Financial Report

Half year report for the six months ended 30 June 2014

Corporate Directory

Directors

Alex Losada-Calderon
Non-Executive Chairman

Ryan Welker
Non-Executive Director

Ashley Pattison
Managing Director and CEO

Joint Company Secretaries

Angeline Hicks

Natalie Madden

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Share Registry
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Auditors
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Western Australia 6000

ASX Code
MIZ
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ACN 117 790 897

Australian Business Number
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Contents

DIRECTORS' REPORT

The directors of Minera Gold Limited submit herewith the financial report of Minera Gold Limited and its subsidiaries (the "Group") for the half-year ended 30 June 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS
The names of the directors of the Company in office during or since the end of the half-year are:

Alex Losada-Calderon	*Non-executive Chairman*
Ashley Pattison	*Managing Director and Chief Executive Officer*
Ryan Welker	*Non-executive Director*
Kevin Puil	*Non-executive Director (appointed 24 April 2014, resigned 23 July 2014)*

The above-named directors held office during and since the end of the half-year unless otherwise noted.

PRINCIPAL ACTIVTIES

The Group's principal activities during the course of the financial period were exploration, development of and production of a portfolio of medium-sized gold projects in South America, with a primary focus on Peru.

CHANGES IN STATE OF AFFAIRS

There was no significant change in the state of affairs of the consolidated entity during the financial period.

RESULTS

The consolidated loss from continuing operations after tax for the half-year ended 30 June 2014 amounted to $3.0million (June 2013: profit of $1.8 million).

OPERATIONS

Torrecillas Gold Project – Peru (100% owned)

During the period, Minera Gold remained focused on production at the Torrecillas gold project and commissioning of the San Santiago CIP gold processing plant. A heavy focus remains on reducing the Company's all up sustaining cash costs through a number of active strategies that are currently being implemented by the Board and management team.

Transition from Toll Treatment Mill Processing to Owner Operator

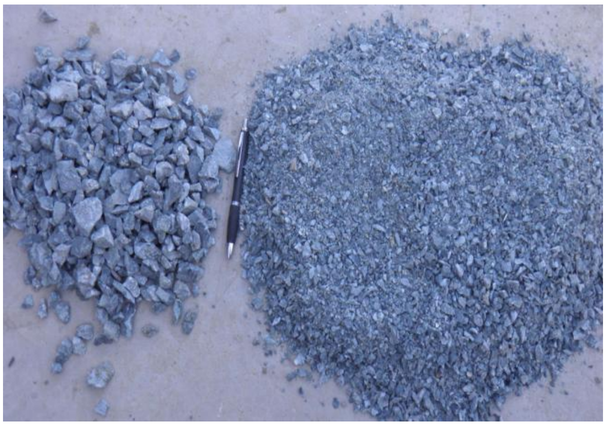
During the period, the Company sourced all equipment required to recommission the San Santiago CIP circuit. All equipment was available either off the shelf in Lima or on short lead times.

Minera worked with its engaged engineers in Peru and metallurgical consultants on installation of the new components and refurbishment of the existing processing circuit's tanks.

Dry and wet commissioning commenced subsequent to period end with first gold sales from recommenced production occurring in early August 2014

Picture 1: Minera Gold Site office at the San Santiago plant overlooking the ROM Pad and new primary and cone crushing circuits.

Picture 2: Dry Commissioning of the Crushing Circuit



Picture 3: Crushed samples post primary and cone crushing

Picture 4: New carbon tanks installed prior to painting and wet commissioning.

Mining Operations at Torrecillas

Operations at Torrecillas continued with ore from production and development being stockpiled on the ROM at Torrecillas. High grade ore continued to be sourced from the Torrecillas vein both at depth and in the upper levels of the mine and also from ongoing trial mining at an additional three veins.

High grade (>10gpt Au) and low grade (>5gpt Au and < 10gpt Au) stockpiles continued to accumulate during the period to provide approximately one month's feed supply to the plant. Trucking of ore from Torrecillas to the San Santiago Plant commenced in the middle of July.

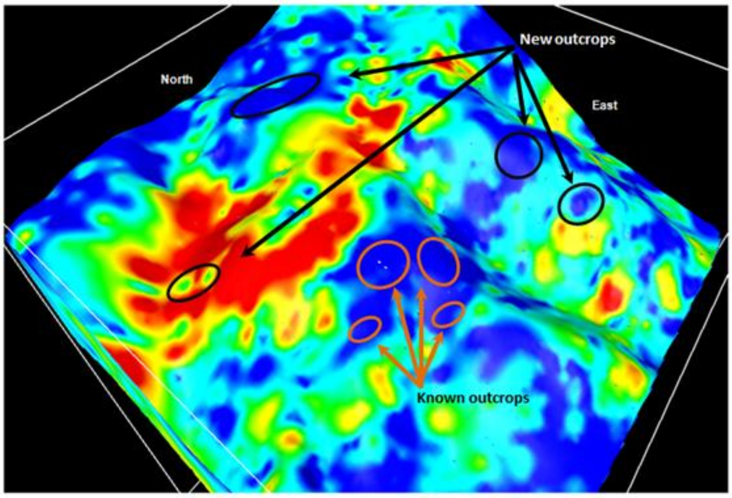
During the period, ore was sourced from the project's Torrecillas, Tessie and Rebeca veins. Subsequent to period end, ore was also sourced from the high grade veins at the Company's Tumi gold project further west nearer the coast.
Mining on Tessie was increased and this vein now accounts for between 30-40% of total production from the Torrecillas Gold Project. The sub vertical vein widths are very encouraging at approximately 1.4m wide with grades averaging between 6-10 g/t Au. Mining is undertaken by a small owner operator crew of six men per shift - resulting in low cost production tonnes for the processing plant base load.

At the Rebeca and Tumi veins, the Company is working with small contracting teams on the exploitation of those veins. The veins at Rebeca and Tumi are narrower than Torrecillas and Tessie but exhibit an almost vertical dip and a superior grade to the other veins. The mining is low cost and provides valuable high grade feed to supplement the remaining production. Contractors are paid on a per tonne basis subject to the diluted grade recovered.

Tumi Project – Peru (100% owned)

Work continued during the half-year to assess the potential of the breccia-hosted gold mineralised area that covers approximately 1.6km² on surface in the centre of the Tumi concession package.

A ground-based IP program was undertaken to follow up on the results from the ground-based magnetic survey completed in December 2013 to define the potential size of the mineralised breccia target and to identify other potential anomalies and drill targets as shown below.



Picture 5: Areas of previously mapped and sampled breccia outcrops are in the brown colours, whereas in black are zones of small breccia outcrops that have been identified from the magnetic study.

The Tumi breccia itself appears as a magnetic low feature in the data products and the model results, suggesting magnetite destruction/depletion in the breccia. The key conclusion drawn from the magnetics covering the breccia is that the two outcrops previously mapped in 2013 are part of the same system, which provides strong support for a larger oxide system than previously believed.

