APHRODITE Gold Limited

ANNUAL REPORT 2013

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CORPORATE DIRECTORY

REGISTERED AND CORPORATE OFFICE

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

DIRECTORS

Peter Buttigieg – Executive Chairman, Acting Chief Executive Officer
Paul Weston – Executive Director, Marketing
Roger Mitchell BCom, ACA – Non-Executive Director
Paul Buttigieg – Non-Executive Director

ACTING CHIEF EXECUTIVE OFFICER

Peter Buttigieg
Tel 613 8399 9462
Fax 613 9331 7323
peter@aphroditegold.com.au

COMPANY SECRETARY

Michael Beer B Bus (Acctcy), FCA, ACIS
Tel 613 9600 3599
Fax 613 9602 2291
michael@aphroditegold.com.au

AUDITOR

Grant Thornton Audit Pty Ltd
Chartered Accountants
Level 1, 10 Kings Park Road
West Perth WA 6005

SOLICITORS

GTP Legal
Level 1, 28 Ord Street,
West Perth WA 6005

WEB SITE

www.aphroditegold.com.au

EXECUTIVE CHAIRMAN'S REVIEW

Introduction

Aphrodite Gold Limited ("Aphrodite" or "the Company"), continued to receive excellent results since the Company commenced exploration of its Aphrodite Gold Project ("the Project") in mid-2010. Further extensive drilling and exploration work during the 2013 financial year culminated in an upgrade in the JORC resources for the Aphrodite Deposit and positive ongoing Metallurgical test work results as part of the Pre-feasibility study.

The Project is located 65Km North of Kalgoorlie in WA along the main Kalgoorlie – Menzies Highway in the Eastern Goldfields of Western Australia, and consists of 5 long term Mining Leases covering almost 30 km^2.

A ~10,500m drill program commenced in October 2012 as part of a resource infill program within the bounds of the pit shell outlined in the 2012 Scoping Study. The drilling concentrated on the Alpha, Phi and connecting Epsilon lodes. The results from this drill program were very encouraging with the best results seen at Aphrodite to date, 81m @ 1.83g/t from 141m at the Southern end of the Phi Lode.

In February 2013 Aphrodite received impressive metallurgical test work results from Sulphide zones. The test work to date on sulphide material confirms a flow sheet incorporating flotation followed by Pressure Oxidation (POX) as a strong processing option achieving high gold recoveries, up to 96.8% from the initial POX test work.

In June 2013 the Company announced a revised indicated and inferred resource estimate, with the gold content of the new estimated resource increased by 35% to ~1.4Mozs to include both Open Pit and Underground resources. The resource is open at depth with strong mineralisation evident from limited drilling below 440m to a depth of at least 600m.

The focus moving forward is to continue with the Pre-Feasibility metallurgical test work and progress to a Definitive Feasibility study during 2014.

In addition the company continued its farm in on some 217 km² of prospective ground held by Minotaur Gold Solutions Limited. The Company currently holds a 51% interest and may earn up to 80% of the gold rights under the Scotia Joint Venture. During the year Aphrodite undertook further drilling at Chameleon and completed two exploratory ~600m drill programmes at Blue Tongue (M24/336) and Stubby Tail (M24/279). Assay results from these drill programmes were very encouraging and furthers our understanding of the original soil anomalies and historic drilling in the area.

The Company has recently made changes in its management and cost base and is able to take this opportunity to review key aspects of the exploration studies that may have a significant impact on the NPV of the project. The Board and its consultants are thoroughly investigating all options for the mine and plant to ensure the project is being developed in the most commercially beneficial way for shareholders. This includes discussions with neighbouring mines or explorers as part of our regional strategy. This strategy is not only good for Aphrodite, but the region as a whole.

Financial Results

During the period, the Company capitalised exploration and evaluation costs totalling $4,762,554 (2012: $5,032,243), bringing total capitalised costs at balance date to $23,299,306 (2012: $18,546,612).

Net loss from operations for the period after income tax was $1,240,562 (2012: $800,842).

Financial Position

In the current market it is extremely difficult for junior exploration companies like Aphrodite to raise funds. At the end of the financial year the Board was presented with a situation where the cash flow of the Company had not been maintained at a healthy state and urgent debts needed to be paid. This precipitated the majority Board's decision on 19th July 2013 to cease the employment of Mr Wayne Ryder and Mr Leon Reisgys.

The Board took affirmative action to re-stabilise the Company's financial position by significantly lowering the month to month cash burn rate and approving an offer of a $2,500,000 convertible note facility made available to the Company by the Executive Chairman.

This Convertible Note Facility was able to be drawn on immediately to repay debts and provide sufficient working capital to sustain the Company. The Convertible Note Facility will require approval in a General Meeting of Shareholders to be held at the earliest opportunity.

Close

On behalf of the Company, I would like to thank the staff, contractors and consultants that have worked on the Project during the year. Their collective efforts have enhanced the value of the project and the Company is well positioned to gain the maximum value for shareholders despite the difficult market that now exists.

Aphrodite's Directors look forward to seeing you at the AGM, if you are able to attend, and further updating you on the Company's plans.

Yours sincerely

Executive Chairman & Acting Chief Executive Officer

Note A:

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code and references to "Measured, Indicated and Inferred Resources" are to those terms as defined in the JORC Code.

Information in this report which relates to the Mineral Resource estimation, together with any related assessments and interpretations, is based on information approved for release by Mr. Patrick Huxtable. Mr. Huxtable holds a B.Sc. in Geology from Curtin University and is an RPGeo and Member in good standing with the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr. Huxtable consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

DIRECTORS' REPORT

The Directors present their Report on the activities of Aphrodite Gold Limited for the year ended 30 June 2013.

Currency

All monetary amounts shown throughout the Annual Report are expressed in Australian Dollars.

Directors and Company Secretary

The following persons were Directors / Secretary of the Company during the year and at the date of this Report:

Peter Anthony Buttigieg
Non-Executive Chairman - Appointed 16 May 2012
Executive Chairman and Acting CEO from 19 July 2013

Mr Buttigieg brings a wealth of business management skills and business connections to the Board as head of the RMS (Aust) information technology group. His Company operates world-wide in property management and reservations management systems supporting the hospitality industry.

Since 19 July, 2013, Mr Buttigieg has become the Executive Chairman and Acting CEO of the Company, and is working hard to address the cash position of Aphrodite, and at the same time working closely with staff and consultants to further progress the Pre-Feasibility study for the Aphrodite Gold Project.

Peter has demonstrated his belief in Aphrodite and the Aphrodite Gold Project from the early days by progressively increasing his shareholding, to the point where he is now one of the top 3 shareholders.

Mr Buttigieg has not been a Director of any other ASX listed company during the last three years.

Number of Shares held directly and indirectly 23,416,024
Number of Options held directly and indirectly 1,500,000

Paul Maurice Weston
Executive Director Marketing - Appointed 6 July 2012

Mr Weston assisted in establishing Aphrodite in 2009 by introducing many of the pre-IPO and IPO shareholders. This included Paul Buttigieg, Peter Buttigieg, and others.
Paul is developing the company's regional strategy and major funding and investment opportunities.

Mr Weston has not been a Director of any other ASX listed company during the last three years.

Number of Shares held directly and indirectly 2,271,200
Number of Options held directly and indirectly 50,000

Roger Mitchell
Non-Executive Director - Appointed 7 January 2013

Mr Mitchell is the Chairman of GRP Limited, a major shareholder in Aphrodite. Mr Mitchell has extensive corporate experience in Australasia and South East Asia, and holds a Bachelor of Commerce from New Zealand and is a Chartered Accountant.

Mr Mitchell has not been a Director of any other ASX listed company during the last three years.

Paul Buttigieg
Non-Executive Director - Appointed 16 August 2013

Mr Buttigieg assisted Aphrodite raise its pre-IPO funding in 2009, and assisted in its subsequent capital raisings. He has extensive business and marketing experience being a past director of the Master Grocers Association of Victoria setting up national product sales and distribution through Australia's major employer associations. He is experienced in developing and maintaining shareholder/stakeholder/business relationships.

Mr Buttigieg has not been a Director of any other ASX listed company during the last three years.

