



APHRODITE
Gold Limited

ANNUAL REPORT 2016

TABLE OF CONTENTS

CORPORATE DIRECTORY.....	3
EXECUTIVE CHAIRMAN'S REVIEW.....	4
DIRECTORS' REPORT.....	6
AUDITOR'S INDEPENDENCE DECLARATION.....	17
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	18
STATEMENT OF FINANCIAL POSITION.....	19
STATEMENT OF CASH FLOWS.....	20
STATEMENT OF CHANGES IN EQUITY.....	21
NOTES TO THE FINANCIAL STATEMENTS.....	22
DIRECTORS' DECLARATION.....	42
INDEPENDENT AUDITOR'S REPORT.....	43
SHAREHOLDERS AND OPTIONHOLDERS DETAILS.....	46
ANNUAL RESOURCES STATEMENT	48
SCHEDULE OF TENEMENTS	49

APHRODITE GOLD LIMITED

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, AGIA
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

Review of Operations

Entech Study

During the year ending 30 June 2016, Aphrodite Gold Limited (Aphrodite or the Company) proceeded with the engagement of a Mining Services firm to complete a desk top study to assess the commercial viability of an open pit mining operation of the supergene/oxide and transition mineralisation. The firm, Entech Pty Ltd produced a scoping study as the first component of a proposed three stage development of Aphrodite.

Entech was provided with the existing resource model (completed on 12th June 2013) of 28.7 Mt averaging 1.5 g/t Au for a total of 1.4M ounces in JORC compliant Indicated (898,000 oz.) and Inferred (498,000 oz.) Resource categories as previously advised

The Entech Study concluded that a first stage open pit production target of 1.1 million tonnes at 1.6g/t for 54,000 of recoverable gold ounces, from 1.06Mt @ 1.66g/t Au of Indicated resources (99%) and 9,193t @ 1.78g/t Au of Inferred resources (1%) was achievable. Mining production activity would occur over a 17-month period from the commencement of overburden removal. The estimated capital cost for the pre strip mining is \$15M. The processing of the mineralised material according to the Entech study would then occur over a subsequent 10-month period.

The total cash operating cost identified by the Entech study was A\$1,100 per ounce including state government and the Franco-Nevada royalties of 2.5% each respectively and all pre-strip and establishment costs of A\$15M of capital referred to above.

Prefeasibility and drill program

Following on from the positive Entech study, including the lower cost environment, together with the sustained recovery of the Australian gold price has given the Company confidence to proceed to a prefeasibility study of an integrated, 3 stage development incorporating the open pit and underground mining and processing of the refractory component of the Aphrodite gold resource.

The Board approved a Pre-feasibility and exploration drill program for an expenditure of \$2.1 million. Resource infill drilling of 3,000 meters will focus on the distribution of gold within the oxide/supergene and transition zone reviewed by Entech. LeachWell/Bottle Roll metallurgical test work is to be carried out to identify the metallurgical boundaries between the oxide, transition and primary mineralisation.

Metallurgical drilling totalling 1,300 meters will focus on the gold recovery within the oxide and transitional zone and include some additional test work on the primary sulphide mineralisation. Geotechnical drilling of 405 meters will assist with cost estimates of mining the overburden and confirm the overall open pit wall angles.

In addition, exploration drilling over 300 meters north of the current resource estimate totalling 3 holes for 1,500 meters is to be carried out.

This prefeasibility program commenced mid-August 2016.

Capital raising

The year ended with a successful capital raising to institutional and professional investors which raised \$1.99M and was followed by in the new financial year with \$2.45M raising from existing shareholders through a share purchase plan.

I welcome the new shareholders and thank the existing shareholders for participating in the share purchase plan which will give the company the opportunity to properly evaluate the Aphrodite resource. The activity recently completed and currently underway has the potential to allow the Company to commence a definitive feasibility study this current financial year as well as to explore for additional resources particularly along strike to the north.

The Company's tenements are in good standing and the Company has continuing rights to explore these tenements for a further 12 to 13 years.

Financial Results

During the period, the Company capitalised exploration and evaluation costs totalling \$652,320 (2015: \$1,219,613) with no exploration write-downs (2015: \$19,754). Total capitalised costs in respect to the exploration and evaluation asset at 30 June 2016 are \$25,033,489 (2015: \$24,381,169).

Total comprehensive profit after income tax for the year was \$175,095 (2015: loss of \$768,201).

Financial Position

The Board is thankful for the support of subscribers to the June 2016 placement that raised \$1,993,459 and existing shareholders who participated in the share placement plan that raised \$2,451,500, post year end. These capital raisings provide sufficient cash flow to maintain the Company through the current prefeasibility and drilling program and at its current operating base beyond the current financial year.

Further capital raisings may be required as and when further drilling or field work is required.

The Company continues to report positive working capital position and all creditors are up to date.

