



ABN 67 140 164 496

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**INTERIM FINANCIAL REPORT  
FOR THE  
SIX MONTHS ENDED 31 DECEMBER 2015**

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## **CORPORATE DIRECTORY**

### **DIRECTORS**

Mr Richard Lockwood  
(Non-Executive Chairman)

Mr Denis Rakich  
(Executive Director)

Mr Stephen Thomas  
(Executive Technical Director)

### **COMPANY SECRETARY**

Mr Denis Rakich

### **REGISTERED OFFICE**

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PERTH WA 6000

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### **AUDITORS**

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008

Telephone: (08) 6382 4600  
Facsimile: (08) 6382 4601

### **SECURITIES EXCHANGE**

Australian Securities Exchange Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

ASX Code: AUC

### **SHARE REGISTRY**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

Telephone: (08) 9315 2333  
Facsimile: (08) 9315 2233

### **SOLICITORS**

Squire Sanders  
Level 21, 300 Murray Street  
PERTH WA 6000

Hunt & Humphry  
15 Colin Street  
WEST PERTH WA 6005

### **BANKERS**

Westpac Banking Corporation  
Level 6, 109 St Georges Terrace  
PERTH WA 6000

## DIRECTORS REPORT

The Directors present their report together with the financial statements, on the consolidated entity consisting of Ausgold Limited and the entity it controlled for the half-year ended 31 December 2015. Ausgold Limited ("Ausgold" or "parent entity" or "the Company") and its controlled entity (collectively known as "the Group" or "consolidated entity") are domiciled in Australia.

### PRINCIPAL ACTIVITIES

The consolidated entity's principal activities during the course of the half-year were the mineral exploration for gold and other precious metals.

### DIRECTORS

The Directors of the Group during or since the end of the half-year are:

Name	Period of Directorship
<b>Mr Richard Lockwood</b> Non-Executive Chairman	Director since 12 November 2010
<b>Mr Denis Rakich</b> Executive Director & Company Secretary	Director since 31 January 2013
<b>Mr Stephen Thomas</b> Executive Technical Director	Director since 27 June 2014
<b>Mr Robert Pett</b> Non-Executive Chairman	Appointed 23 October 2009; Resigned 2 September 2015
<b>Mr Neil Fearis</b> Alternate Director to Mr Robert Pett	Appointed 30 July 2014; Ceased 2 September 2015

### REVIEW OF OPERATIONS

#### Exploration

In October 2015, Ausgold announced an updated Katanning Gold Project ("KGP") Mineral Resource, developed in accordance with the JORC 2012 Code. The Mineral Resource includes a significant proportion of Measured and Indicated categories (66%) reported at a 0.5g/t Au cut-off grade and restricted to approximately 150 metres below surface (and potentially amenable to low cost open cut mining). The KGP Mineral Resource is estimated at 16.4 million tonnes at 1.21 g/t for a total of 637,330 contained ounces.

In November 2015, Ausgold completed a Scoping Study for the development of open pit mining and on-site conventional CIL processing at the KGP on two of the seven known resource positions as a starting point for ongoing pre-feasibility. The Scoping Study comprises a Mining Study based on Whittle pit optimisations and preliminary open pit designs (by SRK Consulting) and Metallurgy and Processing review (CPC Project Design). The results of the Scoping Study are positive and indicate the potential for initial open pit gold production of 189,370 ounces of gold (recovered) at operating cash costs of \$928 per ounce. Preliminary economic studies carried out by Ausgold indicate attractive metrics with potential gross revenue of \$316m and potential operating cash flow of \$140m.

During the six months ended 31 December 2015, Ausgold also carried out technical reviews of their Doolgunna project. Ausgold's Doolgunna Project is located adjacent to Sandfire Resource's DeGrussa Copper Gold Project and is considered prospective for similar volcanogenic massive sulphide (VMS) copper-gold mineralisation. The project covers over 5 km strike length of prospective Jenkins Fault & Narracoota Volcanics. The prospective Narracoota Formation, a wide band of volcanic rocks, which runs broadly east-north-east for more than 100k is the host to Degrussa-style copper-gold mine and has the potential to host further discoveries. Limited exploration has been undertaken over the prospective Narracoota volcanics, which are largely under transported cover. The prospective geological structures associated with Alchemy Resources' neighbouring Hermes gold mineralisation also extend into Ausgold's Doolgunna project.

