



**APHRODITE**  
Gold Limited

## HALF-YEAR REPORT

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

*This Half-Year Report should be read in conjunction with the Company's Annual Report for the year ended 30 June 2015*

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# Corporate Information

This Report covers the activities of Aphrodite Gold Limited ('the Company') for the half-year ended 31 December 2015. 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  
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[peter@aphroditegold.com.au](mailto:peter@aphroditegold.com.au)

## COMPANY SECRETARY

Michael Beer B Bus (Acctcy), FCA, ACIS  
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[michael@aphroditegold.com.au](mailto: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 2015.

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 has been pleased to have recently released the report by independent mining consultants Entech Pty Ltd on the potential to develop an initial open pit mining operation based on the oxide/supergene and transition resources of the Aphrodite deposit. The improvement in the Australian dollar gold price together with the lower cost environment provided the Company's technical consultant and the Board with the encouragement to commission the scoping study into the first of an integrated three stage development plan for the Aphrodite deposit.

The results have given the Board confidence over the feasibility of the initial stage where the time to gold production can potentially occur within 7 months of the commencement of operations and a recovery of 54,000 ounces over a production schedule of 18 months.

The results of the Entech study are to be integrated with the results of the earlier scoping study completed in 2012 that had focused on the underground development of the refractory gold mineralization at depth. The Company has confidence that capital outlays, both initial and over time will be lower than previously believed and combining the two studies will arrive at a prefeasibility study that will incorporate both the oxide/supergene and transition zone with open pit and underground mining and processing of the refractory mineralization.

The company will consider additional drilling and test work to achieve a better understanding of the gold grades and the metallurgical recovery of the transition zone to further improve the mining costs.

The Company is currently in a sound financial position with low fixed overheads. 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.

The Company continues to note that the current mineral resource of 1.4M ounces of gold extends to a depth of approximately 350 meters below surface. However, the depth potential below 350 meters below surface remains available for further testing to determine whether the mineral resource can be substantially larger and higher grade at depth

## **FINANCIAL RESULTS**

For the half-year the Company recorded a net profit after tax of \$29,963 (2014: loss after tax of \$426,243).

Exploration expenditure capitalised for the half-year period amounted to \$406,573 (2014: \$946,295).

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

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

During the half-year under review:

The Company issued 7,500,000 shares as part compensation to Mr Ed Eshuys to act as consultant and advisor to the Company.

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

## **SUBSEQUENT EVENTS**

On 8<sup>th</sup> March 2016 the Company announced the placement of 9,804,663 ordinary shares to a party related to the Company's technical consultant Mr Eduard Eshuys. This was part of a revised compensation package and covered the period up to 31 December 2015. On 29<sup>th</sup> February 2016 the Company released the results of a scoping study from independent mining consultants Entech Pty Ltd. With the exception of the placement and the scoping study release 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 2015.

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



**PETER BUTTIGIEG  
EXECUTIVE CHAIRMAN**

Dated at Melbourne this 15th day of March 2016

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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 2015, 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, 15 March 2016

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# Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

|  | Note | 31 Dec<br>2015<br>\$ | 31 Dec<br>2014<br>\$ |
|--|------|----------------------|----------------------|
| <b>REVENUE</b>   |      |                      |                      |
| Interest received  |      | 2,844                | 23                   |
| <b>TOTAL INCOME</b>  |      | <b>2,844</b>         | <b>23</b>            |
| <b>EXPENSES</b>  |      |                      |                      |
| Consultant and professional fees                                   |      | 123,796              | 74,242               |
| Legal fees   |      | 54,942               | 68,377               |
| Administration service fee   |      | 18,000               | 18,000               |
| Director fees  |      | 18,000               | 18,000               |
| Office rent  |      | -                    | 455                  |
| Filing and listing costs   |      | 11,342               | 22,965               |
| Depreciation and fixed assets written off                          |      | 11,838               | 15,033               |
| Interest expense   |      | 273                  | 84,618               |
| Convertible note accretion expense                                 |      | -                    | 50,223               |
| Impairment of exploration and evaluation                           |      | -                    | 38,156               |
| Other expenses   |      | 29,956               | 36,652               |
| <b>TOTAL EXPENSES</b>  |      | <b>268,147</b>       | <b>426,266</b>       |
| <b>NET LOSS BEFORE INCOME TAX</b>                                  |      | <b>(265,303)</b>     | <b>(426,243)</b>     |
| <b>INCOME TAX BENEFIT</b>  |      | <b>295,266</b>       | <b>-</b>             |
| <b>PROFIT / (LOSS) AFTER INCOME TAX</b>                            |      | <b>29,963</b>        | <b>(426,243)</b>     |
| <b>OTHER COMPREHENSIVE INCOME</b>                                  |      | <b>-</b>             | <b>-</b>             |
| <b>TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD</b>          |      | <b>29,963</b>        | <b>(426,243)</b>     |
| <b>Earnings per share attributable to ordinary equity holders:</b> |      |                      |                      |
| Basic and diluted profit / (loss) per share (cents)                |      | <b>0.01</b>          | <b>(0.18)</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 2015

