

**GOLDPHYRE RESOURCES LIMITED**  
**ABN 58 149 390 394**

**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**AND**

**PROXY FORM**

**Date of Meeting**

24 November 2014

**Time of Meeting**

10:00 am

**Place of Meeting**

Ground Floor  
20 Kings Park Road  
WEST PERTH WA 6005

*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*The **2014 Annual Report** may be viewed on the Company's website at [www.goldphyresources.com.au](http://www.goldphyresources.com.au)*

**GOLDPHYRE RESOURCES LIMITED  
ABN 58 149 390 394  
NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Goldphyre Resources Limited (**Company**) will be held at Ground Floor 20 Kings Park Road, West Perth, Western Australia on 24 November 2014 at 10:00 am for the purpose of transacting the following business.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

**2014 Financial Statements**

To receive the financial statements of the Company for the year ended 30 June 2014, consisting of the annual financial report, the Directors' report and the auditor's report.

**Resolution 1 – Re-election of Brenton Siggs as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, Brenton Siggs, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, be re-elected a Director of the Company."*

**Short Explanation:** Pursuant to the Company's Constitution, one-third of the Directors of the Company (other than the Managing Director) must retire at each AGM and, being eligible, may offer themselves for re-election at that AGM.

**Resolution 2 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

*"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2014 Annual Report be and is hereby adopted."*

**Short Explanation:** Section 250R of the Corporations Act requires a listed company to put to Shareholders at each AGM a resolution adopting the report on the remuneration of the Company's key management personnel included in the Company's Annual Report. The above Resolution is being proposed to comply with this requirement. The vote on this Resolution is advisory and neither binds the Company's Directors nor the Company. A reasonable opportunity will be provided to Shareholders for discussion of the Remuneration Report at the AGM.

**Voting Prohibition Statement:**

A vote on this resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on the Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- the voter is the Chair and the appointment of the Chair as proxy:
  - does not specify the way the proxy is to vote on this Resolution; and
  - expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly with the remuneration of a member of the Key Management Personnel.

**Resolution 3 – Approval of 10% Placement Facility**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

**Voting Prohibition:** For the purposes of Listing Rule 7.3 the Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with directors on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Resolution 4 – Approval of Proportional Takeover Provisions**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, for the purposes of section 136 of the Corporations Act and for all other purposes, Schedule 5 of the Constitution of the Company be adopted in the following form:*

**Schedule 5 – Proportional takeover bid approval****1. DEFINITIONS**

*In this Schedule:*

**“Approving Resolution”** means a resolution to approve a proportional takeover bid in accordance with this Schedule.

**“Deadline”** means the 14th day before the last day of the bid period for a proportional takeover bid.

**“Voter”** means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

**2. REFUSAL OF TRANSFERS****2.1 REQUIREMENT FOR AN APPROVING RESOLUTION**

- (a) The Company must refuse to register a transfer of Shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Schedule 5.
- (b) This Schedule 5 ceases to apply on the 3rd anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.

**2.2 VOTING ON AN APPROVING RESOLUTION**

- (a) Where offers are made under a proportional takeover bid, the Directors must call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.
- (b) The provisions of this Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under paragraph 2.2 (a).
- (c) Subject to this Constitution, every Voter present at the meeting held under paragraph 2.2 (a) is entitled to one vote for each Share in the bid class securities that the Voter holds.
- (d) To be effective, an Approving Resolution must be passed before the Deadline.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this Schedule, to have been passed in accordance with this Schedule.”

## **GOLDPHYRE RESOURCES LIMITED**

Notice of Annual General Meeting 24 November 2014

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A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company no later than 10:00 am (WST) 21 November 2014:

- by post to:  
Security Transfer Registrars  
PO Box 535  
Applecross WA 6953
- by facsimile on +93152 233
- by email to registrar@securitytransfer.ccm.au

By order of the Board



John Ribbons  
Company Secretary  
Date: 15 October 2014

### **PROXIES**

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

### **ENTITLEMENT TO VOTE**

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00 pm Perth time on 21 November 2014 will be entitled to attend and vote at the AGM.

### **CORPORATIONS**

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the Shareholders of Goldphyre Resources Limited ABN 58 149 390 394 (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Ground Floor, 20 Kings Park Road, West Perth, Western Australia, on 24 November 2014 commencing at 10:00 am.

This Explanatory Memorandum should be read in conjunction with, and form part of, the accompanying notice.

