone mineralisation.
- Additional work on selecting the optimal process to treat the primary ores.

In its 19 April 2016 Scoping Study announcement to the ASX, the company stated that following completion of the pre-feasibility study and further development work and assuming positive results from the pre-feasibility study, the Company's implementation strategy and pathway to development may potentially include the following:

- Open pit mining of the oxide/supergene and transitional zone resources to a depth of approximately 100 metres.
- Open pit extension to depth of approximately 170 meters to mine the first available refractory mineralisation.
- Optimising the depth to change from open pit mining to underground mining.

- Underground development to mine the higher grade refractory mineralisation of which there is a total mineral resource estimate of **3.3M tonnes @ 4.6 g/t for 485,000 contained ounces based on a cut-off grade of 3 g/t gold (see appendix 2)**.
- The building of a 1M tonne per annum conventional CIP/CIL processing plant to be followed by a add on concentrate production facility or the pursuit of other processing alternatives.

### Conclusions

The results of the 2016 Entech Scoping study give the Company the confidence that:

- Initial mining capital outlay is lower than previous studies indicated; and
- The material movement calculated by Entech runs for a total of 17 months from the date of commencement of operations, subject to availability of processing facilities.
- The margin between lower cash costs and a higher prevailing gold price of A\$1,600 per ounce should result in improved revenue.
- Proceeding with a pre-feasibility study incorporating additional infill drilling; geotechnical drilling to determine the mining costs, and metallurgical testwork to confirm the metallurgical recovery of the transitional zone is warranted.

### Beer & Co Research Report

The Company has commissioned a detailed research report on the Aphrodite Gold Deposit from Beer and Co Pty Ltd. They have taken into account all detailed announcements Aphrodite have released to the market and used the information and have estimated capital and operating costs based on a range of sources. This Research is available on the Company's website.

### Cash

The Company had available funds of \$87,000 at 31 March, with an R & D refund of \$303,000 (net) received in late April 2016.

### Share Issue

During the quarter the Company issued 9,804,663 shares to Mr Eduard Eshuys, as part compensation for his services as an advisor to the Company over the past year.

### Tenement Schedule

The Company held the following mining tenements as at 31 March 2016.

Project	Status	Tenement	Annual Expenditure	Anniversary Date	Interest Held by Aphrodite Gold Ltd
Aphrodite	Granted	M24/720	\$99,600	20/08/2028	100%
	Granted	M24/779	\$94,400	20/08/2028	
	Granted	M24/649	\$18,100	9/08/2030	
	Granted	M24/681	\$44,700	9/08/2030	
	Granted	M24/662	\$36,400	27/06/2028	
	Granted	E24/186	\$20,000	13/02/2019	
	Granted	L24/204	N/A	14/04/2035	
	Granted	L29/114	N/A	16/04/2035	
	Granted	L29/115	N/A	14/04/2035	
	Pending	L24/217	N/A		

Yours sincerely



Michael Beer  
Company Secretary

## APPENDIX 1 APHRODITE RESOURCE ESTIMATE

Details of the resource estimate at various open pit and underground cut-off grades are represented in the tables below (Tables 1-3)

**Table 1: Mineral Resource Estimates  
Potential Open Pit (OP) and Underground (UG) Mineable**

Cut-off (g/t)	Indicated			Inferred			Indicated + Inferred		
	Tonnes (t)	Gold (g/t)	Gold (oz)	Tonnes (t)	Gold (g/t)	Gold (oz)	Tonnes (t)	Gold (g/t)	Gold (oz)
<b>OP</b>									
0.3	16,780,000	1.07	577,000	15,890,000	0.84	429,000	32,670,000	0.96	1,006,000
0.5	13,910,000	1.21	542,000	11,520,000	1.00	369,000	25,430,000	1.11	911,000
0.8	9,280,000	1.49	444,000	5,381,000	1.43	248,000	14,660,000	1.47	692,000
1.0	6,760,000	1.72	374,000	3,250,000	1.78	186,000	10,010,000	1.74	560,000
<b>UG</b>									
2.0	6,420,000	3.21	662,000	3,140,000	3.03	306,000	9,560,000	3.15	968,000
2.5	4,010,000	3.81	490,000	1,810,000	3.63	212,000	5,820,000	3.75	702,000
3.0	2,480,000	4.47	357,000	830,000	4.79	128,000	3,310,000	4.55	485,000
3.5	1,650,000	5.10	270,000	560,000	5.53	100,000	2,210,000	5.21	370,000
4.0	1,160,000	5.68	212,000	420,000	6.15	82,000	1,580,000	5.80	294,000

