



**APHRODITE**  
Gold Limited

# HALF-YEAR REPORT

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

*This Half-Year Report should be read in conjunction with the Company's  
Annual Report for the year ended 30 June 2014*

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## Corporate Information

This Report covers the activities of Aphrodite Gold Limited ('the Company') for the half-year ended 31 December 2014. The Company's functional and presentation currency is Australian Dollars (AUD). A review of the Company's principal activities and operations is included in the Directors' Report at Page 3.

The Directors' Report is unaudited and does not form part of this Financial Report.

### REGISTERED AND CORPORATE OFFICE

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

### DIRECTORS

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

### ACTING CHIEF EXECUTIVE OFFICER

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

### COMPANY SECRETARY

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

### AUDITOR

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

### WEB SITE

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

# Directors' Report

Your Directors are pleased to submit their Report for the half-year ended 31 December 2014.

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

Peter Buttigieg  
Roger Mitchell  
Paul Buttigieg  
Angus Middleton

## PRINCIPAL ACTIVITIES

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

## REVIEW OF OPERATIONS

The Board is pleased to report that the recently completed drilling program has confirmed the probability of gold mineralisation extending at depth and along strike at its Aphrodite Gold Project. The program has improved the understanding of the geology of the mineralisation and as a consequence the prospect of increasing the resource.

During the half year the Company was pleased to announce the appointment of Mr Ed Eshuys as a Consultant to the Board. Mr Eshuys is a well-known and respected geologist and industry professional, he has led the recommencement of the drilling program and the ongoing review of the core samples taken. His work and advice has enhanced the project and the Board looks forward to his further contributions.

The Aphrodite Gold Project with its existing 1.4 million oz gold resource is suitable for a range of future options, subject to economics including future gold price and exchange rates as follows :

- A full development of the resource with onsite production facilities;
- Production of concentrate for sale locally or overseas;
- Joint venture with owners of similar resource in the area;
- Sale of the project;
- Continued drilling to demonstrate that the resource is capable of being increased.

The Company is currently in a sound financial position with low fixed overheads and the recently announced fully underwritten rights issue is securing funding for ongoing operations. The Company continues to receive the support of the Chairman and his related entity RMS (Aust) Ltd. This affords the Company the time and resources needed to continue to evaluate these options and to participate as the exploration sector continues to rationalize.

## FINANCIAL RESULTS

For the half-year the Company recorded a net loss after tax of \$426,243 (2013: profit of \$906,624).

Exploration expenditure capitalised for the half-year period amounted to \$946,295 (2013: \$391,146).

## Directors' Report (cont.)

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

During the half-year under review:

- a) The Company drew down on a convertible note facility provided by RMS (Aust) Pty Ltd, a Company related to the Executive Chairman. This facility was previously disclosed in the 30 June 2014 annual report. The facility was drawn down to an amount of \$2,397,926 inclusive of accrued interest as at the end of the half-year.
- b) The Company issued 7,500,000 shares and 15,000,000 options as part compensation to Mr Ed Eshuys to act as consultant and advisor to the Company.
- c) The Shareholders in a General Meeting on 25<sup>th</sup> November 2014 approved the granting of 20,000,000 Incentive Options to the Directors and the Company Secretary.

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

## **SUBSEQUENT EVENTS**

On 13 March 2015, the Company announced that it will conduct a fully underwritten renounceable rights issue to Shareholders on the basis of 3 new shares for every 7 shares held at the record date at 0.7 cents per new share to raise approximately \$738,000 before costs. The offer is fully underwritten by RMS (Aust) Pty Ltd.

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

## **AUDITOR'S INDEPENDENCE DECLARATION**

The Auditor's Independence Declaration is set out on the following pages and forms part of the Directors' Report for the half-year ended 31 December 2014.

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



**PETER BUTTIGIEG  
EXECUTIVE CHAIRMAN**

**Dated at Melbourne this 16th day of March 2015**

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Aphrodite Gold Limited for the half-year ended 31 December 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M J Hillgrove  
Partner - Audit & Assurance

