

# **GOLDPHYRE RESOURCES LIMITED**

**ABN 58 149 390 394**

## **INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED**

**31 DECEMBER 2013**

**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 2013 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 2013**

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# GOLDPHYRE RESOURCES LIMITED

31 DECEMBER 2013

## DIRECTORS' REPORT

Your directors are pleased to present their report on Goldphyre Resources Limited for the half-year ended 31 December 2013.

### 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

### REVIEW AND RESULTS OF OPERATIONS

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

	2013		2012	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Goldphyre Resources Limited	12,194	(466,393)	41,425	(1,085,326)

During the half year ending 31 December 2013, the Company continued to actively explore its 100% owned exploration projects.

Encouraging high grade composite gold intercepts were recorded from the Company's first drilling program completed at Laverton Downs during the period. Results included:

- 8m @ 3.50 g/t gold from 20m including 4m @ 6.13 g/t gold from 20m;
- 16m @ 0.50 g/t gold from 24m including 4m @ 1.28 g/t gold from 28m; and
- 8m @ 0.53 g/t gold from 40m.

The Laverton Downs drilling program also identified shallow gold intercepts open along strike to the north and at depth and elevated nickel, copper, zinc and arsenic values were identified.

Further, the Company completed a successful capital raising to fund exploration activities for the 2014.

### 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, 4 March 2014

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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 review of the financial statements of Goldphyre Resources Limited for the half-year ended 31 December 2013, 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**



**DOUG BELL CA**  
**Director**

DATED at PERTH this 4<sup>th</sup> day of March 2014

**GOLDPHYRE RESOURCES LIMITED****31 DECEMBER 2013****CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Half-year	
	2013	2012
	\$	\$
<b>REVENUE</b>	<b>12,194</b>	<b>41,425</b>
<b>EXPENDITURE</b>		
Administration expenses	(184,149)	(125,811)
Depreciation expenses	(807)	(1,056)
Employee benefits expenses	(31,850)	(98,100)
Exploration expenses	(261,781)	(901,784)
<b>LOSS BEFORE INCOME TAX</b>	<b>(466,393)</b>	<b>(1,085,326)</b>
Income tax benefit/(expense)	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF GOLDPHYRE RESOURCES LIMITED</b>	<b>(466,393)</b>	<b>(1,085,326)</b>
Basic and diluted loss per share (cents)	(1.4)	(4.1)

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

**GOLDPHYRE RESOURCES LIMITED****31 DECEMBER 2013****CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2013**

	Note	31 December 2013 \$	30 June 2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		902,326	767,202
Trade and other receivables		22,306	4,043
<b>TOTAL CURRENT ASSETS</b>		<b>924,632</b>	<b>771,245</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		1,344	2,151
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,344</b>	<b>2,151</b>
<b>TOTAL ASSETS</b>		<b>925,976</b>	<b>773,396</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		56,629	17,248
<b>TOTAL CURRENT LIABILITIES</b>		<b>56,629</b>	<b>17,248</b>
<b>TOTAL LIABILITIES</b>		<b>56,629</b>	<b>17,248</b>
<b>NET ASSETS</b>		<b>869,347</b>	<b>756,148</b>
<b>EQUITY</b>			
Issued capital	3	2,755,956	2,176,364
Reserves		883,405	883,405
Accumulated losses		(2,770,014)	(2,303,621)
<b>TOTAL EQUITY</b>		<b>869,347</b>	<b>756,148</b>

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

**GOLDPHYRE RESOURCES LIMITED**

**31 DECEMBER 2013**

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	<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 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
<b>BALANCE AT 1 JULY 2013</b>	<b>2,176,364</b>	<b>883,405</b>	<b>(2,303,621)</b>	<b>756,148</b>
Loss for the period	-	-	<b>(466,393)</b>	<b>(466,393)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	-	-	<b>(466,393)</b>	<b>(466,393)</b>
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>				
Shares and options issued during the period	<b>616,911</b>	-	-	<b>616,911</b>
Share and option issue transaction costs	<b>(37,319)</b>	-	-	<b>(37,319)</b>
<b>BALANCE AT 31 DECEMBER 2013</b>	<b>2,755,956</b>	<b>883,405</b>	<b>(2,770,014)</b>	<b>869,347</b>

