

Goldphyre Resources Limited

ABN 58 149 390 394

Annual Financial Report

for the year ended 30 June 2015

Corporate Information

ABN 58 149 390 394

Directors

Matt Shackleton (Executive Chairman)
Brenton Siggs (Non-Executive Director)
Dean Goodwin (Non-Executive Director)

Company Secretary

John Ribbons

Principal Place of Business

31 Ord Street
WEST PERTH WA 6005
Telephone: +61 8 9322 1003
Facsimile: +61 8 9389 2199

Registered Office

Ground Floor, 20 Kings Park Road
WEST PERTH WA 6005

Solicitors

Steinpreis Paganin
Level 4, The Read Building
16 Milligan Street
PERTH WA 6000

Share Register

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Auditors

Bentleys Audit & Corporate (WA) Pty Ltd
Level 1, 12 Kings Park Road
WEST PERTH WA 6005

Internet Address

www.goldphyreresources.com.au

Stock Exchange Listing

Goldphyre Resources Limited shares are listed on the Australian Securities Exchange (ASX code GPH).

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Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Goldphyre Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2015.

DIRECTORS

The names and details of the Company's directors in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Matt Shackleton, (Executive Chairman, member of the Audit Committee) appointed 23 July 2014

Mr Shackleton is a Chartered Accountant with over 20 years' experience in senior management and board roles. Previously the Managing Director of ASX listed Western Australian gold developer Mount Magnet South NL, Mr Shackleton was a founding director of ASX listed and West African gold and bauxite explorer Canyon Resources Limited. He has also held senior roles with Bannerman Resources Limited, a uranium developer, Skywest Airlines, iiNet Limited and DRCM Global Investors in London. Mr Shackleton holds an MBA from The University of Western Australia, and is a Fellow of the ICAA.

Brenton Siggs, (Non-Executive Director, member of the Audit and Remuneration committees)

Mr Siggs is a geologist with over 25 years' experience in the Australian mineral exploration and mining industry and has worked on a range of gold, nickel, petroleum, mineral sands, coal and phosphate projects throughout Australia. He currently operates a successful geological contracting business which was established in Kalgoorlie in 1994 and is now based in Perth, Western Australia.

Mr Siggs has extensive experience in all stages of regional and near-mine exploration project management, particularly in Western Australia, from conceptual targeting and ground acquisition through to resource definition drilling programs and open cut mining geology. He has held Senior Geologist and Project Leader roles with a variety of Australian and major international companies including Newcrest Mining Ltd., Inco Australia, VALE, Sons of Gwalia Ltd, Central Norseman Gold Corporation Ltd and Belvedere Coal Management Pty Ltd.

Mr Siggs' exploration successes include senior geology roles in Western Australian gold discoveries at Racetrack, Golden Funnel and Black Lady (Mount Pleasant), Dingo Range, Norseman and Menzies (Lady Irene). Other technical highlights include senior roles in resource upgrades at significant nickel laterite (Ravensthorpe Project and Kalgoorlie Nickel Project, Western Australia) and coal projects (Belvedere Coal Project, Queensland).

Mr Siggs is a director of Goldphyre WA Pty Ltd ("Vendor"), and ultimately controls 60% of the Vendor's holding in the Company.

Mr Siggs holds a Bachelor of Applied Science (Applied Geology) degree from the University of South Australia and is a Member of the Australian Institute of Geoscientists (AIG) and the Society of Economic Geologists (SEG).

Dean Goodwin, (Non-Executive Director, Chairman of the Audit and Remuneration Committees) appointed 23 July 2014

Mr Goodwin, BAppSc (Geology), MAIG is a geologist with over 26 years' exploration experience which has included acting as Head of Geology at Focus Minerals Limited and a six year period as Managing Director of Barra Resources Ltd (2004-2010). Mr Goodwin also spent six years as an exploration geologist with Western Mining Corporation Ltd and was involved with discovering the Intrepid, Redoubtable and Santa Anna gold deposits at Lake Lefroy with WMC. Whilst with WMC he worked closely with the nickel exploration team.

In 1994 he joined Resolute Ltd as Senior Exploration Geologist, spending five years in Kalgoorlie managing exploration for the Chalice, Higginsville, Bullabulling and Bulong projects. In 1999 Mr Goodwin was appointed as Senior Exploration Geologist with LionOre Limited and whilst at the Bounty Gold Mine operations he was responsible for the discovery of several small gold deposits. More recently, he has been working as an independent contract geologist exploring for nickel sulphides throughout Western Australia.

Christopher Clegg was a director from the beginning of the financial year until his resignation on 30 September 2014.

Ron Punch was Executive Chairman from the beginning of the financial year until his resignation on 23 July 2014.