DIRECTORS' REPORT (Continued)

Leon Reisgys BSc(Hons) Grad Dipl FAusIMM MAIG
Managing Director. Appointed 19 April 2010 (resigned 26 September 2013)

Leon is based in Perth in his role as the Manager of the Company's Aphrodite Gold Project and leader of technical teams in Perth and Kalgoorlie.

He has extensive experience in the successful exploration and/or development of gold and other precious metals projects, base metals, uranium and mineral sand deposits in Australia and internationally. He has previously served as Managing Director and Chief Executive Officer of several ASX listed companies. He has not been a Director of any other ASX listed company during the last three years.

Leon holds a Bachelor of Science (Honours) degree in Applied Geology from the University of New South Wales and a Graduate Diploma in Mineral Economics from Macquarie University. He is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists.

Wayne Ryder FCA FAICD MSME
Chief Executive Officer and Company Secretary. Appointed 14 August 2009 (resigned 26 September 2013)

Wayne has an extensive track record in the mining resources sector, having been involved in Australia with the ASX listing, and in the United States NASDAQ listing, of a considerable number of mining companies. He has developed excellent associations with U.S. based exploration groups and capital market resource investors.

He has held Directorships with a number of successful explorers and producers both in an executive and non-executive role, He has also acted as the Secretary of a number of ASX listed public companies, mostly mining and exploration companies based in Western Australia, and manufacturing companies with operations in Australia and China.

Perth based, Wayne is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Australian Institute of Company Directors and a Member of the Society for Mining, Metallurgy and Exploration in the United States.

Other Directorships held in the past 3 years were:

- Birimian Gold Limited, appointed 21 April 2005 – resigned 6 July 2012

Warren Staude BSc MSc MAusIMM FFin
Non-Executive Director. Appointed 14 August 2009 (resigned 29 November 2012)

Sydney based Warren has long term professional experience in mining and mineral exploration, resource investment and portfolio investment management.

He currently sits on the Joint Ore Reserves Committee (JORC) in Australia.

Over the past 20 years Warren has been engaged mostly in institutional investment management and research, working at AMP and GIO. Following AMP's takeover of GIO he assumed a leading role in establishing a specialist international resource equity investment fund and in assisting corporations in fund raising and with corporate advice. Previously he has worked as a consulting Geologist in both Government and industry, and on the academic staff at Macquarie University.

He is a Graduate of the University of Sydney (BSc, Geology), Macquarie University (MSc, Mineral Economics), is a Member of the Australasian Institute of Mining and Metallurgy and holds a Graduate Diploma from the Securities Institute of Australia.

DIRECTORS' REPORT (Continued)

Other Directorships held in the past 3 years were:

- Central West Gold NL, appointed 24 February 2002 – resigned 16 February 2011
- Malachite Resources NL, appointed 9 July 2002 – resigned 28 February 2011
- Frontier Resources Limited, appointed 31 December 2002 – current.
- Birimian Gold Limited, appointed 31 March 2006 – resigned 6 July 2012
- Stonehenge Metals Limited, appointed 7 September 2006 – current
- Excelsior Gold Limited, appointed 27 November 2008 – resigned 24 May 2011

Heath Sandercock BE(Mining)(Hons) FAusIMM MMICA MSME
Non-Executive Director. Appointed 19 April 2010 (retired 27 November 2012)

Heath is a Mining Engineer and the Principal of Sandercock and Associates Pty Ltd. He has over 35 years experience in metalliferous, gold and other precious commodities mining projects, including operations management from junior to executive level, mine development and construction, management of feasibility studies, project financing and mine closure and rehabilitation in Australia, Southeast Asia and the Pacific.

Sydney based, he holds a Bachelor of Engineering in Mining from the University of New South Wales, is a Fellow of the Australasian Institute of Mining and Metallurgy, a Member of the Mining Industry Consultants Association and a Member of the Society for Mining, Metallurgy and Exploration in the United States. He has not been a Director of any other ASX listed company during the last three years.

Options

At the date of this Report, the unissued ordinary shares of the Company under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
6 May 2010	31 December 2013	$0.20	66,790,750
5 November 2011	31 December 2013	$0.20	10,000,000

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

During the year ended 30 June 2013 no shares were issued on exercise of options granted. No further shares have been issued since year end from the exercise of options.

Results

Net loss after income tax (Total Comprehensive Loss) for the year ended 30 June 2013 was $1,240,562 (2012 - $800,842).

Principal Activities and Use of Funds

During the year the principal activities of the Company were the exploration and development of the Aphrodite Gold Project. Cash funds were utilised to further the Pre-Feasibility Study for the Aphrodite Gold Project. No other significant activities were undertaken during the period.

Dividends or Distributions

a) no dividends or distributions were paid to members during the year ended 30 June 2013; and
b) no dividends or distributions were recommended or declared for payment to members, but not paid, during the year ended 30 June 2013.

DIRECTORS' REPORT (Continued)

Significant Changes in the State of Affairs

No significant changes took place during the year in the state of affairs of the Company other than described elsewhere in this annual report.

Matters Subsequent to the Reporting Date

a. Chief Executive Officer Wayne Ryder and Managing Director Leon Reisgys were employed by the Company under Contract as from 1 July 2010 until their Contracts expired on 7 July 2012. The Board extended their employment on the same remuneration terms as their previous contracts while new contract terms were being considered. On 19th July 2013, after the end of the financial year, the Board decided not to renew the contracts of Wayne Ryder and Leon Reisgys and their employment ended.

   On 26th September 2013 Mr Ryder and Mr Reisgys resigned as Directors of the Company.

b. On 19 July 2013 the Board appointed Mr Peter Buttigieg Executive Chairman and Acting Chief Executive Officer.

c. The Board of Aphrodite Gold Ltd announced on 30 July 2013 that it has approved a convertible note facility totalling $2,500,000. This facility is with R.M.S (Aust) Pty Ltd, a related company to Mr Peter Buttigieg, the Company's Executive Chairman and Acting CEO. The facility will require the approval of shareholders which will be sought as soon as possible. In the interim the Company will be able to draw on the facility on a progressive basis to fund operations and continue to develop the Company's Aphrodite Gold Project. To the signed date of this report an amount of $1,025,000 has been drawn down against this loan facility.

d. This funding, together with the recently announced management changes that significantly reduce the Company's cash burn rate, means the Company now has sufficient funding in place to conclude the current stage of feasibility studies prior to the commencement of the final Defined Feasibility Study.

Apart from the above, at the date of this Report there is no other matter or definitive circumstance which has arisen since the end of the financial year that has significantly affected or may significantly affect:

- the Company's operations in future financial years; or
- the results of those operations in future financial years; or
- the Company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There are no likely developments contemplated at the date of this Report that may have a significant effect upon the expected results of operations of the Company other than those disclosed elsewhere in this Annual Report.

Environmental Regulations

Operating in the minerals exploration and development industry, Aphrodite is subject to Environmental Regulations and controls as set down by the Statutory Authorities, including the Department of Mines and Petroleum. The Company has complied and will continue to comply with those Regulations, and has adopted such compliance as an important point in its Corporate Governance practices.

DIRECTORS' REPORT (Continued)

Meetings of Directors and Committees

Directors during the year and Directors' Meetings held and attended were: [1]

Name	Meetings Held	Meetings Attended
Peter Buttigieg	10	10
Paul Weston	9	9
Warren Staude	4	3
Heath Sandercock	4	3
Wayne Ryder	10	10
Leon Reisgys	10	10
Roger Mitchell	6	6
Paul Buttigieg[1]		3

1. Paul Buttigieg's attendance is as an Alternate Director to Peter Buttigieg

The Company appointed an Audit Committee during the year which meets with the Company's Auditor for the purpose of reviewing and discussing the Company's activities and the financial statements. Previously this function was undertaken by the entire Board of Directors.

The Company does not have a Remuneration Committee. Remuneration is considered and determined by the Board of the Directors of the Company, with any relevant affected Director not participating in the vote on his Remuneration.

Remuneration Report (Audited)

The Board of the Company determines the remuneration policies and practices generally, and makes specific decisions on remuneration packages and other terms of employment for Executive Directors, other senior executives and Non-Executive Directors.

The Company has no Employee Option Plan and does not offer any other incentives to Directors or Key Management Personnel as part of their remuneration. No Key Management Personnel remuneration is linked to the Company's performance.

