



**APHRODITE**  
Gold Limited

# **HALF-YEAR REPORT**

**FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

*This Half-Year Report should be read in conjunction with the Company's  
Annual Report for the year ended 30 June 2013*

## *Contents*

Corporate Information	2
Directors' Report	3
Auditor's Independence Declaration	5
Statement of Profit of Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Half-Year Financial Report	10
Directors' Declaration	14
Independent Auditor's Review Report	15

## *Corporate Information*

This Report covers the activities of Aphrodite Gold Limited ('the Company') for the half-year ended 31 December 2013. The Company's functional and presentation currency is Australian Dollars (AUD). A review of the Company's principal activities and operations is included in the Directors' Report at Page 3. The Directors' Report is unaudited and does not form part of this Financial Report.

### **REGISTERED AND CORPORATE OFFICE**

Aphrodite Gold Limited  
ABN 61 138 879 928  
116 Harrick Road  
Melbourne, Victoria, 3042

### **DIRECTORS**

Peter Buttigieg – Executive Chairman & Acting CEO  
Paul Weston – Executive Director Marketing  
Roger Mitchell – Non-Executive Director  
Paul Buttigieg – Non Executive Director  
Angus Middleton – Non Executive Director

### **ACTING CHIEF EXECUTIVE OFFICER**

Peter Buttigieg  
Tel (03) 8609 6321  
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peter@aphroditegold.com.au

### **COMPANY SECRETARY**

Michael Beer B Bus (Acctcy), FCA, ACIS  
Tel (03) 9600 3599  
Fax (03) 9602 2291  
michael@aphroditegold.com.au

### **AUDITOR**

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

### **WEB SITE**

[www.aphroditegold.com.au](http://www.aphroditegold.com.au)

## *Directors' Report*

Your Directors are pleased to submit their Report for the half-year ended 31 December 2013.

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

Peter Buttigieg  
Paul Weston  
Roger Mitchell  
Angus Middleton (appointed 21 January 2014)  
Wayne Ryder (resigned 26 September 2013)  
Leon Reisgys (resigned 26 September 2013)

### **PRINCIPAL ACTIVITIES**

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

### **REVIEW OF OPERATIONS**

The changes made by the Board during the half year whereby Peter Buttigieg took over as Executive Chairman and Acting CEO now sees the Company on a significantly sounder financial footing and is in a position to maximise the shareholder value of its 1.4 million oz gold resource at the Aphrodite Gold Project is located 65km north of Kalgoorlie in Western Australia.

The Company is currently in a favourable position with cash in the bank, significantly lower fixed overheads and, following the recent shareholder approval of a previously announced convertible note facility, additional committed funds remain available to be drawn down. This position affords the Company the time and resources needed to complete its Pre-feasibility study and participate as the exploration sector continues to rationalize.

The Board, with the assistance of its tax consultants undertook a careful review of qualifying exploration expenditures made by the Company. This resulted in research and development refunds for the Company that further restored the cash position during the half-year.

The Company and its project engineers Tetra Tech are incorporating new data, additional technical studies and new expenditure options into the project modeling. International gold prices are still well below their peak, but are still robust in Australian dollar terms. The Company and Tetra Tech are reviewing next steps in the Pre-Feasibility study which may proceed without further capital raisings. This is a significantly improved position from that faced by the Board six months earlier.

The Aphrodite Gold Project is comparable to a number of other exploration companies and the Board is endeavouring to further improve the project fundamentals. The Company is working to enhance its ability to be a low cost gold producer with its 1.4 million oz gold resource, which remains open to further exploration and development. This remains the Board's focus.

The Company is pleased to have announced the appointment of Angus Middleton as a Non-executive Director. Mr Middleton strengthens the Board by bringing his blend of experience with other exploration and mining companies, local knowledge of the Kalgoorlie region and his financial background with the equity market. Mr Middleton also brings his range of industry contacts to the Board to enhance Aphrodite's core regional strategy.

Discussions with surrounding neighbours are continuing and may significantly increase plant capacity, plant life and the overall project economics. The Aphrodite plant is being designed to be an important regional production facility for years to come. Partnering with fellow explorers and producers is a sensible and constructive discussion for the Company and the Kalgoorlie region.

## ***Directors' Report (cont.)***

Immediate funding for the Company is not currently needed. With traditional equity market raising difficult for the entire sector, the Company is continuing to work on other new financing products and partners that will enable the Company to enter its next stage and maximize the long term shareholder value implicit in the Aphrodite Gold Project.

