

GOLDPHYRE RESOURCES LIMITED

ABN 58 149 390 394

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2011

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 2011 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 2011

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GOLDPHYRE RESOURCES LIMITED

31 DECEMBER 2011

DIRECTORS' REPORT

Your directors are pleased to present their report on Goldphyre Resources Limited for the half-year ended 31 December 2011.

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 Russell Lynton-Brown
Mr Christopher Clegg

REVIEW AND RESULTS OF OPERATIONS

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

	2011	
	Revenues	Results
	\$	\$
Goldphyre Resources Limited	8,949	(117,756)

During the half-year the Company successfully raised funds from its IPO and was admitted to the ASX Official list in December 2011.

The Company will focus on its four 100% owned exploration projects located in the Eastern Goldfields of Western Australia with the Company's first drilling program scheduled to test the Iron Tank Prospect, Mailman Hill.

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, 28 February 2012

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(WA) Pty Ltd**

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To the Board of Directors

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

This declaration is made in connection with our review of the financial report of Goldphyre Resources Limited for the half-year ended 31 December 2011 and in accordance with the provisions of the *Corporations Act 2001*.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- no contraventions of the *Code of Professional Conduct* of the Institute of Chartered Accountants in Australia in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



CHRIS WATTS CA
Director

DATED at PERTH this 28th day of February 2012

GOLDPHYRE RESOURCES LIMITED

31 DECEMBER 2011

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Half-year 2011 \$
REVENUE	8,949
EXPENDITURE	
Administration expenses	(62,233)
Exploration expenditure	(64,472)
	<hr/>
LOSS BEFORE INCOME TAX	(117,756)
Income tax benefit / (expense)	-
	<hr/>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF GOLDPHYRE RESOURCES LIMITED	(117,756) <hr/> <hr/>
Basic loss per share (cents)	(0.8)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

GOLDPHYRE RESOURCES LIMITED**31 DECEMBER 2011****STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	31 December 2011 \$	30 June 2011 \$
CURRENT ASSETS			
Cash and cash equivalents		2,785,014	303,409
Trade and other receivables		8,283	59,363
TOTAL CURRENT ASSETS		2,793,297	362,772
TOTAL ASSETS		2,793,297	362,772
CURRENT LIABILITIES			
Trade and other payables		62,793	49,250
TOTAL CURRENT LIABILITIES		62,793	49,250
TOTAL LIABILITIES		62,793	49,250
NET ASSETS		2,730,504	313,522
EQUITY			
Issued capital	3	2,178,035	422,602
Reserves		779,305	-
Accumulated losses		(226,836)	(109,080)
TOTAL EQUITY		2,730,504	313,522

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

GOLDPHYRE RESOURCES LIMITED**31 DECEMBER 2011****STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Issued Capital	Share-based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
BALANCE AT 1 JULY 2011	422,602	-	(109,080)	313,522
Loss for the period	-	-	(117,756)	(117,756)
TOTAL COMPREHENSIVE LOSS	-	-	(117,756)	(117,756)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
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
BALANCE AT 31 DECEMBER 2011	2,178,035	779,305	(226,836)	2,730,504

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

GOLDPHYRE RESOURCES LIMITED

31 DECEMBER 2011

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

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

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

GOLDPHYRE RESOURCES LIMITED

31 DECEMBER 2011

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 2011 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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 2011 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 period.

Comparative figures

Goldphyre Resources Limited was incorporated on 6 April 2011. This is the first interim report to be prepared by the company hence there are no comparatives for the corresponding interim period for the statement of comprehensive income, statement of changes in equity and statement of cash flows.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2011, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2011. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

GOLDPHYRE RESOURCES LIMITED

31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

	Half-year 2011	
	\$	
Exploration Segment		
Segment revenue	-	
Reconciliation of segment revenue to total revenue before tax:		
Interest revenue	<u>8,949</u>	
Total revenue	<u><u>8,949</u></u>	
Segment results	(64,472)	
Reconciliation of segment result to net loss before tax:		
Other corporate and administration	<u>(53,284)</u>	
Net loss before tax	<u><u>(117,756)</u></u>	
	31 December 2011	30 June 2011
	\$	\$
Segment operating assets	-	-
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	<u>2,793,297</u>	<u>362,772</u>
Total assets	<u><u>2,793,297</u></u>	<u><u>362,772</u></u>
Segment operating liabilities	37,500	972
Reconciliation of segment operating liabilities to total liabilities:		
Other corporate and administration liabilities	<u>25,293</u>	<u>48,278</u>
Total liabilities	<u><u>62,793</u></u>	<u><u>49,250</u></u>

GOLDPHYRE RESOURCES LIMITED**31 DECEMBER 2011****NOTES TO THE FINANCIAL STATEMENTS (continued)****NOTE 3: CHANGES IN EQUITY SECURITIES ON ISSUE**

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

(1) 20,000 ordinary shares were issued on 17 January 2012, at 20 cents per share, for which the funds had been received prior to the reporting date.

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

During the 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:

	2011
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%

GOLDPHYRE RESOURCES LIMITED

31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2011, 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 2011

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2011 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, 28 February 2012

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 2011, and the statement of 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 2011 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)



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 2011 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.

A handwritten signature in blue ink that reads "Bentleys".

BENTLEYS
Chartered Accountants

A handwritten signature in blue ink that appears to read "Chris Watts".

CHRIS WATTS CA
Director

DATED at PERTH this 28th day of February 2012