COMPANY SECRETARY

John Ribbons

Mr Ribbons is an accountant who has worked within the resources industry for over 16 years in the capacity of company accountant, group financial controller or company secretary.

Mr Ribbons has extensive knowledge and experience with ASX listed production and exploration companies. He has considerable site based experience with operating mines and has also been involved with the listing of several exploration companies on ASX. Mr Ribbons has experience in capital raising, ASX and TSX compliance and regulatory requirements. Mr Ribbons has not held any former directorships in the last 3 years.

Directors' Report (continued)

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Goldphyre Resources Limited were:

	Ordinary Shares	Options over Ordinary Shares
Matt Shackleton	3,948,863	1,676,136
Brenton Siggs	7,562,500	2,729,167
Dean Goodwin	1,696,136	1,676,136

PRINCIPAL ACTIVITIES

During the year the Group carried out exploration on its tenements and applied for or acquired additional tenements with the objective of identifying potash and other economic mineral deposits.

DIVIDENDS

No dividends were paid or declared during the year. No recommendation for payment of dividends has been made.

OPERATING AND FINANCIAL REVIEW

Finance Review

The Group began the year with available cash assets of \$475,803. The Group raised funds during the year via a placement of 15,410,267 ordinary shares (with a 1 for 1 free attaching listed option) to sophisticated and professional investors. Total gross funds raised during the year were \$339,026. Subsequent to the end of the reporting period, refer to note 17, the Group completed a placement of 31,250,000 ordinary shares, with 31,250,000 free attaching options, at \$0.032 per share for gross proceeds of \$1,000,000.

During the year total exploration expenditure incurred by the Group amounted to \$224,098 (2014: \$558,269). In line with the Group's accounting policies, all exploration expenditure is written off as incurred. Net administration expenditure incurred amounted to \$430,324 (2014: \$348,695). This has resulted in an operating loss after income tax for the year ended 30 June 2015 of \$654,422 (2014: \$906,964).

At 30 June 2015 cash assets available totalled \$284,337.

Operating Results for the Year

Summarised operating results are as follows:

	2015	
	Revenues	Results
	\$	\$
Revenues and loss from ordinary activities before income tax expense	16,917	(654,422)

Shareholder Returns

	2015	2014
Basic loss per share (cents)	(1.0)	(2.1)

Risk Management

The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Report, no significant changes in the state of affairs of the Group occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances, besides those disclosed at note 17, have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Directors' Report (continued)

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain the present status and level of operations and will report any further developments in accordance with ASX continuous disclosure requirements.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

The directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

REMUNERATION REPORT

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

Remuneration Policy

The remuneration policy of Goldphyre Resources Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The board of Goldphyre Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group.

The board's policy for determining the nature and amount of remuneration for board members and senior executives (if any) of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors, was developed by the board. All executives receive a base salary or fee (which is based on factors such as length of service, performance and experience) and the equivalent statutory superannuation. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The directors and executives (if any) receive a superannuation guarantee contribution required by the government, which was 9.5% for the 2015 financial year. Some individuals may choose to sacrifice part of their salary or fees to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the company and expensed. Shares issued to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$300,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

Performance based remuneration

The Group currently has no performance based remuneration component built into key management personnel remuneration packages.

Company performance, shareholder wealth and key management personnel remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and key management personnel performance. Currently, this is facilitated through the issue of options to the majority of key management personnel to encourage the alignment of personal and shareholder interests. The company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced. For details of key management personnel interests in options at year end, refer to the 'Option holdings' section later in the Remuneration Report.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2015.

Directors' Report (continued)

Voting and comments made at the Company's 2014 Annual General Meeting

The Company received 100% of "yes" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

Details of remuneration

Details of the remuneration of the key management personnel of the Group are set out in the following table.

The key management personnel of the Group include the directors as per page 3 above.

Key management personnel of the Group

	Short-Term		Post-Employment		Share-based	Total	Performance Related
	Salary & Fees	Non-Monetary	Superannuation	Retirement benefits	Payments		
	\$	\$	\$	\$	Shares	\$	%
Directors							
Matt Shackleton (appointed 23 July 2014)							
2015	51,328	-	-	-	50,000	101,328	-
Brenton Siggs ⁽¹⁾							
2015	105,879	-	1,900	-	-	107,779	-
2014	199,268	-	1,850	-	-	201,118	-
Dean Goodwin (appointed 23 July 2014)							
2015	20,452	-	-	-	-	20,452	-
Christopher Clegg (resigned 30 September 2014)							
2015	1,667	-	158	-	-	1,825	-
2014	20,000	-	1,850	-	-	21,850	-
Ron Punch (resigned 23 July 2014)							
2015	1,290	-	-	-	-	1,290	-
2014	20,000	-	-	-	-	20,000	-
Total key management personnel compensation							
2015	180,616	-	2,058	-	50,000	232,674	
2014	239,268	-	3,700	-	-	242,968	

(1) In addition to the remuneration included here, Reefus Geology Services (a business controlled by Brenton Siggs) was paid \$12,745 (2014: \$9,834) for the provision of other exploration services to the Group.