The interpreted results from the IP/resistivity survey completed subsequent to June were considered inconclusive. The strong electromagnetic field produced by the commissioning of the new high tensile power line that traverses the Tumi concession, has masked the results.

In the area immediately below and adjacent to the power line, the direct current input signal is being interfered with by the electromagnetic field associated with the high tension wires and has rendered a part of the survey data un-usable. The objective of the survey (defining an electrical response associated with the known breccias) was not attained by the IP survey.

Whilst inconclusive, the existence of gold, copper and silver mineralisation is known in the main Tumi breccia and exploration of Tumi will now be carried out through systematic surface sampling and drilling in the second half of 2014 - focusing on the previously released exploration target.

Brazil Joint Venture (75% diluting to 40%)

Joint Venture

On 30 May 2013, the Company signed a joint venture agreement on Mundo Mineração Ltdã whereby a new private investor will invest $4.5 million to earn a 60% interest in the entity. This investment may provide sufficient funds to meet the payment obligations of the Rucuperacao Judicial process. As of 1 June 2013, the Company was no longer responsible for funding working capital requirements in Brazil and no longer consolidates the Brazilian entity into the Group's results. As of 1 June 2013, the Group equity accounts for its investment in this entity on an equity accounted basis and recorded a nil value.

Going forward - open pit strategy

The Engenho Gold Project which contains a JORC Probable Reserve at Crista, 174,939 tonnes @ 4.16g/t for 23,414oz applying a 1g/t cut-off and US$1,250 gold price requires minimal CAPEX to commission and with expected cash costs of less than 700 US$/oz. Additional exploration upside is also present at Crista which has not been tested under 60m, in the neighbouring Olhos deposit and the rest of the concession.
It is the current intention that proceeds from the next capital injection by our joint venture partner will be used to undertake a minimum of $400,000 of exploration and drilling on Olhos and a further $100,000 on other targets in the Engenho concession. This exploration will be taken into account when the joint venture considers recommissioning of the existing mill in which case gold production is forecast to commence within 120 days post the decision to commence construction of Crista.

Potential sale

Discussions have been revived with a number of parties interested in acquiring Minera Gold's shareholding in Brazil. These discussions are at an early stage and are not complete. However, management is encouraged by the renewed interest in this asset from third parties.

Corporate

Consolidated Financial Results

Minera Gold Limited reported a consolidated EBITDA loss from continuing operations for the six months ended 30 June 2014 of $1.63 million (30 June 2013: loss $3.5 million) and a consolidated net operating loss from continuing operations of $3.0 million (30 June 2013: profit of $1.8 million).

Cash held at 30 June 2014 was $0.42 million.

EVENTS AFTER REPORTING PERIOD

Changes to capital structure

Fully paid ordinary shares

1. On 2 July 2014, Minera Gold issued 32,752,829 fully paid ordinary shares. 31,779,279 shares were issued on the conversion of convertible loan notes with 31,281,013 shares issued at $0.0026 for principal conversion of $81,331 and 498,266 shares issued at $0.0029 for interest converted on the loan notes of $1,445. A further 973,550 shares were issued as consideration for services received value $2,921.

2. On 4 July 2014, Minera Gold issued 66,775,173 fully paid ordinary shares on the conversion of convertible loan notes. 65,384,615 shares were issued at $0.0026 for principal conversion of $170,000 and 1,390,558 shares were issued at $0.0029 for interest converted on the loan notes of $4,033.

3. On 16 July 2014, Lind opted to convert the A$62,500 balance on the convertible note. Minera Gold issued 31,250,000 fully paid ordinary shares in Minera Gold Limited at $0.002 cents per share. The conversion price of $0.002, was calculated at 92.5% of the average of five daily volume weighted average prices, chosen by Lind, during the 20 trading days prior to conversion.

4. On 17 July 2014, Minera Gold issued 281,269,417 fully paid ordinary shares. 244,519,417 shares were issued on the conversion of convertible loan notes with 239,951,901 shares issued at prices between $0.0024 and $0.0027 for principal conversion of $585,440.00 and 4,567,516 shares issued at $0.0027 for interest converted on the loan notes of $12,332.

5. Between 28 and 29 July 2014, Minera Gold issued 366,143,914 fully paid ordinary shares on the conversion of convertible loan notes. A total of 344,797,600 shares were issued for the conversion of $906,354 loan principal at prices between $0.0025 and $0.0031. A further 21,346,317 shares were issued for the conversion of $61,888 loan interest at prices between $0.0027 and $0.0035.

6. On 18 August, Minera Gold issued 185,293,761 fully paid ordinary shares on the conversion of convertible loan notes. A total of 175,715,512 shares were issued for the conversion of $670,649 loan principal at prices between $0.0037 and $0.0039. A further 9,581,249 shares were issued for the conversion of $40,927 loan interest at prices between $0.0041 and $0.0044.

Share options

On 17 July 2014, the Company issued 10,000,000 listed (MIZOA) share options in Minera Gold as payment in lieu of cash to a vendor of the Company. The options were issued using Listing Rule 7.1 and ratification by shareholders will be sought at the next general meeting. The options have an expiry date of 4 December 2016 and an exercise price of $0.012 per share.

Option to acquire San Santiago copper mill

Further to an initial announcement on 17 July 2014, the Company announced that it had entered into a binding option agreement to acquire the San Santiago gold-copper mill in South Peru, in proximity to the Group's existing gold mines. On 3 September, the Company announced that it had signed the binding agreement.

The acquisition cost is US$4.5 million in cash plus the assumption of existing debts of US$1.0m. The acquisition will be partly funded by SilverStream SEZC who will provide US$3.0 million through a second gold streaming deal. The balance of the funding will be sourced by the Company. The option expires on 16 October 2014, subsequent to a recent extension granted by SilverStream SEZC.

Significant terms of the second streaming arrangement are:

1) SilverStream will be delivered equivalent to 100% of the silver produced from the copper circuits at San Santiago for 15 years;
2) SilverStream will be entitled to purchase a minimum of 4,000 ozs of silver per month and up to a maximum of 90,000 ozs of silver per annum at a purchase price of US$6 per ounce. For amounts over 90,000 ozs per annum, SilverStream will be entitled to purchase 50% of the additional ounces at the purchase price of US$6 per ounce; and
3) SilverStream will have senior security over the San Santiago processing plant until such time that ht purchase price has been repaid in full via monthly gross margin to SilverStream

This will be a non-dilutive acquisition to Minera shareholders and earnings accretive immediately, saving Minera about US$1m p.a. on the Company's previous lease of the CIP circuit with savings expected to reduce all-in cash costs to about US$700oz for the Torrecillas gold mine.

Importantly, the acquisition will provide project and commodity diversification for Minera, including control of an operating copper toll treatment business generating annualised EBITDA of circa US$2.5m p.a.