Close

On behalf of the Company, I would like to thank my fellow Directors, contractors and consultants that have worked on the Project during the year. Their collective efforts have further enhanced the value of the project and the Company is well positioned to gain the maximum value for shareholders.

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. E. Eshuys. Mr. Eshuys holds a B.Sc. University of Tasmania, is a Fellow of The Australasian Institute of Mining And Metallurgy and has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which is being undertaken 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. Eshuys 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 ("the Company") for the year ended 30 June 2016.

Currency

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

Directors

The following persons were Directors 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. This Company operates world-wide in property management and reservations management systems supporting the hospitality industry.

Mr Buttigieg has continued as Executive Chairman and Acting CEO of the Company, and has demonstrated his belief in Aphrodite and the Aphrodite Gold Project from the early days by progressively increasing his shareholding, and through RMS (Aust) Pty Ltd, a company in which he has an interest has previously provided a convertible note facility at a critical time for the Company. Mr Buttigieg is now the largest shareholder.

Mr Buttigieg continues to spend time working closely with staff and consultants to further progress the Pre-Feasibility study for the Aphrodite Gold Project.

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:	203,868,132
Number of Options held directly and indirectly:	4,000,000

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:	789,474
Number of Options held directly and indirectly:	6,000,000

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:	4,069,474
Number of Options held directly and indirectly:	3,000,000

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:	Nil
Number of Options held directly and indirectly:	3,000,000

Options

At the date of this Report, there are 75 million unissued ordinary shares of the Company under option. 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. These options are exercisable at \$0.025 on or before 31 July 2017. 20 million options were approved by a General meeting of shareholders on 25 November 2014 and were issued on 8 December 2014. These options are exercisable at \$0.025 on or before 31 July 2017. 40 million options were approved by a General meeting of shareholders on 18 August 2016 and were issued on 19 August 2016 as part of a brokerage fee package for the share placement in June 2016. The options are exercisable at \$0.04 on or before 19 August 2019.

During the year ended 30 June 2016 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 profit after income tax and other comprehensive income for the year ended 30 June 2016 was \$175,095 (2015: Loss of \$768,201).

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 studies 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 2016; and
- b) no dividends or distributions were recommended or declared for payment to members, but not paid, during the year ended 30 June 2016.

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.

DIRECTORS' REPORT (continued)

Matters Subsequent to the Reporting Date

Post year end, on 22 August 2016, the Company issued 128,973,726 new ordinary shares as part of a Share Purchase Plan which raised \$2,451,500.

The Company announced on 19 August 2016 that it had issued 1,700,000 new ordinary shares and 40,000,000 unlisted options which will expire on 19 August 2019.

On 15 September 2016, the Company issued 4,483,874 ordinary shares to Mr Eshuys in consideration for services to the Company.

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

Likely Developments and Expected Results of Operations

The Company announced on 11 August 2016 that it had recommenced a Pre-Feasibility Study focussing on the oxide, supergene and transition mineralisation within the Company's resource. The drilling is now well underway. Excellent core recovery to date means there will be reliable samples on which assays and geotechnical testing and metallurgical testing can be carried out. In addition, the current program of drilling includes several exploration drill holes to test the strike and depth extent of previous drilling at Phi North, some 300m north of the current designed open pit and the Company's JORC compliant resource. 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	7	7
Roger Mitchell	7	7
Paul Buttigieg	7	7
Angus Middleton	7	7

The Company's Audit and Risk Management Committee met during the year 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.

DIRECTORS' REPORT (continued)

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 (Director)
- Roger Mitchell (Director)
- Paul Buttigieg (Director)
- Angus Middleton (Director)
- Eduard Eshuys (Consultant)

The Company had no Employee Option Plan in place during the financial year. The Directors and key management personnel have been issued with 31 million options exercisable at \$0.025 on or before 31 July 2017. No 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 do not receive compensation payments that are subject to a superannuation guarantee contribution required by the government, which is currently 9.5%, 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.

Voting and Comments made at the Company's 2015 Annual General Meeting ("AGM")

The Company did not receive a "no vote" of 25% or more on its remuneration report at its 2015 AGM.

Use of Remuneration Consultants

The Company did not make use of any external remuneration consultants during this reporting period or up to the date of this financial report.

DIRECTORS' REPORT (continued)

Remuneration Report (Audited)

Compensation of Key Management Personnel for the year ended 30 June 2016

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

2016	Short Term benefits		Post Employment Benefits		
	Salary and Fees \$	Non monetary benefits \$	Superannuation \$	Share Based Payments \$	Total \$
Peter Buttigieg	-	-	-	-	-
Roger Mitchell	-	-	-	-	-
Paul Buttigieg	-	-	-	-	-
Angus Middleton	36,000	-	-	-	36,000
Eduard Eshuys (a)	120,000	-	-	120,000	240,000
Total	156,000	-	-	120,000	276,000

(a) Mr Eshuys is currently remunerated under his consultancy agreement whereby he is paid \$10,000 a month in cash and a further \$10,000 per month in shares. During the reporting period he was issued 7,500,000 shares with a fair value of \$74,250. These shares were issued in consideration for his services in the previous reporting period. It is therefore not included in this year's remuneration. Additionally in this reporting period, he has been issued 9,804,663 shares with a fair value of \$80,000 for his services to the Company during May 2015 – December 2015. Accordingly \$60,000 has been recorded above and a further \$60,000 has been accrued for his services up to 30 June 2016. Shares were issued post year end to settle this accrual.

