APHRODITE
Gold Limited

ANNUAL REPORT 2014

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CORPORATE DIRECTORY

REGISTERED AND CORPORATE OFFICE

Aphrodite Gold Limited
ABN 61 138 879 928
116 Harrick Road,
Keilor Park
Melbourne VIC 3042

DIRECTORS

Peter Buttigieg – Executive Chairman, Acting Chief Executive Officer
Angus Middleton – Non-Executive Director
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" has completed a year of consolidation and is pleased to have recently announced the recommencing of further drilling and exploration soon to take place at its gold project located 65Km North of Kalgoorlie.

The Board has successfully reduced the company's monthly cash burn to a rate which can be maintained for some time within available financing in place. As noted in last year's Annual Report, the Board took affirmative action to stabilise the Company's financial position by reducing costs and accepting an offer of a $2,500,000 convertible note facility made available to it by the Executive Chairman.

The Board is thankful for the support of shareholders who approved the facility at a General Meeting on 13th January 2014.

The Board was also successful, with its consultants, in maximising the Research and Development Grant rebates to significantly restore the company's cash position.

The combination of the rebates and the convertible note facility has significantly changed the outlook from a year ago. The company now reports a positive working capital position, all creditors are up to date.

The Board was strengthened during the year through the appointment of Angus Middleton to the Board and the appointment of Eduard Eshuys as Consultant and Technical Advisor. Reintroducing industry professionals is allowing the next chapter in Aphrodite's development to begin.

It was pleasing to be able to recently announce to shareholders that further exploration would be beginning in the 4th quarter of 2014 with a targeted drilling program.

The Aphrodite gold deposit has a JORC compliant Mineral Resource estimate of 1.4M ounces of gold held principally within the granted mining leases 24/649, 24/662 and 24/720.

All the Company's tenements are in good standing and the company has continuing rights to explore these tenements for a further 14 to 15 years.

Substantial new expenditure has been proposed and approved by the Board to conduct a drilling program on the Alpha and PHI lodes of the Aphrodite gold deposit to test the potential particularly at depth seeking a substantial increase in the current mineral resource estimate. This will commence in early October 2014.

Evaluation of the Aphrodite gold deposit of 1.4M ounces of gold over the past year has lead the Board to defer, for now, any further feasibility studies but instead to carry out the above drilling program to determine whether the mineral resource can be substantially larger and higher grade at depth and as a consequence be more viable at the current gold prices.

Further data will be needed before a decision to proceed with commercial development. The current mineral resource of 1.4M ounces of gold extends to a depth of approximately 350 meters below surface. However with the depth potential below 350 meters below surface to be tested by the above drilling program it could add substantially to the mineral resource and available data.

With traditional equity markets continuing to be difficult for the entire sector, the Company has focussed its available funding and resources on the Aphrodite tenements. This has meant that during that the Board was not willing to commit to the minimum expenditures required of under the Scotia joint venture with Minotaur Gold Solutions Limited. The Company's 51% participating interest shall be purchased back by Minotaur who will be responsible for all current and future obligations.

The Board is particularly pleased to have Mr Eshuys appointed to the Company to drive the exploration efforts. Mr Eshuys has a record of success and he has completed his site visits and evaluation of all current data. The Board is looking forward to his geological and strategic advice and direction.

Financial Results

During the period, the Company capitalised exploration and evaluation costs totalling $623,819 (2013: $4,762,554) and took a write down charge of $751,674 (2013: Nil). Total capitalised costs at balance sheet date are $23,181,310 (2013: $23,309,166).

Net loss from operations for the period after income tax was $284,829 (2013: $1,240,562).

Financial Position

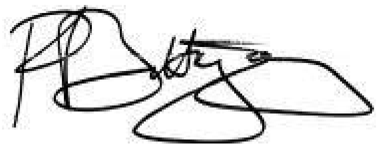
During the year the shareholders approved a Convertible Note Facility of $2,500,000 made available to the Company by the Executive Chairman. At the end of the financial year this facility had been drawn down to the amount of $1,525,000 leaving the Company with funding still available for ongoing operating activities. The market for junior exploration companies like Aphrodite to raise funds remains very difficult.

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 2014.

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 50,000

Roger Mitchell
Non-Executive Director - Appointed 7 January 2013

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.

Number of Shares held directly and indirectly: Nil

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.

Number of Shares held directly and indirectly: 2,280,000

DIRECTORS' REPORT (continued)

Angus Middleton
Non-Executive Director - Appointed 21 January 2014

Mr Middleton brings extensive experience in the equity markets and also with other exploration companies. He is a previous Managing Director of Crest Minerals Ltd and is the founder and Managing Director of SA Capital Funds Management Limited.

Mr Middleton has been a Director of other ASX listed companies during the last three years including Excalibur Mining Corporation Limited (Appointed 6th May 2014) and Hillcrest Litigation Services Limited (Appointed 27th October 2010).

Number of Shares held directly and indirectly: Zero

Paul Maurice Weston
Executive Director Marketing - Appointed 6 July 2012 (resigned 26 June 2014)

Mr Weston assisted in establishing Aphrodite in 2009 by introducing many of the pre-IPO and IPO shareholders. including Paul Buttigieg, Peter Buttigieg, and others.
Paul was 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: Nil

Leon Reisgys BSc(Hons) Grad Dipl FAusIMM MAIG
Non-Executive Director - Appointed 19 April 2010 (resigned 26 September 2013)

Mr Reisgys was an Executive Director and the Manager of the Company's Aphrodite Gold Project and leader of technical teams in Perth and Kalgoorlie until 19 July 2013, when his executive role ceased.