|                                      | Note | 31 Dec<br>2015<br>\$ | 30 Jun<br>2015<br>\$ |
|--------------------------------------|------|----------------------|----------------------|
| <b>ASSETS</b>                        |      |                      |                      |
| <b>Current Assets</b>                |      |                      |                      |
| Cash and cash equivalents            |      | 117,931              | 104,351              |
| Trade and other receivables          |      | 9,454                | 127,073              |
| Other current assets                 |      | 3,979                | 3,979                |
| <b>Total Current Assets</b>          |      | <b>131,364</b>       | <b>235,403</b>       |
| <b>Non-Current Assets</b>            |      |                      |                      |
| Property, plant and equipment        |      | 65,673               | 77,511               |
| Exploration and evaluation costs     | 8    | 24,787,742           | 24,381,169           |
| <b>Total Non-Current Assets</b>      |      | <b>24,853,415</b>    | <b>24,458,680</b>    |
| <b>TOTAL ASSETS</b>                  |      | <b>24,984,779</b>    | <b>24,694,083</b>    |
| <b>LIABILITIES</b>                   |      |                      |                      |
| <b>Current Liabilities</b>           |      |                      |                      |
| Trade and other payables             | 11   | 176,463              | 89,980               |
| Borrowings                           | 10   | 100,000              | -                    |
| <b>Total Current Liabilities</b>     |      | <b>276,463</b>       | <b>89,980</b>        |
| <b>Non-Current Liabilities</b>       |      |                      |                      |
| Borrowings                           | 10   | 2,500,000            | 2,500,000            |
| <b>Total Non-Current Liabilities</b> |      | <b>2,500,000</b>     | <b>2,500,000</b>     |
| <b>TOTAL LIABILITIES</b>             |      | <b>2,776,463</b>     | <b>2,589,980</b>     |
| <b>NET ASSETS</b>                    |      | <b>22,208,316</b>    | <b>22,104,103</b>    |
| <b>EQUITY</b>                        |      |                      |                      |
| Issued capital                       | 9    | 25,647,723           | 25,573,473           |
| Options reserve                      |      | -                    | -                    |
| Accumulated losses                   |      | (3,439,407)          | (3,469,370)          |
| <b>TOTAL EQUITY</b>                  |      | <b>22,208,316</b>    | <b>22,104,103</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 2015**

|  | Ordinary<br>Issued<br>Capital | Accumulated<br>Losses  | Convertible<br>Note<br>Reserve | Total                 |
|--|-------------------------------|------------------------|--------------------------------|-----------------------|
|  | \$                            | \$                     | \$                             | \$                    |
| <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>     |
| <br><b>Balance at 1 July 2015</b>      | <br><b>25,573,473</b>         | <br><b>(3,469,370)</b> | <br>-                          | <br><b>22,104,103</b> |
| Shares issued during the half-year     | 74,250                        | -                      | -                              | 74,250                |
| Comprehensive income for the half-year | -                             | 29,963                 | -                              | 29,963                |
| <b>Balance at 31 December 2015</b>     | <b>25,647,723</b>             | <b>(3,439,407)</b>     | <b>-</b>                       | <b>22,208,316</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 2015

