



APHRODITE
Gold Limited

HALF-YEAR REPORT

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

*This Half-Year Report should be read in conjunction with the Company's
Annual Report for the year ended 30 June 2012*

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Corporate Information

This Report covers the activities of Aphrodite Gold Limited ('the Company') for the half-year ended 31 December 2012. The Company's functional and presentation currency is Australian Dollars (AUD). A review of the Company's principal activities and operations is included in the Directors' Report at Page 3. The Directors' Report is unaudited and does not form part of this Financial Report.

REGISTERED AND CORPORATE OFFICE

Aphrodite Gold Limited
ABN 61 138 879 928
45 Ventnor Avenue
West Perth WA 6005

DIRECTORS

Peter Buttigieg – Non-Executive Chairman
Wayne Ryder FCA FAICD MSME – Chief Executive Officer
Leon Reisgys BSc(Hons) Grad Dipl FAusIMM MAIG – Managing and Technical Director
Paul Weston – Executive Director Marketing
Roger Mitchell – Non-Executive Director

CHIEF EXECUTIVE OFFICER AND COMPANY SECRETARY

Wayne Ryder FCA
Tel (08) 9389 4421
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MANAGING AND TECHNICAL DIRECTOR

Leon Reisgys BSc (Hons.Appl.Geol) Grad Dipl FAusIMM MAIG
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West Perth WA 6005
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AUDITOR

Grant Thornton Audit Pty Ltd
Chartered Accountants
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WEB SITE

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Directors' Report

Your Directors are pleased to submit their Report for the half-year ended 31 December 2012.

The following were the Directors of the Company in office during the half-year under review and at the date of this Report:

Peter Buttigieg
Wayne Ryder
Leon Reisgys
Paul Weston (appointed 2 July 2012)
Roger Mitchell (appointed 7 January 2013)
Warren Staude (resigned 29 November 2012)
Heath Sandercock (retired 27 November 2012)

PRINCIPAL ACTIVITIES

The Company's principal activity during the half-year was exploration and development of the Aphrodite Gold Project near Kalgoorlie, Western Australia.

REVIEW OF EXPLORATION ACTIVITIES

Aphrodite Gold Project – M24/662, M24/681, M24/720, M24/779, M24/649

The Aphrodite Gold Project is located 65km north of Kalgoorlie in Western Australia and consists of five long term mining leases covering almost 30 km².

Following completion of major drill programs and a metallurgical test work program a decision was made in September 2011 to proceed with a Scoping Study to examine the staged development of the Aphrodite Deposit with initial open pit mining followed by underground development of higher grade resources.

In February 2012 the Company announced to the ASX completion of a positive Scoping Study by world leading mining consultants Tetra Tech and mineral processing consultants Mineral Engineering Technical Services (METS). The Study concluded that the Project has the potential to become a significant cost competitive gold producer, with an average cash cost of \$756/oz of gold with a total estimated gold production of around 550,000 ounces over 9 years based on current resources.

The Scoping Study provided estimates of the Net Present Value of the Project on a discounted cash flow basis, ranging from \$51million at a gold price of \$1,450/oz, \$129million at \$1,650/oz and 208million at \$1,850/oz (pre-tax).

In May 2012 the Company announced a revised resource estimate, with the majority upgraded to JORC Indicated level, of 7.2Mt @ 1.77g/t for 409,000ozs down to 150 metres, amenable to open pit mining, and 2.98Mt @ 6.6g/t for 631,000ozs below that down to 440 metres planned for underground mining (See Note A below). The resource remains open at depth with exploratory drilling confirming significant gold mineralisation down to at least 600 metres.

Infill resource drilling was completed over the Aphrodite Deposit during the half year-under review with significant intersections achieved down to a maximum vertical depth of 260 metres. Further metallurgical testwork has been undertaken with very encouraging results received to date in regard to gold recoveries for the sulphide/refractory resource which forms the majority of the deposit.