Wayne Ryder FCA FAICD MSME
Non-Executive Director - Appointed 14 August 2009 (resigned 26 September 2013)

Mr Ryder was an Executive Director and the Company Secretary of the Company until 19 July 2013, when his executive role ceased.

Options

At the date of this Report, there are 15 million unissued ordinary shares of the Company under option. These 15 million options were issued on 30 July 2014 as part of a compensation package for the appointment of Mr Eduard Eshuys as Consultant and Technical Advisor to the Board. The options are exercisable at $0.025 on or before 31 July 2017.

During the year ended 30 June 2014 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 2014 was $284,829 (2013 - $1,240,562).

DIRECTORS' REPORT (continued)

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 2014; and
b) no dividends or distributions were recommended or declared for payment to members, but not paid, during the year ended 30 June 2014.

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

There are no matters or definitive circumstance which have arisen since the end of the financial year that have 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

On 8 September 2014 the Company announced that following a technical review a drilling program totalling 2,500 metres would commence in early October 2014. The drilling program will target the potential to significantly increase the size of the Company's underground mineral resource estimate. There are no other 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.

Meetings of Directors and Committees

Directors during the year and Directors' Meetings held and attended were:

Name	Meetings Held	Meetings Attended
Peter Buttigieg	17	16
Paul Weston	5	5
Roger Mitchell	17	17
Paul Buttigieg	15	15
Wayne Ryder	5	5
Leon Reisgys	5	5
Angus Middleton	8	8

DIRECTORS' REPORT (continued)

The Company appointed an Audit and Risk Management 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 Audit and Risk Management Committee has met twice in the past 12 months. This Committee is chaired by Independent Director, Mr Angus Middleton, who has detailed experience in financial management, and also includes Mr Peter Buttigieg and Mr Paul Buttigieg. Mr Mitchell also attends Audit and Risk Management Committee meetings.

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.

Key management personnel of the Company during the reporting period are considered to be:

- Peter Buttigieg
- Paul Weston (resigned 26 June 2014)
- Roger Mitchell
- Paul Buttigieg
- Angus Middleton
- Wayne Ryder (resigned 26 September 2013)
- Leon Reisgys (resigned 26 September 2013)

The Company had no Employee Option Plan in place during the financial year and does not offer any other incentives to Directors or Key Management Personnel as part of their remuneration. No Key Management Personnel remuneration was linked to the Company's performance.

The performance of Key Management Personnel (KMP) 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.

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)

Compensation of Key Management Personnel for the year ended 30 June 2014

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

2014	Short Term benefits		Post Employment Benefits		
	Salary and Fees $	Non monetary benefits $	Superannuation $	Share Based Payments $	Total $
Peter Buttigieg	-	-	-	-	-
Paul Weston	110,909[1]	-	-	-	110,909
Roger Mitchell	-	-	-	-	-
Paul Buttigieg	13,750	-	-	-	13,750
Angus Middleton	18,000	-	-	-	18,000
Wayne Ryder[4]	16,104	300[2]	1,401	-	17,805
Leon Reisgys[4]	15,147	300[3]	1,401	-	16,848
Total	**173,910**	**600**	**2,802**	**-**	**177,312**

1. Salary and fees includes amounts of marketing expenses which was paid directly by Mr Weston.
2. Cost of the Company provided car park.
3. Cost of the Company provided vehicle, car park, running costs and fringe benefit tax payable on benefits.
4. No longer remunerated with effect from 19 July 2013.

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	310,168	6,000[1]	25,000	-	341,168
Leon Reisgys	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

No amounts were paid to KMP during 2014 or 2013 which were the result of meeting performance conditions.

DIRECTORS' REPORT (continued)

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

Employment Contracts

Chief Executive Officer Wayne Ryder and Managing Director Leon Reisgys were 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 19 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 19 July 2013 does not have an employment contract and is currently not being remunerated.

No other current Directors are employed under an official contract of service.

Shareholdings by Key Management Personnel

The number of ordinary shares held by each KMP during the 2014 year was:

	Balance at 1 July 2013	Granted as remuneration during the year	Issued on exercise of options during the year	Acquired / (Sold)	Balance at 30 June 2014
Wayne Ryder (1)	4,162,500	-	-	-	4,162,500
Leon Reisgys (2)	1,200,000	-	-	(200,000)	1,000,000
Peter Buttigieg	23,416,024	-	-	-	23,416,024
Paul Weston (3)	2,271,200	-	-	(2,076,200)	195,000
Roger Mitchell		-	-	-	-
Paul Buttigieg	2,280,000	-	-	-	2,280,000
Angus Middleton		-	-	-	-
Total	**33,329,724**	**-**		**(2,276,200)**	**31,053,524**

(1) Wayne Ryder resigned on 26 September 2013. The above balance represents his holding at the resignation date.
(2) Leon Reisgys resigned on 26 September 2013. The above balance represents his holding at the resignation date.
(3) Paul Weston resigned as a Director on 26 June 2014. The above balance represents his holding at the resignation date.