The Directors' recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- re-electing Mr Brenton Siggs as a Director, who retires by rotation in accordance with the Company's Constitution;
- adopting the Remuneration Report;
- approving 10% Placement Facility; and
- approving Proportional takeover Provisions

### **Financial and Other Reports**

As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2014 and the accompanying Directors' report, Directors' declaration and auditor's report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the Shareholders will have an opportunity to ask questions about the reports at the AGM.

### **Resolution 1 – Re-election of Brenton Siggs as a Director**

#### **1.1 Introduction**

Mr Brenton Siggs was appointed as a Non-Executive Director on 6 April 2011.

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM. Accordingly, Mr Siggs will retire by rotation and, being eligible, offers himself for re-election.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

#### **1.2 Director's Biography**

Mr Siggs is a geologist with over twenty four 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.

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).

### **1.3 Directors' Recommendation**

All the Directors except Mr Siggs recommend that Shareholders vote in favour of Resolution 1.

## **Resolution 2 – Adoption of Remuneration Report**

### **2.1 Introduction**

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report, which is part of the 2014 Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the 2014 Annual Report are available by contacting the Company's share register or visiting the Company's web site [www.goldphyresources.com.au](http://www.goldphyresources.com.au).

The vote on the Resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2014 AGM, and then again at the 2015 AGM, the Company will be required to put a resolution to the 2015 AGM to approve calling an extraordinary general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (**spill meeting**) within 90 days of the 2015 AGM. All of the Directors who were in office when the 2014 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Key Management Personnel, sets out remuneration details for each member of the Key Management Personnel, details any service agreements and sets out the details of any share based compensation.

### **2.2 Voting on this Resolution**

In accordance with section 250R of the Corporations Act, a vote on Resolution 2 must not be cast (in any capacity) by or on behalf of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 2 as a proxy if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that directs how the proxy is to vote on Resolution 2; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 2; and
  - (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 2 is connected directly or indirectly with the remuneration of the key management personnel.

### **Resolution 3 – Approval of 10% Placement Facility**

#### **3.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2(c) below).

#### **3.2 Description of Listing Rule 7.1A**

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an AGM.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, Shares and Unlisted Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 68,415,004 Shares and therefore has a capacity to issue:

- (i) 10,262,250 Equity Securities under Listing Rule 7.1; and
- (ii) Subject to Shareholder approval being sought under Resolution 3, 6,841,500 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

**3.3 Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**3.4 Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The tables below show the dilution of existing Shareholders on the basis of the current market price of Shares and: the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

**Table 1 – Ordinary Securities Currently on Issue**

Variable “A” in Listing Rule 7.1A.2		Dilution		
		\$0.0115 50% decrease in Issue Price	\$0.023 Issue Price	\$0.046 100% increase in Issue Price
<b>Current Variable A</b> 68,415,004 Shares	<b>10% voting dilution</b>	6,841,500 Shares	6,841,500 Shares	6,841,500 Shares
	<b>Funds raised</b>	\$78,677	\$157,354	\$314,709
<b>50% increase in current Variable A</b> 102,622,506 Shares	<b>10% voting dilution</b>	10,262,250 Shares	10,262,250 Shares	10,262,250 Shares
	<b>Funds raised</b>	\$118,016	\$236,032	\$472,063
<b>100% increase in current Variable A</b> 136,830,008 Shares	<b>10% voting dilution</b>	13,683,000 Shares	13,683,000 Shares	13,683,000 Shares
	<b>Funds raised</b>	\$157,354	\$314,709	\$629,418

Table 1 has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No listed Options.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder’s holding at the date of the Meeting.
- (v) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The use of Equity Securities under the 10% Placement Facility consists only of Shares.
- (vii) The issue price is 2.3 cents, being the closing price of the Shares on ASX on 14 October 2014.

**GOLDPHYRE RESOURCES LIMITED**

Notice of Annual General Meeting 24 November 2014

- (c) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards continued exploration on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new projects, it is likely that the allottees under the 10% Placement Facility will be the vendors.

- (f) The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its AGM held on 26 November 2013.

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of this notice of meeting is 81,998,931 representing 157% of the Equity Securities on issue at the commencement of the 12 month period.