|  | 31 Dec<br>2015<br>\$ | 31 Dec<br>2014<br>\$ |
|--|----------------------|----------------------|
| <b>Cash flows from operating activities</b>                    |                      |                      |
| Research and development tax offset received                   | 295,266              | -                    |
| Interest received  | 2,844                | 23                   |
| Payments to suppliers and employees                            | (132,207)            | (185,894)            |
| <b>Cash flows provided by / (used in) operating activities</b> | <b>165,903</b>       | <b>(185,871)</b>     |
| <b>Cash flows from investing activities</b>                    |                      |                      |
| Exploration and evaluation costs                               | (252,323)            | (790,852)            |
| Purchases of property, plant and equipment                     | -                    | (3,415)              |
| <b>Cash flows (used in) investing activities</b>               | <b>(252,323)</b>     | <b>(794,267)</b>     |
| <b>Cash flows from financing activities</b>                    |                      |                      |
| Proceeds from borrowings                                       | 100,000              | 665,000              |
| <b>Cash flows from financing activities</b>                    | <b>100,000</b>       | <b>665,000</b>       |
| <b>Net increase in cash and cash equivalents</b>               | <b>13,580</b>        | <b>(315,138)</b>     |
| Cash and cash equivalents at the beginning of the half-year    | 104,351              | 333,035              |
| <b>Cash and cash equivalents at the end of the half-year</b>   | <b>117,931</b>       | <b>17,897</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 2015**

### **1. BASIS OF PREPARATION**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 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 2015, 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 2015.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) that are relevant to its operations and effective for the current half year reporting period. These include:

- Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part C: Financial Instruments)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
- AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent

The adoption of all of the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has had no effect on the amounts reporting for the current or prior periods.

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 2015. 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 15 March 2016.

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

**FOR THE HALF-YEAR ENDED 31 DECEMBER 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 2015.

## **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 profit of \$29,963 (2014: loss after tax of \$426,243). Net cash inflow from operating activities were \$165,903 (2014: outflow of \$185,871). At reporting date the Company had current liabilities exceeding current assets by \$145,099 (30 June 2015: current assets exceeded current liabilities by \$145,423).

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. 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 for the following reasons:

- The Company is in the process of lodging a Research & Development claim of \$444,683. These funds are expected to be received in April 2016. The Company continues to be eligible for further grants including those in respect of the expenditure incurred in the year ended 30 June 2016;
- The Company is able to settle some of its liabilities via the issuing of the shares. Refer to Note 11 for further detail;
- The Directors are satisfied that the Company continues to receive the support of the Executive Chairman and should the Company need this year to raise additional funds, it will again be underwritten by RMS (Aust) Pty Ltd; and
- The exploration expenditure commitments are discretionary and will be dependent on the Company's ability to raise further funds.

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 those 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 2015**

### **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 ended 30 June 2015.

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

On 8<sup>th</sup> March 2016 the Company announced the placement of 9,804,663 ordinary shares to a party related to the Company's technical consultant Mr Eduard Eshuys. This was part of a revised compensation package and covered the period up to 31 December 2015. On 29<sup>th</sup> February 2016 the Company released the results of a scoping study from independent mining consultants Entech Pty Ltd. With the exception of the placement and the scoping study release 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 expensed to RMS (Aust) Pty Ltd, a related entity of the Executive Chairman Peter Buttigieg. At 31 December 2015 a total of \$27,000 (30 June 2015: \$9,000) is accrued as payable to RMS (Aust) Pty Ltd; and
- ii) Directors fees of \$18,000 were paid to Independent Director Angus Middleton.

As disclosed in Note 10, during the reporting period, the Company received an interest free advance from RMS (Aust) Pty Ltd of \$100,000. Refer to the note for further details.

### **7. CONTINGENT LIABILITIES**

The Board of Directors ceased the employment of Directors Wayne Ryder and Leon Reisgys on 19<sup>th</sup> 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.