2015	Short Term benefits		Post Employment Benefits		
	Salary and Fees \$	Non monetary benefits \$	Superannuation \$	Share Based Payments \$	Total \$
Peter Buttigieg	-	-	-	-	-
Roger Mitchell	-	-	-	-	-
Paul Buttigieg	-	-	-	-	-
Angus Middleton	36,000	-	-	-	36,000
Total	36,000	-	-	-	36,000

No amounts were paid to Key Management Personnel during 2016 or 2015 which were the result of meeting performance conditions.

DIRECTORS' REPORT (continued)

Remuneration Report (Audited)

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

Employment Contracts

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

Shareholdings by Key Management Personnel

The number of ordinary shares held by each Key Management Personnel during the 2016 year was:

	Balance at 1 July 2015	Granted as remuneration during the year	Issued on exercise of options during the year	Acquired / (Sold)	Balance at 30 June 2016
Peter Buttigieg	203,078,658	-	-	-	203,078,658
Roger Mitchell	-	-	-	-	-
Paul Buttigieg	3,280,000	-	-	-	3,280,000
Angus Middleton	-	-	-	-	-
Eduard Eshuys	10,700,000	17,304,663		-	28,004,663
Total	217,058,658	17,304,663	-	-	234,363,321

Options Held by Key Management Personnel

Number of options held by KMP during the 2016 year was:

	Balance at 1 July 2015	Granted as remuneration during the year	Acquired	Expired without being exercised	Balance at 30 June 2016
Peter Buttigieg	4,000,000	-	-	-	4,000,000
Roger Mitchell	6,000,000	-	-	-	6,000,000
Paul Buttigieg	3,000,000	-	-	-	3,000,000
Angus Middleton	3,000,000	-	-	-	3,000,000
Eduard Eshuys	15,000,000	-	-	-	15,000,000
Total	31,000,000	-	-	-	31,000,000

Other KMP transactions

Post year end, the following Key Management Personnel participated in the Share Purchase Plan that concluded with the following shares issued on 19th August 2016:

KMP	# of Shares Acquired
Peter Buttigieg	789,474
Paul Buttigieg	789,474
Eduard Eshuys	789,474

Eduard Eshuys was issued with 4,483,874 shares on 15 September 2016 as part of his compensation package as Consultant and Technical Advisor to the Board.

DIRECTORS' REPORT (continued)

Remuneration Report (Audited)

Loan to KMP's

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

Other Information

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

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 plus three 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.
- through the chair, ensuring the company secretary is accountable directly to the Board, on all matters concerning the proper functioning of the Board.

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire year ended 30 June 2016.

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

Mr Peter Buttigieg continues as Executive Chairman. He has led the Company effectively and been the Company's strongest financial supporter since his appointment as a Director.

CORPORATE GOVERNANCE STATEMENT (Continued)

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.

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 members of the Audit and Risk Management Committee are Chair, Mr Angus Middleton, Independent Non-Executive Director, Mr Paul Buttigieg, Non-Executive Director and Mr Roger Mitchell, Non-Executive Director.

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.

CORPORATE GOVERNANCE STATEMENT (Continued)

The Board is satisfied from the annual declaration of the CEO and Chief Financial Officer, who have signed off in that regard, that all material business risks and financial reporting risks for the period have been managed effectively and that in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position of the company.

Code of Conduct

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

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

Performance Evaluation

A performance evaluation of the Board and all Board members was conducted by the Board for the period ended 30 June 2016. The Chairman also speaks to each Director individually regarding their role as a Director.

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

DIRECTORS REPORT (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 2016 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.

No fees were paid or payable to a related practice of Grant Thornton Audit Pty Ltd for non-audit services provided during the year.

Auditor's Independence Declaration

The Auditor's Independence Declaration for the period ended 30 June 2016 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 2016

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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 2016, 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 AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner - Audit & Assurance

Perth, 30 September 2016

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Other Income			
Interest income	3	3,051	59
Sale of shares in joint venture	3	-	50,000
Total Other Income		3,051	50,059
Expenses			
Employee benefits expenses		-	-
Depreciation		(23,676)	(28,946)
Financing expenses	4(b)	(273)	(270,789)
Impairment of exploration and evaluation		-	(19,754)
Other expenses	4(a)	(543,957)	(498,771)
Total Expenses		(567,906)	(818,260)
(Loss) before Income Tax		(564,855)	(768,201)
Income tax benefit	5	739,950	-
Profit / (Loss) for the year after Income Tax		175,095	(768,201)
Other Comprehensive Income		-	-
Total Comprehensive Profit / (Loss) for the year		175,095	(768,201)
Basic and diluted profit / (loss) per share (cents)	20	0.04	(0.29)

STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	7	1,993,679	104,351
Trade and other receivables	10	46,462	127,073
Other assets	11	3,979	3,979
Total Current Assets		2,044,120	235,403
Non-Current Assets			
Property, plant and equipment	14	53,835	77,511
Exploration and evaluation costs	15	25,033,489	24,381,169
Total Non-Current Assets		25,087,324	24,458,680
Total Assets		27,131,444	24,694,083
Current Liabilities			
Trade and other payables	12	277,443	89,980
Funds received in advance	12	32,300	-
Total Current Liabilities		309,743	89,980
Non-Current Liabilities			
Borrowings	13	2,500,000	2,500,000
Total Non-Current Liabilities		2,500,000	2,500,000
Total Liabilities		2,809,743	2,589,980
Net Assets		24,321,701	22,104,103
Equity			
Issued capital	16	27,615,976	25,573,473
Accumulated losses		(3,294,275)	(3,469,370)
Total Equity		24,321,701	22,104,103

The accompanying notes form part of the Financial Statements

STATEMENT OF CASH FLOWS
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Research and development refund		739,950	-
Payments to suppliers & employees		(375,729)	(586,317)
Interest income		3,051	59
Interest expense		(273)	(264,826)
Net cash provided by / (used in) operating activities	18	366,999	(851,084)
Cash flows from investing activities			
Exploration and evaluation costs capitalised		(438,070)	(1,137,113)
Sale of shares in joint venture		-	50,000
Purchases of property, plant and equipment		-	(3,415)
Net cash (used in) investing activities		(438,070)	(1,090,528)
Cash flows from financing activities			
Borrowings – convertible note		-	975,000
Proceeds from issue of shares		1,993,459	737,928
Share issue costs		(65,360)	-
Share subscription payments received in advance		32,300	-
Net cash provided by financing activities		1,960,399	1,712,928
Net increase / (decrease) in cash held		1,889,328	(228,684)
Cash and cash equivalents at beginning of year		104,351	333,035
Cash and cash equivalents at end of financial year	7	1,993,679	104,351

The accompanying notes form part of the Financial Statements

APHRODITE GOLD LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2016

2015	Issued Capital	Accumulated Losses	Convertible Note Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2014	22,253,045	(2,875,607)	141,041	19,518,479
Total comprehensive loss for the year		(768,201)		(768,201)
	22,253,045	(3,643,808)	141,041	18,750,278
Rights Issue	737,928	-	-	737,928
Conversion of convertible note liability in equity	2,500,000	-	-	2,500,000
Placement of shares	82,500	-	-	82,500
Equity component of convertible note	-	-	33,397	33,397
Reserve transfer at conversion of convertible note to equity	-	174,438	(174,438)	-
Balance at 30 June 2015	25,573,473	(3,469,370)	-	22,104,103
2016	Issued Capital	Accumulated Losses	Convertible Note Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2015	25,573,473	(3,469,370)	-	22,104,103
Total comprehensive profit for the year		175,095		175,095
	25,573,473	(3,294,275)	-	22,279,198
Share based payment	154,250	-	-	154,250
Placement of shares	1,993,469	-	-	1,993,469
Share issue costs	(105,206)	-	-	(105,206)
Balance at 30 June 2016	27,615,976	(3,294,275)	-	24,321,701

The accompanying notes form part of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

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 2016 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.

Note 1: Statement of Significant Accounting Policies (continued)

(a) Income Tax (continued)

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.

Amounts receivable from the Australian Taxation Office (“ATO”) in respect of the research and development concession claims are recognised as a tax benefit in the year in which the claim is lodged with the ATO.

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%

Note 1: Statement of Significant Accounting Policies (continued)

(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.

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.

Note 1: Statement of Significant Accounting Policies (continued)

(e) Financial Instruments

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.

(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.

Note 1: Statement of Significant Accounting Policies (continued)

(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 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.

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.

(m) Fair Value Estimation (continued)

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.

Note 1: Statement of Significant Accounting Policies (continued)

(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.

Key Judgments — Exploration and Evaluation Expenditure

The Company capitalises 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 the resource and 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 \$25,033,489 (2015: \$24,381,169).

(r) New and amended Standards adopted by the Company in this report

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 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)

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.