Options Held by Key Management Personnel

Number of options held by KMP during the 2014 year was:

	Balance at 1 July 2014	Granted as remuneration during the year	Acquired	Expired without being exercised	Balance at 30 June 2014
Wayne Ryder (2)	1,325,000	-	-	-	1,325,000
Leon Reisgys	250,000	-	-	-	250,000
Peter Buttigieg	1,500,000	-	-	(1,500,000)	-
Paul Weston	50,000			(50,000)	-
Roger Mitchell	-	-	-	-	-
Paul Buttigieg	-	-	-	-	-
Angus Middleton	-	-	-	-	-
Total	**3,125,000**	**-**	**-**	**(1,550,000)**	**1,575,000**

(1) Wayne Ryder resigned on 26 September 2013. The above balance represents his holding at the resignation date.
(2) Leon Reisgys resigned on 26 September 2013. The above balance represents his holding at the resignation date.
(3) Paul Weston resigned as a Director on 26 June 2014. The above balance represents his holding at the resignation date.

Other KMP transactions

At a General Meeting on 13 January 2014, the shareholders approved a convertible note facility with RMS (Aust.) Pty Ltd a related party to the Executive Chairman. The Company is able to draw down on this facility to fund its ongoing operating requirements. At 30 June 2014, $1,525,000 had been drawn from the facility. Refer to Note 15 for further details.

During the reporting period, the Executive Chairman was repaid $175,000 from a related party loan provided to the Company in the previous reporting period ended 30 June 2013.

During the reporting period, the former Director Wayne Ryder was repaid $60,000 from a loan provided to the Company in the previous reporting period ended 30 June 2013.

Loan to KMP's

No loans have been made by the Company to any of the Company's directors during the period.

Other Information

There were no consultants engaged in relation to the remuneration of Key Management Personnel during the financial year.

The Company did not receive a "no vote" of 25% of more on its remuneration report at its 2013 AGM.

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 became an Executive Director on 19th July 2013 and three Independent and/or Non-Executive Directors. 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 2014.

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 date of this report are:

- Roger Mitchell – Non-Executive
- Paul Buttigieg – Non-Executive
- Angus Middleton – Independent 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 and resigned from the Board on 26 June 2014.

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 share price.

Gender Diversity Policy

Aphrodite agrees with the Corporate Governance Principles and Recommendations regarding gender diversity, notwithstanding the difficulty of achieving 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 the Company Secretary.

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

CORPORATE GOVERNANCE STATEMENT (Continued)

Audit and Risk Management

The Audit and Risk Management Committee is responsible for the Company's system of internal controls to effectively manage material business risks and any oversights. The Audit and Risk Management 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 and senior managers was conducted by the Board for the period ended 30 June 2014. The Chairman also speaks to each Director and senior manager individually regarding their role as a Director or senior manager.

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. The objective 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.

The Company aims to remunerate Non-Executive Directors in a similar manner to industry norms for remuneration of non-executive directors generally.

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 four 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 2014 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 - $3,355

Auditor's Independence Declaration

The Auditor's Independence Declaration for the period ended 30 June 2014 is on the following page.

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

Director

Dated at Perth this 30th Day of September 2014

Level 1
10 Kings Park Road
West Perth WA 6005

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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 2014, 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, 30 September 2014

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 19 to 42, and the Remuneration disclosures that are contained in pages 9 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 2014 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 page 9 to 12 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 2014.

Signed in accordance with a resolution of the Directors:

Peter Buttigieg
Executive Chairman / Acting Chief Executive Officer
Dated at Perth this 30th day of September 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2014

	Note	2014 $	2013 $
Other Income			
Interest income	3	16,079	24,535
Research and development tax offsets	3	1,771,418	388,159
Total Other Income		**1,787,497**	**412,694**
Expenses			
Employee benefits expenses		(7,090)	(566,955)
Depreciation		(31,303)	(48,386)
Financing expenses	4(b)	(167,258)	(6,755)
Impairment of exploration and evaluation		(751,675)	-
Other expenses	4(a)	(1,115,000)	(1,031,160)
Total Expenses		**(2,072,326)**	**(1,653,256)**
(Loss) before Income Tax		**(284,829)**	**(1,240,562)**
Income tax expense	5	-	-
(Loss) for the year		**(284,829)**	**(1,240,562)**
Other Comprehensive Income		**-**	**-**
Total Comprehensive (Loss) for the year		**(284,829)**	**(1,240,562)**
Basic and diluted (loss) per share (cents)	**22**	**(0.1)**	**(0.5)**

The accompanying notes form part of the Financial Statements

STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

Current Assets	Note	2014 $	2013 $
Cash and cash equivalents	7	333,035	68,469
Trade and other receivables	10	145,958	48,217
Other assets	11	6,417	50,507
Total Current Assets		**485,410**	**167,193**
Non-Current Assets			
Property, plant and equipment	16	103,042	151,666
Exploration and evaluation costs	17	23,181,310	23,309,166
Total Non-Current Assets		**23,284,352**	**23,460,832**
Total Assets		**23,769,762**	**23,628,025**
Current Liabilities			
Trade and other payables	12	198,850	1,129,321
Provisions	13	-	99,900
Borrowings	14	-	235,000
Total Current Liabilities		**198,850**	**1,464,221**
Non-Current Liabilities			
Borrowings	15	4,052,433	2,500,000
Total Non-Current Liabilities		**4,052,433**	**2,500,000**
Total Liabilities		**4,251,283**	**3,964,221**
Net Assets		**19,518,479**	**19,663,804**
Equity			
Issued capital	18	22,253,045	22,254,582
Reserves	24	141,041	823,190
Accumulated losses		(2,875,607)	(3,413,968)
Total Equity		**19,518,479**	**19,663,804**

