

4 September 2017

The Company Announcements Office
Australian Securities Exchange Limited

APHRODITE & POSEIDON MOU UPDATE

Aphrodite Gold Ltd (Aphrodite) and Poseidon Nickel Limited (Poseidon) are pleased to advise that following recent discussions together and with Spitfire Materials Limited (Spitfire) on the existing non-binding memorandum of understanding (MOU) between Aphrodite and Poseidon that Aphrodite and Poseidon wish to continue to progress due diligence.

On 14th August 2017 Aphrodite and Spitfire announced that they had entered into a binding term sheet to merge the two ASX-listed companies to create a significant new diversified Australian gold company with a highly prospective exploration portfolio and growth potential and on 1 September, the parties signed a binding Merger Implementation agreement.

All three parties consider that the merger between Aphrodite and Spitfire is a positive outcome as it not only complements the existing MOU but enhances it. The synergies and fundamental drivers that underpinned the original MOU are improved and represent a compelling business opportunity for all Parties and as such due diligence between Aphrodite and Poseidon will be progressed.”

Aphrodite and Poseidon therefore plan to extend their due diligence period further until both parties conclude detailed assessment. Once completed, a further announcement will be made to the market.

Yours faithfully



Michael Beer
Company Secretary