### **FINANCIAL RESULTS**

For the half-year the Company recorded a net profit after tax of \$906,625 (2012: loss of \$514,052).

Exploration expenditure capitalised for the half-year period amounted to \$391,146 (2012: \$2,015,486).

### **CHANGES IN THE STATE OF AFFAIRS**

During the half-year under review, the Company drew down on a convertible note facility provided by RMS (Aust) Pty Ltd, a Company related to the Executive Chairman. This facility was previously disclosed in the 30 June 2013 annual report. Subsequent to year end, the shareholders of the Company approved the \$2,500,000 convertible note facility in a General Meeting held on 13 January 2014. The facility was drawn down to an amount of \$1,572,685 inclusive of accrued interest as at the end of the half-year.

The Company also received \$1,764,942 in total refundable R&D tax offset during the half year made up from an amendment to the R&D Tax Incentive claim for the June 2012 financial year; and the R&D Tax Incentive claim for the June 2013 financial year.

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

### **SUBSEQUENT EVENTS**

With the exception of the approval of the convertible note facility by the shareholders of the Company in a General Meeting on 13 January 2014, no matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

### **AUDITOR'S INDEPENDENCE DECLARATION**

The Auditor's Independence Declaration is set out on page 5 and forms part of the Directors' Report for the half-year ended 31 December 2013.

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



**PETER BUTTIGIEG  
EXECUTIVE CHAIRMAN**

**Dated at Melbourne this 14th day of March 2014**

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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 review of Aphrodite Gold Limited for the half-year ended 31 December 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J W Vibert  
Partner - Audit & Assurance

Perth, 14 March 2014

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***Statement of Profit or Loss and  
Other Comprehensive Income***

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Note	31 Dec 2013 \$	31 Dec 2012 \$
<b>REVENUE</b>			
Research and development refund		1,764,942	388,159
Interest received		412	13,762
<b>TOTAL INCOME</b>		<b>1,765,354</b>	<b>401,921</b>
<b>EXPENSES</b>			
Employees benefits expenses		63,449	375,828
Professional & consultant's expenses		631,680	135,628
Occupancy expenses		23,027	80,910
Depreciation and fixed assets written off		14,857	28,288
Interest expense		47,685	7
Other expenses		78,032	295,312
<b>TOTAL EXPENSES</b>		<b>858,730</b>	<b>915,973</b>
<b>NET PROFIT/(LOSS) BEFORE INCOME TAX</b>		<b>906,624</b>	<b>(514,052)</b>
<b>INCOME TAX</b>		-	-
<b>PROFIT/(LOSS) AFTER INCOME TAX</b>		<b>906,624</b>	<b>(514,052)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD</b>		<b>906,624</b>	<b>(514,052)</b>
<b>Earnings per share attributable to ordinary equity holders:</b>			
Basic and diluted profit/(loss) per share (cents)		<b>0.38</b>	<b>(0.22)</b>

*The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the half-year financial report.*

## *Statement of Financial Position*

AS AT 31 DECEMBER 2013

	Note	31 Dec 2013 \$	30 Jun 2013 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,062,745	68,469
Trade and other receivables		110,783	48,217
Other current assets		16,943	50,507
<b>Total Current Assets</b>		<b>1,190,471</b>	<b>167,193</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		136,807	151,666
Exploration and evaluation costs		23,700,312	23,309,166
<b>Total Non-Current Assets</b>		<b>23,837,119</b>	<b>23,460,832</b>
<b>TOTAL ASSETS</b>		<b>25,027,590</b>	<b>23,628,025</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		343,014	1,129,321
Provisions		43,000	99,900
Borrowings	9	1,572,685	235,000
<b>Total Current Liabilities</b>		<b>1,958,699</b>	<b>1,464,221</b>
<b>Non-Current Liabilities</b>			
Borrowings	9	2,500,000	2,500,000
<b>Total Non-Current Liabilities</b>		<b>2,500,000</b>	<b>2,500,000</b>
<b>TOTAL LIABILITIES</b>		<b>4,458,699</b>	<b>3,964,221</b>
<b>NET ASSETS</b>		<b>20,568,891</b>	<b>19,663,804</b>
<b>EQUITY</b>			
Issued capital	8	22,253,045	22,254,582
Option reserve		-	823,190
Accumulated losses		(1,684,154)	(3,413,968)
<b>TOTAL EQUITY</b>		<b>20,568,891</b>	<b>19,663,804</b>

