

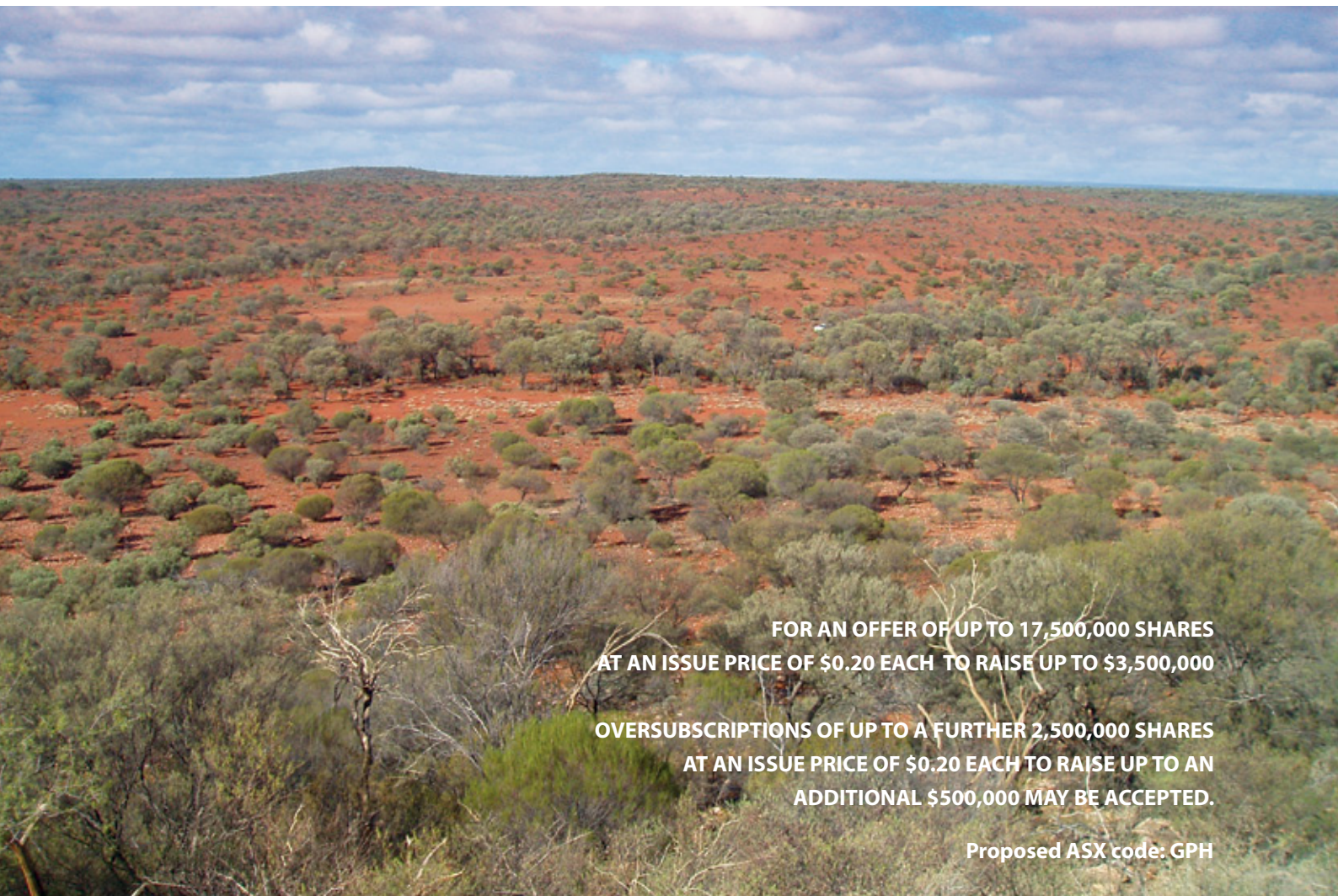


GOLDPHYRE

RESOURCES LIMITED

PROSPECTUS

GOLDPHYRE RESOURCES LIMITED ACN 149 390 394



**FOR AN OFFER OF UP TO 17,500,000 SHARES
AT AN ISSUE PRICE OF \$0.20 EACH TO RAISE UP TO \$3,500,000**

**OVERSUBSCRIPTIONS OF UP TO A FURTHER 2,500,000 SHARES
AT AN ISSUE PRICE OF \$0.20 EACH TO RAISE UP TO AN
ADDITIONAL \$500,000 MAY BE ACCEPTED.**

Proposed ASX code: GPH

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. The Shares offered by this Prospectus should be considered highly speculative.