Note 1: Statement of Significant Accounting Policies (continued)

(s) 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 profit of \$175,095 (2015 Loss: \$768,201). Net cash outflow from operating and investing activities was \$71,071 (2015: \$1,941,612). At balance sheet date the Company had current assets exceeding current liabilities by \$1,734,377 (2015: \$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 are confident that the Company will be able to continue its operations into the foreseeable future for the following reasons:

- The Company has had two recent capital raisings. The first a share placement that raised \$1,993,459 in June 2016 and the second a Share Purchase Plan for existing shareholders that raised \$2,251,500, post year end (refer to Note 24). These funds are sufficient to cover the current Pre-Feasibility Study and drilling program expected to cost \$2.1 million and the remaining cash balance is more than sufficient to cover ongoing expenditure commitments beyond the current financial year.
- The Company received two Research & Development claims of \$295,266 and \$444,684 during the past financial year. The Company continues to be eligible for further grants including those in respect of the expenditure incurred in the year ended 30 June 2016, and as at the date of this report the 2016 claim cannot be quantified as the work has not yet commenced.
- The exploration expenditure commitments are discretionary in nature and will be dependent upon 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 realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from these stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

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

A number of new standards, amendments to standards and interpretations issued the AASB which are applicable to future reporting periods have been issued. The Company has not early adopted any of these standards or interpretations. The new and revised accounting standards and amendments that are currently issued for future reporting periods that are relevant to the Company are considered to be:

AASB 9	Financial Instruments
AASB 15	Revenue
AASB 16	Leases
AASB 1057	Application of Australian Accounting Standards
AASB 2014-4	Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
AASB 2014-10	Amendments to Australian Accounting Standards

The entity is yet to undertake a detailed assessment of the impact of any of these new standards, however, based on the entity's preliminary assessment, none of the Standards are expected to have a material impact on the transactions and balances recognised in the financial statements when they are first adopted for the years 1 January 2016 through to the year ending 30 June 2019.

Note 3: Other Income

	2016	2015
	\$	\$
Interest income	3,051	59
Sale of share in Joint Venture *	-	50,000
Other Income	3,051	50,059

* During the previous year, the Company sold its interest in the Scotia Joint Venture to Minotaur Exploration Limited for consideration of \$50,000.

Note 4: Expenses

	2016	2015
	\$	\$
(a) Other Expenses		
Accounting fees	50,080	49,122
Administration service fee	36,000	30,273
Consultants fees	222,551	73,603
Legal fees	160,963	184,895
Office Rent	7,517	1,912
Marketing and website expenses	5,053	1,890
Director fees	36,000	36,000
Filing and listing costs	31,621	62,839
Other	(5,828)	58,237
Total Other Expenses	543,957	498,771
(b) Financing Expenses		
Interest expense	273	141,518
Convertible note accretion expense	-	129,271
Total Financing Expenses	273	270,789

Note 5: Income Tax

	2016	2015
	\$	\$
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%	(169,457)	(230,460)
Adjusted for the tax effect of:		
Expenditure not allowed for income tax purposes	33,600	38,781
Deferred tax asset not brought to account – losses	294,672	555,623
Deferred tax asset not brought to account – temporary differences	(158,815)	(363,944)
Research and development tax offset	(739,950)	-
	(739,950)	-
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	7,540,001	7,562,993
- Unrecognised deferred tax asset – profit and loss timing differences	18,186	9,621
- Unrecognised deferred tax asset – Other Comprehensive Income	7,511	35,945
	7,565,698	7,608,559
Unrecognised Deferred Tax Liabilities	(7,510,047)	(7,314,531)

The tax rate used in the above tax expense reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law for the year ended 30 June 2016. There has been no change in the corporate tax rate when for the current period the tax expense 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 deductible temporary differences and tax losses can be utilised. Unrecognised deferred tax assets and liabilities have been valued at the tax rate of 30% that is applicable to the Company from 1 July 2016.

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 2016.

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

	2016	2015
	\$	\$
Short term employee benefits	156,000	36,000
Post employment benefits	-	-
Share based payments	120,000	-
	276,000	36,000

No other non-cash benefits were paid to KMP's during the year.

Options granted as part of remuneration for the period ended 30 June 2016

No options were granted as part of remuneration during the year (2015:16,000,000).

Shares Issued on Exercise of Compensation Options

No options granted as compensation were exercised during the year.

Material Contacts

No Director has entered into a material contract with the Company during the financial year.

Other KMP transactions

During the reporting period 17,304,663 shares were issued to an entity related to Mr Eshuys pursuant to a compensation package for Mr Eshuys services as Technical Consultant to the Board. There have been no other transactions involving equity instruments to KMP's during the reporting year. For details of other transactions with KMP, refer to Note 9 Related Party Transactions.