The accompanying notes form part of the Financial Statements

STATEMENT OF CASH FLOWS
For the year ended 30 June 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Research and development refund		1,771,418	388,159
Payments to suppliers & employees		(2.204,896)	(982,380)
Interest income		16,079	24,535
Net cash (used in) operating activities	**20**	**(417,399)**	**(569,686)**
Cash flows from investing activities			
Exploration and evaluation costs capitalised		(623,819)	(4,762,554)
Sale of property, plant and equipment		21,305	-
Purchases of property, plant and equipment		(3,984)	(3,300)
Net cash (used in) investing activities		**(606,498)**	**(4,765,854)**
Cash flows from financing activities			
(Repayment of) / receipt from related party loans		(235,000)	235,000
Borrowings – royalty advance		-	2,500,000
Borrowings – convertible note		1,525,000	
Proceeds from issue of shares		-	1,872,500
Share issue costs		(1,537)	(125,180)
Net cash provided by financing activities		**1,288,463**	**4,482,320**
Net (decrease) in cash held		264,566	(853,220)
Cash and cash equivalents at beginning of year		68,469	921,689
Cash and cash equivalents at end of financial year		**333,035**	**68,469**

The accompanying notes form part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014

2013	Issued Capital $	Accumulated Losses $	Share 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**

2014	Issued Capital $	Accumulated Losses $	Reserve $	Total $
Balance at beginning of the year	**22,254,582**	**(3,413,968)**	**823,190**	**19,663,804**
Total comprehensive loss for the year		(284,829)		(284,829)
	22,254,582	**(3,698,797)**	**823,190**	**19,378,975**
Reserve transfer at Option expiry		823,190	(823,190)	-
Equity component of convertible note			141,041	141,041
Share issue costs	(1,537)			(1,537)
Balance at end of the year	**22,253,045**	**(2,875,607)**	**141,041**	**19,518,479**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Note 1: Statement of Significant Accounting Policies

This financial report includes the financial statements and notes of Aphrodite Gold Limited ("the Company").

The Financial Report was authorised for issue on 30 September 2014 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.

Aphrodite Gold Limited is a for-profit entity for the purposes of preparing these financial statements.

(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 (continued)

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 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 or loss 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 (continued)

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

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of the joint operations are included in the respective line items of the financial statements.

All of the Group's current joint arrangements are treated as joint operations.

(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 accounts for research and development tax offsets as a government grant and accordingly presented as other income.

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.

Note 1: Statement of Significant Accounting Policies (continued)

(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 sheet 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.

(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 Estimates — Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Where appropriate, value-in-use calculations are performed in assessing recoverable amounts which incorporate a number of key estimates.

Note 1: Statement of Significant Accounting Policies (continued)

(q) Critical Accounting Estimates and Judgments (continued)

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 extent of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the belief that, except where specific impairment adjustments are made, such expenditure should not be written off since feasibility studies have not yet concluded. Such expenditure is carried at balance sheet date at $23,181,310 (2013 $23,309,166).

(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 $284,829 (2013: $1,240,562). Net cash outflow from operating and investing activities was $1,023,897 (2013: $5,335,540). At balance sheet date the Company had current assets exceeding current liabilities by $286,560 (2013: net current liabilities $1,297,028).

The Company is evaluating its Aphrodite Gold Project resource. The ability of the Company to continue to evaluate and/or develop the Aphrodite Gold Project is dependent upon the Company's ability to obtain further debt or equity funding. At a General Meeting on 13 January 2014 the shareholders approved a $2,500,000 convertible note facility with RMS (Aust) Pty Ltd, a related party to the Executive Chairman. The Company is able to draw down on the facility to fund its ongoing operating requirements. RMS (Aust) Pty Ltd has confirmed that it intends to convert the notes into ordinary shares no later than the maturity date of 29 July 2015. The Company will be resuming fund raising during the next financial year following evaluation of data from its next round of exploration that is already fully funded (refer Note 25). New fund raising will be mainly for the purpose of funding additional exploration and evaluation yet to be determined. In this respect, the Directors are satisfied that the Company continues to receive the support of the Executive Chairman through this period. 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, 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.

(s) Standards issued but not yet effective and not early adopted by the Company

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 new and amended standards that are relevant to the Company are listed below:

- AASB 9 Financial Instruments
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Recoverable Amount Disclosures for Non-Financial Assets
- IFRS 15 Revenue from Contracts with Customers

The Company has decided not to early adopt any of the above new and amended pronouncements. When the above new and amended Standards are adopted, they are not considered to have a material impact on the Company.

Note 2: New and Revised Standards that are effect for these Financial Statements

The AASB has issued a number of new and revised Accounting Standards and Interpretations are effective for annual periods beginning or after 1 July 2013. These new and revised standards are:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 Fair Value Measurements
- Amendments to AASB 119 Employee Benefits

The Company has adopted each of the above new and amended standards. The application of AASB 10, 12 and 13 did not have a material impact on the results of the Company for the reporting period, as the Company is a single entity with no interests in other entities.

The impact of the application AASB 11 was not material to the Company, as the Company only had one joint arrangement. The new accounting standard requires all joint arrangements to be classed as a joint operation or a joint arrangement. Refer to Note 1(k) for the new policy and the respective treatments.