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

**GOLDPHYRE RESOURCES LIMITED****31 DECEMBER 2013****CONDENSED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Half-year	
	2013	2012
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Expenditure on mining interests	(266,050)	(919,152)
Payments to suppliers and employees	(194,324)	(245,725)
Interest received	11,930	51,562
<b>Net cash outflow from operating activities</b>	<b>(448,444)</b>	<b>(1,113,315)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares and options	620,887	-
Payments of share issue transaction costs	(37,319)	-
<b>Net cash inflow from financing activities</b>	<b>583,568</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	135,124	(1,113,315)
Cash and cash equivalents at the beginning of the half-year	767,202	2,253,057
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR</b>	<b>902,326</b>	<b>1,139,742</b>

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



**NOTES TO THE CONDENSED 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 2013 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 2013 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 its 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:

- AASB 10 *Consolidated Financial Statements* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards*;
- AASB 11 *Joint Arrangements* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards*;
- AASB 12 *Disclosure of Interests in Other Entities* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards*;
- AASB 127 *Separate Financial Statements (2011)* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards*;
- AASB 128 *Investments in Associates and Joint Ventures (2011)* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards*;
- AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*;
- AASB 119 *Employee Benefits* and AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (2011)*;
- AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*;
- AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*; and
- AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*.

The above standards have extensive disclosure requirements however, these do not effect this half-year financial report, other than as disclosed in note 6 Financial Instruments.

The adoption of the above standards has not had a material impact on this half-year financial report.

## **GOLDPHYRE RESOURCES LIMITED**

**31 DECEMBER 2013**

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

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

##### **Going concern**

The condensed interim 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 \$466,393 (2012: \$1,085,326) and net cash outflows from operating activities of \$448,444 (2012: \$1,113,315).

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 interim financial report.

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 or other sources 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.

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.

**GOLDPHYRE RESOURCES LIMITED**

**31 DECEMBER 2013**

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

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

	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>
	<b>Shares</b>	<b>\$</b>	<b>Shares</b>	<b>\$</b>
<b>Issues of ordinary shares during the half-year</b>				
Issued for cash at 2.5 cents per share	<b>24,000,000</b>	<b>600,000</b>	-	-
Share issue transaction costs	-	<b>(37,319)</b>	-	-
	<b>24,000,000</b>	<b>562,681</b>	-	-

	<b>Number of options</b>	
	<b>2013</b>	<b>2012</b>
<b>Movements of options during the half-year</b>		
Unlisted options issued, exercisable at 8 cents, expiring 30 September 2016	<b>12,000,000</b>	-
Listed options issued, exercisable at 8 cents, expiring 30 September 2016 <sup>(1)</sup>	<b>16,910,670</b>	-
	<b>28,910,670</b>	-

(1) These options were issued at 0.1 cents each, to raise a total of \$16,911.

**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: FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of trade and other receivables and trade and other payables. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amounts of the financial assets and liabilities approximate their fair value.

**NOTE 7: SUBSEQUENT EVENTS**

Subsequent to 31 December 2013 the Company relinquished the Gambier Lass project tenure representing a substantial reduction in exploration commitments.

No matter or circumstance other than noted has arisen since 31 December 2013, 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 2013**

**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 2013 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, 4 March 2014

## 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 condensed statement of financial position as at 31 December 2013, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other selected explanatory information 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2013 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 the Company, 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 2013 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## Emphasis of matter

Without qualifying our conclusion, we draw attention to Note 1 in the half-year financial report which indicates that the Company incurred a net loss of \$466,393 during the period ended 31 December 2013. This condition, along with other matters as set forth in Note 1, indicates 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.

A stylized blue cursive signature of the word "Bentleys".

**BENTLEYS**  
Chartered Accountants

A blue cursive signature of "Doug Bell".

**DOUG BELL CA**  
Director

DATED at PERTH this 4<sup>th</sup> day of March 2014