Changes to key management personnel

On 23 July 2014 Mr Kevin Puil has tendered his resignation as a non-executive director of the Company following his resignation as CEO of SilverStream SEZC. Mr Puil was the nominee of SilverStream appointed to the board of Minera Gold under the terms of the gold streaming deal announced in April 2014.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included on page 6 of the half-year financial report.

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998 and, in accordance with that Class Order, amounts in the directors' report and the financial report are rounded off to the nearest $1,000, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors

Ashley Pattison
Managing Director

Perth, 12 September 2014

Competent Person's Statement
The information in this report that relates to Mining and Mineral Exploration Results and Resources at Torrecillas and Tumi Projects is based on information compiled and reviewed by Dr Alex Losada-Calderon, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Losada-Calderon is employed by TAE Resources Pty Ltd, who acts as consulting geologist to Minera Gold Limited. Dr Losada-Calderon has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Losada-Calderon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements
This document (**Document**) is provided on the basis that neither of Minera Gold Limited ACN 117 790 897 (**Minera Gold**) nor its respective officers, shareholders, related bodies corporate, partners, affiliates, employees, representatives and advisers make any representation or warranty (express or implied) as to the origin, validity, accuracy, reliability, relevance, currency or completeness of the material contained in the Document and no responsibility is taken for any errors or omissions. Nothing contained in the Document is, or may be relied upon as, a promise, representation or warranty, whether as to the past or the future. Minera Gold excludes all warranties (including implied warranties) and all liability that can be excluded by law for any loss, claim, damage, cost or expense of any nature arising out of the Document (or any accompanying or other information) whatsoever, nor by reason of any reliance upon it. Minera Gold does not accept any responsibility to update any person regarding any inaccuracy, omission or change in information in this Document or any other information made available to a person nor any obligation to furnish the person with any further information, other than to the extent required by law.
The Document may contain prospective financial material which is predictive in nature and based on certain assumptions. Accordingly, actual financial results may be affected by assumptions which prove to be inaccurate or by known or unknown risks and uncertainties, and are likely to differ, possibly materially, from results ultimately achieved. The Document may contain "forward-looking statements". All statements other than those of historical facts included in the Document are forward-looking statements including, without limitation, (i) estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices; (ii) estimates of future gold and other metals production and sales; (iii) estimates of future cash costs; (iv) estimates of future cash flows, and the sensitivity of cash flows to gold and other metals prices; (v) estimates of future capital expenditures; and (vi) estimates of reserves, and statements regarding future exploration results and the replacement of reserves. Where Minera Gold expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade, recovery rates or other matters from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. Minera Gold does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of the Document, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Deloitte.

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The Board of Directors
Minera Gold Limited
45 Ventnor Avenue
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12 September 2014

Dear Board Members

Minera Gold Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Minera Gold Limited.

As lead audit partner for the review of the financial statements of Minera Gold Limited for the half-year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Smith

Neil Smith
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Review Report to the members of Minera Gold Limited

We have reviewed the accompanying half-year financial report of Minera Gold Limited, which comprises the condensed statement of financial position as at 30 June 2014, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 10 to 29.

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 gives a true and fair view and 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 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Minera Gold 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.

Auditor's Independence Declaration

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 Minera Gold Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Deloitte.

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 Minera Gold 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 30 June 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 2 in the financial report which indicates that the consolidated entity incurred a net loss of $2,988,000 and experienced net cash outflows from operating and investing activities of $1,049,000 during the period ended 30 June 2014 and as of that date, the consolidated entity's current liabilities exceeded its current assets by $8,353,000. These conditions, along with other matters as set forth in Note 2, 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 ordinary course of business.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Smith
Partner
Chartered Accountants
Perth, 12 September 2014

Directors' Declaration

The directors declare that:

(a) in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the directors

Ashley Pattison
Managing Director
Perth, 12 September 2014

Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the Half Year Ended 30 June 2014

		Consolidated Half-year ended	
		30 June 2014 $'000s	**30 June 2013 $'000s**
CONTINUING OPERATIONS			
Revenue	4a	528	2,665
SilverStream gold streaming fee	4a	5	-
Direct cost of sales		(752)	(3,076)
Gross loss		(219)	(411)
Other revenue	4a	3	76
Occupancy expenses		(129)	(188)
Employee benefits expense	4b	(489)	(855)
Depreciation and amortisation charges	4b	(150)	(122)
Administration expenses		(772)	(1,850)
Share-based payments	4b	-	18
Finance costs	4b	(1,211)	(440)
Gain on Brazil	4b	-	5,799
Other expenses		(21)	(15)
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE		(2,988)	2,012
Income tax expense		-	(246)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(2,988)	1,766
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(1,210)	1,691
Other comprehensive income for the year, net if income tax		(1,210)	(1,210)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(4,198)	3,457
EARNINGS PER SHARE			
Basic earnings per share			
From continuing operations		(0.35)	0.38
Diluted earnings per share			
From continuing operations		(0.35)	0.26

Notes to the condensed consolidated financial statements are included on pages 15 to 29.

Condensed Consolidated Statement of Financial Position

As at 30 June 2014

		Consolidated	
		30 June 2014	31 December 2013
	Notes	$'000s	$'000s
CURRENT ASSETS			
Cash and cash equivalents	5	424	315
Trade and other receivables		822	634
Prepayments		18	161
Inventories		451	-
TOTAL CURRENT ASSETS		1,715	1,110
NON-CURRENT ASSETS			
Property, plant and equipment		828	546
Mine assets		16,887	17,911
Investment in joint venture	10	-	-
TOTAL NON-CURRENT ASSETS		17,715	18,457
TOTAL ASSETS		19,430	19,567
CURRENT LIABILITIES			
Trade and other payables		3,594	3,740
Deferred revenue	6	538	-
Borrowings	7	5,075	5,744
Provisions		861	779
TOTAL CURRENT LIABILITIES		10,068	10,263
NON-CURRENT LIABILITIES			
Deferred revenue	6	1,175	-
Deferred tax liability		1,842	1,842
Provisions		253	268
TOTAL NON-CURRENT LIABILITIES		3,270	2,110
TOTAL LIABILITIES		13,338	12,373
NET ASSETS		6,092	7,194
EQUITY			
Issued capital	8	72,059	69,083
Reserves		1,409	(2,499)
Accumulated losses		(67,376)	(64,388)
TOTAL EQUITY		6,092	7,194

Notes to the condensed consolidated financial statements are included on pages 15 to 29.