Service agreements

Matt Shackleton Executive Chairman, appointed 23 July 2015:

- Paid annual salary of \$100,000 (plus statutory superannuation), comprising of \$50,000 in cash and, following shareholder approval obtained on 30 September 2014, \$50,000 settled via the issue of 2,272,727 ordinary shares in the Company.
- The Company may terminate, without cause, the Executive's employment at any time by giving three calendar months' written notice to the Executive.
- The Executive shall be entitled to a payment equal to three calendar months at the base salary in the event of demotion from his position as Executive Chairman or if he is requested to assume responsibilities or perform tasks not reasonably consistent with his position as Executive Chairman.
- In the event the Executive Chairman is terminated as a result of one of the following circumstances the Company will make a three calendar months Redundancy Payment to the Executive at the base salary:
 - the Executive's position is made redundant by the Board;
 - there is a material diminution in the responsibilities or powers assigned to the Executive by the Board; or
 - there is a material reduction in the remuneration payable to the Executive as determined by the Board.

Reefus Geology Services (a business controlled by Brenton Siggs) provides technical geological management services to the Group at a daily rate of \$880, plus a four wheel drive vehicle daily rate of \$85 (excluding GST) with all fuel and oil costs invoiced directly to the Group. On 16 September 2014, the daily rate paid to Reefus Geology Services was reduced to \$600 for field work and \$300 for office based work. The daily rate was further reduced on 10 December 2014 to \$300 for field work. Commencing 1 July 2015, the daily rate has been varied to \$650 for field work and \$550 for office based work.

Directors' Report (continued)

Share-based compensation

Shares

In accordance with the terms of his Executive Service Agreement, during the 2015 financial year Matt Shackleton was remunerated to the value of \$50,000 via the issue of 2,272,727 ordinary shares in the Company. Shareholders approved this transaction at a general meeting of the Company held on 30 September 2014 and the shares were issued on 1 October 2014. The issue price of 2.2 cents per share was the same as the issue price of a placement to sophisticated and professional investors that was approved at the same general meeting.

Options

Options may be issued at no cost to key management personnel as part of their remuneration. The options are not issued based on performance criteria, but are issued to the key management personnel of Goldphyre Resources Limited to increase goal congruence between key management personnel and shareholders. There were no options over ordinary shares of the Company granted to or vesting with key management personnel during the year. Options currently on issue that were previously granted to key management personnel are shown below:

	Grant Date	Granted Number	Vesting Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Exercised Number
Directors							
Ron Punch	29/05/2012	1,000,000	29/05/2012	29/05/2016	19.5	10.41	-

Equity instruments held by key management personnel

Share holdings

The numbers of shares in the company held during the financial year by each director of Goldphyre Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2015

	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Goldphyre Resources Limited				
Ordinary shares				
Matt Shackleton (appointed 23 July 2014)	-(1)	-	3,636,363	3,636,363
Brenton Siggs	7,250,000	-	-	7,250,000
Dean Goodwin (appointed 23 July 2014)	20,000(1)	-	1,363,363	1,383,363
Christopher Clegg (resigned 30 September 2014)	175,000	-	-	175,000(1)
Ron Punch (resigned 23 July 2014)	-	-	-	-(1)

(1) Balance held at the respective date of appointment or resignation.

Directors' Report (continued)

Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Goldphyre Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below:

2015	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
<i>Directors of Goldphyre Resources Limited</i>							
Matt Shackleton (appointed 23 July 2014)	- ⁽¹⁾	-	-	1,363,636	1,363,636	1,363,636	-
Brenton Siggs	6,041,667	-	-	(3,625,000)	2,416,667	2,416,667	-
Dean Goodwin (appointed 23 July 2014)	- ⁽¹⁾	-	-	1,363,636	1,363,636	1,363,636	-
Christopher Clegg (resigned 30 September 2014)	2,058,334	-	-	-	2,058,334 ⁽¹⁾	2,058,334	-
Ron Punch (resigned 23 July 2014)	2,000,000	-	-	-	2,000,000 ⁽¹⁾	2,000,000	-

(1) Balance held at the respective date of appointment or resignation.

Loans to key management personnel

There were no loans to key management personnel during the year.