A Pre Feasibility Study (PFS) has commenced with consultants Tetra Tech selected to study the mining aspects and METS the mineral processing and plant design. Completion of the PFS is expected around September 2013 following which the Board will determine whether to proceed to a Definitive Feasibility Study.

Directors' Report (cont.)

Scotia Joint Venture Project

Following a successful drill campaign on the Chameleon Prospect the Company announced in December 2011 that it has earned an initial 51% interest in the Gold Rights at Breakaway Resources Limited's (ASX: BRW) Scotia Project located adjacent to the Aphrodite Gold Project and had elected to earn an additional 29% interest. Details of the Farm-In Agreement with Breakaway were announced to the ASX in June 2011.

During the half year-under review the Company completed small drill programs over the Chameleon, Stubby Tail and Blue Tongue Gold Prospects with further programs planned.

Note A – JORC Resource Estimate

JORC Resource for the Aphrodite Gold Project consists of 7.31Mt @ 2.75g/t Au for 645,000 ounces (Indicated) and 2.87Mt @ 4.30g/t Au for 395,000 ounces (Inferred) totaling 10.18Mt @ 3.18g/t Au for 1,040,000 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 5.79Mt @1.84g/t Au for 342,000 ounces (Indicated) and 1.41Mt @1.49g/t Au for 67,000 ounces (Inferred) totaling 7.20Mt @ 1.77 g/t Au for 409,000ounces at a cut-off grade of 0.5g/t. Potential underground resources consist of 1.52Mt @ 6.21g/t Au for 303,000 ounces (Indicated) and 1.46Mt @ 7.01g/t Au for 328,000 ounces (Inferred) totaling 2.98Mt @ 6.60 g/t Au for 631,000 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 16 May 2012.

FINANCIAL RESULTS

For the half-year the Company recorded a net loss after tax from operating and exploration activities of \$514,052 (2011: loss of \$306,528).

Exploration expenditure capitalised for the half-year amounted to \$2,015,486 (2011: \$2,941,934).

CHANGES IN THE STATE OF AFFAIRS

During the half-year under review, the Company placed 30,000,000 Shares at \$0.06 per Share to a Singapore listed public company, GRP Limited, raising \$1,800,000 (before costs). The Company also raised \$2,500,000 by way of a royalty advance from Franco-Nevada Australia. This advance will automatically convert to a 2.5% royalty over gold produced, upon commencement of production at the Aphrodite Gold Project.

There were no other significant changes in the state of affairs of the Company during the half-year.

SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

Directors' Report (cont.)

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is set out on page 6 and forms part of the Directors' Report for the half-year ended 31 December 2012.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS OF APHRODITE GOLD LIMITED



WAYNE RYDER
DIRECTOR

Dated at West Perth this 14th day of March 2013

Competent Person's Statement

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

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**Auditor's Independence Declaration
To The Directors of Aphrodite Gold Ltd**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Aphrodite Gold Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J W Vibert
Partner - Audit & Assurance

Perth, 14 March 2013

Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	31 Dec 2012 \$	31 Dec 2011 \$
REVENUE			
Interest received		13,762	36,668
Research and development grants		388,159	208,000
		-----	-----
TOTAL INCOME		401,921	244,668
		-----	-----
EXPENSES			
Employees benefits expenses		375,828	291,747
Occupancy expenses		80,910	103,169
Depreciation and fixed assets written off		28,288	25,664
Other expenses		430,947	130,616
		-----	-----
TOTAL EXPENSES		915,973	551,196
		-----	-----
NET (LOSS) BEFORE INCOME TAX		(514,052)	(306,528)
		-----	-----
INCOME TAX		-	-
		-----	-----
(LOSS) AFTER INCOME TAX		(514,052)	(306,528)
		-----	-----
OTHER COMPREHENSIVE INCOME		-	-
		-----	-----
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD		(514,052)	(306,528)
		=====	=====
Earnings per share attributable to ordinary equity holders:			
Basic and diluted (loss) per share (cents)		(0.22)	(0.21)

The statement of comprehensive income is to be read in conjunction with the notes to the half-year financial report.