The performance of Key Management Personnel will be measured on an ongoing basis against criteria agreed with each executive, and is based predominantly on the successful development of the Company's Aphrodite Gold Project. Any bonuses and incentives to be paid in the future must be linked to predetermined performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long term growth in Shareholder value.

Key Management Personnel receive a superannuation guarantee contribution required by the government, which is currently 9.25%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, Key Management Personnel are paid employee benefit entitlements accrued to the date of retirement.

All remuneration paid to Key Management Personnel is valued at cost and expensed or capitalised to exploration and evaluation where appropriate.

The Board's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board of Directors determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when and if required. The maximum aggregate amount of Directors' fees that can be paid to Non-Executive Directors is subject to approval by Shareholders at the Annual General Meeting.

DIRECTORS' REPORT (Continued)

During the year the following Directors' fees, Company Secretary's fees, salaries, management and consulting fees were paid or accrued to Directors:

2013	Short Term benefits		Post Employment Benefits		
	Salary and Fees $	Non monetary benefits $	Superannuation $	Share Based Payments $	Total $
Peter Buttigieg	41,743	-	3,757	-	45,500
Paul Weston	198,000	-	-	-	198,000
Wayne Ryder[3]	310,168	6,000[1]	25,000	-	341,168
Leon Reisgys[3]	347,495	14,127[2]	25,000	-	386,622
Roger Mitchell	-	-	-	-	-
Paul Buttigieg	41,250	-	-	-	41,250
Warren Staude	39,174	-	826	-	40,000
Heath Sandercock	23,968	-	1,032	-	25,000
Total	**1,001,798**	**20,127**	**55,615**	**-**	**1,077,540**

1. Cost of the Company provided car park.
2. Cost of the Company provided vehicle, car park, running costs and fringe benefit tax payable on benefits.
3. No longer remunerated with effect from 19 July 2013.

2012	Short term Benefits		Post Employment Benefits		
	Salary and fees $	Non monetary benefits $	Superannuation $	Share Based Payments $	Total $
Warren Staude	57,523		2,477	-	60,000
Wayne Ryder	266,201	6,000[1]	21,799	-	294,000
Leon Reisgys	326,642	15,263[2]	29,398	-	371,303
Ken Jackson	46,977		2,023	-	49,000
Heath Sandercock	57,523		2,477	-	60,000
Total	**754,866**	**21,263**	**58,174**	-	**834,303**

1. Cost of the Company provided car park.
2. Cost of the Company provided vehicle, car park, running costs and fringe benefit tax payable on benefits

No amounts were paid to Directors during 2013 or 2012 which were the result of meeting performance conditions.

No options have been granted to Directors during the year.

Salary and Directors' fees includes fees paid to related entities as shown in note 9 Related Party Transactions.

DIRECTORS' REPORT (Continued)

Chief Executive Officer Wayne Ryder and Managing Director Leon Reisgys are Key Management Personnel who were employed by the Company under Contract as from 1 July 2010 until their Contracts expired on 7 July 2012. The Board extended their employment on the same remuneration terms as their previous contracts while new contract terms were being considered. On 19th July 2013, after the end of the financial year, the Board decided not to renew the contracts of Wayne Ryder and Leon Reisgys and their employment ended.
Paul Weston, Marketing Director, does not hold a contract of employment. His services to the company were remunerated through service fees charged by a company that he holds an interest in. Peter Buttigieg who became Executive Chairman and Acting Chief Executive Officer on 19th July 2013 does not have an employment contract and is currently not being remunerated.

End of Remuneration Report.

CORPORATE GOVERNANCE STATEMENT

The Directors are responsible for the Corporate Governance practices of the Company. These practices are being progressively developed, having regard to the most suitable and effective procedures applicable to the Company.

The main Corporate Governance practices in operation by the Company are:-

The Board of Directors

- The Board's Charter is that it should be comprised of at least three Directors;
- be made up of a majority of independent and/or Non-Executive Directors;
- be comprised of Directors with a broad range of skills, qualifications and experience appropriate to the Company's operations;
- meet on a regular basis; and
- maintain constant on-going communication of activities between Directors so that all Directors are fully informed of the Company's business and so as to be possessed of all the necessary information required to make decisions by Resolutions of the Board.

Duties and Responsibilities of Directors

At the date on which this Report of the Directors is made out, the Board consisted of four Directors, the Chairman was a Non-Executive Director and became an Executive Director on 19th July 2013, two Independent and/or Non-Executives and one Executive Director. Details of the Directors are set out at the commencement of this Directors' Report.

The primary responsibilities of the Board include:

- the approval of the Company's periodic Financial Statements;
- establishment of long term goals of the Company and strategic plans to achieve those goals;
- the review and adoption of annual budgets for the financial performance of the Company, monitoring the results on a regular basis;
- ensuring that the Company abides by ASX listing rule disclosure requirements;
- ensuring that all management, employees and consultants abide by a high standard code of conduct befitting a listed corporation;
- ensuring that the Company abides strictly by Environmental Regulations affecting its operations in the minerals exploration and development industry; and
- ensuring that the Company has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities.

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire year ended 30 June 2013.

CORPORATE GOVERNANCE STATEMENT (Continued)

Board Composition

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the Annual Report and their term of office are detailed in the Directors' Report.

The names of non-executive and / or independent Directors of the Company at the signed date of this report are:

- Roger Mitchell – Non-Executive
- Paul Buttigieg – Non-Executive

Peter Buttigieg held a position of Non-Executive Chairman up until 19 July 2013 when he was appointed Executive Chairman and Acting Chief Executive Officer. Paul Weston was appointed as an Executive Director on 2 July 2012.

When determining whether a Non-Executive Director is independent the Director must not fail any of the following materiality thresholds:

- less than 5% of Company's Shares are held by the Director and any entity or individual directly or indirectly associated with the Director; and
- none of the Director's income or the income of an individual or entity directly or indirectly associated with the Director is derived from a contract with any Member of the Company other than income derived as a Director of the Company.

All Directors have the right to seek reasonable independent professional advice in the furtherance of their duties as Directors at the Company's expense.

Securities Trading Policy

The Company's policy regarding Directors and employees trading in its securities is set by the Board. The policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the Company's Securities' prices.

Gender Diversity Policy

Aphrodite agrees with the Corporate Governance Principles and Recommendations regarding gender diversity, notwithstanding the difficulty of achieving complete diversity in a small company struggling to deliver value for shareholders. It is much easier to achieve reasonable diversity equality in a major Australian resources company. Aphrodite currently has 4 Directors. All Directors are currently males, as is our Company Secretary.

At present, the Company contains 2 female staff; being an accountant and part time exploration assistant.

The Company will continue to manage the principle of gender equality in the best interests of the Company's shareholders and other stakeholders.

Communication with Shareholders

The Company's policy is to keep Shareholders well informed of operational activities and financial matters via ASX announcements, media releases, direct letter and email advices and its web site. The Company also actively encourages communication from Shareholders. To assist Key Management Personnel with communications, the Company retains an investor relations manager and media, broker and investor relations consultants.

CORPORATE GOVERNANCE STATEMENT (Continued)

Risk Management

The Board and Risk Management Committee (to be formed) are responsible for the Company's system of internal controls to effectively manage material business risks and any oversights. The Board and Committee constantly monitor's the operational and financial aspects of the Company's activities and considers the recommendations and advice of the Auditor and other external advisers on the operational and financial risks that face the Company.

The Board and Committee ensures that recommendations made by the Auditor and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the risks identified.
The Board is satisfied from the advice of the Chief Financial Officer, who has signed off in that regard, that all material business risks and financial reporting risks for the period have been managed effectively.

Code of Conduct

As part of the Board's commitment to the highest standards of conduct, the Company has adopted a Code of Conduct to guide executives, management and employees in carrying out their duties and responsibilities. The Code of Conduct covers such matters as:

- responsibilities to Shareholders;
- relations with customers and suppliers;
- compliance with environmental regulations;
- employment practices; and
- responsibilities to the community.

Performance Evaluation

A performance evaluation of the Board and all Board members was conducted by the Board for the period ended 30 June 2013. The Chairman also speaks to each Director individually regarding their role as a Director. The evaluation was considered by the Board and formed the basis for recommendations to set and improve performance criteria and goals for the next year.