Condensed Consolidated Statement of Changes in Equity

For the Half Year Ended 30 June 2014

	Issued Capital $'000s	Other Reserve $'000s	Equity Settled Employee Benefits Reserve $'000s	Foreign Currency Translation Reserve $'000s	Accumulated Losses $'000s	Total Equity $'000s
Balance as at 1 January 2013	**67,231**	**(187)**	**2,223**	**(4,092)**	**(62,564)**	**2,611**
Profit/(Loss) for the period	-	-	-	-	1,766	1,766
Other comprehensive income for the period, net of income tax	-	-	-	1,691	-	1,691
Total comprehensive income for the period	**-**	**-**	**-**	**1,691**	**1,766**	**3,457**
Issue of shares for cash	650	-	-	-	-	650
Issue of shares in lieu of cash payment	132	-	-	-	-	132
Issue of shares as part of financing arrangement	575	-	-	-	-	575
Issue of shares to Anglo on loan extension	123	-	-	-	-	123
Issue of shares as consideration for loan repayment	120	-	-	-	-	120
Share issue costs	(87)	-	-	-	-	(87)
Share issue costs written off	256	-	-	-	-	256
Recognition of share-based payments	-	-	(18)	-	-	(18)
Recycled to profit or loss on disposal of subsidiary	-	-	-	1,979	-	1,979
Balance at 30 June 2013	**69,000**	**(187)**	**2,205**	**(422)**	**(60,798)**	**9,798**
Balance as at 1 January 2014	**69,083**	**-**	**2,503**	**(4)**	**(64,388)**	**7,194**
Profit/(Loss) for the period					(2,988)	(2,988)
Other comprehensive income for the period, net of income tax	-	-	-	(1,210)	-	(1,210)
Total comprehensive income for the period	**-**	**-**	**-**	**(1,210)**	**(2,988)**	**(4,198)**
Issue of shares on conversion of Lind convertible debt	165	-	-	-	-	165
Issue of shares on conversion of convertible notes	2,788	-	-	-	-	2,788
Issue of shares in lieu of cash payment	23	-	-	-	-	23
Recognition of share-based payments	-	-	120	-	-	120
Balance at 30 June 2014	**72,059**	**-**	**2,623**	**(1,214)**	**(67,376)**	**6,092**

Notes to the condensed consolidated financial statements are included on pages 15 to 29.

Condensed Consolidated Cash Flow Statement

For the Half Year Ended 30 June 2014

	Notes	Consolidated Half-year ended 30 June 2014 $'000s	Consolidated Half-year ended 30 June 2013 $'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from gold sales		599	2,739
Receipt on gold streaming agreement		1,719	-
Payments to suppliers and employees		(2,789)	(4,438)
Interest and other costs of finance paid		(88)	-
NET CASH USED IN OPERATING ACTIVITIES		(559)	(1,699)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		(376)	-
Payments of exploration and evaluation costs		-	-
Payment for mine assets		(117)	(669)
Interest received		3	3
NET CASH USED IN INVESTING ACTIVITIES		(490)	(666)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	650
Proceeds from borrowings		2,531	965
Repayment of borrowings		(1,123)	-
Payment for debt issue costs		(276)	
NET CASH PROVIDED BY FINANCING ACTIVITIES		1,132	1,615
Net decrease in cash and cash equivalents		83	(750)
Cash and cash equivalents at the beginning of the period		315	1,470
Effects of exchange rate changes on the balance of cash held in foreign currencies		26	(148)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	424	572

Notes to the condensed consolidated financial statements are included on pages 15 to 29.

Notes to the Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

Minera Gold Limited is a for-profit listed public company, incorporated in Australia and operates in Australia (corporate office) and in South America.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 "Interim Financial Reporting". The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue by the Directors on 12 September 2014.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian Dollars unless otherwise noted. The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2013 annual financial report for the financial period ended 31 December 2013. Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes in accounting policy.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current half year that are relevant to the Group, include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB2011-7'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'.
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 128 "Investments in Associates and Joint Ventures", and
- AASB 119 "Employee Benefits"

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and have no affect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Groups presentation of, or disclosure in its half-year financial statements.

Impact of the application of AASB 10

AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and Interpretation 112 'Consolidation – Special Purpose Entities'. AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 to explain when an investor has control over an investee. The application of the new standard has not resulted in any changes to the half year report.

Impact of the application of AASB 11

AASB 11 replaces AASB 131 'Interests in Joint Ventures', and the guidance contained in a related interpretation, Interpretation 113 'Jointly Controlled Entities – Non-Monetary Contributions by Venturers', has been incorporated in AASB 128 (as revised in 2011). AASB 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under AASB 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under AASB 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, AASB 131 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under AASB 131 was primarily determined on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenues (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of AASB 11. The directors concluded the Group's investment in Mundo Mineração Ltdã is classified as a joint venture under AASB 11 and accounted for using the equity method. The application of the new standard has not resulted in any changes to the half-year report.

Impact of the application of AASB 12

AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements. However this did not result in any changes to the half-year report.

Impact of the application of AASB 13

The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair-value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases' and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 requires extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the 2013 comparative period, the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Principles of Consolidation

(i) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power of over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee, and
- Has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(ii) Revenue recognition

SilverStream gold streaming

The Group has a gold streaming deal in place with SilverStream SZC who are paying US$5 million in four instalments for the right to purchase 10% of the production from the Torrecillas mine for life of mine at a purchase price of the lower of US$400.00 per ounce or 80% of the prevailing spot price at the time of sale.

Revenue is recognised on the contract over the life of the mine, based on actual production during the period. Life of mine is an estimate and is reviewed periodically by the Group. Any difference between revenue recognised and cash instalments received is accounted for as either deferred revenue or accrued income as appropriate.

(iii) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated financial statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB 139 are applied to determine whether it is necessary to recognise an impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.
The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 139. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Critical accounting judgements and key sources of estimation uncertainty

In the application of AIFRS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. 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.

The following are the key estimates that management has made in the process of applying the Group's accounting policies and that have the most significant effects on the amounts recognised in the financial statements.

(a) Determination of mineral resources and ore reserves
The Group estimates its mineral resources and ore reserves in accordance with the Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). The information on mineral resources and ore reserves is prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for restoration and rehabilitation.

(b) Estimation of life of mine
Revenue on the SilverStream gold streaming agreement is recognised based on an estimate of life of mine for Torrecillas. This estimate is based on actual and forecast production, throughput, grade and recovery rates,

(c) Estimation for the provision for restoration and rehabilitation
Provision for rehabilitation and dismantling property, plant and equipment is estimated taking into consideration facts and circumstances available at the balance sheet date. This estimate is based on the expenditure required to undertake the rehabilitation and dismantling, taking into consideration the time value of money.

Critical accounting judgements and key sources of estimation uncertainty (continued)

(d) *Impairment of property, plant and equipment*
The Group reviews for impairment of property, plant and equipment, in accordance with its accounting policy. The recoverable amount of these assets has been determined based on the higher of the assets' fair value less costs to sell and value in use. These calculations require the use of estimates and judgements.