CORPORATE DIRECTORY

DIRECTORS

Ron Punch	Executive Chairman
Brenton Siggs	Director
Russell Lynton-Brown	Director
Christopher Clegg	Director

COMPANY SECRETARY

John Ribbons

IPO CO-ORDINATOR

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* This entity has been included for information purposes and was not involved in the preparation of this Prospectus.



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IMPORTANT NOTICE

This Prospectus is dated 5 July 2011 and was lodged with the ASIC on that date. Neither ASIC, ASX nor any of their officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of this Prospectus is at 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with the ASIC ("Expiry Date"). No Shares may be issued on the basis of this Prospectus after the Expiry Date.

Application will be made to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares the subject of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in section 14 (Glossary) of this Prospectus and also within its body.

WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.goldphyreresources.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

Cover page photo: Lake Wells project panoramic.

Opposite: View over Lake Cowan, Island View Project



2. KEY INFORMATION

2.1 IMPORTANT DATES

Lodgement of Prospectus with the ASIC	5 July 2011
Opening Date	13 July 2011
Closing Date of the Offers	5 August 2011
Despatch of Holding Statements	12 August 2011
Expected date for listing on ASX	17 August 2011

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

2.2 OFFER STATISTICS

Offer Price	\$0.20 per share		Section
	Full Subscription (\$3.5m)	Over Subscription (\$4m)	
Number of seed Shares currently on issue	4,500,010	4,500,010	8.4
Number of Vendor Shares on issue	7,250,000	7,250,000	5.6
Number of Options currently on issue	13,625,000	13,625,000	8.18
Number of Shares available under the Prospectus	17,500,000	20,000,000	8.1
Number of Options available under this Prospectus ¹	8,000,000	8,000,000	8.18
Total proceeds from the Offer	\$3,500,000	\$4,000,000	8.1
Total number of Shares on issue following the Offer ²	29,250,010	31,750,010	8.3
Total number of Options on issue following the Offer	21,625,000	21,625,000	8.3

¹ Under this Prospectus and at the Board's discretion, the Company offers up to 8m Options to certain brokers and AFSL holders (or their nominees) who assist with the raising of funds under this Prospectus.

² The Company is also under an obligation to issue up to a further 7m Shares to the Vendor upon the occurrence of certain milestones. See section 5.6.

Pictured left: Field mapping in quartz float terrain, E 38/2114, Lake Wells Project



3. CHAIRMAN'S LETTER

5 July 2011

Dear Investor

On behalf of the Directors of Goldphyre Resources Limited ("Goldphyre" or "Company"), I am pleased to present this Prospectus and invite you to invest in the Company by applying for Shares under the Offer.

The Company has acquired four key projects from a private company, Goldphyre (WA) Pty Ltd; originally formed by the vendors Brenton Siggs (a Director of the Company) and Ian Hamilton to build a strategic package of quality exploration tenements. Brenton has a strong background in minerals exploration and particularly gold and base metals in Western Australia and is the Company's Technical Director. The Company was then formed to be the entity to facilitate the ASX listing through this Prospectus.

The Directors believe that Goldphyre has an exceptional suite of exploration properties in locations with highly prospective geological settings with some previous exploration and giving rise to encouraging exploration targets as described in this Prospectus. To undertake its exploration programs, Goldphyre is seeking to raise up to \$3,500,000 under the Offer of 17.5 million Shares at an issue price of \$0.20 per Share. Oversubscriptions of up to a further 2.5 million Shares at an issue price of \$0.20 per Share to raise up to an additional \$500,000 may also be accepted.

Initial exploration will focus on the Lake Wells and Yamarna projects, as these projects lie along the Yamarna Greenstone Belt and its northern extensions, and the Directors consider that they represent prime exploration opportunities with established drill targets. The Yamarna Greenstone Belt is one of the least explored greenstone belts and recent studies by the Geological Survey of Western Australia suggest it shares many geological similarities with the well-endowed Kalgoorlie Terrane greenstone rocks. Work on the Company's other two projects, located near the Leonora and Higginsville mining centres will also advance in line with the Company's planned exploration programmes. Further details of the geological settings and the Company's proposed exploration programs are set out in the Independent Technical Report prepared by Malcolm Castle, which appears at section 10 of this Prospectus.

Whilst the Board of Goldphyre notes that the Lake Wells and Yamarna projects are located in relatively under explored regions, historic and recent results from neighbouring companies provide encouragement for the Board to proceed with Goldphyre's exploration programme immediately upon ASX listing. However, investors should be aware that proximity to known mineralisation does not of itself indicate that the Company's Tenements contain minerals of economic quantities.

This Prospectus includes a statement of risks associated with investing in Goldphyre and accordingly I strongly encourage every investor to read the Prospectus in its entirety. Please ensure that you obtain any appropriate independent professional advice as required if you do not understand any of the risks or other content in the Prospectus.