Note 3: Other Income	**2014** **$**	**2013** **$**
Interest income	16,079	24,535
Research and development tax offsets	1,771,418	388,159
Other Income	**1,787,497**	**412,694**

Note 4: Expenses	**2014** **$**	**2013** **$**
(a) Other Expenses		
Accounting fees	30,170	72,325
Administration service fee	36,000	-
Consultants fees	483,841	520,284
Legal fees	408,903	84,777
Office Rent	21,181	122,837
Variable outgoings	5,913	29,379
Marketing and website expenses	5,717	49,299
Filing and listing costs	38,203	52,312
Other	85,072	99,947
Total Other Expenses	**1,115,000**	**1,031,160**
(b) Financing Expenses		
Interest expense	122,092	6,755
Convertible note accretion expense	45,166	-
Total Financing Expenses	**167,258**	**6,755**

Note 5: Income Tax	**2014 $**	**2013 $**
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 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%	(85,449)	(372,169)
Adjusted for the tax effect of		
Income not assessable for income tax purposes	(531,425)	(116,447)
Expenditure not allowed for income tax purposes	13,550	-
Deferred tax asset not brought to account – losses	706,824	1,279,611
Deferred tax asset not brought to account – temporary differences	(103,500)	(790,995)
	-	-

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 Asset		
- Unrecognised deferred tax asset – losses	7,601,053	7,325,529
- Unrecognised deferred tax asset – profit and loss timing differences	8,664	792,823
- Unrecognised deferred tax asset – Other Comprehensive Income	65,638	170,023
	7,675,355	**8,288,375**
Unrecognised Deferred Tax Liabilities	**(6,954,393)**	**(6,989,792)**

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 2014.

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

	2014 $	2013 $
Short term employee benefits	174,510	1,021,925
Post employment benefits	2,802	55,615
	177,312	**1,077,540**

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 2014

No Options were granted as remuneration for the period ended 30 June 2014 (2013 nil).

Shares Issued on Exercise of Compensation Options

No Options have been granted as compensation during the year ended 30 June 2014 (2013 nil) and accordingly no Options granted as compensation were exercised during the year.

Material Contacts

At a General Meeting on 13th January 2014, the shareholders approved a convertible note facility with RMS (Aust.) Pty Ltd a related party to the Executive Chairman. The Company is able to draw down on this facility to fund its ongoing operating requirements. At 30th June 2014 $1,525,000 had been drawn from the facility.

Former Chief Executive Officer Wayne Ryder and former Managing Director Leon Reisgys were 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, former Marketing Director, did 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. Paul Weston resigned on 26 June 2014. 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.

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

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	2014 $	2013 $
Cash at bank and in hand	333,035	68,469
Balance at end of the year	**333,035**	**68,469**
Effective interest rate on short term bank deposit	0%	0%
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

Remuneration of Grant Thornton Audit Pty Ltd for:		
– auditing and reviewing the financial report	33,300	29,025
Amounts paid to related practice of Auditor for:		
– Taxation services	3,355	32,460
	36,655	**61,485**

Note 9: Related Parties Transactions

(a) Associated Entities

Fees and reimbursement of expenses paid to Serrasalmin Investments Pty Ltd, an entity in which Director Warren Staude has an interest	-	56,821
Motor vehicle allowance and overtime paid to W. Ryder & Co, an entity in which Director Wayne Ryder has an interest	-	33,000
Fees and reimbursement of expenses paid to Townshend Mining Pty Ltd, an entity in which Director Leon Reisgys has an interest	-	75,677
Consulting fees paid to Sandercock and Associates, an entity in which Director Heath Sandercock has an interest	-	12,500
Fees and reimbursement of expenses paid to Grow Big Pty Ltd, an entity in which Director Paul Weston has an interest	110,909	217,631
Fees and reimbursement of expenses paid to Sempre Fidelis Pty Ltd, an entity in which Director Paul Buttigieg has an interest*	13,750	41,250
Fees paid to Buttigieg Superannuation Fund, an entity in which Chairman Peter Buttigieg has an interest		36,000
Fees paid to Buttigieg RMS (Aust) Pty Ltd, an entity in which Chairman Peter Buttigieg has an interest	36,000	
Fees and reimbursement of expenses paid to Tornado Nominees Pty Ltd, an entity in which Director Angus Middleton has an interest+	18,000	-
Fees paid to Michael Beer for Company Secretary services	36,764	
Fees paid to Beer & Co., an entity in which Company Secretary Michael Beer has an interest	24,165	11,000

* Paul Buttigieg was appointed a Director on 16 August 2013

\+ Angus Middleton was appointed a Director on 21 January 2013

(b) Balances payable at year end

Amounts payable to related parties at year end are:

Grow Big Pty Ltd	-	18,050
RMS (Aust.) Pty Ltd	36,000	-
Tornado Nominees Pty Ltd	6,000	
	42,000	**18,050**

Note 10: Trade and Other Receivables

	2014 $	2013 $
GST receivable	145,958	48,217
	145,958	**48,217**

Note 11: Other Current Assets

	2014 $	2013 $
Security deposits and expenses float	-	38,849
Prepayments	2,438	8,703
Other	3,979	2,955
	6,417	**50,507**

Note 12: Trade and Other Payables

	2014 $	2013 $
Trade payables	175,726	1,043,112
Other payables:		
- PAYG	23,124	74,672
- Debit card	-	11,537
	198,850	**1,129,321**

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

	2014 $	2013 $
Provision for annual leave	-	99,900
	-	**99,900**

Note 14: Current Borrowings

	2014 $	2013 $
Ryder Superfund	-	60,000
Peter Buttigieg	-	175,000
	-	**235,000**

During the previous year Directors Wayne Ryder and Peter Buttigieg made short term interest-free loans to the company. 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 Shareholders and is subject to the terms of that facility.