(e) *Impairment of capitalised mine assets and deferred exploration expenditure*
The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environment restoration obligations) and changes to commodity prices.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group has incurred, for the six months ended 30 June 2014, a net loss after tax of $2.9 million (31 December 2013: loss $1.8 million) and experienced net cash outflows from operating and investing activities of $ 1.1 million (31 December 2013: outflows of $4.2 million). As at 30 June 2014 the Group had a working capital deficiency of $8.4 million (31 December 2013 deficiency: $9.2 million).

The Group continues to manage the Peru operations to deliver positive operating cash flows or as a minimum, achieve a cash break even performance. Whilst cash flows were negative in the first period of 2014, the increase in production and a cost reduction program in Peru has seen the day-to-day mining operations in Peru at the Torrecillas Gold Project being cash flow positive at the date of this report. This has been primarily driven by the commissioning of the Group's CIP gold circuit at a substantial cost reduction to previous treatment costs incurred.

As disclosed in note 10, the Company's Brazilian joint venture entity (75% owned by Minera Gold) remains in a Court approved Rucuperacao Judicial process. This follows creditors approving the creditor plan submitted by the Brazilian entity on 4 April 2012 which was ratified by the Courts on 3 May 2013. As at the date of this report, the Brazilian entity is not in compliance with the approved plan as a result of the company's JV partner being in default of their obligations under the JV. The non-compliance of the plan has been referred back to the Nova Lima bankruptcy courts by the trustee. No decision from the judge overseeing this plan has been made on the future of Mundo Mineracao Ltda.

Whilst the Brazilian entity has debts that are not subject to the Rucuperacao Judicial process, no guarantees have been provided by Minera Gold Limited to any third party with respect to the Brazilian entity. Accordingly, no such outflows are included in the forecasted cash flows of the Group.

During the period to 30 June 2014 and for the period to the date of signing this report, the directors have taken steps to ensure the Group continues as a going concern. These steps include:

- The Company raised $2.5 million pursuant to convertible debt raisings during the period to fund ongoing working capital requirements, which have subsequently been converted to equity, as well as fund the repayment of borrowings.
- On 10 March 2014, the Company successfully negotiated an extension on the repayment terms of the Anglo Pacific Group loan. This extension resulted in a payment of $540,500 being made on 1 April 2014, with further principal payments of $500,000 due on 1 October 2014 and 1 April 2015 and the remaining balance of the loan, including accrued interest, being due for repayment on 1 October 2015. The agreement also included a clause that stated if the Company raises additional debt or equity after 1 April 2014, 25% of the net proceeds received by the Company will be required to be paid to Anglo Pacific Group and offset the above scheduled payments. A further payment of A$411,704 was made on 5 May 2014 pursuant to this clause.
- On 8 April 2014, the Company announced that it had entered into a Gold Streaming deal with Silverstream SZC, a Cayman Island based fund who will pay US$5 million in four instalments for the right to purchase 10% of the production from Torrecillas for life of mine at a purchase price of the lower of US$400.00 per ounce or 80% of the prevailing spot price at the time. The Company received the first instalment of US$1.6 million less $70,000 in costs on 9 April 2014. Further tranches are subject to certain production milestones being met prior to the drawdown. This funding agreement is subject to certain production and cost milestones being achieved. See Note 6 for further details.

Going Concern (continued)

- Managing the Torrecillas Gold Project, to generate cash for use within the operations in Peru and undertaking studies on additional veins for commencement of mining in the first half of 2014. The Tessie, Rebeca and Tumi veins are currently contributing to production post period end.
- Ongoing management of the level of production, development and exploration expenditure in line with funds available to the Group.
- On 17 July 2014, the Company announced that it had entered into a binding option agreement to acquire the San Santiago gold-copper mill in South Peru, in proximity to the Group's existing gold mines. The acquisition cost is US$4.5 million in cash plus the assumption of existing debts of US$1.0m. The acquisition will be partly funded by SilverStream SEZC who will provide US$3.0 million through a second gold streaming deal. The proposed acquisition is part of the Group's cash cost reduction strategy and will see savings of approximately US$5 million over a 12 month period through decreased production costs as well as increased gold recovery and gold ounces produced plus access to a third revenue stream from third party processing. See Note 13 for further details.

The cash flow assumptions for the purposes of assessing going concern do not contemplate the possible cash inflows and outflows associated with this option being exercised. As at the date of this report the company has not exercised this option.

The ability of the Group to continue as a going concern is dependent on:

I. The Company achieving its production and cost milestones under the Silverstream agreement to allow further draw downs commencing with Tranche 2 of the funding, being US$1.2 million before 31 December 2014;
II. Ongoing management of the Group's level of development and exploration expenditure in Peru as well as corporate costs in line with funds available to the Group; and
III. The ability of the Group to secure additional debt/equity funding if required.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Consolidated Entity will be able to continue as a going concern and meet its debts as and when they fall due.
Should the Directors not be successful in achieving the matters set out above, there is a material uncertainty whether the Group will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.
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 might be necessary should the Group not be able to continue as a going concern.

3. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The Group has three reportable operating segments which are the same as its geographical segments; these are Peru, Brazil and the USA. The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

	Revenue		**Segment Result**	
	Half-year ended		**Half-year ended**	
Continuing operations	**30 June 2014 $'000s**	**30 June 2013 $'000s**	**30 June 2014 $'000s**	**30 June 2013 $'000s**
Segment result before income tax – Peru	514	2,665	(606)	(948)
Segment result before income tax – Brazil	-	-	-	6,106
Segment result before income tax – USA	-	-	(129)	(336)
Investment revenue			3	3
SilverStream gold streaming income			5	-
Central administration costs and director salaries			(1,050)	(2,380)
Finance costs / fair value adjustment			(1,211)	(433)
Profit / (loss) before income tax expense			(2,988)	2,012
Income tax expense			-	(246)
Consolidated segment revenue and profit/(loss) for the period			**(2,988)**	**1,766**

The revenue reported above represents revenue generated from gold sales to external customers. There were no intersegment sales during the period. In Peru, 100% of the sales in the six months to 30 June 2014, of A$0.5 million, were sold to toll treating facilities (30 June 2013: A$2.7million).

During the prior period the Company, through its subsidiary, sold all ore to Minera Titan del Peru (MTP) under an on-going marketing agreement. The toll treatment gold processing plant is located in Chala, Peru. All ore sold by the subsidiary under the marketing contracts were mined from the Torrecillas Gold Project. This contract was however terminated in March 2014 in preparation for the processing of ore through our leased San Santiago CIP circuit.