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



## *Statement of Changes in Equity*

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Ordinary Issued Capital	Accumulated Losses	Options Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2012</b>	<b>20,507,262</b>	<b>(2,173,406)</b>	<b>823,190</b>	<b>19,157,046</b>
Shares issued during the half-year	1,800,000	-	-	1,800,000
Comprehensive (loss) for the half-year	-	514,052	-	514,052
Capital raising costs	(125,180)	-	-	(125,180)
<b>Balance at 31 December 2012</b>	<b>22,182,382</b>	<b>(2,687,458)</b>	<b>823,190</b>	<b>20,317,814</b>
<b>Balance at 1 July 2013</b>	<b>22,254,582</b>	<b>(3,413,968)</b>	<b>823,190</b>	<b>19,663,804</b>
Shares issued during the half-year	-	-	-	-
Comprehensive income for the half-year	-	906,624	-	906,624
Transfer on expiry or lapsing of options	-	823,190	(823,190)	-
Capital raising costs	(1,537)	-	-	(1,537)
<b>Balance at 31 December 2013</b>	<b>22,253,045</b>	<b>(1,684,154)</b>	<b>-</b>	<b>20,568,891</b>

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

***Statement of Cash Flows***  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	<b>31 Dec 2013 \$</b>	<b>31 Dec 2012 \$</b>
<b>Cash flows from operating activities</b>		
Research and development tax offset received	1,764,942	388,159
Interest received	412	13,762
Payments to suppliers and employees	(1,668,395)	(938,765)
	<u>96,959</u>	<u>(535,844)</u>
<b>Cash flows from investing activities</b>		
Exploration and evaluation costs	(391,146)	(2,015,486)
Purchases of property, plant and equipment	-	-
	<u>(391,146)</u>	<u>(2,015,486)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	1,800,000
Capital raising costs	(1,537)	(125,180)
Long term royalty advance	-	2,500,000
Proceeds from borrowings	1,290,000	-
	<u>1,288,463</u>	<u>4,174,820</u>
<b>Net increase in cash and cash equivalents</b>	<b>994,276</b>	<b>1,622,490</b>
Cash and cash equivalents at the beginning of the half-year	68,469	921,689
<b>Cash and cash equivalents at the end of the half-year</b>	<b><u><u>1,062,745</u></u></b>	<b><u><u>2,544,179</u></u></b>

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

# *Notes to the Financial Report*

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

## 1. BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities as full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the public announcements made by Aphrodite Gold Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

### **Adoption of new and revised accounting standards**

In the half year ended 31 December 2013, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2013.

These new and revised Standards include:

- AASB 10: Consolidated Financial Statements;
- AASB 11: Joint Arrangements;
- AASB 13: Fair Value Measurements; and
- AASB 119 Employee Benefits (September 2011).

It has been determined by the Company that there is no material impact of the new and revised Standards and Interpretations on its business and therefore no change is necessary to the Company's accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2013. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no changes are necessary to Company accounting policies.

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

These half-year financial statements were approved by the Board of Directors on 14 March 2014.

## *Notes to the Financial Report (cont.)*

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

### **2. GOING CONCERN**

The financial statements for the half-year have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the half-year, the Company incurred an operating profit of \$906,625 (2012: loss of \$514,052). Net cash inflow from operating activities were \$96,959 (2012: outflow of \$535,844). At reporting date the company had current liabilities exceeding current assets by \$768,228 (2012: \$1,297,028).

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, a General Meeting of the Company on 13 January 2014 approved a \$2,500,000 convertible note facility with RMS (Aust) Pty Ltd, a related party to the Executive Chairman. In addition, the exploration expenditure commitments are discretionary and will be dependent on the Company's ability to raise further 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 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.

### **3. SEGMENT REPORTING**

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

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

### **4. EXPENDITURE COMMITMENTS**

The Company has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Company. The minimum expenditure required has been fully disclosed in the Annual Financial Report for the year ending 30 June 2013.

### **5. EVENTS SUBSEQUENT TO REPORTING DATE**

Since reporting date, a General Meeting of the Company on 13 January 2014 approved a \$2,500,000 convertible note facility with RMS (Aust) Pty Ltd, a related party to the Executive Chairman. The facility is for 2 years from 29<sup>th</sup> July 2013 and amounts may be drawn in tranches of \$250,000 at interest of 10% per annum. Conversion price is \$0.025 and conversion is at the election of RMS at any time during the period of the facility and ending on the expiry of the term. Security is by a general security deed and a mining mortgage over the Company's tenements.

No other matters or circumstances of significance have arisen since reporting date.