Other transactions with key management personnel

Services

Reefus Geology Services, a business controlled by Mr Brenton Siggs, is engaged through an executive service agreement to provide technical geological management services to the Group during the year. The amounts paid were at arms' length and are included as part of Mr Siggs' compensation. In addition to the remuneration for Mr Siggs' services, Reefus Geology Services was paid \$12,745 (2014: \$9,834) for the provision of other exploration services to the Group.

Statewide Tenement & Advisory Services, a business controlled by Mr Christopher Clegg, provided tenement management services to the Group during the year totalling nil (2014: \$31,183). The amounts paid were on arms' length commercial terms.

Resminco Pty Ltd, a company associated with Mr Michael Punch (Mr Ron Punch's son), provided corporate advisory services to the Group during the year totalling nil (2014: \$6,988). The amounts paid were on arms' length commercial terms.

Acquisitions

Goldphyre WA Pty Ltd and the Company entered into a Tenement Sale Agreement dated on or about 13 June 2013 under which the Company would acquire a 100% interest in one tenement for the sum of \$1,100 (GST inclusive).

Mr Brenton Siggs is a director of Goldphyre WA Pty Ltd and ultimately controls a 60% interest in Goldphyre WA Pty Ltd.

Goldphyre WA Pty Ltd and the Company are parties to a sale of Mining Tenements Agreement dated on or about 11 April 2011 under which the Company acquired a 100% interest in 9 Tenements. In consideration, the Company issued the Vendor 7,250,000 ordinary shares and 3,625,000 options (with an exercise price of 20 cents and expiry date of 30 June 2015) during the 2011 financial period. The Company will potentially issue further ordinary shares to the Vendor, refer to note 15.

End of audited Remuneration Report

Directors' Report (continued)

DIRECTORS' MEETINGS

During the year the Company held five meetings of directors. The attendance of directors at meetings of the board and committees were:

	Directors Meetings		Audit Committee Meetings	
	A	B	A	B
Matt Shackleton (appointed 23 July 2014)	4	4	1	1
Brenton Siggs	5	5	*	*
Dean Goodwin (appointed 23 July 2014)	3	4	1	1
Christopher Clegg (resigned 30 September 2014)	3	3	*	*
Ron Punch (resigned 23 July 2014)	-	1	*	*

Notes

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the year.

* Not a member of the Audit Committee at the time the meeting was held.

SHARES UNDER OPTION

Unissued ordinary shares of Goldphyre Resources Limited under option at the date of this report are as follows:

Date options issued	Expiry date	Exercise price (cents)	Number of options
29 May 2012	29 May 2016	19.5 Unlisted	1,000,000
September, November & December 2013, September October 2014	30 September 2016	8.0 Listed	44,320,937
Total number of options outstanding at the date of this report			45,320,937

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Goldphyre Resources Limited paid a premium of \$4,052 to insure the directors and secretary of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

NON-AUDIT SERVICES

There were no non-audit services provided by the entity's auditor, Bentleys, or associated entities.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

Signed in accordance with a resolution of the directors.



Matt Shackleton

Executive Chairman

Perth, 31 August 2015

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Goldphyre Resources Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



BENTLEYS
Chartered Accountants



DOUG BELL CA
Director

Dated at Perth this 31st day of August 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2015	Notes	2015 \$	2014 \$
REVENUE	4	16,917	22,925
EXPENDITURE			
Administration expenses		(298,323)	(306,320)
Depreciation expenses		(551)	(1,600)
Employee benefits expenses		(98,367)	(63,700)
Exploration expenses		(224,098)	(558,269)
Share-based payments expense	20(d)	(50,000)	-
LOSS BEFORE INCOME TAX		(654,422)	(906,964)
INCOME TAX BENEFIT / (EXPENSE)	5	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF GOLDPHYRE RESOURCES LIMITED		(654,422)	(906,964)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)	19	(1.0)	(2.1)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

AT 30 JUNE 2015	Notes	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	6	284,337	475,803
Trade and other receivables	7	10,826	17,932
TOTAL CURRENT ASSETS		295,163	493,735
NON-CURRENT ASSETS			
Plant and equipment	8	-	551
TOTAL NON-CURRENT ASSETS		-	551
TOTAL ASSETS		295,163	494,286
CURRENT LIABILITIES			
Trade and other payables	9	127,869	65,140
TOTAL CURRENT LIABILITIES		127,869	65,140
TOTAL LIABILITIES		127,869	65,140
NET ASSETS		167,294	429,146
EQUITY			
Issued capital	10	3,148,896	2,756,326
Reserves		104,100	883,405
Accumulated losses		(3,085,702)	(3,210,585)
TOTAL EQUITY		167,294	429,146