Perth, 16 March 2015

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# Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31 Dec 2014 \$	31 Dec 2013 \$
<b>REVENUE</b>			
Research and development refund		-	1,764,942
Interest received		23	412
<b>TOTAL INCOME</b>		<b>23</b>	<b>1,765,354</b>
<b>EXPENSES</b>			
Employees benefits expenses		-	63,449
Consultant and legal fees		109,927	631,680
Administration Service Fee		18,000	18,000
Director fees		18,000	13,750
Office rent		455	15,976
Filing and listing costs		22,965	20,181
Depreciation and fixed assets written off		15,033	14,857
Interest expense		84,618	47,685
Convertible note accretion expense	10	50,223	-
Impairment of exploration and evaluation		38,156	-
Other expenses		68,889	33,152
<b>TOTAL EXPENSES</b>		<b>426,266</b>	<b>858,730</b>
<b>NET PROFIT/(LOSS) BEFORE INCOME TAX</b>		<b>(426,243)</b>	<b>906,624</b>
<b>INCOME TAX</b>		-	-
<b>PROFIT/(LOSS) AFTER INCOME TAX</b>		<b>(426,243)</b>	<b>906,624</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD</b>		<b>(426,243)</b>	<b>906,624</b>
<b>Earnings per share attributable to ordinary equity holders:</b>			
Basic and diluted profit/(loss) per share (cents)		<b>(0.18)</b>	<b>0.38</b>

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

# Statement of Financial Position

AS AT 31 DECEMBER 2014

	Note	31 Dec 2014 \$	30 Jun 2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		17,897	333,035
Trade and other receivables		214,287	145,958
Other current assets		11,028	6,417
<b>Total Current Assets</b>		<b>243,212</b>	<b>485,410</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		91,424	103,042
Exploration and evaluation costs	8	24,127,605	23,181,310
<b>Total Non-Current Assets</b>		<b>24,219,029</b>	<b>23,284,352</b>
<b>TOTAL ASSETS</b>		<b>24,462,241</b>	<b>23,769,762</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		435,231	198,850
Provisions		-	-
Borrowings	10	2,325,286	-
<b>Total Current Liabilities</b>		<b>2,760,517</b>	<b>198,850</b>
<b>Non-Current Liabilities</b>			
Borrowings	10	2,500,000	4,052,433
<b>Total Non-Current Liabilities</b>		<b>2,500,000</b>	<b>4,052,433</b>
<b>TOTAL LIABILITIES</b>		<b>5,260,517</b>	<b>4,251,283</b>
<b>NET ASSETS</b>		<b>19,201,724</b>	<b>19,518,479</b>
<b>EQUITY</b>			
Issued capital	9	22,335,545	22,253,045
Convertible note reserve		168,029	141,041
Accumulated losses		(3,301,850)	(2,875,607)
<b>TOTAL EQUITY</b>		<b>19,201,724</b>	<b>19,518,479</b>

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



# Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Ordinary Issued Capital	Accumulated Losses	Convertible Note Reserve	Options Reserve	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2013</b>	<b>22,254,582</b>	<b>(3,413,968)</b>	-	<b>823,190</b>	<b>19,663,804</b>
Shares issued during the half-year	-	-	-	-	-
Comprehensive (loss) for the half-year	-	906,624	-	-	906,624
Transfer on expiry or lapsing of options	-	823,190	-	(823,190)	-
Capital raising costs	(1,537)	-	-	-	(1,537)
<b>Balance at 31 December 2013</b>	<b>22,253,045</b>	<b>(1,684,154)</b>	-	-	<b>20,568,891</b>
<b>Balance at 1 July 2014</b>	<b>22,253,045</b>	<b>(2,875,607)</b>	<b>141,041</b>	-	<b>19,518,479</b>
Shares issued during the half-year	82,500	-	-	-	82,500
Comprehensive income for the half-year	-	(426,243)	-	-	(426,243)
Equity component of convertible note	-	-	26,988	-	26,988
<b>Balance at 31 December 2014</b>	<b>22,335,545</b>	<b>(3,301,850)</b>	<b>168,029</b>	-	<b>19,201,724</b>

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

# Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 Dec 2014 \$	31 Dec 2013 \$
<b>Cash flows from operating activities</b>		
Research and development tax offset received	-	1,764,942
Interest received	23	412
Payments to suppliers and employees	(185,894)	(1,668,395)
<b>Cash flows provided by / (used in) operating activities</b>	<b>(185,871)</b>	<b>96,959</b>
<b>Cash flows from investing activities</b>		
Exploration and evaluation costs	(790,852)	(391,146)
Purchases of property, plant and equipment	(3,415)	-
<b>Cash flows (used in) investing activities</b>	<b>(794,267)</b>	<b>(391,146)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	-
Capital raising costs	-	(1,537)
Proceeds from borrowings	665,000	1,290,000
<b>Cash flows from financing activities</b>	<b>665,000</b>	<b>1,288,463</b>
<b>Net increase in cash and cash equivalents</b>	<b>(315,138)</b>	<b>994,276</b>
Cash and cash equivalents at the beginning of the half-year	333,035	68,469
<b>Cash and cash equivalents at the end of the half-year</b>	<b>17,897</b>	<b>1,062,745</b>

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

# Notes to the Financial Report

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### 1. BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

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

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

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

In the half year ended 31 December 2014, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2014.

