

# **GOLDPHYRE RESOURCES LIMITED**

**ABN 58 149 390 394**

## **INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED**

**31 DECEMBER 2012**

**This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2012 and any public announcements made by Goldphyre Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.**

**GOLDPHYRE RESOURCES LIMITED**

**31 DECEMBER 2012**

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# GOLDPHYRE RESOURCES LIMITED

31 DECEMBER 2012

## DIRECTORS' REPORT

Your directors are pleased to present their report on Goldphyre Resources Limited for the half-year ended 31 December 2012.

### DIRECTORS

The names of the directors who held office during or since the end of the half-year, to the date of this report, are:

Mr Ron Punch

Mr Brenton Siggs

Mr Christopher Clegg

Mr Russell Lynton-Brown *resigned 21 January 2013*

### REVIEW AND RESULTS OF OPERATIONS

A summary of consolidated revenues and results for the half-year is set out below:

	2012		2011	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Goldphyre Resources Limited	41,425	(1,085,326)	8,949	(117,756)

During the period under review the Company successfully completed a combined Reverse Circulation (RC) and Air Core (AC) drilling program on the Axford Prospect at the Lake Wells Project, 160 kilometres north of Laverton, Western Australia.

Further high-grade and significant gold intercepts in an area with relatively little previous exploration, along with encouraging alteration zones in a porphyry host and positive petrological data is encouraging for the Company as it actively explores the potential of the Axford Prospect and the Lake Wells Project.

### 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 4.

This report is made in accordance with a resolution of directors.



**Ron Punch**

Chairman

Perth, 26 February 2013

To The Board of Directors

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

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

As lead audit director for the review of the financial statements of Goldphyre Resources Limited for the half-year ended 31 December 2012, 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



**BENTLEYS**  
Chartered Accountants



**CHRIS WATTS CA**  
Director

DATED at PERTH this 26<sup>th</sup> day of February 2013

**GOLDPHYRE RESOURCES LIMITED****31 DECEMBER 2012****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Half-year	
	2012	2011
	\$	\$
<b>REVENUE</b>	<b>41,425</b>	<b>8,949</b>
<b>EXPENDITURE</b>		
Administration expenses	(125,811)	(62,233)
Depreciation expenses	(1,056)	-
Employee benefits expenses	(98,100)	-
Exploration expenses	(901,784)	(64,472)
<b>LOSS BEFORE INCOME TAX</b>	<b>(1,085,326)</b>	<b>(117,756)</b>
Income tax benefit/(expense)	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF GOLDPHYRE RESOURCES LIMITED</b>	<b>(1,085,326)</b>	<b>(117,756)</b>
Basic loss per share (cents)	(4.1)	(0.8)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**GOLDPHYRE RESOURCES LIMITED****31 DECEMBER 2012****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

	Note	31 December 2012 \$	30 June 2012 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,139,742	2,253,057
Trade and other receivables		32,398	54,925
<b>TOTAL CURRENT ASSETS</b>		<b>1,172,140</b>	<b>2,307,982</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		2,694	3,751
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,694</b>	<b>3,751</b>
<b>TOTAL ASSETS</b>		<b>1,174,834</b>	<b>2,311,733</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		113,685	165,258
<b>TOTAL CURRENT LIABILITIES</b>		<b>113,685</b>	<b>165,258</b>
<b>TOTAL LIABILITIES</b>		<b>113,685</b>	<b>165,258</b>
<b>NET ASSETS</b>		<b>1,061,149</b>	<b>2,146,475</b>
<b>EQUITY</b>			
Issued capital	3	2,176,364	2,176,364
Reserves		883,405	883,405
Accumulated losses		(1,998,620)	(913,294)
<b>TOTAL EQUITY</b>		<b>1,061,149</b>	<b>2,146,475</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

**GOLDPHYRE RESOURCES LIMITED**

**31 DECEMBER 2012**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	<b>Issued Capital</b>	<b>Share-based Payments Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>BALANCE AT 1 JULY 2011</b>	422,602	-	(109,080)	313,522
Loss for the period	-	-	(117,756)	(117,756)
<b>TOTAL COMPREHENSIVE INCOME</b>	-	-	(117,756)	(117,756)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>				
Shares issued during the period	2,996,400	-	-	2,996,400
Share issue transaction costs	(1,240,967)	-	-	(1,240,967)
Options issued during the period	-	779,305	-	779,305
<b>BALANCE AT 31 DECEMBER 2011</b>	2,178,035	779,305	(226,836)	2,730,504
<b>BALANCE AT 1 JULY 2012</b>	2,176,364	883,405	(913,294)	2,146,475
Loss for the period	-	-	(1,085,326)	(1,085,326)
<b>TOTAL COMPREHENSIVE INCOME</b>	-	-	(1,085,326)	(1,085,326)
<b>BALANCE AT 31 DECEMBER 2012</b>	2,176,364	883,405	(1,998,620)	1,061,149