Remuneration Policies

The remuneration policy, which sets the terms and conditions for Key Management Personnel, was developed by the Board after seeking professional advice from independent consultants. Executives receive a base salary, a motor vehicle allowance and may also receive superannuation and fringe benefits. The Board reviews executive packages regularly by reference to the Company’s performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The object is to reward executives adequately so as to attract highly capable personnel who will develop the Company’s activities to the maximum benefit of Shareholders.

Remuneration Committee and Nomination Committee

The Company does not have either a Remuneration Committee or Nomination Committee as recommended by the ASX Corporate Governance Council. Given that the Company has only six Directors, it is considered that there are no efficiencies to be gained by having these separate Committees, so these roles are undertaken by the Board.

Other Information

Further information relating to the Company’s corporate governance practices and policies has been made publicly available on the Company’s web site at www.aphroditegold.com.au

CORPORATE GOVERNANCE STATEMENT (Continued)

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Indemnification and Insurance of Officers and Auditors

The Company has agreed to indemnify, to the extent permitted by law, each Director and Secretary of the Company against any liability incurred by that person as an Officer of the Company. The Company has in place the relevant Directors and Officers insurance policies.

The Company has not paid any premiums in respect of any contract insuring its Auditor against a liability incurred in their role as Auditor of the Company. In respect of non-audit services, Grant Thornton Audit Pty Ltd, the Company's Auditor, has the benefit of an indemnity to the extent Grant Thornton Audit Pty Ltd reasonably relies on information provided by the Company which is false, misleading or incomplete. No amount has been paid under this indemnity during the period ended 30 June 2013 or to the date of this Report.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external Auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the Auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to a related practice of Grant Thornton Audit Pty Ltd for non-audit services provided during the year:

Taxation consultancy services - $32,460

Auditor's Independence Declaration

The Auditor's Independence Declaration for the period ended 30 June 2013 is at Page 15.

This Directors' Report is made in accordance with a Resolution of the Board of Directors.

Director
Dated at Perth this 27th day of September 2013

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Auditor's Independence Declaration
To the Directors of Aphrodite Gold Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Aphrodite Gold Limited for the year ended 30 June 2013, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Partner - Audit & Assurance

Perth, 27 September 2013

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DIRECTORS' DECLARATION

1. In the opinion of the Directors of Aphrodite Gold Limited (the "Company"):

   (a) the financial statements and notes set out on pages 17 to 42, and the Remuneration disclosures that are contained in pages 10 to 12 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance, for the financial year ended on that date: and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

      (iii) complying with International Financial Reporting Standards as disclosed in Note 1.

   (b) the remuneration disclosures that are contained in pages 1 0 to 1 2 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures; and

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer for the financial year ended 30 June 2013.

Signed in accordance with a resolution of the Directors:

Peter Buttigieg
Executive Chairman / Acting Chief Executive Officer
Dated at Perth this 27th day of September 2013

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2013

	Note	2013 $	2012 $
Revenue			
Interest received	3	24,535	65,455
Research and development tax offset	3	388,159	210,269
Total Revenue		**412,694**	**275,724**
Expenses			
Employee benefits expenses		(566,955)	(470,688)
Consultant's fees		(520,284)	(193,340)
Occupancy expenses	4(b)	(152,216)	(101,366)
Depreciation		(48,386)	(52,747)
Other administration expenses	4(a)	(365,415)	(258,425)
Total Expenses		**(1,653,256)**	**(1,076,566)**
(Loss) before Income Tax		**(1,240,562)**	**(800,842)**
Income tax expense	5	-	-
(Loss) for the year		**(1,240,562)**	**(800,842)**
Other Comprehensive Income		**-**	**-**
Total Comprehensive (Loss) for the year		**(1,240,562)**	**(800,842)**
Basic and diluted (loss) per share (cents)	**22**	**(0.5)**	**(0.4)**

The accompanying notes form part of the Financial Statements

STATEMENT OF FINANCIAL POSITION
As at 30 June 2013

	Note	2013 $	2012 $
Current Assets			
Cash and cash equivalents	7	68,469	921,689
Trade and other receivables	10	48,217	42,618
Other assets	11	50,507	68,443
Total Current Assets		**167,193**	**1,032,750**
Non-Current Assets			
Property, plant and equipment	16	151,666	196,752
Exploration and evaluation costs	17	23,309,166	18,546,612
Total Non-Current Assets		**23,460,832**	**18,743,364**
Total Assets		**23,628,025**	**19,776,114**
Current Liabilities			
Trade and other payables	12	1,129,321	519,581
Provisions	13	99,900	99,487
Borrowings	14	235,000	-
Total Current Liabilities		**1,464,221**	**619,068**
Non-Current Liabilities			
Borrowings	15	2,500,000	-
Total Non-Current Liabilities		**2,500,000**	**-**
Total Liabilities		**3,964,221**	**619,068**
Net Assets		**19,663,804**	**19,157,046**
Equity			
Issued capital	18	22,254,582	20,507,262
Reserves	24	823,190	823,190
Accumulated losses		(3,413,968)	(2,173,406)
Total Equity		**19,663,804**	**19,157,046**

The accompanying notes form part of the Financial Statements

STATEMENT OF CASH FLOWS
For the year ended 30 June 2013

	Note	2013 $	2012 $
Cash flows from operating activities			
Research and development tax offset		388,159	210,269
Payments to suppliers & employees		(982,380)	(1,047,481)
Interest received		24,535	65,455
Net cash (used in) operating activities	**20**	**(569,686)**	**(771,757)**
Cash flows from Investing activities			
Exploration and evaluation costs capitalised		(4,762,554)	(5,032,243)
Purchases of property, plant and equipment		(3,300)	(31,134)
Net cash (used in) investing activities		**(4,765,854)**	**(5,063,377)**
Cash flows from financing activities			
Loan from related parties		235,000	-
Borrowings – royalty advance		2,500,000	-
Proceeds from issue of shares		1,872,500	4,105,542
Share issue costs		(125,180)	(348,719)
Net cash provided by financing activities		**4,482,320**	**3,756,823**
Net (decrease) in cash held		(853,220)	(2,078,311)
Cash and cash equivalents at beginning of year		921,689	3,000,000
Cash and cash equivalents at end of financial year		**68,469**	**921,689**

The accompanying notes form part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2013

2012	Issued Capital $	Accumulated Losses $	Option Reserve $	Total $
Balance at beginning of the year	**16,750,439**	**(1,372,564)**	**823,190**	**16,201,065**
Total comprehensive loss for the year		(800,842)		(800,842)
	16,750,439	**(2,173,406)**	**823,190**	**15,400,223**
Shares issued during the year	4,105,542			4,105,542
Share issue costs	(348,719)			(348,719)
Balance at end of the year	**20,507,262**	**(2,173,406)**	**823,190**	**19,157,046**

2013	Issued Capital $	Accumulated Losses $	Option Reserve $	Total $
Balance at beginning of the year	**20,507,262**	**(2,173,406)**	**823,190**	**19,157,046**
Total comprehensive loss for the year		(1,240,562)		(1,240,562)
	20,507,262	**(3,413,968)**	**823,190**	**17,916,484**
Shares issued during the year	1,872,500			1,872,500
Share issue costs	(125,180)			(125,180)
Balance at end of the year	**22,254,582**	**(3,413,968)**	**823,190**	**19,663,804**

The accompanying notes form part of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

Note 1: Statement of Significant Accounting Policies

This financial report includes the financial statements and notes of Aphrodite Gold Limited ("the Company"), a for-profit publicly listed company incorporated and domiciled in Australia.

The Financial Report was authorised for issue on 26 September 2013 by a Resolution of the Board of Directors.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Statement of compliance

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian Dollars (AUD).

(a) Income Tax

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current income tax expense charged to the statement of comprehensive income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the statement of comprehensive income when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be capitalised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is capitalised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are capitalised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be realised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not capitalised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Note 1: Statement of Significant Accounting Policies (continued)

(a) Income Tax

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous capitalised and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous capitalised and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Plant and Equipment

Subsequent costs are included in the asset's carrying amount or capitalised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rate
Computer and electronic equipment	20% - 40%
Office furniture	20%
Motor vehicles	10% - 20%

(c) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.
When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Note 1: Statement of Significant Accounting Policies (continued)

(c) Exploration and Evaluation Expenditure

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are capitalised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are capitalised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are capitalised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, capitalised in profit or loss.