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

YEAR ENDED 30 JUNE 2015

	Notes	Issued Capital \$	Share-Based Payments Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2013		2,176,364	883,405	(2,303,621)	756,148
Loss for the period		-	-	(906,964)	(906,964)
TOTAL COMPREHENSIVE LOSS		-	-	(906,964)	(906,964)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares and options issued during the year	10	616,911	-	-	616,911
Share issue transaction costs	10	(36,949)	-	-	(36,949)
BALANCE AT 30 JUNE 2014		2,756,326	883,405	(3,210,585)	429,146
Loss for the year		-	-	(654,422)	(654,422)
TOTAL COMPREHENSIVE LOSS		-	-	(654,422)	(654,422)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	10	445,026	-	-	445,026
Share issue transaction costs	10	(52,456)	-	-	(52,456)
Transfer on expiry of options		-	(779,305)	779,305	-
BALANCE AT 30 JUNE 2015		3,148,896	104,100	(3,085,702)	167,294

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2015	Notes	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(354,676)	(349,027)
Expenditure on mining interests		(232,046)	(547,342)
Interest received		11,971	25,008
Other income received		5,000	-
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	18(a)	(569,751)	(871,361)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares and options		395,026	616,911
Payments of share issue costs		(16,741)	(36,949)
NET CASH INFLOW FROM FINANCING ACTIVITIES		378,285	579,962
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year		475,803	767,202
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	284,337	475,803

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements are for Goldphyre Resources Limited. The financial statements are presented in the Australian currency. Goldphyre Resources Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 31 August 2015. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Goldphyre Resources Limited is a for-profit entity for the purpose of preparing the financial statements. All amounts are presented in Australian dollars unless otherwise stated.

(i) Compliance with IFRS

The financial statements of Goldphyre Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

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

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior years. However, the above standards have affected the disclosures in the notes to the financial statements.

(iii) Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which have been measured at fair value.

(v) Going concern

The financial report has been prepared on a 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 incurred a loss for the year of \$654,422 (2014: \$906,964) and net cash outflows of \$191,466 (2014: \$291,399). The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

Subsequent to the end of the reporting period, refer to note 17, the Group completed a placement of 31,250,000 ordinary shares, with 31,250,000 free attaching options, at \$0.032 per share for gross proceeds of \$1,000,000.

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Goldphyre Resources Limited.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(d) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(e) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Trade and other receivables

Receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

(i) Exploration and evaluation costs

Exploration and evaluation costs for each area of interest in the early stages of project life are expensed as they are incurred.

(j) Investments and financial instruments

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the profit or loss as gains and losses from investment securities.

Classification and subsequent measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Profit or loss.

(k) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rate used for assets held during the year is 40% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(m) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(n) Share-based payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'), refer to note 20.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Options over ordinary shares have also been issued as consideration for the acquisition of interests in tenements and other services. These options have been treated in the same manner as employee options described above, with the expense being included as part of exploration expenditure.

(o) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(p) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(r) New accounting standards and interpretations

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The Group does not anticipate that there will be a material effect on the financial statements from the adoption of these standards.

<u>Standard/Interpretation</u>	<u>Effective for annual reporting periods beginning on or after</u>	<u>Expected to be initially applied in the financial year ending</u>
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

(s) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Share-based payments

Share-based payment transactions, in the form of options to acquire ordinary shares, are valued using the Black-Scholes option pricing model. This model uses assumptions and estimates as inputs.

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The Executive Chairman, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Market risk

(i) Foreign exchange risk

As all operations are currently within Australia, the Group is not exposed to any material foreign exchange risk.

(ii) Commodity price risk

Given the current level of operations the Group is not exposed to commodity price risk.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Group \$284,337 (2014: \$475,803) is subject to interest rate risk. The weighted average interest rate received on cash and cash equivalents by the Group was 2.8% (2014: 3.1%).

Sensitivity analysis

At 30 June 2015, if interest rates had changed by +/- 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Group would have been \$4,266 lower/higher (2014: \$7,320 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

(b) Credit risk

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Group does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date. Financial assets mature within 3 months of balance date.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying amount of all financial assets and financial liabilities of the Group at the balance date approximate their fair value due to their short term nature.

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015

2015

2014

\$

\$

3. SEGMENT INFORMATION

For management purposes, the Group has identified only one reportable segment being exploration activities undertaken in Australia. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in this geographic location.

Segment performance is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Group's accounting policies.