**Table 2: Resource Summary at cut off of 0.5 g/t gold applied to potential open pit (OP) mineable resources and 3.0 g/t for the underground (UG) mineable resources.**

Domain	Cutoff (g/t)	Indicated			Inferred			Indicated + Inferred		
		Tonnes (t)	Gold (g/t)	Gold (oz)	Tonnes (t)	Gold (g/t)	Gold (oz)	Tonnes (t)	Gold (g/t)	Gold (oz)
OP	0.5	13,910,000	1.21	542,000	11,520,000	1.00	369,000	25,430,000	1.11	911,000
UG (Primary)	3.0	2,480,000	4.47	357,000	830,000	4.79	128,000	3,310,000	4.55	485,000
<b>TOTAL</b>		<b>16,400,000</b>	<b>1.70</b>	<b>898,000</b>	<b>12,340,000</b>	<b>1.26</b>	<b>498,000</b>	<b>28,740,000</b>	<b>1.52</b>	<b>1,396,000</b>

**Table 3: Mineral Resource Estimate  
Potential Open Pit (OP) Mineable Material at 0.5 g/t Cut Off**

Material	Indicated			Inferred			Indicated + Inferred		
	Tonnes	Gold		Tonnes	Gold		Tonnes	Gold	
	(t)	(g/t)	(oz)	(t)	(g/t)	(oz)	(t)	(g/t)	(oz)
Oxide	1,670,000	1.17	63,000	2,060,000	1.04	69,000	3,730,000	1.10	131,000
Transitional	4,950,000	0.96	153,000	6,720,000	0.88	191,000	11,670,000	0.92	344,000
Primary	7,290,000	1.39	326,000	2,740,000	1.25	110,000	10,030,000	1.35	436,000
<b>TOTAL</b>	<b>13,910,000</b>	<b>1.21</b>	<b>542,000</b>	<b>11,520,000</b>	<b>1.00</b>	<b>369,000</b>	<b>25,430,000</b>	<b>1.11</b>	<b>911,000</b>

Notes

1. All resource estimates are undiluted.
2. Resources estimated by Ordinary Kriging (OK).
3. Density factors applied: Oxide = 1.75, Transitional = 2.4, Primary = 2.75.
4. Some errors due to rounding.
5. Aphrodite Gold has completed 305 RC holes for an aggregated length of 47,589 m, out of a total of 953 RC and DDH holes for 159,147 m. The revised resource is based on 788 of these holes.

The information in the report to which this statement is attached that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Eduard Eshuys, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Eduard Eshuys has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Eshuys consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