It has been determined by the Company that, there is no material impact of the new and revised standards and interpretations on its business and therefore no change is necessary to the Company's accounting policies. The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

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

The half-year financial statements were approved by the Board of Directors on 16 March 2015.

#### **Estimates**

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's annual financial statements for the year ended 30 June 2014.

## Notes to the Financial Report (cont.)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### 2. GOING CONCERN

These interim financial statements for the half-year period have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the half-year, the Company incurred an operating loss of \$426,243 (2013: profit of \$906,625). Net cash outflow from operating activities were \$185,871 (2013: inflow of \$96,959). At reporting date the Company had current liabilities exceeding current assets by \$2,517,305 (2013: \$768,228).

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 due to the following reasons:

- The Company is developing its Aphrodite Gold Project towards production. The ability of the Company to develop the Aphrodite Gold Project is dependent upon the Company's ability to obtain further debt or equity funding. At a General Meeting of the Company on 13 January 2014 approved a \$2,500,000 convertible note facility with RMS (Aust) Pty Ltd, a related party to the Executive Chairman. The Company has been able to draw down on the facility to fund its ongoing operating requirements. The Company has drawn down \$2,190,000 of this facility at balance date. At balance date the Company 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 raisings during the current financial year following further evaluation of data from exploration completed during the half year.
- On 13 March 2015, the Company announced that it will conduct a fully underwritten renounceable rights issue to shareholders on the basis of 3 new shares for every 7 shares held at the record date at 0.7 cents per new share to raise approximately \$738,000 before costs. The offer is fully underwritten by RMS (Aust) Pty Ltd. The Directors are satisfied that the Company continues to receive the support of the Executive Chairman. In addition, the exploration expenditure commitments are discretionary and will be dependent on the Company's ability to raise further funds.

The Directors believe that the \$310,000 available under the Convertible Note facility and the funds raised from the underwritten rights issue will enable the Company to continue as a going concern.

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 realize its assets and extinguish its liabilities other than in the normal course of business and at amounts different from these stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

### 3. SEGMENT REPORTING

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

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

## Notes to the Financial Report (cont.)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### 4. EXPENDITURE COMMITMENTS

The Company has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Company. The minimum expenditure required has been fully disclosed in the Annual Financial Report for the year ending 30 June 2014.

### 5. EVENTS SUBSEQUENT TO REPORTING DATE

On 13 March 2015, the Company announced that it will conduct a fully underwritten renounceable rights issue to Shareholders on the basis of 3 new shares for every 7 shares held at the record date at 0.7 cents per new share to raise approximately \$738,000 before costs. The offer is fully underwritten by RMS (Aust) Pty Ltd.

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

### 6. RELATED PARTIES

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

- i) Administration fees totaling \$18,000 for the half year were payable to RMS (Aust) Pty Ltd, a related entity of the Executive Chairman Peter Buttigieg. In addition interest on the convertible note facility of \$84,618 has been accrued (refer to Note 9 for further details);
- ii) Directors fees of \$18,000 were paid to Independent Director Angus Middleton;
- iii) On 25<sup>th</sup> November 2014 the Shareholders in a General Meeting approved the granting of 16,000,000 Incentive Options to the Directors as follows :
  - a. Mr Roger Mitchell 6,000,000 Incentive Options;
  - b. Mr Peter Buttigieg 4,000,000 Incentive Options;
  - c. Mr Angus Middleton 3,000,000 Incentive Options; and
  - d. Mr Paul Buttigieg 3,000,000 Incentive Options.

Each Incentive Option is exercisable at \$0.025 on or before 31 July 2017. At the reporting date these options were valued at zero.