Classification and Subsequent Measurement

i Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

ii Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Where the value of listed securities has increased the resultant gains are capitalised in the other financial assets reserve. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are capitalised in the statement of comprehensive income.

(f) Provisions

Provisions are capitalised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Note 1: Statement of Significant Accounting Policies (continued)

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short- term highly liquid investments with original maturities of three months or less.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are capitalised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is capitalised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(j) Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible non-financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Interests in Joint Ventures

Where applicable, the Company's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements.

The Company's interests in joint venture entities are brought to account using the cost method.

(l) Revenue

Revenue is measured at the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

The Company receives interest on funds deposited with its Bank, and brings this to account as revenue in the income statement using the effective interest rate method.

(m) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over- the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

Note 1: Statement of Significant Accounting Policies (continued)

(n) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Company.

(o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Aphrodite Gold Limited.

(q) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Judgments — Exploration and Evaluation Expenditure

The Company capitalised expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the belief that such expenditure should not be written off since feasibility studies have not yet concluded. Such expenditure is carried at balance date at $23,309,166 (2012 $18,546,612).

(r) Going concern

The financial statements 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 financial year, the Company incurred an operating loss of $1,240,562 (2012: $800,842). Net cash outflow from operations was $569,6 (2012: $771,757). At balance date the Company had current liabilities exceeding current assets by $1,297,028 (2012: net current assets of $413,682)

The Company is developing its Aphrodite Gold Project towards production. The ability of the Company to develop the Aphrodite Gold Project is dependent upon the Company's ability to obtain further debt or equity funding. Since balance date, the Board of Directors has approved a $2,500,000 convertible note facility with RMS (Aust) Pty Ltd, a related party to the Executive Chairman. This facility is subject to shareholder approval. In the interim the Company is able to draw down on the facility to fund its ongoing operating requirements. In addition, the exploration expenditure commitments in Note 23 are discretionary and will be dependent upon available funds.

The Directors recognise that the above factors represent a material uncertainty as to the Company's ability to continue as a going concern, however, the Directors are confident that the Company will be able to continue its operations into the foreseeable future.

Should the Company be unable to raise sufficient funding and/or receive shareholder approval for the convertible note facility as described above, there is a material uncertainty whether the Company will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from these stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

Note 2: Changes in Accounting Policies

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting period, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

This standard is mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6 defers the application date of AASB 9 from 1 January 2013 to 1 January 2015. AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. The Directors do not anticipate that the early adoption of this standard would have any impact on the financial statements.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), and AASB 2011-7: Amendments to Australian Accounting Standards.

AASB 10 provides a revised definition of "control" and additional application guidance so that a single control model will apply to all investees. When adopted, this Standard is not expected to significantly impact the Company's financial statements, as the Company is a single entity.

AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). When adopted, this Standard is not expected to significantly impact the Company's financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity: concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. When adopted, this Standard will affect disclosures only and therefore is not expected to significantly impact the Company's financial statements.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 2013 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted by other Standards.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significant impact the amounts recognised in these financial statements.

Note 2: Changes in Accounting Policies (continued)

- AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosure requirements by Australia specific paragraphs.

When adopted, these amendments are unlikely to have any significant impact on the financial statements.

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods beginning on or after 1 January 2013).

This Standard introduces a number of changes to presentation and disclosure of a defined benefit plan. AASB 119 also includes changes to the criteria for determining when termination benefits should be recognised as obligation.

The Company does not have any defined benefit plans. Therefore, these amendments will have no significant impact on the entity.

- AASB Interpretation 20: Stripping Costs in the Production Phase of Surface Mining (applicable for annual reporting periods beginning on or after 1 January 2013).

This interpretation clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production stage of a mine must be capitalised as inventories under AASB 102: Inventories if the benefits from stripping activity is realised in the form of inventory produced.

The entity does not operate a surface mine. Therefore, there will be no impact on the financial statements when this interpretation is first adopted.

- AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (application for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's statement of financial position.

When adopted, there will be no impact on the entity as the entity does not have any netting arrangements in place.

- AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 (applicable for annual reporting periods beginning on or after 1 January 2013).

These amendments are a consequence of the annual improvement process, which provides a vehicle for making non-urgent but necessary amendments to Standards.

When these amendments are first adopted, this Standard is not expected to significantly impact the Company's financial statements.

Note 3: Revenue	2013 $	2012 $
Interest received	24,535	65,455
Research and development tax offset	388,159	210,269
Total Revenue	**412,694**	**275,724**

Note 4: Expenses	2013 $	2012 $
(a) Other Administration Expenses		
Legal fees	84,777	41,056
Accounting fees	72,325	33,915
Marketing and website expenses	49,299	29,498
Filing and listing costs	52,312	51,862
Other	106,702	103,662
Total	**365,415**	**258,425**
(b) Operating Lease Payments		
Office Rent	122,837	72,166
Variable Outgoings	29,379	29,200
Total Operating Lease Payments	**152,216**	**101,366**

Note 5: Income Tax	2013 $	2012 $
Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate.		
The Prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from original activities before income tax at 30%	(372,169)	(302,265)
Adjusted for the tax effect of:		
Income not assessable for income tax purposes	(116,447)	-
Deferred tax asset not brought to account – losses	1,279,611	-
Deferred tax asset not brought to account – temporary differences	(790,995)	302,265
Income tax expense	**-**	**-**
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following		
Unrecognised Deferred Tax Assets		
- Unrecognised deferred tax asset - losses	7,325,529	6,304,691
- Unrecognised deferred tax asset – profit and loss timing differences	792,823	52,803
- Unrecognised deferred tax asset – Other Comprehensive Income	170,023	236,855
	8,288,375	**6,594,349**
Unrecognised Deferred Tax Liabilities	**(6,989,792)**	**(5,564,231)**

Note 5: Income Tax (continued)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that profits will be available against which deductable temporary differences and tax losses can be utilised.

The potential deferred tax assets will only be obtained if:

(i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;

(ii) the company continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the company in realising the benefits.

Note 6: Key Management Personnel (KMP)
Refer to the audited Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's KMP for the year ended 30 June 2013.

The totals of remuneration paid to KMP of the Company during the year are as follows:

	2013 $	2012 $
Short term employee benefits	1,021,925	776,129
Post employment benefits	55,615	58,174
Termination benefits	-	-
	1,077,540	**834,303**

No other non-cash benefits were paid to Directors who held office during the year.

Options granted as part of remuneration for the period ended 30 June 2013.
No Options were granted as remuneration for the period ended 30 June 2013 (2012 nil)

Shares Issued on Exercise of Compensation Options.
No Options have been granted as compensation during the year ended 30 June 2013 (2012 nil) and accordingly no Options granted as compensation were exercised during the year.

KMP options and shareholdings

(a) Number of options held by KMP during the 2013 year was:

30 June 2013	Balance at beginning of year	Granted as remuneration during the year	Acquired	Balance at end of year	Vested and exercisable
Warren Staude	600,000	-	-	600,000	600,000
Wayne Ryder	1,325,000	-	-	1,325,000	1,325,000
Leon Reisgys	250,000	-	-	250,000	250,000
Peter Buttigieg	1,500,000	-	-	1,500,000	1,500,000
Heath Sandercock	262,500			262,500	262,500
Paul Weston	50,000			50,000	50,000
Roger Mitchell	-	-	-	-	-
Total	**3,987,500**	**-**	**-**	**3,987,500**	**3,987,500**

All Options were vested and exercisable.

