

GOLDPHYRE RESOURCES LIMITED
ABN 58 149 390 394

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting

29 May 2012

Time of Meeting

1:00 pm

Place of Meeting

The Celtic Club
48 Ord Street
West Perth WA 6005

*The **2011 Annual Financial Report** may be viewed on the Company's website at*

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 the Celtic Club, 48 Ord Street, West Perth WA 6005 on 29 May 2012 at 1:00 pm for the purpose of transacting the following business.

ORDINARY BUSINESS

2011 Financial Statements

To receive the financial statements of the Company for the year ended 30 June 2011, consisting of the Annual Financial Report, the Directors' Report and the Auditor's Report.

Resolution 1 – Re-election of Mr Chris Clegg as a Director

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

"That Mr Chris Clegg, 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.

Resolution 2 – Approval of Issue and Allotment of Options to Mr Ron Punch

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

"That for the purpose of Listing Rule 10.11 of the Listing Rules of the ASX and for all other purposes, the issue to Mr Ron Punch, or his nominees, of 1,000,000 Options to acquire fully paid shares in the capital of the Company at an exercise price of 143% of the VWAP of the fully paid ordinary Shares of the Company on the five days prior to the date of the meeting to approve the issue, and expiring on 29 May 2016, and otherwise on the terms and conditions as outlined in Annexure A, for nil consideration, be and is hereby approved."

Short Explanation: Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion Statement

The Company will, in accordance with the Listing Rule of the ASX, disregard any votes cast on Resolution 2 by any person who will participate in the proposed issue and a person who might obtain a financial benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any of their associates. However, the Company will not disregard a vote cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting 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.

A proxy form is attached.

To be valid, properly completed proxy forms must be received by the Company no later than 1:00 pm (WST) on 27 May 2012:

- by post at PO Box 1153, WEST PERTH, WA 6872;
- by facsimile on +618 9389 2199; or
- by e-mail to proxy@dwcorporate.com

By order of the Board



John Ribbons
Company Secretary
Date: 10 April 2012

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 ordinary Shares at 5:00 pm Perth time on 27 May 2012 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 the Celtic Club, 48 Ord Street, West Perth WA 6005, on 29 May 2012 commencing at 1:00 pm.

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 Chris Clegg as a Director, who retires by rotation in accordance with the Company's Constitution; and
- approval of Grant of Options to Mr Ron Punch.

Financial and Other Reports

As required by section 317 of the Corporations Act, the financial statements for the year ended 30 June 2011 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 Mr Chris Clegg as a Director

1.1 Introduction

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

In accordance with ASX 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 Clegg retires 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 Clegg has over thirty five years' experience in the mining industry as a service provider to leading Australian mining companies, various other SME's and high net worth individuals. Mr Clegg is principal and managing director of Statewide Tenement and Advisory Services Pty Ltd, providing mining title management and acquisition, native title negotiation and dispute resolution, and strategic planning services to the mining industry for over twenty five years.

1.3 Directors' Recommendation

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

Resolution 2 - Approval of Grant of Options to Mr Ron Punch

The Company proposes to grant a total of 1,000,000 Options to Mr Punch, or his nominees, for nil consideration, as noted in the table below.

Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Name	Number of options	Exercise price	Expiry date	Vesting
Ron Punch	1,000,000	143% of the VWAP of the fully paid ordinary shares on the 5 days prior to the date of the meeting	29 May 2016	At date of allotment

The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Directors consider that the incentives represented by the grant of the Options are a cost effective and efficient means for the Company to provide a reward and an incentive.

The exercise price will only be known on the date of issue. Assuming that the Options were issued on the date of this Notice, the exercise price would be \$0.31. On that basis, in the event all the Options are exercised, Mr Punch (or his nominees) will need to pay a total of \$310,000 to the Company.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months, are considered to be a related party of the Company.

Resolution 2 provides for the grant of Options to a related party which is a financial benefit which requires Shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed resolution would permit the financial benefit to be given

Subject to Shareholder approval, the Options the subject of Resolution 2 will be granted to Mr Punch or his nominees within one month of the passing of this Resolution. Mr Punch is a Director of the Company and is therefore classified as a related party.

The nature of, reasons for, and basis for the financial benefit

The proposed financial benefit is the grant to Mr Punch or his nominees, for no issue price, that number of Options shown beside the name of the Director in Table 1 below. Each Option will allow Mr Punch to subscribe for one ordinary fully paid Share in the Company. The exercise price of each Option is also detailed in Table 1.

The Options form part of Mr Punch's incentive for continuing and future efforts. Options are considered to be an appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Mr Punch is to derive any value from the Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the Options is at a significant premium the Options represent an incentive to Mr Punch to achieve this significant increase in the Share price, which would result in an increase in Shareholder value.

The exercise price of 143% of the VWAP of the fully paid ordinary Shares of the Company on the five days prior to the date of the meeting represents a significant premium to the most recent closing Share price prior to the date of this Notice. The Company reviewed the practices of other exploration companies of a similar size and stage of development to determine the number of options required to be issued to attract and retain directors. Based on that review, the Board determined the number of Options proposed in Resolution 2 to be appropriate.

Directors' recommendation

Messrs Clegg, Lynton-Brown and Siggs recommend Shareholders vote in favour of Resolution 2.

Mr Punch does not wish to make a recommendation about the proposed Resolution 2 as he may potentially receive a financial benefit from the passing of the Resolution in relation to the grant of the Options and does not consider himself sufficiently independent to make a recommendation.