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## **Financial**

The Group recorded a consolidated loss of \$814,815 for the half-year ended 31 December 2015 (December 2014: \$426,740). At 31 December 2015, the Group has \$112,642 in cash and cash equivalents (June 2015: \$661,013).

## **EVENTS SUBSEQUENT TO REPORTING DATE**

On 23 November 2015, Ausgold announced a Share Purchase Plan ("SPP") allowing eligible shareholders to purchase up to a maximum of \$15,000 of new shares in the capital of Ausgold at an issue price of \$0.035 per share. On 22 December 2015, the Company made an initial SPP allotment of 9,390,707 ordinary fully paid shares to raise \$328,675 before costs.

The SPP closed on 12 February 2016 and an additional \$204,550 was raised after 31 December 2015. Total amount raised from the SPP was \$533,225 before costs.

On 1 March 2016, Ausgold announced a placement of 26,000,000 ordinary fully paid shares at an issue price of 3.5 cents each, raising \$910,000 before costs.

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

There were no significant changes in the state of affairs of the consolidated entity during the half-year ended 31 December 2015.

## **AUDITOR'S INDEPENDENCE DECLARATION**

The Auditor's Independence Declaration is included on page 4 of the financial report.

The report is signed in accordance with a resolution of the Directors.

For and on behalf of the Directors



**Denis Rakich**  
**Director**

Perth, Western Australia  
14 March 2016

## DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF AUSGOLD LIMITED

As lead auditor for the review of Ausgold Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ausgold Limited and the entity it controlled during the period.



Phillip Murdoch  
Director

BDO Audit (WA) Pty Ltd  
Perth, 14 March 2016

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME**  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

		Dec 2015	Dec 2014
	Note	\$	\$
Revenue from continuing operations		1,623	12,179
Impairment exploration expenses	8	(790)	-
Corporate and administration expenses		(344,541)	(262,250)
Share based payments expenses	9	(336,408)	-
Occupancy expenses		(50,990)	(60,017)
Depreciation expenses		(11,408)	(43,212)
Other expenses		(49,514)	(44,158)
Accounting expenses		(18,369)	(18,510)
Finance costs		(3,843)	(2,738)
Legal fees		(575)	(8,034)
<b>Loss before income tax</b>		<b>(814,815)</b>	<b>(426,740)</b>
Income tax benefit / (expense)		-	-
<b>Loss for the half-year</b>		<b>(814,815)</b>	<b>(426,740)</b>
<b>Loss is attributable to:</b>			
Owners of the Company		<b>(814,815)</b>	<b>(426,740)</b>
<b>Other comprehensive income / (loss)</b>			
Other comprehensive income / (loss)		-	-
<b>Total comprehensive loss for the half-year (net of tax)</b>		<b>(814,815)</b>	<b>(426,740)</b>
<b>Loss per share</b>			
<b>From continuing operations:</b>			
Basic loss per share (cents per share)	10	(0.31)	(0.18)
Diluted loss per share (cents per share)	10	(0.31)	(0.18)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
 AS AT 31 DECEMBER 15