Note 7: Cash and Cash Equivalents	2016	2015
	\$	\$
Cash at bank and in hand	1,993,679	104,351
Balance at end of the year	1,993,679	104,351
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	2016	2015
	\$	\$
Remuneration of Grant Thornton Audit Pty Ltd for:		
– auditing and reviewing the financial report	50,080	46,200
	50,080	46,200

Note 9: Related Parties Transactions

Associated Entities

Fees and reimbursement of expenses paid to Sempre Fidelis Pty Ltd, an entity in which Director Paul Buttigieg has an interest	-	-
Fees paid to RMS (Aust) Pty Ltd, an entity in which Chairman Peter Buttigieg has an interest	36,000	30,273
Fees and reimbursement of expenses paid to Tornado Nominees Pty Ltd, an entity in which Director Angus Middleton has an interest	36,000	36,000
Fees paid to Michael Beer for Company Secretary services and other services	36,000	39,777
Fees paid to Beer & Co., an entity in which Company Secretary Michael Beer has an interest	64,846	-
Fees and reimbursements paid in cash to Resource Surveys Pty Ltd, an entity in which Technical Consultant Eduard Eshuys has an interest	122,310	213,592
Share based compensation paid to Resource Surveys Pty Ltd, an entity in which Technical Consultant Eduard Eshuys has an interest (refer also to note 9c below)	120,000	156,750

(b) Balances payable at year end

Amounts payable to related parties at year end are:

RMS (Aust.) Pty Ltd	18,000	9,000
Beer & Co Pty Ltd	39,846	-
Resource Surveys Pty Ltd	11,000	11,000
	68,846	20,000

(c) Other KMP transactions

During the year 17,304,663 (7,500,000 and 9,804,663) shares were issued to an entity related to Mr Eshuys pursuant to a compensation package for Mr Eshuys services as Technical Consultant to the Board. Refer to Note 16 for the fair value assigned to these shares issued. There have been no other transactions involving equity instruments to KMP's during the reporting year.

Note 10: Trade and Other Receivables	2016	2015
	\$	\$
Trade receivable	-	55,000
Refund due	-	17,000
GST receivable	46,462	55,073
	46,462	127,073

Note 11: Other Current Assets

Other	3,979	3,979
	3,979	3,979

Note 12: Trade and Other Payables

Trade payables	177,597	88,748
Accrued non-trade payable	39,846	-
Accrued share compensation (a)	60,000	-
Other payables:		
- Funds received in advance	32,300	-
- PAYG	-	1,232
	309,743	89,980

(a) Amount is an accrual for services provided by Mr Eshuys up to 30 June 2016. This has been settled post year end by the issue of shares. Refer to Note 24.

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: Borrowings	2016	2015
	\$	\$
Non-Current		
Fair value of interest-free advance (1)	2,500,000	2,500,000
	2,500,000	2,500,000

(1) In 2012, 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 14: Property, Plant and Equipment	2016	2015
	\$	\$
Computer and electronic equipment - cost	75,557	75,557
Less – accumulated depreciation	(75,557)	(75,557)
	-	-
Office furniture and equipment - cost	56,654	56,654
Less – accumulated depreciation	(53,113)	(44,478)
	3,541	12,176
Vehicles - cost	128,533	128,533
Less – accumulated depreciation	(78,239)	(63,198)
	50,294	65,335
	53,835	77,511

(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 2014	72,142	56,654	128,533	257,329
Additions	3,415	-	-	3,415
Balance 30 June 2015	75,557	56,654	128,533	260,744
Depreciation				
Balance at 1 July 2014	70,601	35,530	48,156	154,287
Depreciation	4,956	8,948	15,042	28,946
Balance at 30 June 2015	75,557	44,478	63,198	183,233
Carrying amount 30 June 2015	-	12,176	65,335	77,511
Gross carrying amount				
Balance 1 July 2015	75,557	56,654	128,533	260,744
Additions	-	-	-	-
Balance 30 June 2016	75,557	56,654	128,533	260,744
Depreciation				
Balance at 1 July 2015	75,557	44,478	63,198	183,233
Depreciation	-	8,635	15,041	23,676
Balance at 30 June 2016	75,557	53,113	78,239	206,909
Carrying amount 30 June 2016	-	3,541	50,294	53,835

Note 15: Exploration and Evaluation Costs	2016	2015
	\$	\$
Balance at the beginning of the year	24,381,169	23,181,310
Expenditure capitalised during the year	652,320	1,219,613
Impairment during the year	-	(19,754)
Balance at the end of the year	25,033,489	24,381,169

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.

Note 16: Issued Capital	Note	2016	2015
		\$	\$
Fully paid ordinary shares		27,615,976	25,573,473
		No.	No.
Fully paid ordinary shares		573,617,712	451,394,170
(a) Reconciliation of Issued Capital		No.	\$
Number on issue at the beginning of the year		451,394,170	25,573,473
Share Issue to KMP: 7,500,000 at \$0.0099 per share	9	7,500,000	74,250
Share Issue to KMP: 9,804,663 at \$0.008 per share	9	9,804,663	80,000
Share Placement: 104,918,879 at \$0.019 per share, net of costs		104,918,879	1,888,253
Number on issue at the end of the year		573,617,712	27,615,976
(b) Options		2016	2015
	Note	No.	No.
Number on issue at the beginning of the year	22	35,000,000	-
Number issued during the year	22	-	35,000,000
Number expiring during the year		-	-
Number on issue at the end of the year		35,000,000	35,000,000

Note 16: Issued Capital (continued)

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

All Options over unissued Shares existing are exercisable on or before 31 July 2017 at an exercise price of \$0.025 per share and were issued for no cash consideration.