Note 6: Key Management Personnel (continued)

The number of options over ordinary shares held by each KMP during the 2012 year were:

30 June 2012	Balance at beginning of year	Granted as remuneration during the year	Acquired	Balance at end of year	Vested and exercisable
Warren Staude	600,000	-	-	600,000	600,000
Wayne Ryder	1,325,000	-	-	1,325,000	1,325,000
Leon Reisgys	250,000	-	-	250,000	250,000
Ken Jackson	850,000	-	-	850,000	850,000
Peter Buttigieg	1,500,000	-	-	1,500,000	1,500,000
Heath Sandercock	262,500	**-**	**-**	262,500	262,500
Total	**4,787,500**	-	**-**	**4,787,500**	**4,787,500**

(b) The number of ordinary shares held by each KMP during the 2013 year was:

30 June 2013	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Acquired	Balance at end of year
Warren Staude (1)	2,046,563	-	-	0	2,046,563
Wayne Ryder (4)	4,162,500	-	-	0	4,162,500
Leon Reisgys (5)	825,000	-	-	375,000	1,200,000
Peter Buttigieg	21,425,000	-	-	1,991,024	23,416,024
Heath Sandercock (2)	787,500	-	-	0	787,500
Paul Weston (3)	2,150,000	-	-	121,200	2,271,200
Roger Mitchell	-	-	-	-	-
Total	**31,396,563**	**-**	**-**	**2,487,224**	**33,883,787**

(1) Warren Staude resigned on 29 November 2012
(2) Heath Sandercock resigned on 27 November 2012
(3) Paul Weston was appointed a Director on 6 July 2012
(4) Wayne Ryder resigned on 26 September 2013
(5) Leon Reisgys resigned on 26 September 2013

Number of ordinary shares held by each KMP during the 2012 year were:

30 June 2012	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Acquired	Balance at end of year
Warren Staude	1,200,000	-	-	846,563	2,046,563
Wayne Ryder	2,750,000	-	-	1,412,500	4,162,500
Leon Reisgys	550,000	-	-	275,000	825,000
Ken Jackson	1,900,000	-	-	950,000	2,850,000
Peter Buttigieg	3,000,000	-	-	18,425,000	21,425,000
Heath Sandercock	525,000	**-**	**-**	262,500	787,500
Total	**9,925,000**	-	-	**22,171,563**	**32,096,563**

Note 6: Key Management Personnel (continued)

(c) Material Contacts

Chief Executive Officer Wayne Ryder and Managing Director Leon Reisgys are Key Management Personnel who were employed by the Company under Contract as from 1 July 2010 until their Contracts expired on 7 July 2012. The Board extended their employment on the same remuneration terms as their previous contracts while new contract terms were being considered. On 19th July 2013, after the end of the financial year, the Board decided not to renew the contracts of Wayne Ryder and Leon Reisgys and their employment ended. Paul Weston, Marketing Director, does not hold a contract of employment. His services to the company were provided through service fees charged by a company that he has an interest in. Peter Buttigieg who became Executive Chairman and Acting Chief Executive Officer on 19th July 2013 does not have an employment contract and is currently not being remunerated.

Since balance date, the Board of Directors has approved a $2,500,000 convertible note facility with RMS (Aust) Pty Ltd a related party to the Executive Chairman. This facility is subject to shareholder approval. In the interim the Company is able to draw down on the facility to fund its ongoing operating requirements

Apart from the details shown in this note, no Director has entered into a material contract with the Company during the financial year.

(d) Other KMP transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer to Note 9 Related Party Transactions.

Note 7: Cash and Cash Equivalents	**2013** **$**	**2012** **$**
Cash at bank and in hand	68,469	21,689
Short term bank deposits	-	900,000
Balance at end of the year	**68,469**	**921,689**
Effective interest rate on short term bank deposit	0%	3.50%
Average maturity of short term bank deposit	at call	at call

Cash at bank earns interest at floating rates based on daily deposit rates. The carrying amounts of cash and cash equivalents represent fair value. Short-term deposits are made for varying periods of between one day, and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rate.

Note 8: Auditor's Remuneration	**2013** **$**	**2012** **$**
Remuneration of Grant Thornton Audit Pty Ltd for:		
– auditing and reviewing the financial report	29,025	20,443
Amounts paid to related practice of Auditor for:		
– Taxation services	32,460	14,800
	61,485	**35,243**

Note 9: Related Parties Transactions

(a) Associated Entities	2013 $	2012 $
Fees and reimbursement of expenses paid to Serrasalmin Investments Pty Ltd, an entity in which Director Warren Staude has an interest	56,821	60,000
Motor vehicle allowance and overtime paid to W. Ryder & Co, an entity in which Director Wayne Ryder has an interest	33,000	48,882
Fees and reimbursement of expenses paid to Townshend Mining Pty Ltd, an entity in which Director Leon Reisgys has an interest	75,677	-
Fees paid to Allwood Jackson Pty Ltd, an entity in which Director Ken Jackson has an interest	-	49,000
Consulting fees paid to Sandercock and Associates, an entity in which Director Heath Sandercock has an interest	12,500	60,000
Fees and reimbursement of expenses paid to Grow Big Pty Ltd, an entity in which Director Paul Weston has an interest	217,631	-
Fees and reimbursement of expenses paid to Sempre Fidelis Pty Ltd, an entity in which Alternate Director Paul Buttigieg has an interest*	41,250	-
Fees paid to Buttigieg Superannuation Fund, an entity in which Chairman Peter Buttigieg has an interest	36,000	-
Fees paid to Beer & Co., an entity in which company Secretary Michael Beer has an interest	11,000	-

* Paul Buttigieg was appointed a Director on 16 August 2013

(b) Balances payable at year end	2013 $	2012 $
Amounts payable to related parties at year end are:		
Grow Big Pty Ltd	18,050	-
Peter Buttigieg (Note 14)	175,000	-
Ryder Superfund (Note 14)	60,000	-
	253,050	**-**

Note 10: Trade and Other Receivables	2013 $	2012 $
GST receivable	48,217	42,618
Bank interest receivable	-	-
	48,217	**42,618**

Note 11: Other Current Assets	2013 $	2012 $
Security deposits and expenses float	38,849	45,130
Prepayments	8,703	23,313
Other	2,955	-
	50,507	**68,443**

Note 12: Trade and Other Payables

	2013 $	2012 $
Trade payables	1,043,112	506,085
Other payables:		
- PAYG	74,672	-
- debit card	11,537	13,496
	1,129,321	**519,581**

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

All creditors are on normal commercial trade terms, payable within 14- 30 days.

Amounts due to KMP are on terms and conditions that are no more favourable than those available, or which may be reasonably available, on similar transactions to non-director related entities on an arm's length basis.

Note 13: Provisions

	2013 $	2012 $
Provision for annual leave	99,900	99,487
	99,900	**99,487**
Movement in provisions		
Opening balance 1 July	99,487	65,008
Additional Provisions	61,132	34,479
Amounts Used	(60,719)	-
	99,900	**99,487**

Note 14: Current Borrowings

	2013 $	2012 $
Ryder Superfund	60,000	-
Peter Buttigieg	175,000	-
	235,000	**-**

During the year, Directors Wayne Ryder and Peter Buttigieg made short term interest-free loans to the company. Post balance date, the loan from Wayne Ryder has been repaid in full. The loan from Peter Buttigieg has been included within the Convertible Note facility approved by the Board of Directors and is subject to the terms of that facility. This facility is subject to shareholder approval. Prior to shareholder approval this loan is unsecured at an interest rate of 10% per annum (refer also to note 25)

Note 15: Non-Current Borrowings

	2013 $	2012 $
Fair value of interest-free advance	2,500,000	-
	2,500,000	**-**

During the year, 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. No repayments are due within the first 5 years of the loan unless gold production commences on the Aphrodite Gold Project.

Note 16: Property, Plant and Equipment	2013 $	2012 $
Computer and electronic equipment - cost	68,159	68,159
Less – accumulated depreciation	(63,055)	(46,748)
Office furniture and equipment - cost	56,654	53,354
Less – accumulated depreciation	(27,774)	(15,247)
Vehicles - cost	164,624	164,624
Less – accumulated depreciation	(46,942)	(27,390)
	151,666	**196,752**

(a) Movements in Carrying Amounts

Detailed below is the movement in the carrying amount for computer and electronic equipment, office equipment and vehicles between the beginning and the end of the financial year.