Segment result represents the profit or loss earned by each segment without allocation of corporate administration costs, investment revenue and finance costs or income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets by reportable operating segment:

Assets		**30 Jun 2014 $'000s**	**31 Dec 2013 $'000s**
Peru		18,973	19,115
United States of America		-	2
Brazil	10	-	-
Unallocated assets		457	450
Consolidated total assets		19,430	19,567

The following is an analysis of the Group's liabilities by reportable operating segment:

Liabilities		**30 Jun 2014 $'000s**	**31 Dec 2013 $'000s**
Peru		5,304	5,396
United States of America		110	128
Brazil	10	-	-
Unallocated liabilities		7,924	6,849
Consolidated total liabilities		13,338	12,373

4. RESULTS FOR THE PERIOD

	Note	Consolidated Half-year ended 30 Jun 2014 $'000s	30 Jun 2013 $'000s
(a) Revenue			
Revenue from the sale of goods		528	2,665
Interest revenue – bank deposits		3	3
SilverStream gold streaming agreement	6	5	-
Other income		-	73
		536	2,741
(b) Expenses			
Employee benefits expense:			
Employee and director costs		(489)	(855)
Share-based payments		-	18
		(489)	(837)
Depreciation and amortisation:			
Plant and equipment		(53)	(60)
Mine assets		(97)	(62)
		(150)	(122)
Finance costs:			
Interest expense		(434)	(205)
Amortisation capitalised finance costs		(770)	(226)
Other		(7)	(9)
		(1,211)	(440)
Gain on Brazil			
Gain on deconsolidation of Brazil	10	-	2,862
Creditor renegotiation – Brazil	10	-	2,937
		-	5,799

5. CASH AND CASH EQUIVALENTS

	30 Jun 2014 $'000s	31 Dec 2013 $'000s
Cash and bank balances	424	315

All cash balance contained in the above table was available for use by the Group as at 30 June 2014 and 31 December 2013.

6. DEFERRED REVENUE

	30 Jun 2014 $'000s	31 Dec 2013 $'000s
Current		
SilverStream gold streaming	538	-
Non-current		
SilverStream gold streaming	1,175	-
Total deferred revenue	**1,713**	**-**

DEFERRED REVENUE (continued)

SilverStream gold streaming:

On 8 April 2014, the Company announced that it had entered into a gold streaming deal with SilverStream SZC, a Cayman Island based fund who will pay US$5 million in four instalments for the right to purchase 10% of the production from Torrecillas for life of mine at a purchase price of the lower of US$400.00 per ounce or 80% of the prevailing spot price at the time.

The gold stream agreement covers the Torrecillas Gold Project and surrounding concessions. SilverStream will provide the Company with a US$5.0 million payment. The deposit will be provided over four instalments::

- US$1.6 million upon the signing of the agreement
- US$1.4 million on achieving two consecutive months of 1,000 ounces per month or more of production at a C4 cash cost of less than US$1,300 per ounce;
- US$1.0 million on achieving three consecutive 1,600 ounces per month or more of production at a C4 cash cost of less than US$1,300 per ounce; and
- US$1.0 million on achieving three consecutive months of 2,000 ounces per month or more of production at a C4 cash cost of less than US$1,300 per ounce.

The first instalment of US$1.6 million was received during the half-year at the equivalent A$1.7 million. Revenue is recognised on the gold streaming agreement based on life of mine estimates and actual production values. Therefore during the half-year revenue of $5,432 was recorded, with the balance of the first instalment being recongised as deferred revenue to be released to profit and loss over the life of the mine.

7. BORROWINGS

		Consolidated Half-year ended	
		30 Jun 2014 $'000s	31 Dec 2013 $'000s
Secured at amortised cost			
Current			
Debenture	(a)	1,799	2,565
Convertible note	(b)	3,213	2,864
Lind convertible facility	(c)	63	315
		5,075	5,744
Total Borrowings		**5,075**	**5,744**

(a) Debenture

At 30 June 2014 the fair value of the note facility was determined based on its face value.

On 10 March 2014, the Company announced that a seventh deed of amendment to the Standstill and Forbearance Deed with Anglo Pacific Group Plc had been signed by the Anglo Pacific Group (APG) which extends the standstill period until 1 October 2015 under the following terms:

Minera Gold Limited must repay to APG the outstanding balance of the total amount owing to APG under the Debenture and the Standstill Deed as follows:

(a) $540,500 by 1 April 2014 (which was paid by the Company on 1 April 2014);
(b) $500,000 on 1 October 2014 ($411,704 was paid by the Company on 5 May 2014);
(c) $500,000 on 1 April 2015; and
(d) The remaining balance on 1 October 2015.

In addition, any debt or equity raised by the company, and the gold streaming payments, must have 25% of the funds allocated to the APG facility until it has been fully repaid.

Cash repayments of $911,704 were made on this facility between 1 January 2014 and 30 June 2014. Interest accrued on this facility for the period ending 30 June 2014 was $125,447.

BORROWINGS (continued)

(b) Convertible note

On 2 October 2013 the Company announced the terms of an unsecured convertible loan to provide funding to the Group. Interest on this facility is 18% per annum and to be paid yearly in cash or shares at the note holder's election. The facility expires on 30 September 2014 or earlier at the lender's discretion.

All principal and interest amounts payable are convertible at the discretion of the Company at the lower of A$0.008 or an issue price equal to 80% of the volume weighted average price of the borrower's share traded on ASX during the ten days prior to a conversion notice being issued.

During April 2014, the Company received a further A$1,700,000 in loans to the Company from sophisticated and professional investors on substantially the same terms and conditions as noted above. The Company has also rolled into the convertible notes, amounts previously recorded through trade payables in lieu of a cash settlement.

The following table summarises the movement in the convertible note debt for the half-year ended 30 June 2014 and for the half-year immediately preceding (31 December 2013).

	30 Jun 2014	31 Dec 2013
	$'000s	$'000s
Opening balance	2,864	-
Proceeds received	2,246	2,539
Creditors rolled in	398	222
Interest accrued	279	103
Principal conversions	(2,364)	-
Interest paid – in cash	(58)	-
Interest paid - note conversions	(152)	-
Closing balance	3,213	2,864

(c) Equity line of credit and unsecured convertible note with The Lind Partners LLC

	30 Jun 2014	31 Dec 2013
Equity Line of Credit	$'000s	$'000s
Outstanding drawdown	-	-
	-	-
Convertible Note		
Face value	63	315
Cost of finance	-	-
	63	315

On 18 December 2012 Minera Gold received A$650,000 from the Australian Special Opportunity Fund, LP, an institutional investment fund managed by the Lind Partners, LLC ("Lind"). The convertible note instrument included an offer issue discount in the amount of A$40,000, with the face value of the convertible note being A$690,000.

The convertible note could convert into Minera Gold shares, in whole or in increments of no less than A$50,000, on Lind giving notice of conversion to the Company during its 24 month term. The conversion price is to be calculated at 92.5% of the average of five daily VWAPs, chosen by Lind, during the 20 trading days prior to conversion. The convertible security was not able to be converted until 16 April 2013.

The convertible note is unsecured and has a contractual 0% coupon rate. It has been determined that the annual weighted average cost of this capital to Minera Gold is 16.05%.