Interests of Director

Mr Punch has noted his respective interests in the approval of Resolution 2 in relation to the Options.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers.

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant 1,000,000 Options to Mr Punch or his nominees;
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above;
- (c) The Directors, in conjunction with the Company's advisers have provided an indicative value of the options by reference to the Black-Scholes valuation method, based upon the assumptions outlined in Table 3. The valuation cannot be finalised until the grant date of the Options;
- (d) The total value of the Options to be issued is outlined in Table 1. If Options granted to Mr Punch or his nominees are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders;
- (e) As at the date of this Notice, the issued capital of the Company comprised 26,732,010 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	Existing Shares & Options
Shares & Options	47,121,810
Options to be granted	1,000,000
New Total	48,121,810
Dilutionary effect	2.12%

- (f) The Directors current interests in securities of the Company are detailed in Table 2;
- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options;
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since December 2011. Since listing the Shares have traded in the range of 16 cents to 22 cents, the most recent closing price prior to the date of this Notice was 20 cents. The Options are capable of being converted to Shares by payment of the exercise price;
- (i) Mr Punch currently receives director fees of \$60,000, plus superannuation per annum;
- (j) Under the Australian Accounting Standards, the Company is required to expense the value of the Options in its Statement of Comprehensive Income for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to Mr Punch or his nominees pursuant to Resolution 2; and
- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this resolution.

Additional Information

The following information in relation to the Options to be granted pursuant to Resolution 2 is provided to Shareholders:

- (a) the Options will be granted to Mr Punch or his nominees, as noted above;
- (b) the maximum number of Options to be granted pursuant to Resolution 2 is 1,000,000;
- (c) the Options will be allotted and issued on a date which will be no later than 1 month after the date of the annual general meeting;
- (d) the Options will be granted for no consideration and accordingly no funds will be raised by the grant of the Options; and
- (e) the terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.

Table 1 - Details of options to be issued to Related Parties

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
Ron Punch	Director	1,000,000	143% of the VWAP of the fully paid ordinary Shares on the 5 days prior to the date of the meeting	29 May 2016	At date of allotment	\$122,200

Table 2 - Details of current holdings of securities in the Company

Director	Shareholding	Option holding
Ron Punch	Nil	1,000,000
Chris Clegg	75,000	2,000,000
Russell Lynton-Brown	60,000	2,000,000
Brenton Siggs	7,250,000	3,625,000

Table 3 - Option Valuation details

Details	Input
Share price	\$0.20
Exercise Price	\$0.31*
Risk Free Rate (RBA Cash Rate)	4.25%
Volatility (Annualised)	95%
Start Date	29 May 2012
Expiry Date	29 May 2016
Value per Option	\$0.1222

* Based on 5 day VWAP of the fully paid ordinary shares on the 5 days prior to the date of this Notice, being 10 April 2012.

GLOSSARY

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

AGM	means an Annual General Meeting.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Closely Related Party	has the same meaning as defined in Section 9 of the Corporations Act.
Company	means Goldphyre Resources Limited ABN 58 149 390 394.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a share.

ANNEXURE A

TERMS AND CONDITIONS
OPTIONS EXPIRING 29 MAY 2016

The Options to be issued pursuant to Resolution 2 will be issued on the following terms:

1. Each Option shall be issued for no consideration.
2. The exercise price of each Option will be 143% of the VWAP of the fully paid ordinary shares of the Company on the five days prior to the date of the meeting to approve the issue ("**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 29 May 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.

GOLDPHYRE RESOURCES LIMITED
ABN 58 149 390 394
PROXY FORM

The Company Secretary
 Goldphyre Resources Limited
 PO Box 1153
 WEST PERTH WA 6872

Facsimile: +618 9389 2199

I/We (name of shareholder).....
 of (address)
 being a member/members of Goldphyre Resources Limited HEREBY APPOINT
 (name)
 of (address)
 and/or failing him (name)
 of (address)
 or failing that person then the Chairperson of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 29 May 2012 and at any adjournment of the meeting.

PROXY INSTRUCTIONS

<p>If you wish to instruct your proxy how to vote, insert "X" in the appropriate column against the item of business set out below.</p> <p>If the Chairperson of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote on all resolutions, please place a mark in the box. By marking this box, you acknowledge that the Chairperson may exercise your proxy for all resolutions even if they have an interest in the outcome of the resolution and votes cast by them other than as a proxy holder will be disregarded because of that interest. The Chairperson has advised that their intention is to vote in favour of the resolutions.</p> <p>If you do not mark this box, and you have not directed your proxy how to vote, the Chairperson will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.</p>	
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Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box (es) below:
 I/We direct my/our Proxy to vote in the following manner:

RESOLUTION	FOR	AGAINST	ABSTAIN
1 Re-election of Mr Chris Clegg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Grant of Options to Mr Ron Punch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This Proxy is appointed to represent _____ % of my voting right, or if 2 proxies are appointed Proxy 1 represents _____ % and Proxy 2 represents _____ % of my total votes. My total voting right is _____ Shares.

SIGNATURE OF SECURITY HOLDERS – PLEASE SIGN HERE

Individual or Shareholder 1	Joint Shareholder 2	Joint Shareholder 3

Sole Director & Sole Company Secretary	Director / Company Secretary	Director
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Dated this _____ day of _____ 2012

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the Shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint Shareholders, this proxy must be signed by each of the joint Shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a Shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies **must be received by the Company by 1:00 pm on 27 May 2012** by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.
7. If a proxy is also a Shareholder, the proxy can cast any votes the proxy holds as a Shareholder in any way that the proxy sees fit.