Statement of Financial Position

AS AT 31 DECEMBER 2012

	Note	31 Dec 2012 \$	30 Jun 2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents		2,544,179	921,689
Trade and other receivables		388,159	42,618
Other current assets		81,883	68,443
Total Current Assets		3,014,221	1,032,750
Non-Current Assets			
Property, plant and equipment		168,463	196,752
Exploration and evaluation costs		20,562,098	18,546,612
Total Non-Current Assets		20,730,561	18,743,364
TOTAL ASSETS		23,744,782	19,776,114
LIABILITIES			
Current Liabilities			
Trade and other payables		864,512	519,581
Provisions		62,456	99,487
Total Current Liabilities		926,968	619,068
Non-Current Liabilities			
Financial liability	9	2,500,000	-
Total Non-Current Liabilities		2,500,000	-
TOTAL LIABILITIES		3,426,968	619,068
NET ASSETS		20,317,814	19,157,046
EQUITY			
Issued capital		22,182,082	20,507,262
Option reserve		823,190	823,190
Accumulated losses		(2,687,458)	(2,173,406)
TOTAL EQUITY		20,317,814	19,157,046

The statement of financial position is to be read in conjunction with the notes to the half-year financial report.

Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Ordinary Issued Capital	Capital Raising Costs	Accumulated Losses	Options Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2011	18,016,304	(1,265,864)	(1,372,565)	823,190	16,201,065
Shares issued during the half-year	900,000	-	-	-	900,000
Comprehensive (loss) for the half-year	-	-	(306,528)	-	(306,528)
Capital raising costs	-	(75,850)	-	-	(75,850)
Balance at 31 December 2011	18,916,304	(1,341,714)	(1,679,093)	823,190	16,718,687
Balance at 1 July 2012	22,121,846	(1,614,584)	(2,173,406)	823,190	19,157,046
Shares issued during the half-year	1,800,000	-	-	-	1,800,000
Comprehensive (loss) for the half-year	-	-	514,052	-	514,052
Capital raising costs	-	(125,180)	-	-	(125,180)
Balance at 31 December 2012	23,921,846	(1,739,764)	(2,687,458)	823,190	20,317,814

The statement of changes in equity is to be read in conjunction with the notes to the half-year financial report.

Statement of Cashflows
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	31 Dec 2012 \$	31 Dec 2011 \$
Cash flows from operating activities		
Other income	-	208,000
Interest income	13,762	36,668
Payments to suppliers and employees	(550,606)	(845,171)
	<u>(535,844)</u>	<u>(600,503)</u>
Cash flows from investing activities		
Exploration and tenement costs	(2,015,486)	(2,941,934)
Purchases of property, plant and equipment	-	(3,400)
	<u>(2,015,486)</u>	<u>(2,945,334)</u>
Cash flows from financing activities		
Proceeds from issue of shares	1,800,000	900,000
Capital raising costs	(125,180)	(75,850)
Long term royalty advance	2,500,000	-
	<u>4,174,820</u>	<u>824,150</u>
Net increase / (decrease) in cash and cash equivalents	1,622,490	(2,721,687)
Cash and cash equivalents at the beginning of the half-year	921,689	3,000,000
Cash and cash equivalents at the end of the half-year	<u>2,544,179</u>	<u>278,313</u>

The statement of cashflows is to be read in conjunction with the notes to the half-year financial report.

Notes to the Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

1. BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Aphrodite Gold Limited (“the Company”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2012, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Adoption of new and revised accounting standards

In the half year ended 31 December 2012, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011. It has been determined by the Company that, other than for the following new accounting standards adopted during the reporting period, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies.

New accounting standards adopted since the end of the last reporting period

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2012. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

2. GOING CONCERN

The financial statements for the half-year have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the half-year, the Company incurred an operating loss of \$514,052 (2011: loss of \$306,528). Net cash outflow from operating activities were \$535,844 (2011: 600,503).