Exploration segment

Segment revenue	5,000	-
Reconciliation of segment revenue to total revenue before tax:		
Interest revenue	11,917	22,925
Total revenue	16,917	22,925
Segment results	(219,098)	(558,269)
Reconciliation of segment result to net loss before tax:		
Other corporate and administration	(435,324)	(348,695)
Net loss before tax	(654,422)	(906,964)
Segment operating assets	-	-
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	295,163	494,286
Total assets	295,163	494,286
Segment operating liabilities	16,197	31,195
Reconciliation of segment operating liabilities to total liabilities:		
Other corporate and administration liabilities	111,672	33,945
Total liabilities	127,869	65,140
4. REVENUE		
From continuing operations		
<i>Other revenue</i>		
Interest	11,917	22,925
Other revenue	5,000	-
	16,917	22,925
5. INCOME TAX		
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(654,422)	(906,964)
Prima facie tax benefit at the Australian tax rate of 30%	(196,327)	(272,089)
Tax effect of entertainment not deductible in calculating taxable income	120	155
Movements in unrecognised temporary differences	(24,398)	(26,741)
Tax effect of current period tax losses for which no deferred tax asset has been recognised	220,605	298,675
Income tax expense	-	-

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015	2015	2014
	\$	\$
5. INCOME TAX (cont'd)		
(c) Unrecognised temporary differences		
Deferred Tax Assets (at 30%)		
<i>On Income Tax Account</i>		
Capital raising costs	37,454	61,532
Carry forward tax losses	1,202,774	984,721
	1,240,228	1,046,253
Set off of deferred tax liabilities	(42,204)	(35,320)
Net deferred tax assets	1,198,024	1,010,933
Less deferred tax assets not recognised	(1,198,024)	(1,010,933)
	-	-
Deferred Tax Liabilities (at 30%)		
Tenement acquisition costs	41,961	35,081
Depreciation variances	243	239
	42,204	35,320
Set off against deferred tax assets	(42,204)	(35,320)
	-	-
Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.		
The Group's ability to use losses in the future is subject to the Group satisfying the relevant tax authority's criteria for using these losses.		
6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	57,654	803
Short-term deposits	226,683	475,000
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	284,337	475,803
Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.		
7. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES		
GST receivable	9,885	16,937
Interest receivable	941	995
	10,826	17,932
8. NON-CURRENT ASSETS - PLANT AND EQUIPMENT		
Plant and equipment		
Cost	4,000	4,000
Accumulated depreciation	(4,000)	(3,449)
Net book amount	-	551
Plant and equipment		
Opening net book amount	551	2,151
Depreciation charge	(551)	(1,600)
Closing net book amount	-	551
9. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES		
Trade payables	79,370	27,507
Other payables and accruals	48,499	37,633
	127,869	65,140

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015

10. ISSUED CAPITAL

	Notes	2015		2014	
		Number of securities	\$	Number of securities	\$
(a) Share capital					
Ordinary shares fully paid	10(c), 10(e)	68,415,004	3,131,985	50,732,010	2,739,415
(b) Other equity securities					
Options	10(f)	16,910,670	16,911	16,910,670	16,911
Total issued capital			3,148,896		2,756,326
(c) Movements in ordinary share capital					
Beginning of the financial year		50,732,010	2,739,415	26,732,010	2,176,364
Issued during the year:					
– Issued for cash at 3.2 cents per share ⁽¹⁾		-	56,000	-	-
– Issued for cash at 2.2 cents per share		15,410,267	339,026	-	-
– Issued in lieu of fees at 2.2 cents per share		2,272,727	50,000	-	-
– Issued for cash at 2.5 cents per share		-	-	24,000,000	600,000
Transaction costs		-	(52,456)	-	(36,949)
End of the financial year		68,415,004	3,131,985	50,732,010	2,739,415

(1) Funds received in advance of share placement, with shares issued on 3 July 2015.

(d) Movements in options on issue

	Number of options	
	2015	2014
Beginning of the financial year	50,300,470	21,389,800
Issued, exercisable at 8 cents, on or before 30 September 2016 (listed)	15,410,267	28,910,670
Expired on 30 June 2015, exercisable at 20 cents	(20,389,800)	-
End of the financial year	45,320,937	50,300,470

(e) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(f) Paid options

During December 2013 a total of 16,910,670 options were issued at 0.1 cents each.

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015

2015

2014

\$

\$

10. ISSUED CAPITAL (cont'd)**(g) Capital risk management**

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2015 and 30 June 2014 are as follows:

Cash and cash equivalents	284,337	475,803
Trade and other receivables	10,826	17,932
Trade and other payables	(127,869)	(65,140)
Working capital position	167,294	428,595

11. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

12. RELATED PARTY TRANSACTIONS**(a) Parent entity**

The ultimate parent entity within the Group is Goldphyre Resources Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 13.