On 6 August 2013 Lind opted to convert A$75,000 of the outstanding balance into 10,714,286 fully paid, ordinary shares in Minera Gold Limited at A$0.007 cents per share.

On 15 October 2013, the Company repaid A$250,000 of the outstanding balance on the convertible note to Lind. A further cash payment of A$211,250 was made on 24 January 2014.

BORROWINGS (continued)

On 20 December 2013, Lind opted to convert A$50,000 of the outstanding balance into 12,500,000 fully paid ordinary shares in Minera Gold Limited at $0.004 cents per share.

On 3 February 2014, the Company paid $211,250 to Lind. This was the second and final tranche of funds due to Lind. On this same date, 12,500,000 fully paid ordinary shares were issued to Lind Partners, LLC representing repayment of A$50,000 of the outstanding balance on the convertible note. The conversion price of $0.004, was calculated at 92.5% of the average of five daily volume weighted average prices, chosen by Lind, during the 20 trading days prior to conversion.

On 5 March 2014, Lind opted to convert the final A$53,750 balance on the convertible note. Minera Gold issued 17,916,667 fully paid ordinary shares in Minera Gold Limited at $0.003 cents per share. The conversion price of $0.003, was calculated at 92.5% of the average of five daily volume weighted average prices, chosen by Lind, during the 20 trading days prior to conversion.

On 28 April 2014, the Lind amount outstanding was increased by $62,500 as a fee arising as a result of the Company raising capital at a price equal to or less than $0.006, in accordance with the Deed of Settlement and Release. On 16 July 2014, Lind opted to convert the A$62,500 balance on the convertible note. Minera Gold issued 31,250,000 fully paid ordinary shares in Minera Gold Limited at $0.002 cents per share. The conversion price of $0.002, was calculated at 92.5% of the average of five daily volume weighted average prices, chosen by Lind, during the 20 trading days prior to conversion.

At the date of this report, the balance outstanding to Lind is nil.

8. ISSUANCE OF EQUITY SECURITIES

Issued capital *Consolidated Entity and Company*	**30 June 2014** **Number of ordinary shares fully paid**	**$'000s**
Balance as at 1 January 2014	622,090,765	69,083
Conversion of shares in accordance with Lind funding facility		
- *28 January 2014 convert $50,000 at VWAP $0.040 per share, market price $0.006*	12,500,000	75
- *5 March 2014 convert $53,750 at VWAP $0.039 per share, market price $0.005*	17,916,667	90
Conversion of convertible note:		
24 April 2014:		
- *Principal $1,294,444 at VWAP $0.0032 deemed issue price $0.0035 per share*	404,513,633	1,416
- *Interest $124,192 at VWAP $0.0036 deemed issue price $0.0035 per share*	32,617,612	114
12 May 2014		
- *Principal $50,000 at VWAP $0.0036 deemed issue price $0.005 per share*	13,888,889	86
- *Principal $100,000 at VWAP $0.0039 deemed issue price $0.005 per share*	25,641,026	159
- *Interest $5,441 at VWAP $0.0040 deemed issue price $0.005 per share*	1,359,975	8
- *Interest $1,874 at VWAP $0.0044 deemed issue price $0.005 per share*	425,903	3
15 May 2014		
- *Principal $100,000 at VWAP $0.0038 deemed issue price $0.005 per share*	26,315,789	113
- *Interest $1,892 at VWAP $0.0043 deemed issue price $0.005 per share*	439,934	2
29 May 2014		
- *Principal $250,000 at VWAP $0.0039 deemed issue price $0.005 per share*	64,102,564	321
- *Interest $6,041 at VWAP $0.0040 deemed issue price $0.005 per share*	1,510,274	8
12 June 2014		
- *Principal $170,598 at VWAP $0.0032 deemed issue price $0.003 per share*	53,313,012	160
- *Principal $150,000 at VWAP $0.0036 deemed issue price $0.003 per share*	41,666,667	125
- *Principal $20,000 at VWAP $0.0039 deemed issue price $0.003 per share*	5,128,205	15
- *Interest $4,769 at VWAP $0.0036 deemed issue price $0.003 per share*	1,324,711	4
- *Interest $187 at VWAP $0.0044 deemed issue price $0.003 per share*	42,590	-
16 June 2014		
- *Principal $97,396 at VWAP $0.0032 deemed issue price $0.003 per share*	30,435,894	91
- *Interest $1,656 at VWAP $0.0036 deemed issue price $0.003 per share*	460,136	1
30 June 2014		
- *Principal $132,000 at VWAP $0.0026 deemed issue price $0.003 per share*	50,769,233	152
- *Interest $10,428 at VWAP $0.0029 deemed issue price $0.003 per share*	3,595,773	10
Shares issued in lieu of cash payment		
- *3 February 2014 deemed issue price $0.061 per share*	3,747,000	23
29 May 2014 – options exercised	6	-
Share issue costs incurred 1 January 2014 to 30 June 2014	-	
Balance at end of period	**1,413,806,257**	**72,059**

ISSUANCE OF EQUITY SECURITIES (continued)

SHARES UNDER OPTION - LISTED

Details of listed unissued shares or interests under option as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise Price	Expiry date	Vested
Minera Gold Limited – MIZOA	245,250,000	Ordinary	1.2 cents	4 Dec 2016	100%

Listed Share Options in Minera Gold Limited	Balance as at: 30 June 2014 Number	31 December 2013 Number
MIZO	-	150,796,444
MIZOA	235,250,000	-

During the half-year ended 30 June 2014, 150,796,444 MIZO listed options expired unexercised. A total of MIZOA 115,000,000 unlisted options were issued on 4 December 2013 and subsequently listed on ASX on 20 March 2014. 120,250,000 listed MIZOA options have been issued during the half-year reported with a further 10,000,000 issued since 30 June 2014.

SHARES UNDER OPTION - UNLISTED

In accordance with the provisions of the employee share option plan, as at 30 June 2014, executives and senior employees have options over 38,5000,000 shares (31 December 2013:16,600,000 shares), of which 100% are vested. These options expire at various dates between 30 June 2015 and 13 September 2017 (31 December 2013: expiry between 30 June 2015 and 13 September 2017).

As at 30 June 2014 there are 129,920,000 unlisted share options (31 December 2013: 244,920,000) issued to financial and corporate advisors. These options expire at various dates between 1 March 2015 and 13 September 2017 (31 December 2013: expiry between 1 March 2015 and 4 December 2016) and are all exercisable between 1.2c and 20c.

Share options granted under the employee share option plan carry no rights to dividends and no voting rights.

Details of the movement in unissued shares or interests under option as at the date of this report are:

	Number of Options (Unlisted)	Number of Options (Listed)
Balance at the beginning of the period - 1 January 2014	244,920,000	150,796,444
Share options issued from 1 January 2014 to 30 June 2014	-	120,250,000
Share options exercised from 1 January 2014 to 30 June 2014	-	(6)
Previously unlisted options now listed	(115,000,000)	115,000,000
Share options expired from 1 January 2014 to 30 June 2014		(150,796,438)
Share options issued from 1 July 2014 to the date of this report		10,000,000
Total number of options outstanding as at the date of this report	***129,920,000***	***245,250,000***

6 options were exercised during the period.