	Note	Dec 2015 \$	Jun 2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		112,642	661,013
Trade and other receivables		3,579	19,890
Security deposits		50,969	50,969
Prepayment for exploration assets	8	26,947	37,931
<b>Total Current Assets</b>		<b>194,137</b>	<b>769,803</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		22,628	33,786
Exploration and evaluation expenditure	8	36,312,165	35,687,056
<b>Total Non-Current Assets</b>		<b>36,334,793</b>	<b>35,720,842</b>
<b>TOTAL ASSETS</b>		<b>36,528,930</b>	<b>36,490,645</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		293,981	112,646
Provisions		68,085	56,616
<b>Total Current Liabilities</b>		<b>362,066</b>	<b>169,262</b>
<b>Non-Current Liabilities</b>			
Provisions		12,062	6,823
<b>Total Non-Current Liabilities</b>		<b>12,062</b>	<b>6,823</b>
<b>TOTAL LIABILITIES</b>		<b>374,128</b>	<b>176,085</b>
<b>NET ASSETS</b>		<b>36,154,802</b>	<b>36,314,560</b>
<b>EQUITY</b>			
Contributed equity	9	52,303,091	51,984,442
Reserves		4,191,276	3,854,868
Accumulated losses		(20,339,565)	(19,524,750)
<b>TOTAL EQUITY</b>		<b>36,154,802</b>	<b>36,314,560</b>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total Equity \$
<b>Balance as at 1 July 2015</b>	51,984,442	(19,524,750)	3,854,868	36,314,560
<b>Total comprehensive loss for the half-year</b>	-	(814,815)	-	(814,815)
<b>Transactions with owners, recorded directly in equity:</b>				
Shares issued during the half-year	328,675	-	-	328,675
Share issue costs	(10,026)	-	-	(10,026)
Shares issued during the half-year on exercise of options	-	-	-	-
Share based payments	-	-	336,408	336,408
<b>Balance as at 31 December 2015</b>	<b>52,303,091</b>	<b>(20,339,565)</b>	<b>4,191,276</b>	<b>36,154,802</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total Equity \$
<b>Balance as at 1 July 2014</b>	50,719,869	(18,434,104)	3,809,880	36,095,645
<b>Total comprehensive loss for the half-year</b>	-	(426,740)	-	(426,740)
<b>Transactions with owners, recorded directly in equity:</b>				
Shares issued during the half-year	-	-	-	-
Share issue costs	-	-	-	-
Shares issued during the half-year on exercise of options	-	-	-	-
Share based payments	-	-	-	-
<b>Balance as at 31 December 2014</b>	<b>50,719,869</b>	<b>(18,860,844)</b>	<b>3,809,880</b>	<b>35,668,905</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Dec 2015	Dec 2014
	\$	\$
<b>Cash flows from operating activities</b>		
Interest received	1,623	12,179
Payments to suppliers and employees	(395,621)	(364,764)
<b>Net cash flows used in operating activities</b>	<b>(393,998)</b>	<b>(352,585)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration expenditure	(473,023)	(311,535)
Security deposit received	-	42,741
Security deposit paid	-	(20,000)
<b>Net cash flows used in investing activities</b>	<b>(473,023)</b>	<b>(288,794)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of share capital (net)	318,650	-
<b>Net cash flows generated by financing activities</b>	<b>318,650</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(548,371)</b>	<b>(641,379)</b>
Cash and cash equivalents at the beginning of the half-year	661,013	970,073
<b>Cash and cash equivalents at the end of the half-year</b>	<b>112,642</b>	<b>328,694</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

### 1. REPORTING ENTITY

Ausgold Limited (“Ausgold” or “Parent entity” or “Company”) and its controlled entity (collectively known as “the Group” or “consolidated entity”) are domiciled in Australia.

The interim financial report of the Group for the half-year ended 31 December 2015 was authorised for issue in accordance with a resolution of the Directors on 14 March 2016.

The consolidated entity's principal activities during the course of the half-year were the mineral exploration for gold and other precious metals.

### 2. STATEMENT OF COMPLIANCE

The general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### 3. BASIS OF PREPARATION

The results of the Group are expressed in Australian dollars (\$), which is the functional and presentation currency for the consolidated financial report.

The financial report is presented on the historical cost basis except for share-based payments measured at fair value.

The preparation of a financial report in conformance with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances. The results of which forms the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the interim half-year ended 31 December 2015, all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015 have been reviewed. It has been determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the operations of the Group and consolidated entity and, therefore, no change is necessary to the accounting policies.

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2015.

#### **4. GOING CONCERN**

The Group recorded a consolidated loss of \$814,815 for the half-year ended 31 December 2015 (December 2014: \$426,740). At 31 December 2015, the Group has \$112,642 in cash and cash equivalents (June 2015: \$661,013).

The accounts have been prepared on a going concern basis. During the half-year, Ausgold conducted a capital raising exercise to continue the Group's exploration and development of its mining tenements. In addition to those capital raising amounts, the Directors have determined that the ability of the consolidated entity to continue as a going concern and for the consolidated entity to be able to realise its assets and discharge its liabilities in the normal course of business, they will be dependent upon the future successful raising of necessary funding through equity.