	Computer & electronic Equipment $	Office furniture & equipment $	Vehicles $	Total $
Gross carrying amount				
Balance 1 July 2011	64,893	28,286	161,824	255,003
Additions	3,266	25,068	2,800	31,134
Balance 30 June 2012	**68,159**	**53,354**	**164,624**	**286,137**
Depreciation				
Balance 1 July 2011	22,306	6,196	8,136	36,638
Depreciation	24,442	9,051	19,254	52,747
Balance 30 June 2012	**46,748**	**15,247**	**27,390**	**89,385**
Carrying amount 30 June 2012	**21,411**	**38,107**	**137,234**	**196,752**
Gross carrying amount				
Balance 1 July 2012	68,159	53,354	164,624	286,137
Additions	-	3,300	-	3,300
Balance 30 June 2013	**68,159**	**56,654**	**164,624**	**289,437**
Depreciation				
Balance at 1 July 2012	46,748	15,247	27,390	89,385
Depreciation	16,307	12,527	19,552	48,386
Balance at 30 June 2013	**63,055**	**27,774**	**46,942**	**137,771**
Carrying amount 30 June 2013	**5,104**	**28,880**	**117,682**	**151,666**

Note 17: Exploration and Evaluation Costs	2013 $	2012 $
Balance at the beginning of the year	18,546,612	13,514,369
Expenditure incurred during the year	4,762,554	5,032,243
Balance at the end of the year	**23,309,166**	**18,546,612**

The Directors' assessment of the carrying amount for the Company's Aphrodite Gold Project exploration and evaluation was after consideration of prevailing market conditions; previous expenditure for exploration work carried out on the tenements; and the potential for mineralisation based on the Company's and independent geological reports. The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole or part of the Company's interests in these exploration properties for an amount at least equal to the carrying value. Should this or any other exploration properties be established as non-viable commercially, the Company will then either on sell or abandon them and write off the expenditure incurred thereon to profit and loss. There may exist on the Company's exploration properties areas subject to claim under Native Title or containing sacred sites or sites of significance to Aboriginal people. As a result, the Company's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

In June 2011 the Company signed a Joint Venture Agreement with Breakaway Resources Limited whereby Aphrodite can earn up to an 80% interest in the Gold Rights at their Scotia Project adjacent to the Aphrodite Gold Project. The area of the JV tenements is 217 sq km. Post Balance date, Breakaway Resources Limited sold its interest in the joint venture to Minotaur Gold Solutions Ltd. To date Aphrodite has earned a 51% interest in the gold rights at Scotia, and has the right to earn up to 80% on spending a further $1,100,000 ($549,888 spent as at 15 June 2013), or when the JV parties make a decision to mine, whichever occurs earlier. On a decision to mine, Minotaur may either elect to contribute in respect of its 20% interest to a mining JV, or to transfer its interest to Aphrodite in exchange for a 1.5% Net Smelter Royalty.

Note 18: Issued Capital	Note	2013 $	2012 $
Fully paid ordinary shares	(i)	**22,254,582**	**20,507,262**
(a) Ordinary Shares		**No.**	**No.**
Number on issue at the beginning of the year		206,663,419	133,581,500
Number issued during the year			
1) Non-Renounceable rights issue: 60,481,919 at $0.053 per share to raise $3,205,542		-	60,481,919
2) Issue of shares to Brokers for services: 2,600,000 at $0.053.		-	2,600,000
3) Placement: 10,000,000 at $0.09 per share			10,000,000
4) Placement: 30,000,000 at $0.06 per share		30,000,000	-
5) Share Purchase Plan: 1,812,500 at $0.04 per share		1,812,500	-
Number on issue at the end of the year		**238,475,919**	**206,663,419**

(b) Options		**2013 No.**	**2012 No.**
Number on issue at the beginning of the year		76,790,750	66,790,750
Number issued during the year free attached to placement	24	-	10,000,000
Number on issue at the end of the year		**76,790,750**	**76,790,750**

(i) Funds raised via shares issued during the year ended 30 June 2013 include $125,180 of share issue expenses.

Note 18: Issued Capital (continued)

The Company's capital consists of Ordinary Shares. The Company does not have a limited amount of authorised share capital. The Shares have no par value and are entitled to participate in dividends and the proceeds on any winding up of the Company in proportion to the number of Shares held. At Shareholders meetings each Ordinary Share is entitled to one vote when a poll is called, otherwise each Shareholder has one vote on a show of hands.

All Options over unissued Shares are exercisable on or before 31 December 2013 at an exercise price of 20 cents each and were issued for no cash consideration.

(c) Capital Management

The Board of Directors policy is to control the capital of the Company in the interests of Shareholders so that sufficient funds are available to effectively pursue the exploration and development of the Company's exploration properties, consisting solely of the Aphrodite Gold Project; to enable prompt payment of the Company's costs and debts incurred in pursuit of those objectives; to maintain low debt levels; and to maintain substantial (relative to the Company's size and share structure) available cash availability to enable participation in worthwhile new exploration and mining projects that may become available.

The Company is not subject to externally imposed capital requirements.

Note 19: 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 or joint venture are considered one business segment, and the metal currently being targeted is gold in Western Australia.

Note 20: Cash Flow Information

Reconciliation of cash flows from operations with loss for the year

	2013	**2012**
	$	**$**
(Loss) for the year after income tax	(1,240,562)	(800,842)
Non-cash items in loss:		
Depreciation	48,386	52,747
Changes in assets and liabilities:		
Decrease in other assets and receivables	12,297	185,149
Increase/(Decrease) in trade payables and accruals	610,153	(208,811)
Cash flows used in operations	**(569,726)**	**(771,757)**

Note 21: Financial Risk Management

Financial Risk Management Policies

The Company's financial instruments consist of deposits with banks.

a. Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

Interest rate risk

Interest rate risk on funds the Company has on deposit is managed by regular review by the Board to ensure maximum available rates are being received.

Credit risk

Credit risk is managed and reviewed regularly by the Board. It arises from exposures through certain derivative financial instruments and deposits with financial institutions.

The Board monitors credit risk by only utilising banks with an "A" rating to minimise risk.

Price risk

The Company may be exposed to commodity price risk in the future through its Aphrodite Gold Project, should it be developed through to the production phase. Should this Project go into production, the operation's profitability will be subject to fluctuations in the price of gold. The gold price has fluctuated considerably over the past several years, although tending strongly higher, and prior to production commencing the Company will consider implementing a hedging policy, or the Company may opt to not participate or reduce its participation in the production phase and the risks involved therein by selling the Project or joint venturing out a part thereof so that the Company's retained interest will involve none or readily manageable expenditure.

b. Financial Instruments

ii. Financial instrument composition and maturity analysis:

The tables below shows the Company's Financial Assets and Financial Liabilities and the weighted interest rate average received on deposits.

2013	Weighted Average Interest Rate %	Interest Bearing $	Non-Interest Bearing $	Total $
Financial Assets				
Cash on deposit at bank	0%	-	68,469	68,469
Receivables		-	48,217	48,217
		-	**116,686**	**116,686**
Financial Liabilities at amortised cost				
Trade and other payables	-	-	1,129,321	1,129,321
Borrowings	-		2,500,000	2,500,000
		-	**3,629,321**	**3,629,321**

2012	Weighted Average Interest Rate %	Interest Bearing $	Non-Interest Bearing $	Total $
Financial Assets				
Cash on deposit at bank	3.5%	900,000	21,659	921,659
Receivables		-	42,618	42,618
		900,000	**64,277**	**964,277**
Financial Liabilities at amortised cost				
Trade and other payables		-	519,581	519,581
		-	**519,581**	**519,581**

iii. **Net Fair Values**

The net fair value of financial assets and financial liabilities of the Company is equivalent to their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

iv. **Sensitivity Analysis**

Interest Rate Risk and Price Risk

The Company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2013, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2013 $	2012 $
Increase/(decrease) in profit		
— increase in interest rate by 2%	14,020	18,000
— decrease in interest rate by 2%	(14,020)	(18,000)
Increase/(decrease) in equity		
— increase in interest rate by 2%	14,020	18,000
— decrease in interest rate by 2%	(14,020)	(18,000)

c. Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised cash funds are held at bank to cover all forecast outgoings.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.
Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial Liability and Financial Asset Maturity Analysis	2013 $	2012 $
Financial Liabilities due for payment within 1 year		
Trade and other payables	1,129,321	519,581
	1,129,321	**519,581**
Financial Assets – cash flows realisable within 1 year		
Cash and cash equivalents	68,469	921,659
Trade and other receivables	48,217	42,618
	116,686	**964,277**

Note 22: Earnings Per Share

	2013	2012
Basic (loss) per Share (Cents)	(0.5)	(0.4)
(Loss) used in calculation of basic and diluted loss per Share	(1,240,862)	(800,842)
Weighted average number of Shares used in the calculation of the basic (Loss) per Share and diluted (loss) per Share	229,314,461	206,663,419

Options have not been included in the calculation of diluted loss per Share as the Company's ASX share price at balance date was below the 20 cent exercise price of the Options, so they were considered not dilutive in nature.