(c) Capital Management

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

Note 17: Segment Reporting

The Company has identified for the year ended 30 June 2016 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 18: Cash Flow Information

Reconciliation of cash flows from operations with loss for the year

	2016	2015
	\$	\$
Profit / (loss) for the year after income tax	175,095	(768,201)
Non-cash items in loss:		
Depreciation	23,676	28,946
Write-down of exploration costs	-	19,754
Convertible note accretion expense	-	129,271
Changes in assets and liabilities:		
Decrease / (increase) in other assets and receivables	80,611	(28,677)
Increase / (decrease) in trade payables and accruals	87,617	(232,177)
Cash flows used in operations	366,999	(851,084)

Investing and Financing Activities

During the reporting period, KMP's were issued share based payments as disclosed in Note 16. These non-cash items have been capitalised in exploration and evaluation.

Note 19: Financial Risk Management

Financial Risk Management Policies

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

a. Financial Risk Exposures and Management

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

Interest rate risk

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

Credit risk

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

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

Price risk

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

b. Financial Instruments

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.

2016	Weighted Average Interest Rate %	Interest Bearing \$	Non-Interest Bearing \$	Total \$
Financial Assets				
Cash on deposit at bank	0%	-	1,993,679	1,993,679
Receivables		-	46,462	46,462
		-	2,040,141	2,040,141
Financial Liabilities at amortised cost				
Trade and other payables	-	-	309,743	309,743
Borrowings	-	-	2,500,000	2,500,000
		-	2,809,743	2,809,743

Note 19: Financial Risk Management (continued)

2015	Weighted Average Interest Rate %	Interest Bearing \$	Non-Interest Bearing \$	Total \$
Financial Assets				
Cash on deposit at bank	0%	-	104,351	104,351
Receivables		-	127,073	127,073
		-	231,424	231,424
Financial Liabilities at amortised cost				
Trade and other payables	-	-	89,980	89,980
Borrowings	-	-	2,500,000	2,500,000
		-	2,589,980	2,589,980

(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.

Interest Rate Sensitivity Analysis

At 30 June 2016, 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	2016 \$	2015 \$
— increase in interest rate by 2%	3,057	(29,630)
— decrease in interest rate by 2%	(3,051)	34,000
Increase/(decrease) in profit		
— increase in interest rate by 2%	3,057	(29,630)
— decrease in interest rate by 2%	(3,051)	34,000

c. Liquidity risk

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

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

Note 19: Financial Risk Management (continued)

c. Liquidity risk (continued)

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	2016	2015
	\$	\$
Financial Liabilities due for payment within 1 year		
Trade and other payables	309,743	89,980
Financial Liability due for payment over 1 year		
Borrowings	2,500,000	2,500,000
	2,809,743	2,589,980
Financial Assets – cash flows realisable within 1 year		
Cash and cash equivalents	1,993,679	104,351
Trade and other receivables	46,462	127,073
	2,040,141	231,424

Note 20: Earnings Per Share

	2016	2015
Basic profit / (loss) per share (cents)	0.04	(0.29)
Profit / loss used in calculation of basic and diluted loss per Share	175,095	(768,201)
Weighted average number of Shares used in the calculation of the basic (Loss) per Share and diluted (loss) per Share	457,376,515	264,130,565

No potential ordinary shares are included as all options have between 1 year and 3 years until expiry and there is no certainty that they will be exercised. Refer to Note 22.

Note 21: 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. No commitments are shown beyond 5 years due to the indeterminate nature of the exploration and development program.

Commitments are estimated, subject to available cash, as follows:

	2016	2015
	\$	\$
Not later than 12 months	320,880	313,200
Between 12 months and 5 years	1,283,520	1,252,800
Greater than 5 years - indeterminate	-	-
	1,604,400	1,566,000

Operating Lease Commitments

The Company had no operating lease commitments at 30 June 2016 or at 30 June 2015.

Note 22: Options

	2016	2015
	No.	No.
Options on issue at the beginning of the year	35,000,000	-
Options issued during the year	-	35,000,000
Options expired during the year	-	-
Options on issue at the end of the year	35,000,000	35,000,000

a) Options issued during the year

During the financial year the Company issued no options over unissued shares (2015: 35,000,000), as follows:

Refer Note 23 for share based payments disclosures.

b) Options exercised during the year

During the financial year the Company issued no shares on the exercise of options (2015: Nil).

c) Options cancelled during the year

During the year no options (2015: nil) were cancelled upon termination of employment.

Note 22: Options (continued)

a) Options on issue at the balance date

The number of options outstanding over unissued ordinary shares at 30 June 2016 is 35,000,000 (2015: 35,000,000).

The terms of these options are as follows:

Number of options outstanding	Exercise price	Expiry date
35,000,000	2.5 cents	31 July 2017

b) Subsequent to the balance date

40 million options were approved by a General meeting of shareholders on 18 August 2016 and were issued on 19 August 2016 as part of a brokerage fee package for the share placement in June 2016. The options are exercisable at \$0.04 on or before 19 August 2019.