Note 15: Borrowings	2014 $	2013 $
Non-Current		
Convertible Note – Debt Portion (1)	1,552,433	-
Fair value of interest-free advance (2)	2,500,000	2,500,000
	4,052,433	**2,500,000**

(1) At a General Meeting of the Company on 13 January 2014, shareholders approved a convertible note facility with RMS (Aust) Pty Ltd a related party to the Executive Chairman. The convertible note has a face value of $2,500,000 and may be drawn on to fund the operating activities of the Company. The convertible note is convertible to ordinary shares in the Company in whole or part at the election of RMS (Aus) Pty Ltd until maturity on 29 July 2015 at the conversion price of $0.025.

The convertible note facility is treated as a compound instrument under accounting standards with both an equity and debt component. As at 30 June 2014, $1,525,000 had been drawn down on the facility. $141,041 of this has been recognised as the equity component with the remaining debt portion recognised as a liability inclusive of accrued interest.

The convertible note may be secured by a first ranking charge over the Company and its assets pursuant to a general security deed and a mining mortgage over the Company's tenements. The convertible note has a coupon interest rate of 10% per annum.

(2) In 2013, 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. The advance requires no repayments for 5 years, and which, provided production at the Company's project commences within that time, automatically converts to a 2.5% Royalty. Should production not commence within 5 years, then the Company will make annual payments of $250,000 per annum with such payments to be fully offset against Royalties when the project does commence production.

Note 16: Property, Plant and Equipment	2014 $	2013 $
Computer and electronic equipment - cost	72,142	68,159
Less – accumulated depreciation	(70,601)	(63,055)
	1,541	**5,104**
Office furniture and equipment - cost	56,654	56,654
Less – accumulated depreciation	(35,530)	(27,774)
	21,124	**28,880**
Vehicles - cost	128,533	164,624
Less – accumulated depreciation	(48,156)	(46,942)
	80,377	**114,682**
	103,042	**151,666**

Note 16: Property, Plant and Equipment (continued)

(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 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**

Gross carrying amount	Computer & electronic equipment $	Office furniture & equipment $	Vehicles $	Total $
Balance 1 July 2013	68,159	56,654	164,624	289,437
Additions	3,983	-	-	3,983
Disposals	-	-	(36,091)	(36,091)
Balance 30 June 2014	**72,142**	**56,654**	**128,533**	**257,329**
Depreciation				
Balance at 1 July 2013	63,055	27,774	46,942	137,771
Depreciation	7,546	7,756	16,001	31,303
Disposals			(14,787)	(14,787)
Balance at 30 June 2014	**70,601**	**35,530**	**48,156**	**154,287**
Carrying amount 30 June 2014	**1,541**	**21,124**	**80,377**	**103,042**

Note 17: Exploration and Evaluation Costs	2014 $	2013 $
Balance at the beginning of the year	23,309,166	18,546,612
Expenditure capitalised during the year	623,819	4,762,554
Impairment during the year	(751,675)	-
Balance at the end of the year	**23,181,310**	**23,309,166**

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. During the year, Breakaway Resources Limited sold its interest in the Joint Venture to Minotaur Gold Solutions Ltd. To date Aphrodite had 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.

In 2014 the Company did not commit to the full amount of minimum tenement expenditure required for the 12 months ended 15 June 2014, thereby constituting a default under the Joint Venture Agreement. On 18 September 2014 Minotaur gave notice to the Company that it wishes to acquire the whole of the Company's participating interest in the Scotia project by exercising the default purchase option available in the Agreement and pay the Company a fair market value for its participating interest. It is not possible as at the date of this report to determine the outcome of the valuation and the Directors' have decided to fully impair the accumulated exploration costs of $751,675 in the current financial year. Minotaur will also assume all current and future obligations and liabilities in respect of the Company's participating interest.

Note 18: Issued Capital	Note	2014 $	2013 $
Fully paid ordinary shares	(i)	**22,253,045**	**22,254,582**

(a) Ordinary Shares	No.	No.
Number on issue at the beginning of the year	238,475,919	206,663,419
Number issued during the year		
1) Non-Renounceable rights issue: 60,481,919 at $0.053 per share to raise $3,205,542	-	-
2) Issue of shares to Brokers for services: 2,600,000 at $0.053.	-	-
3) Placement: 10,000,000 at $0.09 per share		
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**	**238,475,919**

Note 18: Issued Capital (continued)	Note	2014 $	2013 $
(b) Options		**2014 No.**	**2013 No.**
Number on issue at the beginning of the year		76,790,750	76,790,750
Number issued during the year	24.	-	-
Number expiring during the year		(76,790,750)	
Number on issue at the end of the year		**-**	**76,790,750**

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 existing during the year were exercisable on or before 31 December 2013 at an exercise price of 20 cents each and were issued for no cash consideration. All of these Options expired on 31 December 2013 without being exercised by the option holders.

(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.

Note 19: Segment Reporting

The Company has identified for the year ended 30 June 2014 that it has no operating segments disaggregated within the Company. This has been determined based on the fact that the Board of Directors (chief operating decision makers) assesses performance of the Company with no further review at a disaggregated level.