## *Notes to the Financial Report (cont.)*

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

### 6. RELATED PARTIES

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

- i) Consulting and Directors fees totaling \$18,000 were payable to the Executive Chairman Peter Buttigieg and a related entity of the Executive Chairman. In addition interest on the debt facility of \$47,685 has been accrued (refer to Note 9 for further details);
- ii) Consulting and Directors fees of \$42,727 were paid to Director Paul Weston and an associated entity;
- iii) Consulting fees of \$13,750 were paid to Independent Director Paul Buttigieg and an associated entity;
- iv) Salary, superannuation and Director Fees of \$15,147 were paid to former Director Leon Reisgys and a Company provided vehicle;
- v) Salary and superannuation of \$16,103 was paid to former Director Wayne Ryder.

### 7. CONTINGENT LIABILITIES

The Board of Directors ceased the employment of former 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. The Company has received a letter dated 12 March 2014 from the above parties requesting an apology for certain public statements. No liability of the Company is anticipated from this event by the Board.

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

### 8. ISSUED CAPITAL

Movements in ordinary shares on issue	31 December 2013		30 June 2013	
	Number	\$	Number	\$
Balance at beginning of period	238,475,919	22,254,582	206,663,419	20,507,262
Issued during period	-	-	31,812,500	1,872,500
Costs of funds raised during period	-	(1,537)	-	(125,180)
<b>Balance at end of period</b>	<b>238,475,919</b>	<b>22,253,045</b>	<b>238,475,919</b>	<b>22,254,582</b>

Movements in options on issue	31 December 2013		30 June 2013	
	Number	\$	Number	\$
Balance at beginning of period	76,790,750	823,190	76,790,750	823,190
Issued during period	-	-	-	-
Expiring during the period	(76,790,750)	(823,190)	-	-
<b>Balance at end of period</b>	<b>-</b>	<b>-</b>	<b>76,790,750</b>	<b>823,190</b>

*Notes to the Financial Report (cont.)*

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

9. BORROWINGS

	Note	31 December 2013 \$	30 June 2013 \$
<b>CURRENT</b>			
Ryder Superfund	9(a)	-	60,000
RMS (Aust) Pty Ltd	9(b)	1,572,685	175,000
<b>Balance</b>		<b>1,572,685</b>	<b>235,000</b>
<b>NON-CURRENT</b>			
Fair value of interest-free advance	9(c)	2,500,000	2,500,000
<b>Balance</b>		<b>2,500,000</b>	<b>2,500,000</b>

- (a) During the financial year ended 30 June 2013, Wayne Ryder (a previous Director) of the Company made a short-term interest-free loan to the Company. This loan has been repaid in full during the period.
- (b) Peter Buttigieg (Director) has provided a funding advanced by RMS (Aust) Pty Ltd (a related party). At balance date, the loan is unsecured and repayable on demand with interest at 10% per annum. As disclosed in Note 5, post period end, approval of the RMS (Aust) Pty Ltd convertible note was obtained by shareholders of the Company at a General Meeting on 13 January 2014 (refer Note 6). Accordingly, this funding will be classified as a convertible note facility in future reporting of the Company.
- (c) The Company received \$2,500,000 by way of an interest-free royalty advance from Franco-Nevada during the 2013 financial year. The advance has been treated as a financial liability measured initially at its fair value. No repayments are due within 5 years of the loan unless gold production commences on the Aphrodite Gold Project

## *Directors' Declaration*

In the opinion of the Directors of Aphrodite Gold Limited:

1. the financial statements and notes, as set out on pages 6 to 13, are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the financial position of the Company as at 31 December 2013 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporation Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a Resolution of the Directors.



**PETER BUTTIGIEG**  
**EXECUTIVE CHAIRMAN**

**Dated at Melbourne this 14th day of March 2013**

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

We have reviewed the accompanying half-year financial report of Aphrodite Gold Limited (“the Company”), which comprises of the statement of profit or loss and other comprehensive income statement, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration for the half year ending 31 December 2013.

### **Directors’ responsibility for the half-year financial report**

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

### **Auditor’s responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Aphrodite Gold Limited financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Aphrodite Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

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

### **Conclusion**

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

- a giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

### **Material uncertainty regarding Going Concern**

Without qualification to the conclusion expressed above, we draw attention to Note 2 of the financial statements which states that during the half year period the cash inflow from operating activities was only \$96,959. In addition the Company's current liabilities exceed its current assets by \$768,228. These conditions, along with other matters as set forth in Note 2 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J W Vibert  
Partner - Audit & Assurance

Perth, 14 March 2014