The Company has issued the following equity securities in the 12 months preceding the date of this Notice, or may issue the following equity securities prior to the date of the Annual General Meeting:

Date of Issue	Number of Securities	Class	Issue Price	Discount to Market price	Total Consideration	Issued to
11/11/2013	21,330,000	Ordinary Shares	\$0.025	Nil	\$533,250	Clients of Hartleys Limited
11/11/2013	10,665,000	*Options (Annexure A)	Nil	N/A	Nil	Clients of Hartleys Limited
16/12/2013	8,600,177	*Options (Annexure A)	\$0.001	Nil	\$8,600	Clients of Hartleys Limited
23/12/2013	8,310,493	*Options (Annexure A)	\$0.001	Nil	\$8,310	Clients of Hartleys Limited
29/8/2014	12,682,995	Ordinary Shares	\$0.022	Nil	\$279,026	Clients of Hartleys Limited
30/9/2014	12,682,995	*Options (Annexure A)	Nil	Nil	Nil	Clients of Hartleys Limited
1/10/2014	2,272,727	Ordinary Shares	\$0.022 (deemed value)	Nil	\$50,000	Matthew William Shackleton & Nicole Jodie Shackleton <The Harryshack Family A/C>

Date of Issue	Number of Securities	Class	Issue Price	Discount to Market price	Total Consideration	Issued to
1/10/2014	1,363,636 1,363,636	Ordinary Shares *Options (Annexure A)	\$0.022	Nil	\$30,000	Matthew William Shackleton & Nicole Jodie Shackleton <The Harryshack Family A/C>
1/10/2014	1,363,636 1,363,636	Ordinary Shares *Options (Annexure A)	\$0.022	Nil	\$30,000	Reliant Resources Pty Ltd <Goodwin Family Superfund A/C>

\*Options are free attaching options issued pursuant to the Placement to clients of Hartleys Limited. The terms and conditions of the Unlisted Options are detailed in Annexure A accompanying this Notice of Meeting.

In the 12 months preceding the date of this Notice of Meeting, the Company has spent \$361,000 on payments to suppliers and employees, \$41,000 on share issue costs and \$500,000 on exploration related expenditure. The balance of funds has been unspent and will be applied to exploration expenditure and working capital purposes.

- (g) A voting exclusion statement is included in the Notice.
- (h) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

### **3.5 Directors' recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

### **Resolution 4 - Adoption of Proportional Takeover Provisions**

#### **4.1 General**

Resolution 4, if passed, would adopt Schedule 5 of the Constitution regarding proportional takeover approval under section 648D of the Corporations Act. The adoption of Schedule 5 would operate for three years, and would then cease to apply unless renewed by a further special resolution of Shareholders. Schedule 5 was previously adopted by Shareholders on 19 April 2011 when the current Constitution was adopted.

If Resolution 4 is passed, then for 21 days after the meeting the holders of 10% of the Company's Shares have the right to apply to the court to have the Resolution set aside. The court may set aside the Resolution if the court is satisfied in all the circumstances that it is appropriate to do so.

The Corporations Act requires certain information to be included in a notice of meeting where a company seeks the approval of its members to adopt proportional takeover provisions. This information is set out below.

#### **4.2 Proportional takeover bid**

A proportional takeover bid is a takeover bid that is sent to all shareholders in a class, offering to purchase only a specified proportion of each shareholder's shares. If a shareholder accepts, the shareholder disposes of that specified portion and retains the balance.

#### **4.3 Effects of the proportional takeover provisions**

The effects of the proportional takeover provisions are that:

- (a) if a bidder makes a proportional takeover bid for any class of shares in the Company, the Directors must ensure that a meeting of members of that class is convened where a resolution to approve the proportional takeover bid is voted upon. The vote is decided on a simple majority. The bidder and its associates are excluded from voting on that approving resolution;
- (b) the meeting and the vote on the approving resolution must take place more than 14 days before the last day of the bid period;
- (c) if the approving resolution is rejected before the deadline, the bid cannot proceed and the offer will be taken to have been withdrawn. Any transfers giving effect to takeover contracts for the bid will not be registered and all offers under the takeover bid are taken to be withdrawn and all takeover contracts must be rescinded;

- (d) if the approving resolution is not voted on, the bid will be taken to have been approved; and
- (e) if the approving resolution is passed (or taken to have been approved), the transfers must be registered (subject to other provisions of the Corporations Act and the Company's Constitution). The proportional takeover provisions do not apply to full takeover bids.

#### **4.4 Reasons for the proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of not being able to exit their investment in the Company by selling their entire Shareholding and consequently being left as a minority in the Company. The bidder may be able to acquire control of the Company without payment of an adequate control premium.

The Board believes that the provisions are desirable to give Shareholders protection from these risks inherent in proportional takeover bids – this is protection that the Corporations Act provisions are intended to provide.

These provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any proportional takeover bid is appropriately priced.

To assess the merits of the proportional takeover provisions, Shareholders should make a judgement as to what events are likely to occur for the Company during the 3 year life of proposed Schedule 5.

#### **4.5 Potential advantages and disadvantages**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether or not an offer under a proportional takeover bid should be accepted.