(c) Key management personnel compensation

Short-term benefits	180,616	239,268
Post-employment benefits	2,058	3,700
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	50,000	-
	232,674	242,968

Detailed remuneration disclosures are provided in the remuneration report on pages 5 to 8.

(d) Transactions and balances with other related parties**Services**

Reefus Geology Services, a business controlled by Mr Brenton Siggs, is engaged via a letter agreement to provide technical geological management services to the Group during the year. The amounts paid were at arms' length and are included as part of Mr Siggs' compensation. In addition to the remuneration for Mr Siggs' services, Reefus Geology Services was paid \$12,745 (2014: \$9,834) for the provision of other exploration services to the Group.

Statewide Tenement & Advisory Services, a business controlled by Mr Christopher Clegg, provided tenement management services to the Group during the year totalling nil (2014: \$31,183). The amounts paid were on arms' length commercial terms.

Resminco Pty Ltd, a company associated with Mr Michael Punch (Mr Ron Punch's son), provided corporate advisory services to the Group during the year totalling nil (2014: \$6,988). The amounts paid were on arms' length commercial terms.

Acquisitions

Goldphyre WA Pty Ltd and the Company entered into a Tenement Sale Agreement dated on or about 13 June 2013 under which the Company would acquire a 100% interest in one tenement for the sum of \$1,100 (GST inclusive).

Mr Brenton Siggs is a director of Goldphyre WA Pty Ltd and ultimately controls a 60% interest in Goldphyre WA Pty Ltd.

Goldphyre WA Pty Ltd and the Company are parties to a sale of Mining Tenements Agreement dated on or about 11 April 2011 under which the Company acquired a 100% interest in 9 Tenements. In consideration, the Company issued the Vendor 7,250,000 ordinary shares and 3,625,000 options (with an exercise price of 20 cents and expiry date of 30 June 2015) during the 2011 financial period. The Company will potentially issue further ordinary shares to the Vendor, refer to note 15.

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015

12. RELATED PARTY TRANSACTIONS (cont'd)

(c) Loans to related parties

There were no loans to related parties, including key management personnel, during the year.

13. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of Incorporation	Class of Shares	Equity Holding ⁽¹⁾	
			2015 %	2014 %
Lake Wells Potash Pty Ltd ⁽²⁾	Australia	Ordinary	100	-

(1) The proportion of ownership interest is equal to the proportion of voting power held.

(2) Lake Wells Potash Pty Ltd was incorporated on 22 April 2015 with Goldphyre Resources Limited the sole shareholder. Lake Wells Potash Pty Ltd has been dormant since incorporation.

14. REMUNERATION OF AUDITORS

	2015 \$	2014 \$
During the year the following fees were paid or payable for services provided by the auditor of the Group, its related practices and non-related audit firms:		
Audit services		
Bentleys Audit & Corporate (WA) Pty Ltd – audit and review of financial reports	16,638	14,000
Total remuneration for audit services	16,638	14,000

15. CONTINGENCIES

Tenement Acquisition Agreement

Goldphyre WA Pty Ltd (“Vendor”) and the Company are parties to a sale of Mining Tenements Agreement dated on or about 11 April 2011 (“Tenement Sale Agreement”) under which the Company acquired a 100% interest in 9 Tenements. In consideration, the Company issued the Vendor 7,250,000 ordinary shares and 3,625,000 options (with an exercise price of 20 cents and expiry date of 30 June 2015) during the 2011 financial period. The Company will also issue the Vendor with further ordinary shares in the following circumstances, subject to any necessary regulatory or shareholder approvals:

- a) 2,000,000 ordinary shares upon the Company delineating 250,000 ounces of JORC measured gold or equivalent (as a single commodity) that can be verified as an economic deposit by an independent expert, on a tenement acquired from the Vendor;
- b) 2,000,000 ordinary shares upon the Company delineating a further 250,000 ounces of JORC measured gold or equivalent (as a single commodity) that can be verified as an economic deposit by an independent expert, on a tenement acquired from the Vendor; and
- c) 3,000,000 ordinary shares upon the Company completing a bankable feasibility study in any of the tenements acquired from the Vendor.

Subject to the grant of a waiver in writing from ASX from Condition 10 of Chapter 1 of the Listing Rules the Company agrees to pay the Vendor a 2% net smelter royalty on any mineral won from the tenements acquired from the Vendor.

16. COMMITMENTS

Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mining exploration assets it has an interest in. Outstanding exploration commitments are as follows:

within one year	395,700	564,700
later than one year but not later than five years	498,400	1,104,720
	894,100	1,669,420

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015

17. EVENTS OCCURRING AFTER THE REPORTING DATE

As announced on 24 June 2015, the Company undertook a placement of shares and free attaching options to sophisticated and professional investors who are clients of Hartleys Limited at \$0.032 per share.