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**GOLDPHYRE RESOURCES LIMITED****31 DECEMBER 2012****STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Half-year	
	2012	2011
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Expenditure on mining interests	(919,152)	(20,101)
Payments to suppliers and employees	(245,725)	(56,946)
Interest received	51,562	3,257
<b>Net cash outflow from operating activities</b>	<b>(1,113,315)</b>	<b>(73,790)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	2,996,400
Payments of share issue transaction costs	-	(441,005)
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>2,555,395</b>
Net (decrease)/increase in cash and cash equivalents	(1,113,315)	2,481,605
Cash and cash equivalents at the beginning of the half-year	2,253,057	303,409
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR</b>	<b>1,139,742</b>	<b>2,785,014</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.



## GOLDPHYRE RESOURCES LIMITED

31 DECEMBER 2012

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This condensed interim financial report for the half-year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 30 June 2012 and any public announcements made by Goldphyre Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### Adoption of new and revised Accounting Standards

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

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

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Company's presentation of, or disclosure in, its half-year financial statements.

Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments also require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. The amendments have been applied retrospectively and the application of the amendments to AASB 101 do not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

#### 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 Company incurred a loss for the half-year of \$1,085,326 (2011: \$117,756) and net cash outflows from operating activities of \$1,113,315 (2011: \$73,790).

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company 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 Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from equity sources.

# GOLDPHYRE RESOURCES LIMITED

31 DECEMBER 2012

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

The directors have prepared a cash flow forecast, which indicates that the Company 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 Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company 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 Company be unable to continue as a going concern and meet its debts as and when they fall due.

### NOTE 2: SEGMENT INFORMATION

For management purposes, the Company 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 Company'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 Company's accounting policies.

### NOTE 3: CHANGES IN EQUITY SECURITIES ON ISSUE

	2012 Shares	2012 \$	2011 Shares	2011 \$
<b>Issues of ordinary shares during the half-year</b>				
Issued for cash at 20 cents per share	-	-	14,962,000	2,992,400
Funds received in advance of share issue <sup>(1)</sup>	-	-	-	4,000
Share issue transaction costs	-	-	-	(1,240,967)
	-	-	14,962,000	1,755,433

(1) 20,000 ordinary shares were issued on 17 January 2011, at 20 cents per share, for which the funds had been received prior to the reporting date.

**GOLDPHYRE RESOURCES LIMITED**

**31 DECEMBER 2012**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 3: CHANGES IN EQUITY SECURITIES ON ISSUE (continued)**

	<b>Number of options</b>	
	<b>2012</b>	<b>2011</b>
<b>Movements of options during the half-year</b>		
Options issued, exercisable at 20 cents, expiring 30 June 2015	-	6,764,800
	-	6,764,800

During the 2011 half-year, 6,764,800 options with an exercise price of 20 cents and expiring on 30 June 2015 were issued as consideration for capital raising fees in accordance with the IPO prospectus. These options vested on issue. The fair value of the options granted during the half-year was 11.52 cents. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	<b>2012</b>	<b>2011</b>
Exercise price (cents)	-	20.0
Life of the option (years)	-	3.6
Underlying share price (cents)	-	20.0
Expected share price volatility	-	80.0%
Risk free interest rate	-	3.24%

**NOTE 4: CONTINGENCIES**

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

**NOTE 5: DIVIDENDS**

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

**NOTE 6: SUBSEQUENT EVENTS**

No matter or circumstance has arisen since 31 December 2012, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

**GOLDPHYRE RESOURCES LIMITED**

**31 DECEMBER 2012**

**DIRECTORS' DECLARATION**

In the directors' opinion:

1. the financial statements and notes set out on pages 5 to 11 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Goldphyre Resources Limited will be able to pay its debts as and when they become due and payable.

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



**Ron Punch**

Chairman

Perth, 26 February 2013

## Independent Auditor's Review Report

### To the Members of Goldphyre Resources Limited

We have reviewed the accompanying half-year financial report of Goldphyre Resources Limited ("the Company") which comprises the statement of financial position as at 31 December 2012, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

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

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2012 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 Goldphyre Resources 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.

# Independent Auditor's Review Report

To the Members of Goldphyre Resources Limited (Continued)

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## Independence

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

## Conclusion

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

- a. Giving a true and fair view of the Company's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

## Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the half-year financial report which indicates that the company incurred a loss for the period ended 31 December 2012 of \$1,085,326. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the company 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 half-year financial report.

**BENTLEYS**  
Chartered Accountants

**CHRIS WATTS CA**  
Director

DATED at PERTH this 26<sup>th</sup> day of February 2013