

Strategic Gold Joint Venture with Breakaway Resources at Scotia Project

ASX: AQQ



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Company Announcements Office
Australian Securities Exchange Limited

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Aphrodite Gold Limited (ASX: AQQ) is pleased to announce it has signed a Farm-In Joint Venture Heads of Agreement with Breakaway Resources Limited (ASX: BRW), whereby Aphrodite can earn up to an 80% interest in the Gold Rights at Breakaway's Scotia Project located 70km north of Kalgoorlie, Western Australia. A drilling program by Aphrodite is to commence shortly.

Aphrodite's Exploration and Development Director, Mr Leon Reisgys said, *"the Scotia Project's size, proximity to its 1.03Moz Aphrodite Gold Deposit, and strong gold potential makes the signing of this Agreement a strategic step forward in the Company's development and growth strategy for the area."*

The Scotia Project is strategically located immediately north and east of Aphrodite's Gold Project (see Figure 1) which currently hosts a JORC compliant mineral resource containing 1.03 Moz of gold (see Note1). The Agreement provides a package of contiguous tenements totally 217sq km representing a seven fold increase in the total area now available to Aphrodite for gold exploration.

Numerous gold targets have been identified within the Scotia Project including the advanced Chameleon Prospect located only 5km NE of the Aphrodite Gold Deposit (see Figure 2).

Excellent historic gold intercepts have been achieved at Chameleon including **29m @ 3.40g/t Au** (from 124 metres), **22m @ 5.43g/t Au** from 150 metres and **8m @ 3.39g/t Au** from 202 metres. The prospect has been previously drilled on nominal 50 metre centres, over a 300 metres strike and to a depth of 200 metres. Mineralisation remains open both at depth and along strike.

The trend of mineralisation at Chameleon is NNW, identical to the Alpha and Phi Lodes at the Aphrodite Gold Deposit. Importantly the Chameleon trend extends SSE into Aphrodite's tenements and may represent the northern portion of Aphrodite's Hera Prospect which will be targeted by the Company in future exploration programs (see figure 3).

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Aphrodite Gold will shortly commence a 3,000 to 5,000 metre Reverse Circulation (RC) drilling program over the Chameleon Prospect.

Under the terms of the Farm-in and Joint Venture Heads of Agreement:

- Aphrodite can earn an initial 51% interest in the Scotia Project's Gold Rights by spending \$400,000 within the first twelve months with a minimum of \$300,000 to be spent by 31st July 2011.
- Aphrodite can earn an additional 29% interest in the Scotia Project's Gold Rights (for a total 80% joint venture interest) by spending a further \$1.1 million on exploration, or when the joint venture parties make a decision to mine, whichever occurs earlier.
- Upon electing to earn an additional 29% interest, Aphrodite must, as a minimum, spend each year, the Scotia Project's aggregate expenditure commitment of approximately \$360,000.
- Breakaway will be free-carried at all times until a decision to mine.
- On a decision to mine Breakaway may elect to contribute to a mining joint venture operation or elect to transfer its interest to Aphrodite in exchange for a 1.5% Net Smelter Royalty.
- Breakaway retains the rights to all other minerals including nickel.

Yours Sincerely,



Leon Reisgys
Exploration and Development Director

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 Persons Statement

Information in this report that relates to exploration targets, exploration results and resources reflects information compiled by Leon Reisgys 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. Reisgys 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.



Figure 1: Location of Aphrodite and Scotia JV Projects

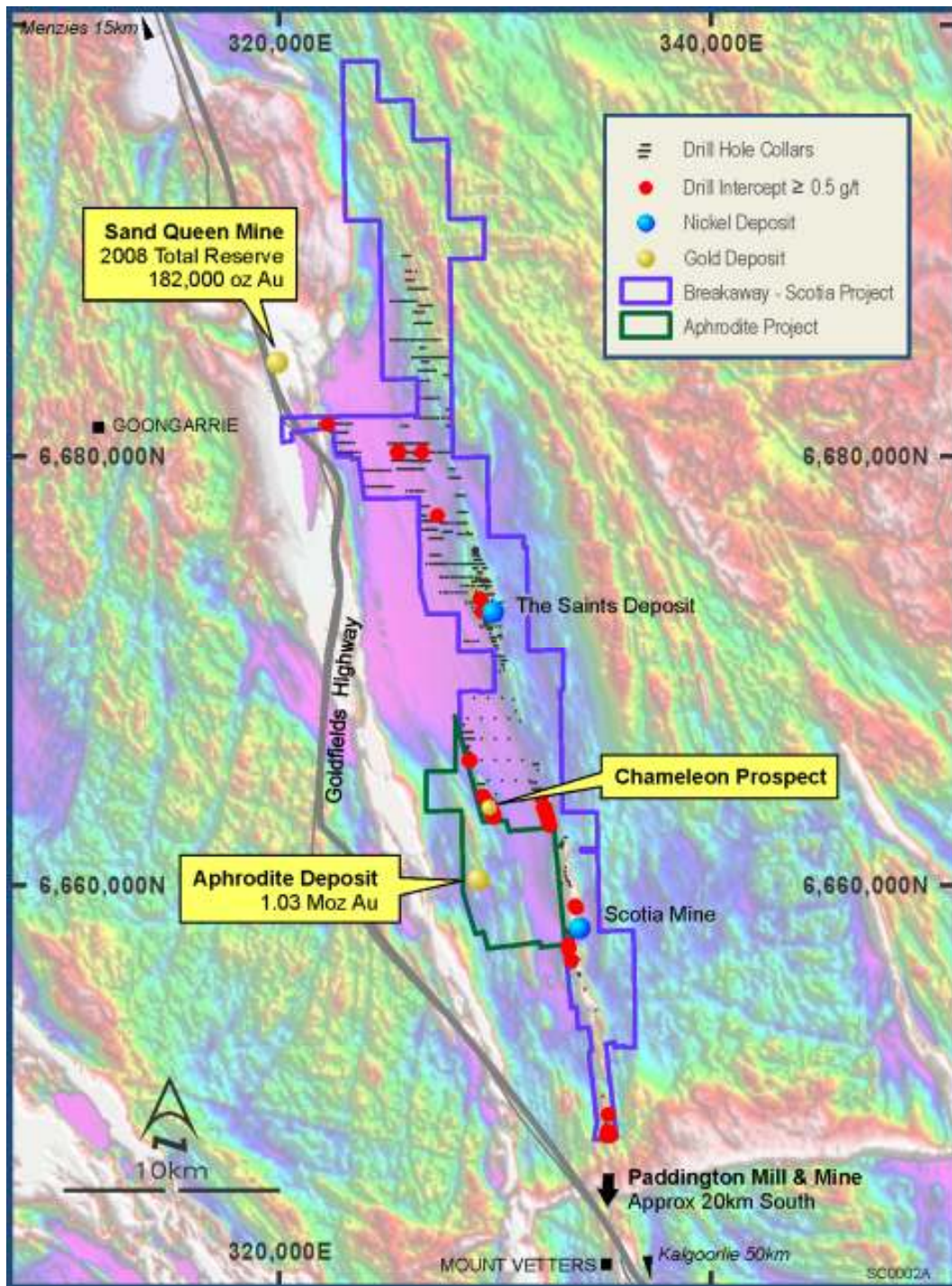


Figure 2: Scotia JV Project, Gold Prospects and Targets



Figure 3: Aphrodite's Gold Tenements Showing Hera and Other Gold Prospects, and the Chameleon Gold Prospect on the Scotia JV Ground.