### 7. CONTINGENT LIABILITIES

The Board of Directors ceased the employment of former Directors Wayne Ryder and Leon Reisgys on 19th July 2013. On 20th September 2013, Wayne Ryder and Leon Reisgys filed proceedings in the Supreme Court of Western Australia for additional payments following the cessation of their employment. The Company's solicitors have advised that no further payments are owing beyond those already provided for in the financial books of the Company and the proceedings will be vigorously defended by the Company and counter claims have been filed by the Company. The Company has also been advised of a filing of proceedings for defamation in the Supreme Court of Western Australia on 23<sup>rd</sup> September 2014 by Wayne Ryder and Leon Reisgys against the Company and Peter Buttigieg. This filing has not yet been served on the Company. No liability of the Company is anticipated from this event by the Board.

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

## Notes to the Financial Report (cont.)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### 8. EXPLORATION AND EVALUATION

	Note	31 December 2014 \$	30 June 2014 \$
Exploration and evaluation asset - opening		23,181,310	23,309,166
Additions for the year		908,139	623,819
Impairment for the year		(38,156)	(751,675)
<b>Balance</b>		<b>24,127,605</b>	<b>23,181,310</b>

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.

During the reporting period the Company has added \$908,139 as part of its exploration program. It has written off \$38,156 worth of costs as they are deemed unrecoverable under AASB 6.

### 9. ISSUED CAPITAL

Movements in ordinary shares on issue	31 December 2014		30 June 2014	
	Number	\$	Number	\$
Balance at beginning of period	238,475,919	22,253,045	238,475,919	22,254,582
Issued during period	7,500,000	82,500	-	-
Costs of funds raised during period	-	-	-	(1,537)
<b>Balance at end of period</b>	<b>245,975,919</b>	<b>22,335,545</b>	<b>238,475,919</b>	<b>22,253,045</b>

  

Movements in options on issue	31 December 2014		30 June 2014	
	Number	\$	Number	\$
Balance at beginning of period	-	-	76,790,750	823,190
Issued during period	35,000,000	-	-	-
Expiring during the period	-	-	(76,790,750)	(823,190)
<b>Balance at end of period</b>	<b>35,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Report (cont.)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### 10. BORROWINGS

	Note	31 December 2014 \$	30 June 2014 \$
<b>CURRENT</b>			
Convertible note – debt portion	9(a)	2,325,286	-
		<b>2,325,286</b>	-
<b>NON-CURRENT</b>			
Convertible note – debt portion		-	1,552,433
Fair value of interest-free advance	9(b)	2,500,000	2,500,000
		<b>2,500,000</b>	<b>4,052,433</b>
<b>Total Borrowings</b>		<b>4,825,286</b>	<b>4,052,433</b>

- (a) 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, \$2,190,000 had been drawn down on the facility. \$168,029 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. The above loan will be settled by conversion of debt to shares when the loan becomes due and payable.

- (b) 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.

### 11. SHARE BASED PAYMENTS

During the reporting period the Company issued options to the following:

- 15,000,000 options as part compensation to Mr Ed Eshuys to act as consultant and advisor to the Company.
- 20,000,000 Incentive Options to the Directors and the Company Secretary as approved at the Company's annual general meeting on 25 November 2014.

The options issued during the period were valued using the Black-Scholes option valuation methodology with the following inputs:

Date Granted	Number of Options	Exercise Price	Expiry Date	Risk Free Rate	Volatility	Total Option Value
30 July 2014	15,000,000	2.5 cents	31 July 2017	2.25%	20%	\$0.00
25 November 2014	20,000,000	2.5 cents	31 July 2017	2.25%	20%	\$0.00

## Directors' Declaration

In the opinion of the Directors of Aphrodite Gold Limited:

1. the financial statements and notes, as set out on pages 6 to 14, are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the financial position of the Company as at 31 December 2014 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporation Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a Resolution of the Directors.



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

**Dated at Melbourne this 16th day of March 2014**



Level 1  
10 Kings Park Road  
West Perth WA 6005

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

We have reviewed the accompanying half-year financial report of Aphrodite Gold Limited (“the Company”), which comprises of the statement of profit or loss and other comprehensive income statement, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration for the half year ended 31 December 2014.

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

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

### **Auditor’s responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company’s financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**Independence**

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

**Conclusion**

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

- a giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**Material uncertainty regarding Going Concern**

Without qualification to the conclusion expressed above, we draw attention to Note 2 of the financial statements which states that during the half year period the Company incurred an operating loss of \$426,243 and net cash outflows from operating activities was \$185,871. In addition the Company's current liabilities exceed its current assets by \$2,517,305. These conditions, along with other matters as set forth in Note 2 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M J Hillgrove  
Partner - Audit & Assurance

Perth, 16 March 2015