The Directors have prepared a cash flow forecast for the next 12 month period reflecting the need for further funding as mentioned above. While the Directors are reasonably confident this will occur, the timing and extent of any additional funding is always uncertain.

In the event that sufficient funding at an amount and timing necessary to meet the future budgeted operational and investing activities of the Group is unfavourable, the Directors would undertake steps to contain the operating and investment activities. This may include a review of assets held to rationalise the number of tenements on hand which would substantially reduce commitments to ensure that the Group can meet its obligations as and when they become due and payable.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate. However, if the Group is unable to achieve the above, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the interim financial report.

The financial statements do not include any adjustment relating to the recoverability or classification of the recorded amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

#### **5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS**

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. However, actual outcomes would differ from these estimates if different assumptions were used and different conditions existed.

The Group has identified the following areas where significant judgements, estimates and assumptions are required, and where actual results were to differ, may materially affect the financial position or financial results reported in future periods.

##### **(A) SHARE-BASED PAYMENT TRANSACTIONS**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate option pricing model and these observable inputs are the best estimates available at the time of performing the calculation but are subject to variability and may be materially different if hindsight was to be used.

## **(B) EXPLORATION EXPENDITURE**

The write-off and carrying forward of exploration acquisition costs is based on an assessment of an area of interest's viability and / or the existence of economically recoverable reserves. Information may come to light in a later period which results in the asset being written off as it is not considered viable.

## **(C) IMPAIRMENT OF ASSETS**

At each reporting date, the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the statement of profit or loss and other comprehensive income where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

## **6. SIGNIFICANT ACCOUNTING POLICIES**

### **(A) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS**

In the half-year ended 31 December 2015, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015.

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

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

## **7. SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker ("CODM"), which has been identified by the Group as the Board of Directors.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's sole activity is mineral exploration and resource development wholly within Australia; therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming this financial report.

## 8. EXPLORATION AND EVALUATION EXPENDITURE & PREPAYMENT

	Consolidated	
	Dec 2015	Jun 2015
	\$	\$
<b>Non-current assets</b>		
<b>Exploration, evaluation, prepayment and development costs carried forward in respect of areas of interest (net of amounts written off)</b>		
Exploration and evaluation expenditure	36,312,165	35,687,056
Prepayment for exploration assets	26,947	37,931
	<b>36,339,112</b>	<b>35,724,987</b>
<b>Reconciliation:</b>		
Carrying amount at start of the half-year	35,724,987	35,061,123
Exploration expenditure	587,968	921,264
Prepayment for exploration assets	26,947	37,931
Expenditure written off	(790)	(295,331)
<b>Carrying amount at the end of the period</b>	<b>36,339,112</b>	<b>35,724,987</b>

The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas. The Group wrote off \$790 (June 2015: \$295,331) in expenditure during the half-year ended 31 December 2015.

## 9. CONTRIBUTED EQUITY

	Consolidated	
	Dec 2015	Jun 2015
	\$	\$
Balance at the start of the period	51,984,442	50,719,869
Shares issued	328,675	1,001,000
Shares to be Issued	-	-
Less: share issue costs	(10,026)	(26,678)
Shares issued on exercise of options	-	290,251
	<b>52,303,091</b>	<b>51,984,442</b>

### (A) MOVEMENTS IN SHARE CAPITAL DURING THE HALF-YEAR

	Consolidated	
	Dec 2015	Jun 2015
	Number of shares	Number of shares
Balance at the start of the period	265,265,819	230,860,792
Shares issued for capital raising purposes	9,390,707	28,600,000
Shares issued on exercise of options	-	5,805,027
	<b>274,656,526</b>	<b>265,265,819</b>

On 23 November 2015, Ausgold announced a Share Purchase Plan ("SPP") allowing eligible shareholders to purchase up to a maximum of \$15,000 of new shares in the capital of Ausgold at an issue price of \$0.035 per share. On 22 December 2015, the Company made an initial SPP allotment of 9,390,707 ordinary fully paid shares to raise \$328,675 before costs.