On 3 July 2015 the Company issued 17,103,750 fully paid ordinary shares under the placement (Tranche 1). Subject to shareholder approval, free attaching Options that form part of the placement will be issued to those parties that participated in the placement as part of Tranche 2, along with the balance of the shares.

On 7 August 2015, following shareholder approval obtained at a general meeting of the Company held on that date, 14,146,250 fully paid ordinary shares and 31,250,000 listed options (Tranche 2) were issued to complete the capital raising.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

18. CASH FLOW INFORMATION

	2015	2014
	\$	\$
Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	(654,422)	(906,964)
Non-Cash Items		
Depreciation of non-current assets	551	1,600
Share-based payments expense	50,000	-
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	7,106	(13,889)
Increase in trade and other payables	27,014	47,892
Net cash outflow from operating activities	<u>(569,751)</u>	<u>(871,361)</u>

19. LOSS PER SHARE

(a) Reconciliation of earnings used in calculating loss per share

Loss attributable to the owners of the Company used in calculating basic and diluted loss per share

(654,422)	(906,964)
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Number of shares

2015	2014
------	------

(b) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share

<u>65,056,156</u>	<u>42,257,544</u>
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(c) Information on the classification of options

As the Group has made a loss for the year ended 30 June 2015, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

20. SHARE-BASED PAYMENTS

(a) Director Options

In the 2012 financial year the Group provided benefits to a director of the Company in the form of options as approved at a General Meeting of the Company, constituting a share-based payment transaction. The exercise price of the options granted is 19.5 cents per option. All options granted have an expiry date of 29 May 2016.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights.

There were no options granted during the 2014 or 2015 financial years.

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015

20. SHARE-BASED PAYMENTS (cont'd)

(b) Supplier Options

In the 2012 financial year the Group granted options to suppliers in accordance with the terms of the IPO prospectus. The exercise price of the options granted is 20 cents with an expiry date of 30 June 2015.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share in the capital of the company with full dividend and voting rights.

There were no options granted during the 2014 or 2015 financial years.

Set out below are summaries of the share-based payment options granted per (a) and (b):

	2015		2014	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	7,764,800	19.9	7,764,800	19.9
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	(6,764,800)	20.0	-	-
Outstanding at year-end	1,000,000	19.5	7,764,800	19.9
Exercisable at year-end	1,000,000	19.5	7,764,800	19.9

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.9 years (2014: 1.1 years), and the exercise price is 19.5 cents.

(c) Shares issued to the Executive Chairman

In accordance with the terms of his Executive Service Agreement, during the 2015 financial year Matt Shackleton was remunerated to the value of \$50,000 via the issue of 2,272,727 ordinary shares in the Company. Shareholders approved this transaction at a general meeting of the Company held on 30 September 2014 and the shares were issued on 1 October 2014. The issue price of 2.2 cents per share was the same as the issue price of a placement to sophisticated and professional investors that was approved at the same general meeting.

(d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	2015	2014
	\$	\$
Shares issued to the Executive Chairman	50,000	-
	50,000	-

Notes to the Consolidated Financial Statements (continued)

30 JUNE 2015	2015	2014
	\$	\$
21. PARENT ENTITY INFORMATION		
The following information relates to the parent entity, Goldphyre Resources Limited, at 30 June 2015. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.		
Current assets	295,163	493,735
Non-current assets	100	551
Total assets	295,263	494,286
Current liabilities	127,869	65,140
Total liabilities	127,869	65,140
Issued capital	3,148,896	2,756,326
Reserves	104,100	883,405
Accumulated losses	(3,085,602)	(3,210,585)
Total equity	167,394	429,146
Loss for the year	(654,322)	(906,964)
Total comprehensive loss for the year	(654,322)	(906,964)

Directors' Declaration

In the directors' opinion:

- (a) the financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes set out on pages 11 to 28 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the financial period ended on that date;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations required by section 295A of the *Corporation Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Matt Shackleton

Executive Chairman

Perth, 31 August 2015

Independent Auditor's Report

To the Members of Goldphyre Resources Limited

We have audited the accompanying financial report of Goldphyre Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

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Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

- a. The financial report of Goldphyre Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1(a)(v) in the financial report which indicates that the Consolidated Entity incurred a net loss of \$654,422 during the year ended 30 June 2015. This condition, along with other matters as set forth in Note 1(a)(v), indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Goldphyre Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



BENTLEYS
Chartered Accountants



DOUG BELL CA
Director

Dated at Perth this 31st day of August 2015