The Company operates in one segment being Exploration and Evaluation of Minerals in Western Australia. Thus, segmented disclosures are not required nor will any disaggregated level of revenue or expenditure be informative.

Note 20: Cash Flow Information

Reconciliation of cash flows from operations with loss for the year

	2014 $	2013 $
(Loss) for the year after income tax	(284,829)	(1,240,562)
Non-cash items in loss:		
Depreciation	31,303	48,386
Write-down of exploration costs	751,675	-
Convertible note accretion expense	45,166	
Changes in assets and liabilities:		
Decrease in other assets and receivables	(53,651)	12,337
Increase/(Decrease) in trade payables and accruals	(907,063)	610,153
Cash flows used in operations	**(417,399)**	**(569,686)**

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.

Note 21: Financial Risk Management (continued)

b. Financial Instruments

i. **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.

2014	**Weighted Average Interest Rate %**	**Interest Bearing $**	**Non-Interest Bearing $**	**Total $**
Financial Assets				
Cash on deposit at bank	0%	-	333,035	333,035
Receivables		-	145,958	145,958
		-	**478,993**	**478,993**
Financial Liabilities at amortised cost				
Trade and other payables	-	-	198,850	198,850
Borrowings	-	1,552,433	2,500,000	4,052,433
		1,552.433	**2,739**	**4,251,283**

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**

(i) **Net Fair Values**

The 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.

(ii) **Sensitivity Analysis**

Interest Rate Risk and Price Risk

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

Note 21: Financial Risk Management (continued)

Interest Rate Sensitivity Analysis

At 30 June 2014, 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:

Increase/(decrease) in profit		2014 $	2013 $
—	increase in interest rate by 2%	26,870	14,020
—	decrease in interest rate by 2%	(26,870)	(14,020)
Increase/(decrease) in equity			
—	increase in interest rate by 2%	(26,870)	14,020
—	decrease in interest rate by 2%	26,870	(14,020)

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	2014 $	2013 $
Financial Liabilities due for payment within 1 year		
Trade and other payables	198,850	1,129,321
Financial Liability due for payment over 1 year		
Borrowings	4,052,433	2,500,000
	4,251,283	**3,629,321**
Financial Assets – cash flows realisable within 1 year		
Cash and cash equivalents	333,035	68,469
Trade and other receivables	145,958	48,217
	478,993	**116,686**

Note 22: Earnings Per Share

	2013	2013
Basic (loss) per Share (Cents)	(0.1)	(0.5)
(Loss) used in calculation of basic and diluted loss per Share	(284,829)	(1,240,862)
Weighted average number of Shares used in the calculation of the basic (Loss) per Share and diluted (loss) per Share	238,475,919	229,314,461

No potential ordinary shares are included as all options expired during the year. Refer to Note 24.

Note 23: Capital and Lease Commitments

Exploration Expenditure Commitments

Due to the nature of the Company's operations in exploring and evaluating 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. The Scotia Project held under Joint Venture, is excluded due to the default purchase option being exercised by Minotaur Gold Solutions Ltd who have advised the Company they shall acquire the whole of the Company' participating interest in the Scotia Project and thereby will assume all current and future obligations and liabilities in respect of the Scotia project. No commitments are shown beyond 5 years due to the indeterminate nature of the exploration and development program.

Commitments are estimated as follows:

	2014 $	2013 $
Not later than 12 months	313,200	615,880
Between 12 months and 5 years	1,566,000	2,258,000
Greater than 5 years - indeterminate	-	-
	1,879,200	**2,873,880**

Operating Lease Commitments

Non-cancellable operating lease contracted for but not capitalised in the financial statements
Payable – minimum lease payments

	2014 $	2013 $
Not later than 12 months	-	27,000
Between 12 months and 5 years	-	-
Greater than 5 years	-	-
	-	**27,000**

The Company has no lease commitments at 30 June 2014.

Note 24: Reserves

Options Reserve	2014 $	2013 $
Options issued	**-**	**823,190**
	No.	**No.**
Number on issue at the beginning of the year	76,790,750	76,790,750
Number issued during the year	-	-
Number expired during the year	(76,790,750)	-
Number on issue at the end of the year	**-**	**76,790,750**

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 were exercisable at $0.20 on or before 31 December 2013. All Options expired without being exercised at 31 December 2013.
No options have been issued during the year ended 30 June 2014.

Note 24: Reserves (continued)

Convertible Note Reserve	**2014** **$**	**2013** **$**
Equity component of Convertible Note issued	141,041	-
	141,041	**-**

The convertible note facility approved by a General Meeting of shareholders on 13 January 2014 is treated as a compound instrument with both an equity and debt component. Refer to Note 15.

Note 25: Events After Reporting Date

On 30 July 2014 the Company announced the appointment of Eduard Eshuys as a Consultant and Technical Advisor to the Board The Company agreed to a compensation package comprising a monthly consulting fee, the issue of 7,500,000 Shares and 15,000,000 Options exercisable at $0.025 on or before 31 July 2017 and a further 7,500,000 Shares to be issued upon the conclusion of 12 months service.

On 8 September 2014 the Company announced that following a technical review by Mr Eshuys a drilling program totalling 2,500 metres would commence in early October 2014. The drilling program will target the potential to significantly increase the size of the Company's underground mineral resource estimate.

No other matter or circumstances of significance have arisen since balance sheet 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. The Company has received a letter dated 12 March 2014 from the above parties requesting an apology for certain public statements. No liability is anticipated from this event by the Board.