The Directors note that it could be argued that proposed Schedule 5 is an advantage to them as a takeover defence mechanism that could be exploited to entrench the incumbent Board. However, the Directors believe that this argument ignores the basic object of Schedule 5, which is to empower Shareholders, not the Board.

The potential advantages for Shareholders of the proportional takeover provisions include the following:

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) they may assist Shareholders and protect them from being locked in as a minority;
- (c) they increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under a proportional takeover bid.

The potential disadvantages for Shareholders include the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium;
- (c) individual Shareholders may consider that Schedule 5 would restrict their ability to deal with their Shares as they see fit; and
- (d) the likelihood of a proportional takeover bid succeeding may be reduced.

#### **4.6 Knowledge of any acquisition proposals**

Apart from the above general considerations, the Board is not in a position to point to any special factual matters or principles as a basis for the proposal.

#### **4.7 Directors' recommendation**

The Board believes that the provisions of Schedule 5 of the Constitution are in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of Resolution 4.

**GLOSSARY**

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

<b>AGM</b>	means an Annual General Meeting.
<b>Annual Report</b>	means the Directors' report, the annual financial report and auditor's report in respect of the financial year ended 30 June 2014.
<b>Associate</b>	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
<b>ASX</b>	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
<b>Board</b>	means the board of Directors of the Company.
<b>Closely Related Party</b>	has the same meaning as defined in Section 9 of the Corporations Act.
<b>Company</b>	means Goldphyre Resources Limited ABN 58 149 390 394.
<b>Corporations Act</b>	means Corporations Act 2001 (Cth).
<b>Director</b>	means a director of the Company.
<b>Explanatory Memorandum</b>	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice or Notice of Meeting</b>	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company outlined in the Annual Report.
<b>Resolution</b>	means a resolution contained in the Notice.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a share.

**ANNEXURE A**

**TERMS AND CONDITIONS  
OPTIONS EXPIRING 30 SEPTEMBER 2016**

The Options were issued on the following terms:

1. Each Option shall be issued for no consideration.
2. The exercise price of each Option will be 8 cents ("**Exercise Price**").
3. Each Option entitles the holder to subscribe for one Share in Goldphyre Resources Limited ABN 58 149 390 394 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
4. The Options will lapse at 5:00 pm, Western Standard Time on 30 September 2016 ("**Expiry Date**").
5. The Options may be transferred at any time in accordance with the Corporations Law, the SCH Business Rules and/or the Listing Rules.
6. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
7. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before closing date to exercise the Options.
8. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
11. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
12. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

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**GOLDPHYRE**  
RESOURCES LIMITED

ABN: 58 149 390 394

**REGISTERED OFFICE:**

GROUND FLOOR  
20 KINGS PARK ROAD  
WEST PERTH WA 6005

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**SHARE REGISTRY:**

Security Transfer Registrars Pty Ltd

**All Correspondence to:**

PO BOX 535, APPLECROSS WA 6953

AUSTRALIA

770 Canning Highway, APPLECROSS WA 6153

AUSTRALIA

T: +61 8 9315 2333 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

Code:

GPH

Holder Number:

**PROXY FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE  
ONLINE**

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.

2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

Online Proxy ID:

**SECTION A: Appointment of Proxy**

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

**OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10.00am (WST) on Monday 24 November 2014 at Ground Floor, 20 Kings Park Road, West Perth WA 6005 and at any adjournment of that meeting.

**SECTION B: Voting Directions**

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

**RESOLUTIONS**

1. Re-election of Brenton Siggs as a Director
2. Adoption of Remuneration Report
3. Approval of 10% Placement Facility
4. Approval of Proportional Takeover Provisions

**FOR**

**AGAINST**

**ABSTAIN\***













If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SECTION C: Signature of Security Holder(s)**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3




Sole Director & Sole Company Secretary

Director Secretary

Director/Company Secretary

**Proxies must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm (WST) on Friday 21 November 2014.**

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My/Our contact details in case of enquiries are:

Name:

Number:

(  )

### 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

### 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

### 5. SIGNING INSTRUCTIONS

**Individual:** where the holding is in one name, the Shareholder must sign.

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

#### Security Transfer Registrars Pty Ltd

**Online** [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

**Postal Address** PO BOX 535  
Applecross WA 6953 AUSTRALIA

**Street Address** Alexandria House  
Suite 1, 770 Canning Highway  
Applecross WA 6153 AUSTRALIA

**Telephone** +61 8 9315 2333

**Facsimile** +61 8 9315 2233

**Email** [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