The weighted average exercise price of options granted during the period was $0.012 (six months to 31 December 2013: $0.015). Options were priced using a Black and Scholes financial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability and exercise restrictions. Expected volatility is based on the historical share price volatility of Minera Gold Limited.

9. KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

10. JOINT VENTURE

On 31 May 2013, a binding share subscription agreement was signed between Mineralis Limited and Minera Gold's wholly-owned Brazilian subsidiary, Mundo Mineração Ltdã and Minera Gold Limited.

Under the subscription agreement, Mineralis Pty Ltd will subscribe for shares in Mundo Mineração Ltdã, which is to become an incorporated joint venture vehicle in respect of the Engenho gold project.

The Investor will acquire the Subscription Shares by way of four tranche subscriptions and payments over a 12 month period (Tranches). The agreement sees the staged injection of A$4,500,000 into Mundo Mineração Ltdã to pay 100% of the creditor obligations under the court supervised creditor plan during over the next 12 months and to also provide additional working capital to fund exploration on the Olhos project and administration costs.

As at 31 May 2013, Mundo Mineração Ltdã had a net asset deficiency of $4,878 thousand and an amount of $1,979 thousand was recycled from the foreign currency translation reserve through the profit or loss resulting in a gain on deconsolidation of $2,862 thousand.

As at 30 June 2014 the Group held a 75% interest in Mundo Mineração Ltdã and accounted for the investment as a joint venture, applying equity accounting principles. The consideration for earning the 25% interest was A$920,000 and was paid directly to Mundo Mineração Ltdã.

As at the date of this report, the Brazilian entity is not in compliance with the approved plan as a result of the company's JV partner being in default of their obligations under the JV. The non-compliance of the plan has been referred back to the Nova Lima bankruptcy courts by the trustee. No decision from the judge overseeing this plan has been made on the future of Mundo Mineracao Ltda.

11. EXPLORATION EXPENDITURE

The ultimate recoupment of costs carried forward for exploration expenditure is dependent upon successful development and commercial exploitation, or sale, of the respective areas of interest.

12. CONTINGENCIES AND COMMITMENTS

There were no material changes to contingent liabilities or commitments of the consolidated entity since the last annual reporting date.

13. EVENTS AFTER REPORTING PERIOD

Changes to capital structure

Fully paid ordinary shares

1. On 2 July 2014, Minera Gold issued 32,752,829 fully paid ordinary shares. 31,779,279 shares were issued on the conversion of convertible loan notes with 31,281,013 shares issued at $0.0026 for principal conversion of $81,331 and 498,266 shares issued at $0.0029 for interest converted on the loan notes of $1,445. A further 973,550 shares were issued as consideration for services received value $2,921.

2. On 4 July 2014, Minera Gold issued 66,775,173 fully paid ordinary shares on the conversion of convertible loan notes. 65,384,615 shares were issued at $0.0026 for principal conversion of $170,000 and 1,390,558 shares were issued at $0.0029 for interest converted on the loan notes of $4,033.

3. On 16 July 2014, Lind opted to convert the A$62,500 balance on the convertible note. Minera Gold issued 31,250,000 fully paid ordinary shares in Minera Gold Limited at $0.002 cents per share. The conversion price of $0.002, was calculated at 92.5% of the average of five daily volume weighted average prices, chosen by Lind, during the 20 trading days prior to conversion.

4. On 17 July 2014, Minera Gold issued 281,269,417 fully paid ordinary shares. 244,519,417 shares were issued on the conversion of convertible loan notes with 239,951,901 shares issued at prices between $0.0024 and $0.0027 for principal conversion of $585,440.00 and 4,567,516 shares issued at $0.0027 for interest converted on the loan notes of $12,332.

5. Between 28 and 29 July 2014, Minera Gold issued 366,143,914 fully paid ordinary shares on the conversion of convertible loan notes. A total of 344,797,600 shares were issued for the conversion of $906,354 loan principal at prices between $0.0025 and

$0.0031. A further 21,346,317 shares were issued for the conversion of $61,888 loan interest at prices between $0.0027 and $0.0035.

6. On 18 August, Minera Gold issued 185,293,761 fully paid ordinary shares on the conversion of convertible loan notes. A total of 175,715,512 shares were issued for the conversion of $670,649 loan principal at prices between $0.0037 and $0.0039. A further 9,581,249 shares were issued for the conversion of $40,927 loan interest at prices between $0.0041 and $0.0044.

Share options
On 17 July 2014, the Company issued 10,000,000 listed (MIZOA) share options in Minera Gold as payment in lieu of cash to a vendor of the Company. The options were issued using Listing Rule 7.1 and ratification by shareholders will be sought at the next general meeting. The options have an expiry date of 4 December 2016 and an exercise price of $0.012 per share.

Option to acquire San Santiago copper mill

Further to an initial announcement on 17 July 2014, the Company announced that it had entered into a binding option agreement to acquire the San Santiago gold-copper mill in South Peru, in proximity to the Group's existing gold mines. On 3 September, the Company announced that it had signed the binding agreement.

The acquisition cost is US$4.5 million in cash plus the assumption of existing debts of US$1.0m. The acquisition will be partly funded by SilverStream SEZC who will provide US$3.0 million through a second gold streaming deal. The balance of the funding will be sourced by the Company. The option expires on 16 October 2014, subsequent to a recent extension granted by SilverStream SEZC.

Significant terms of the second streaming arrangement are:

1. SilverStream will be delivered equivalent to 100% of the silver produced from the copper circuits at San Santiago for 15 years;
2. SilverStream will be entitled to purchase a minimum of 4,000 ozs of silver per month and up to a maximum of 90,000 ozs of silver per annum at a purchase price of US$6 per ounce. For amounts over 90,000 ozs per annum, SilverStream will be entitled to purchase 50% of the additional ounces at the purchase price of US$6 per ounce; and
3. SilverStream will have senior security over the San Santiago processing plant until such time that ht purchase price has been repaid in full via monthly gross margin to SilverStream

This will be a non-dilutive acquisition to Minera shareholders and earnings accretive immediately, saving Minera on the Company's previous lease of the CIP circuit with savings expected to reduce all-in cash costs for the Torrecillas gold mine.

Importantly, the acquisition will provide project and commodity diversification for Minera, including control of an operating copper toll treatment business.

Changes to key management personnel

On 23 July 2014 Mr Kevin Puil has tendered his resignation as a non-executive director of the Company following his resignation as CEO of SilverStream SEZC. Mr Puil was the nominee of SilverStream appointed to the board of Minera Gold under the terms of the gold streaming deal announced in April 2014.