## JORC Code, 2012 Edition – Table 1 report - Aphrodite

### Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>At least 10% of the assay data was verified with the official hardcopy assay certificates. No inadvertent or keying errors were found during or after the data import into Vulcan software. All relevant tables were checked by internal Vulcan routines and no erroneous data was identified.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Tetra Tech has completed 3 site visits in the last 2.5 years.</li> <li>Drilling and mineralisation was observed on all 3 visits</li> <li>Collar coordinates were also verified on the 3 visits.</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<ul style="list-style-type: none"> <li>Sufficient information was available from both diamond and RC drilling data as to provide clear structural interpretation of the mineralised zones. Adequate information was also provided to ensure sufficient interpretation of the weathering surfaces. There is sufficient uniformity in the gold mineralisation to confirm continuity between sections where appropriate.</li> <li>No alternative interpretations were considered necessary given the geological control understanding.</li> <li>The mid-section of the interpretation seems to be the zone of greatest dilation and hence greatest grade input; the grade profile weakens at the northern and southern extents where deformation is weakest and hence lesser plumbing availability for mineralizing fluids.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Dimensions</b>	<ul style="list-style-type: none"> <li><i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Aphrodite mineralisation extends for about 3km along strike, where 7 domains have been identified: 2 supergene and 5 primary, 3 primary domains trend NNW and the other 2 domains of linking structure trend about NE. Mineralisation is interpreted to extend to about 540m below surface and is open at depth and along strike. The main Alpha and Phi zones are about 50-80m wide.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Estimation and modelling techniques</b>	<ul style="list-style-type: none"> <li>• <i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> <li>• <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li>• <i>The assumptions made regarding recovery of by-products.</i></li> <li>• <i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i></li> <li>• <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> <li>• <i>Any assumptions behind modelling of selective mining units.</i></li> <li>• <i>Any assumptions about correlation between variables.</i></li> <li>• <i>Description of how the geological interpretation was used to control the resource estimates.</i></li> <li>• <i>Discussion of basis for using or not using grade cutting or capping.</i></li> <li>• <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i></li> </ul>	<ul style="list-style-type: none"> <li>• A block size of 15x15x5m was deemed appropriate given the drill spacing's. All digital interpretations were done on vertical sections orthogonal to the mineralisation trends, and wire-framed together in Vulcan 8.1.4 software. Extensive variography was carried out to determine the search ranges, and Quantitative Kriging Neighbourhood Analysis was employed to optimize the min and max number samples, discretization's and max samples per hole to be used for a block estimate. All samples were length weighted in the estimations. All interpolations were completed using Ordinary Kriging, with Inverse Distance Squared and Nearest Neighbour estimates run also for validation purposes. The assay values for gold were estimated along with Arsenic, to ensure that the deleterious elements were sufficiently considered. Validation was done to compare the block estimates with the drill data in three ways: (1) visually in Vulcan in section and plan; (2) overall mean statistics comparisons, and; (3) swath plots. All estimates were done based on two estimation pass only, with varying criteria required to be satisfied for each pass, criteria were relaxed for the second pass estimations.</li> <li>• A small proportion of the assays were capped per domain to remove obvious outliers which were determined by analysis of log-probability plots and the point of maximum deviation.</li> <li>• Raw assays were capped prior to compositing.</li> </ul>
<b>Moisture</b>	<ul style="list-style-type: none"> <li>• <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The tonnages in the estimates assume dry tonnages, with no factoring for moisture.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li><i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>Resources are reported at a threshold of 0.5g/t for material above 240mRL which is assumed to be the open pit mineable part of the resource.</li> <li>Resources are reported at a threshold of 3.0g/t for material below 240mRL which is assumed to be the underground mineable part of the resource.</li> <li>Please note that the above relate to separate volumes of the resource, with no overlaps.</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li><i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i></li> </ul>	<ul style="list-style-type: none"> <li>Given the steep nature of the mineralised bodies it seems likely that part of the resource will be extracted by open pit methods with the remainder extractable by underground methods. The already completed scoping study showed that this was the most likely scenario given the deep seated nature of the mineralisation. Extraction of the entire resource by open pit means is not likely to be economically viable given the current and forecast gold price.</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li><i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i></li> </ul>	<ul style="list-style-type: none"> <li>Metallurgical test work has been carried out for the scoping study and also as part of the forthcoming Pre-Feasibility study by METS. The significant concentrations of Arsenic and Sulphur within the deposit indicate that it is mostly refractory in nature.</li> <li>No metallurgical factors have been applied to the resource other than the estimation of Arsenic for ARD (acid rock drainage) and processing considerations.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Arsenic concentrations have been estimated in the block model to assist with environmental, geochemical and ARD considerations.</li> <li>Environmental considerations have been assessed as part of the scoping study already completed and as part of the forthcoming Pre-Feasibility study.</li> <li>No major environmental concerns have been identified at this time.</li> </ul>
<b>Bulk density</b>	<ul style="list-style-type: none"> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>Aphrodite and previous owners have collected a substantial dataset of bulk density/SG data mostly by standard immersion methods.</li> <li>Most of these measurements were collected at a recognized laboratory facility, which applied necessary procedures to the weathered material to ensure accuracy of measurements.</li> <li>Based on statistical analysis of all the available data; an SG of 1.75 for the oxidised material, 2.4 for transitional material and 2.75 for the fresh material were applied.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul style="list-style-type: none"> <li>The current drill spacing's combined with the extensive variography data, and the level of confidence in geological and grade continuity is sufficient to support both Indicated and Inferred Resource categories for all resources at Aphrodite.</li> <li>Tetra Tech is comfortable with the classification of all the resources.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<ul style="list-style-type: none"> <li>Tetra Tech's Chief Geologist has carried out a peer review of the current model and estimate, and was satisfied that there are no fatal flaws in the estimate.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Discussion of relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>• <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></li> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Validation was done to compare the block estimates with the drill data in three ways: (1) visually in Vulcan; (2) overall mean statistics comparisons, and; (3) Swath plots. The author believes the estimate to be sufficiently accurate, based on these validation routines.</li> <li>• All data that this estimate is based on is quite sufficient to support the applied Indicated and Inferred Resource categories.</li> <li>• Most blocks were estimated within all the wireframes so all resources are sufficiently accurate to be used for a technical and economic evaluation of the Aphrodite deposit.</li> </ul>

## Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral Resource estimate for conversion to Ore Reserves</b>	<ul style="list-style-type: none"> <li>• <i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i></li> <li>• <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>• <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></li> <li>• <i>If no site visits have been undertaken indicate why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Study status</b>	<ul style="list-style-type: none"> <li>• <i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i></li> <li>• <i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>• <i>The basis of the cut-off grade(s) or quality parameters applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>• <i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i></li> <li>• <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i></li> <li>• <i>The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.</i></li> <li>• <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i></li> <li>• <i>The mining dilution factors used.</i></li> <li>• <i>The mining recovery factors used.</i></li> <li>• <i>Any minimum mining widths used.</i></li> <li>• <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i></li> <li>• <i>The infrastructure requirements of the selected mining methods.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>• <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i></li> <li>• <i>Whether the metallurgical process is well-tested technology or novel in nature.</i></li> <li>• <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i></li> <li>• <i>Any assumptions or allowances made for deleterious elements.</i></li> <li>• <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i></li> <li>• <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• <i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• <i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Costs</b>	<ul style="list-style-type: none"> <li>• <i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i></li> <li>• <i>The methodology used to estimate operating costs.</i></li> <li>• <i>Allowances made for the content of deleterious elements.</i></li> <li>• <i>The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.</i></li> <li>• <i>The source of exchange rates used in the study.</i></li> <li>• <i>Derivation of transportation charges.</i></li> <li>• <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i></li> <li>• <i>The allowances made for royalties payable, both Government and private.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>
<b>Revenue factors</b>	<ul style="list-style-type: none"> <li>• <i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i></li> <li>• <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>
<b>Market assessment</b>	<ul style="list-style-type: none"> <li>• <i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i></li> <li>• <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i></li> <li>• <i>Price and volume forecasts and the basis for these forecasts.</i></li> <li>• <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>• <i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i></li> <li>• <i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• <i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Other</b>	<ul style="list-style-type: none"> <li>• <i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i></li> <li>• <i>Any identified material naturally occurring risks.</i></li> <li>• <i>The status of material legal agreements and marketing arrangements.</i></li> <li>• <i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>• <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i></li> <li>• <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> <li>• <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of Ore Reserve estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Discussion of relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>• <i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i></li> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i></li> <li>• <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable at this time, as no mineral reserve has been estimated or reported.</li> </ul>