**(B) MOVEMENTS IN SHARE OPTIONS DURING THE HALF-YEAR**

	Consolidated	
	Dec 2015 Number of options	Jun 2015 Number of options
Balance at the start of the period	19,500,000	81,161,374
Options issued	12,000,000	16,900,000
Options cancelled	-	-
Options lapsed	(1,100,000)	(72,756,347)
Options exercised	-	(5,805,027)
	<b>30,400,000</b>	<b>19,500,000</b>

A share based payment expense of \$336,408 (December 2014: Nil) was recorded for the half-year ended 31 December 2015.

The Company issued 12,000,000 options to the directors following a general meeting of the shareholders on 18 November 2015. Each option is exercisable at a price of \$0.08 per option and expires on 30 November 2019. The directors agree to accept the options in lieu of payment of director's fees for the financial years ended 30 June 2016 and 30 June 2017. The options granted will form part of the director's remuneration packages for the 2016 and 2017 financial years. The inputs used in valuing the options are noted below.

The following share based payments were made through the issue of equity during the half-year ended 31 December 2015.

Number of unlisted options issued	:	12,000,000
Grant Date	:	18 November 2015
Expiry/Exercise date	:	30 November 2019
Exercise price	:	\$0.08
Expected vesting probability	:	100%
Expected volatility	:	113%
Option life	:	4.04
Risk-free interest rate	:	2.13%
Fair value at grant date	:	\$0.0263

**10. LOSS PER SHARE**

	Consolidated	
	Dec 2015 Cents per share	Dec 2014 Cents per share
<b>From continuing operations:</b>		
Basic loss per share	(0.31)	(0.18)
Diluted loss per share	(0.31)	(0.18)

The calculation of basic loss per share at 31 December 2015 was based on the loss attributable to ordinary shareholders of \$814,815 (December 2014: \$426,740) and a weighted average number of ordinary shares outstanding during the half-year of 265,776,184 (December 2014: 230,860,792).

**(A) EARNINGS USED IN CALCULATING LOSS PER SHARE**

	Consolidated	
	Dec 2015	Dec 2014
	\$	\$
<b>For basic and diluted loss per share</b>		
Loss after income tax for the half-year	(814,815)	(426,740)

**(B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR**

	Consolidated	
	Dec 2015	Dec 2014
	Number	Number
<b>Weighted Average Number of Ordinary Shares (WANOS)</b>		
Weighted average number of ordinary shares	265,776,184	230,860,792

**11. COMMITMENTS**

There were no material changes to the commitment transactions of the Group during the half-year ended 31 December 2015.

**12. RELATED PARTY DISCLOSURE**

There were no material changes to the related party transactions of the Group during the half-year ended 31 December 2015 other than the options issued to key management personnel as outlined in Note 9.

**13. EVENTS SUBSEQUENT TO THE REPORTING PERIOD**

On 23 November 2015, Ausgold announced a Share Purchase Plan ("SPP") allowing eligible shareholders to purchase up to a maximum of \$15,000 of new shares in the capital of Ausgold at an issue price of \$0.035 per share. On 22 December 2015, the Company made an initial SPP allotment of 9,390,707 ordinary fully paid shares to raise \$328,675 before costs.

The SPP closed on 12 February 2016 and an additional \$204,550 was raised after 31 December 2015. Total amount raised from the SPP was \$533,225 before costs.

On 1 March 2016, Ausgold announced a placement of 26,000,000 ordinary fully paid shares at an issues price of 3.5 cents each, raising \$910,000 before costs.

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## **DIRECTORS' DECLARATION**

In the Directors' opinion,

1. 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 attached consolidated financial statements and notes are in accordance with the Corporations Act, 2001, including:
  - a. complying with Accounting Standard AASB 134 Interim Financial Reporting and the other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the consolidated entity's position as at 31 December 2015 and its performance for the half-year ended that date; and
3. the Directors have been given the declarations as required by s295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

For and on behalf of the Directors



**Denis Rakich**  
**Director**

Perth, Western Australia  
14 March 2016

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ausgold Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ausgold Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

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

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ausgold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Ausgold Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

## Emphasis of matter

Without modifying our conclusion, we draw attention to Note 4 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity or a reduction in expenditure or commitments. These conditions, along with other matters as set out in Note 4, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

BDO



Phillip Murdoch

Director

Perth, 14 March 2016