Note 23: Capital and Lease Commitments

Exploration Expenditure Commitments

Due to the nature of the Company's operations in exploring and developing the Aphrodite Gold Project, whereby expenditure is subject to constant variation in accordance with drilling and other exploration results as they come to hand, and given that the Company is planning for production from the Project, it is difficult to forecast the nature and amount of future expenditure.

Commitments shown comprise of the minimum exploration expenditure required by the W.A. Mines Department to maintain the tenements at the Aphrodite Gold Project and the Scotia Project held under Joint Venture, plus rates and taxes and other holding costs. No commitments are shown beyond 5 years due to the indeterminate nature of the exploration and development program.

Commitments are estimated as follows:

	2013 $	2012 $
Not later than 12 months	615,880	800,000
Between 12 months and 5 years	2,258,000	3,200,000
Greater than 5 years - indeterminate	-	-
	2,873,880	**4,000,000**

Note 23: Capital and Lease Commitments (continued)

Operating Lease Commitments

Non-cancellable operating lease contracted for but not capitalised in the financial statements

Payable – minimum lease payments

	2013 $	2012 $
Not later than 12 months	27,000	143,064
Between 12 months and 5 years	-	-
Greater than 5 years	-	-
	27,000	**143,064**

The Company is committed to lease payments in respect of its offices premises. The current Lease Agreements are on normal commercial terms with no abnormal restrictions. They are due to expire in January 2014 unless renewed by mutual agreement, including as to term, conditions and rentals payable prior to then.

Note 24: Reserves

	2013 $	2012 $
Options issued	**823,190**	**823,190**
	No.	**No.**
Number on issue at the beginning of the year	15,500,000	5,500,000
Number issued during the year	-	10,000,000
Number on issue at the end of the year	**15,500,000**	**15,500,000**

In November 2011, the Company issued 10,000,000 Options attached free to a placement of 10,000,000 Ordinary Shares issued at 9 cents per share, to raise a total of $900,000. Each Option is exercisable at $0.20 on or before 31 December 2013.

No options have been issued during the current year.

Note 25: Events After Reporting Date

On 30 July 2013 the Board of Directors announced a binding memorandum of understanding for a convertible note facility totalling $2,500,000.

The facility is with R.M.S. (Aust) Pty Ltd, a related company to Mr Peter Buttigieg, the Company's Executive Chairman and Acting Chief Executive Officer and will require the approval of shareholders which will be sought.

The facility is for 2 years and amounts may be drawn down in tranches of $250,000 including prior to the approval of shareholders.

Upon approval of the convertible note and general security deed, the facility shall not be due for repayment until the expiry of 24 months subject to any amendment between the parties in writing. Prior to shareholder approval the drawdowns shall be a loan repayable by 31 October 2013 if shareholder approval is not obtained, subject to any amendment between the parties in writing.

Interest is at 10% per annum, payable no more regularly than quarterly. The conversion price shall be $0.025 per share and conversion is at the election of the note holder at any time during the term of the facility. Security is by first ranking security over the Company and its assets pursuant to a general security deed and a mining mortgage over the Company's tenements.

No other matter or circumstances of significance have arisen since balance date.

Note 26: Contingent Liabilities

The Board of Directors ceased the employment of Directors Wayne Ryder and Leon Reisgys on 19th July 2013. On 20th September 2013, Wayne Ryder and Leon Reisgys filed proceedings in the Supreme Court of Western Australia for additional payments following the cessation of their employment.

The Company's solicitors have advised that no further payments are owing beyond those already provided for in the financial books of the Company and the proceedings will be vigorously defended by the Company.

At the end of the financial period the Company had no other contingent liabilities.

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

Report on the financial report

We have audited the accompanying financial report of Aphrodite Gold Limited ("the Company"), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Company.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose

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of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion
In our opinion:

a the financial report of Aphrodite Gold Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Company incurred a net loss of $1,240,562 during the year ended 30 June 2013 and during the period, the Company's net cash outflows from operations were $569,686. At balance date the Company had current liabilities exceeding current assets by $1,297,028. These conditions, along with other matters as set forth in Note 1(r), indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

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Report on the remuneration report

We have audited the remuneration report included in pages 10 to 12 of the Directors' Report for the year ended 30 June 2013. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Aphrodite Gold Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Partner - Audit & Assurance

Perth, 27 September 2013

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Shareholders and Optionholders Details
Substantial Shareholders at 23 September 2013 were:

Name	No. of Shares	% of Total
GRP Ltd	30,000,000	12.58
Peter Anthony Buttigieg	23,416,024	9.82
Mousseround LP, Tahithromos LLC, Ross Goodwin, New York, USA	17,620,000	7.39

Spread of Shareholders

			No. of Holders	No. of Shares	% of Total
1	-	1,000	26		.00
1,001	-	5,000	20	76,346	.03
5,001	-	10,000	84	774,424	.32
10,001	-	100,000	481	21,666,275	9.09
100,001	-	and above	284	215,957,311	90.56
			895	**238,475,919**	**100.00**

Spread of Optionholders

			No. of Holders	No. of Options	% of Total
1	-	1,000		560	.00
1,001	-	5,000	65	322,500	.42
5,001	-	10,000	27	232,862	.32
10,001	-	100,000	233	8,796,421	11.46
100,001	-	and above	145	67,438,967	87.82
			470	**76,790,750**	**100.00**

Top 20 Shareholders

Name	No. of Shares	% of Total
UOB Kay Hian Private Ltd	31,600,000	13.25
HSBC Custody Nominees Aust	17,620,000	7.39
RMS Aust Pty Ltd	14,925,000	6.26
Buttigieg Peter A & J L	5,241,024	2.20
HSBC Custody Nom Aust Ltd	4,905,000	2.06
Ryder Wayne & Wendy M	3,975,000	1.67
Citicorp Nom Pty Ltd	3,600,000	1.51
P & J Super Pty Ltd	3,250,000	1.36
Buttigieg Xavier William	2,678,376	1.12
Little Gary William	2,562,931	1.07
Leech Kim Michelle	2,301,000	.96
Klose Mark James & B A	2,295,000	.96
Sempre Fidelis Pty Ltd	2,280,000	.96
Gramazio Frank & L F	2,166,452	.91
Growbig Pty Ltd	2,121,200	.91
Sutton Craig John	2,030,000	.85
Emmerson Jean Lynette	2,000,000	.84
National Nom Ltd	1,954,912	.82
Klose Mark James	1,908,094	.80
JP Morgan Nom Aust Ltd	1,902,780	.80
	111,316,769	**46.68**

Top 20 Optionholders

Name	No. of Options	% of Total
HSBC Custody Nominees Aust	8,810,000	11.47
Barker Stephen	3,000,000	3.91
Apex Gold Pty Ltd	2,935,000	3.82
Grandhi Sowmya	2,857,142	3.72
Locke Charles	2,100,000	2.73
Goffacan Pty Ltd	1,569,000	2.04
M & K Korkidas PL	1,500,000	1.95
Ryder Super Fund Pty Ltd	1,325,000	1.73
Goffacan Pty Ltd	1,321,296	1.72
Black Prince Pty Ltd	1,250,000	1.63
Nissen Nathan	1,200,000	1.56
Laceglen Holdings Pty Ltd	1,102,500	1.44
McRae Anthony Duncan	1,000,000	1.30
J. R. Adamson & F. J Ngataua	1,000,000	1.30
Vetter Anthony John & J	1,000,000	1.30
Mercantile Options Pty Ltd	921,695	1.20
Sempre Fidelis Pty Ltd	810,000	1.05
Ottomin Inv Group PL	787,500	1.03
P & J Buttigieg Nom Pty Ltd	750,000	.98
Buttigieg Peter A & J Super Fund Pty Ltd	750,000	.98
	35,989,133	**46.86**