The Company is developing its Aphrodite Gold Project towards production, targeted by 2013. The ability of the Company to develop the Aphrodite Gold Project is dependent upon the Company’s ability to raise further funds. During the period, the Company raised \$1,800,000 (before costs) from a Singapore listed entity - GRP Limited. The Company also raised \$2,500,000 by way of a royalty advance from Franco-Nevada Australia. This advance will automatically convert to a 2.5% royalty over gold produced, upon commencement of production at the Aphrodite Gold Project. In addition, the exploration expenditure commitments are discretionary and will be dependent on the Company’s ability to raise further funds.

In the opinion of the Directors, the Company has adequate cash in hand at the end of the reporting period to continue trading on a going concern basis.

Notes to the Financial Report (cont.)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

3. SEGMENT REPORTING

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company is managed on the basis that it is a mineral exploration company operating in the geographical region of Australia. The mineral assets held via outright ownership are considered one business segment, and the metal currently being targeted is gold in Western Australia.

4. EXPENDITURE COMMITMENTS

The Company has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Company. The minimum expenditure required has been fully disclosed in the Annual Financial Report for the year ending 30 June 2012.

5. CONTINGENT LIABILITIES

There has been no material change to contingent liabilities since the last reporting date.

6. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

7. RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions, no more favorable than those available to other parties unless otherwise stated. Transactions with related parties for the half-year were:-

- i) Consulting and Directors fees paid to Chairman Peter Buttigieg and associated entities \$24,500
- ii) Consulting and Directors fees paid to Director Paul Weston and associated entity \$107,250
- iii) Consulting and Directors fees paid to former Director Warren Staude and associated entity \$40,000
- iv) Consulting and Directors fees paid to former Director Heath Sandercock and associated entity \$25,000
- v) Salary, superannuation and consulting fees paid to Director Leon Reisgys and associated entity \$205,078
- vi) Salary and superannuation paid to Director Wayne Ryder \$185,434
- vii) Consulting fees paid to alternate Director Paul Buttigieg and associated entity \$22,500

Notes to the Financial Report (cont.)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

8. ISSUED CAPITAL

Movements in ordinary shares on issue	31 December 2012		30 June 2012	
	Number	\$	Number	\$
Balance at beginning of period	206,663,419	20,507,262	133,581,500	16,750,539
Issued during period	30,000,000	1,800,000	73,081,919	-
Costs of funds raised during period	-	(125,180)	-	-
Balance at end of period	236,663,419	22,182,082	206,663,419	16,750,539

Movements in options on issue	31 December 2012		30 June 2012	
	Number	\$	Number	\$
Balance at beginning of period	76,790,750	823,190	66,790,750	823,190
Issued during period	-	-	10,000,000	-
Balance at end of period	76,790,750	823,190	76,790,750	823,190

9. FINANCIAL LIABILITY

	31 December 2012	30 June 2012
	\$	\$
Fair value of interest-free advance	2,500,000	-
Balance at end of the period	2,500,000	-

During the period, the Company received \$2,500,000 by way of an interest-free royalty advance from Franco-Nevada. The advance has been treated as a financial liability measured initially at its fair value.

Directors' Declaration

In the opinion of the Directors of Aphrodite Gold Limited:

1. the financial statements and notes, as set out on pages 7 to 13, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the Company as at 31 December 2012 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporation Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a Resolution of the Directors.



WAYNE RYDER
DIRECTOR

Dated at West Perth this 14th day of March 2013

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Independent Auditor's Review Report To the Members of Aphrodite Gold Limited

We have reviewed the accompanying half-year financial report of Aphrodite Gold Limited ("Company"), which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of Aphrodite Gold Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Aphrodite Gold Limited financial position as at 31 December 2012 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Aphrodite Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review

procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aphrodite Gold Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the Company's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J W Vibert
Partner - Audit & Assurance

Perth, 14 March 2013