# Notes to the Financial Report (cont.)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

## 8. EXPLORATION AND EVALUATION

|  | Note | 31 December<br>2015 | 30 June<br>2015   |
|--|------|---------------------|-------------------|
|  |      | \$                  | \$                |
| Exploration and evaluation asset - opening |      | 24,381,169          | 23,181,310        |
| Additions for the year                     |      | 406,573             | 1,219,613         |
| Impairment for the year                    |      | -                   | (19,754)          |
| <b>Balance</b>                             |      | <b>24,787,742</b>   | <b>24,381,169</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 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 \$406,573 as part of its exploration program.

## 9. ISSUED CAPITAL

| <b>Movements in ordinary shares on issue</b> | <b>31 December 2015</b> |                   | <b>30 June 2015</b> |                   |
|--|-------------------------|-------------------|---------------------|-------------------|
|  | <b>Number</b>           | <b>\$</b>         | <b>Number</b>       | <b>\$</b>         |
| Balance at beginning of period               | 451,394,170             | 25,573,473        | 238,475,919         | 22,253,045        |
| Placement during period                      | 7,500,000               | 74,250            | 7,500,000           | 82,500            |
| Rights Issue                                 |                         |                   | 105,418,251         | 737,928           |
| Placement: Convertible Note                  |                         |                   | 100,000,000         | 2,500,000         |
| Costs of funds raised during period          | -                       | -                 | -                   | -                 |
| <b>Balance at end of period</b>              | <b>458,894,170</b>      | <b>25,647,723</b> | <b>451,394,170</b>  | <b>25,573,473</b> |
| <b>Movements in options on issue</b>         | <b>31 December 2015</b> |                   | <b>30 June 2015</b> |                   |
|  | <b>Number</b>           | <b>\$</b>         | <b>Number</b>       | <b>\$</b>         |
| Balance at beginning of period               | 35,000,000              | -                 | -                   | -                 |
| Issued during period                         | -                       | -                 | 35,000,000          | -                 |
| Expiring during the period                   | -                       | -                 | -                   | -                 |
| <b>Balance at end of period</b>              | <b>35,000,000</b>       |                   | <b>35,000,000</b>   |                   |

## Notes to the Financial Report (cont.)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

### 10. BORROWINGS

|                                     | Note | 31 December<br>2015 | 30 June<br>2015  |
|-------------------------------------|------|---------------------|------------------|
|                                     |      | \$                  | \$               |
| <b>CURRENT</b>                      |      |                     |                  |
| Fair value of interest-free advance | 9(a) | 100,000             | -                |
|                                     |      | <b>100,000</b>      | <b>-</b>         |
| <b>NON-CURRENT</b>                  |      |                     |                  |
| Fair value of interest-free advance | 9(b) | 2,500,000           | 2,500,000        |
|                                     |      | <b>2,500,000</b>    | <b>2,500,000</b> |
| <b>Total Borrowings</b>             |      | <b>2,600,000</b>    | <b>2,500,000</b> |

- (a) The Company received an interest free advance of \$100,000 from RMS (Aust) Pty Ltd a related party to the Executive Chairman. The advance requires no repayment until the Company receives the Research & Development claim of \$444,683 from the Australian Tax Office.
- (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. TRADE AND OTHER PAYABLES

|                 | Note | 31 December<br>2015 | 30 June<br>2015 |
|-----------------|------|---------------------|-----------------|
|                 |      | \$                  | \$              |
| Trade creditors |      |                     |                 |
| Accruals        | (a)  | 40,107              | 54,748          |
| PAYG            |      | 136,356             | 34,000          |
|                 |      | -                   | 1,232           |
|                 |      | <b>176,463</b>      | <b>89,980</b>   |

- (a) Included in accruals at period end is amounts owing to RMS (Aust) Pty Ltd for administration and secretarial fees, as well as \$80,000 to a consultant of the Company. The \$80,000 has been settled by the issuing of shares post year end. Refer to Note 5.

## **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 2015 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 15th day of March 2016**



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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 the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration.

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

The directors of the Company 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 2015 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 2015 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 profit after tax of the Company was \$29,963, cash inflow from operating activities was \$165,903 and the Company's current liabilities exceed its current assets by \$145,099 at the reporting date. 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, 15 March 2016