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

Grant Thornton

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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 2014, the statement of profit or loss and other 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 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 2014 and of its performance for the year ended on that date; and

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

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(r) in the financial report which indicates that the Company incurred a net loss of $284,829 and cash outflows from operating activities and investing activities of $1,023,897 during the year ended 30 June 2014. 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.

GrantThornton

Report on the remuneration report

We have audited the remuneration report included in pages 9 to 12 of the directors' report for the year ended 30 June 2014. 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 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert

J W Vibert
Partner - Audit & Assurance

Perth, 30 September 2014

Shareholders and Optionholders Details
Substantial Shareholders at 25 September 2014 were:

Name	No. of Shares	% of Total
GRP Ltd	30,000,000	12.20
Peter Anthony Buttigieg	23,416,024	9.52
Mousseround LP, Tahithromos LLC, Ross Goodwin, New York, USA	17,620,000	7.16

Spread of Shareholders

			No. of Holders	No. of Shares	% of Total
1	-	1,000	27	1,763	0.0
1,001	-	5,000	19	70,426	0.02
5,001	-	10,000	74	677,424	0.28
10,001	-	100,000	428	19,331,818	7.86
100,001	-	and above	268	225,894,488	91.84
			816	**245,975,919**	**100.00**

Spread of Optionholders

			No. of Holders	No. of Shares	% of Total
100,001	-	and above	1	15,000,000	100.00
			1	**15,000,000**	**100.00**

Top 20 Shareholders

Name	No. of Shares	% of Total
UOB Kay Hian Private Ltd	31,600,000	12.85
HSBC Custody Nominees Aust	17,620,000	7.16
RMS Aust Pty Ltd	14,925,000	6.07
Resource Surveys Pty Ltd	7,500,000	3.05
HSBC Custody Nom Aust Ltd	4,905,000	1.99
Buttigieg Xavier William	4,367,833	1.78
Leech Kim Michelle	3,521,000	1.43
P & J Super Pty Ltd	3,250,000	1.32
Buttigieg Peter A & JL	3,250,000	1.32
Sutton Craig John	3,195,000	1.30
Gramazio Frank & L F	3,166,452	1.29
Little Gary William	3,153,708	1.28
Citicorp Nominees Pty Ltd	3,000,000	1.22
Sanarra Pty Ltd	3,000,000	1.22
Leibenatus Stefan	2,315,428	0.94
Klose Mark James & B A	2,295,000	0.93
Sempre Fidelis Pty Ltd	2,280,000	0.93
Lock Jason Andrew	2,099,558	.85
Liu Gen Cao	2,000,000	.81
Leet Investments Pty Ltd	2,000,000	.81
	119,443,979	**48.56**

Top 20 Optionholders

Name	No. of Options	% of Total
Resource Surveys Pty Ltd	15,000,000	100.00

Annual Resources Summary at 25 September 2014:

Resource Summary at cut off of 0.5 g/t gold applied to potential open pit (OP) mineable resources and 3.0 g/t for the underground (UG) mineable resources.

Domain	Cutoff	Indicated			Inferred			Indicated + Inferred		
		Tonnes	Gold		Tonnes	Gold		Tonnes	Gold	
	(g/t)	(t)	(g/t)	(oz)	(t)	(g/t)	(oz)	(t)	(g/t)	(oz)
OP	0.5	13,910,000	1.21	542,000	11,520,000	1.00	369,000	25,430,000	1.12	911,000
UG (Primary)	3.0	2,480,000	4.47	357,000	830,000	4.79	128,000	3,310,000	4.55	485,000
TOTAL		**16,490,000**	**1.70**	**899,000**	**12,350,000**	**1.26**	**497,000**	**28,740,000**	**1.52**	**1,396,000**

Governance and internal controls

Aphrodite maintains strong QAQC controls across all resource related work.

Resource drilling is Reverse Circulation drilling sampled every 1m. Samples are dispatched to Genalysis Kalgoorlie, where they are dried, weighed and pulverised before being sent to the Interket facility in Perth. QAQC Samples are inserted into the sample stream at a ratio of 1 every 20 samples. These include standard reference material from GeoStats Pty Ltd, coarse blank material and duplicate field samples. Intertek Pert run internal QQC samples reported with each batch. Umpire Assays are run at Bureau Veritas Ultra Trace Perth. Pulp grind size tests have also been run. All QAQC and Umpire Assay Data have been reviewed by Tetra Tech.

All drilling is DGPS collar surveyed. Downhole surveys are made at intervals of 50m using a Gyro.

All drilling is logged in details to describe lithology, alteration, structure and mineralogy.

All data is imported into the master database by Aphrodite Gold Ltd using Datashed and SWL. Data validation checks are completed by Aphrodite Gold Ltd and then verified by Tetra Tech before resource modelling.

Resource estimates were calculated by Tetra Tech and reported under JORC 2012.

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.

Schedule of Tenements at 25 September 2014:

Project	JV Partner	Status	Tenement	Annual Expenditure	Interest Held by Aphrodite Gold Ltd
Aphrodite		Granted	M24/720	$99,600	100%
		Granted	M24/779	$94,400	
		Granted	M24/649	$18,100	
		Granted	M24/681	$44,700	
		Granted	E24/186	$20,000	
		Granted	L24/204	N/A	
		Granted	L29/114	N/A	
		Granted	L29/115	N/A	
		Pending	L24/217	N/A	
	Dalrymple	Granted	M24/662	$36,400	70%