Note 23: Share Based Payments

During the reporting period, there were no options issued by the Company.

During the reporting period the following share based payments were made:

7,500,000 shares issued to Mr Eshuys in consideration for services made to the Company. Refer to Note 16 for further details.

9,804,663 shares issued to Mr Eshuys in consideration for services made to the Company. Refer to Note 16 for further details.

Note 24: Events After Reporting Date

Post year end, on 22 August 2016, the Company issued 128,973,726 new ordinary shares as part of a Share Purchase Plan which raised \$2,451,500, before costs.

The Company announced on 19 August 2016 that it had issued 1,700,000 new ordinary shares and 40,000,000 unlisted options which will expire on 19 August 2019.

On 15 September 2016, the Company issued 4,483,874 ordinary shares to Mr Eshuys in consideration for services to the Company.

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

Note 25: 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 matter has been set for hearing on 28th November 2016. 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.

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 18 to 41, 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 2016 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) 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 2016.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'Peter Buttigieg', written over a faint circular stamp or watermark.

Peter Buttigieg
Executive Chairman / Acting Chief Executive Officer
Dated at Perth this 30th day of September 2016

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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 2016, 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.

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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 2016 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

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 2016. 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 2016, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner - Audit & Assurance

Perth, 30 September 2016

Shareholders and Optionholders Details
Substantial Shareholders at 27 September 2016 were:

Name	No. of Shares	% of Total
Peter Anthony Buttigieg	203,868,132	28.76
Hunter Hall Investment Management Ltd	86,000,000	12.13

Spread of Shareholders

	No. of Holders	No. of Shares	% of Total
1 - 1,000	29	2,524	0.0
1,001 - 5,000	15	61,450	0.01
5,001 - 10,000	54	498,745	0.07
10,001 - 100,000	422	20,036,457	2.83
100,001 - and above	434	688,176,136	97.09
	954	708,775,312	100.00

Spread of Optionholders

	No. of Holders	No. of Shares	% of Total
100,001 - and above	7	75,000,000	100.00
	7	75,000,000	100.00

Top 20 Shareholders

Name	No. of Shares	% of Total
RMS Aust Pty Ltd	194,587,634	27.45
J P Morgan Nominees Aust Ltd	88,186,764	12.44
Resource Surveys Pty Ltd	33,278,011	4.70
BNP Paribas Nominees Pty Ltd	28,406,576	4.01
HSBC Custody Nominees Aust Ltd	17,620,000	2.49
V & S China Corp Ltd	9,700,000	1.37
Baker Livia Juliette	9,361,945	1.32
Sutton Craig John	7,000,000	0.99
Little Gary William	6,731,897	0.95
Buttigieg Peter Thomas	6,288,846	0.89
Novakovic Daniel Lucas	6,075,188	0.86
Buttigieg Peter A & JL	6,030,498	0.85
Citicorp Nominees Pty Ltd	5,904,474	0.83
Sanarra Pty Ltd	5,789,474	0.82
Buttigieg Xavier William	5,220,641	0.74
Lock Jason Andrew	4,799,368	0.68
Leech Kim Michelle	4,760,474	0.67
Sempre Fidelis Pty Ltd	4,069,474	0.57
Gramazio Frank & L F	3,955,926	0.56
Powell Joshua Gregory	3,399,572	0.48
	451,166,762	63.67

Shareholders and Optionholders Details (Continued)

Optionholders

Name	No. of Options	% of Total
Bell Potter Nominees Pty Ltd	40,000,000	53.33
Resource Surveys Pty Ltd	15,000,000	20.00
Roger Mitchell	6,000,000	8.00
P & J Buttigieg Nominees Pty Ltd	4,000,000	5.33
Michael Beer	4,000,000	5.33
Sempre Fidelis Pty Ltd	3,000,000	4.00
SA Capital Pty Ltd	3,000,000	4.00
	75,000,000	100.00

APHRODITE GOLD LIMITED

Annual Resources Summary at 25 September 2016:

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 (g/t)	Indicated			Inferred			Indicated + Inferred		
		Tonnes	Gold		Tonnes	Gold		Tonnes	Gold	
		(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 Perth 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. E. Eshuys. Mr. Eshuys holds a B.Sc. University of Tasmania, is a Fellow of The Australasian Institute of Mining And Metallurgy and has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which is being undertaken 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. Eshuys consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

APHRODITE GOLD LIMITED

Schedule of Tenements at 28 September 2016:

Project	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	M24/662	\$36,400	
	Granted	E24/186	\$20,000	
	Granted	P24/5014	\$5,680	
	Granted	P24/5015	\$2,000	
	Granted	L24/204	N/A	
	Granted	L29/114	N/A	
	Granted	L29/115	N/A	
	Pending	L24/217	N/A	