On behalf of the Board, I commend this investment opportunity to you and look forward to welcoming you as a shareholder of Goldphyre.

Yours faithfully



Ron Punch

Executive Chairman

4. INVESTMENT OVERVIEW

This information is a selective overview only. Investors should read the Prospectus in full, including the experts' reports in this Prospectus before deciding whether to invest in Shares.

Question	Response	Further Information
Who is issuing this Prospectus?	Goldphyre Resources Limited – ABN 58 149 390 394 (“Goldphyre” or the “Company”)	
Who is Goldphyre and what does it do?	<p>Goldphyre is a gold exploration company with strategic ground holdings in the Leonora/Laverton region and Higginsville region in Western Australia. It has acquired 9 granted Tenements over four projects: which it considers prospective and underexplored.</p> <p>The Lake Wells project is located 160 km north north east of Laverton and consists of a significant area of deformed greenstone-granitoid in the northeast part of the Yilgarn Craton, Western Australia. The project includes a range of underexplored geological settings including the interpreted northern extension of the gold prospective Yamarna Shear Zone. Shallow, historic drill-hole gold and nickel anomalism provides immediate drill targets prospective for gold, nickel, platinum group elements (PGE), base metals and uranium.</p> <p>The Yamarna project is located 140 km north east of Laverton and lies adjacent to significant gold resources and uranium mineralisation, including the Attila-Alaric gold deposit, the recently discovered high-grade Central Bore gold deposit and the calcrete-hosted Thatcher Soak uranium prospect. The project is concealed by sand and calcrete and is highly prospective for gold, uranium and PGE.</p> <p>The Mailman project is located 25 km east of Leonora. It includes a significant section of the Keith Kilkenny Fault Zone and a structurally complex mafic-felsic-sedimentary package considered highly prospective for gold and base metals. It captures the potential of the Crawfords gold prospect, located near the northern boundary of the project and historic drilling has returned broad, anomalous drill-hole gold intercepts within the project area.</p> <p>The Island View Project is proximal to several significant gold deposits and mineralisation styles, including the Higginsville gold operation (approximately 12 km to the west) and a series of shallow, palaeochannel gold deposits to the east which have been previously exploited and at which a neighbouring company is preparing to recommence mining operations.</p> <p>As a mineral explorer the Company will look to general capital growth by exploration success and acquisition of any complementary projects that have the potential to add value for Shareholders.</p>	Section 5
What are the benefits of investing in the Company?	<p>The benefits of investing in the Company include the following:</p> <ul style="list-style-type: none"> • The Company's projects are located in underexplored areas which it considers prospective due to their proximity to known mineralisation. • An experienced Board and management team. • A well defined strategy to explore each of the Company's projects. 	Section 5

Question	Response	Further Information
What are the key risks of investing in the Company?	<p>The key risks of investing in the Company include:</p> <ul style="list-style-type: none"> • The Company's projects do not contain a resource. Exploration is a high risk undertaking and there can be no assurance that the Company's activities will result in the delineation or discovery of a mineral resource and if delineated or discovered, that it can be economically exploited. • The Company's exploration programs take longer and are more costly than budgeted. • Falling gold and other commodity, and general market prices. • Additional requirements for capital which may be unobtainable or obtainable only on terms adverse to the Company. 	Section 6
Is there an Independent Technical Report by a geologist?	<p>The Company engaged Malcolm Castle to prepare an Independent Technical Report on the project. This report provides information on:</p> <ul style="list-style-type: none"> • The location of the projects. • The geology, mineralisation and exploration history for each of the projects. • The exploration strategy and budget. 	Section 10
Is there a report on the Tenements?	<p>The Company engaged Fairweather Corporate Lawyers to prepare a report on the Company's Tenements. This report provides information on the Tenements relevant law and native title.</p>	Section 11
What is the financial position of the Company?	<p>Goldphyre is a new company that was formed on 6 April 2011 and has limited financial history. This Prospectus contains financial information including a pro forma balance sheet which is set out in the Investigating Accountant's Report.</p>	Section 9
Who are the Directors of the Company?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none"> • Ron Punch, executive Chairman; • Brenton Siggs, non-executive technical Director; • Russell Lynton-Brown, non-executive Director; and • Chris Clegg, non-executive Director. 	Section 7
What benefits are being paid to Directors?	<p>The Directors are paid directors' fees for operating the Company. As executive Chairman, Mr Punch will be paid \$60,000 per annum exclusive of statutory superannuation.</p> <p>Mr Siggs has entered into an executive services agreement with the Company in relation to his services, and will be paid a daily rate of \$950 (excluding GST) plus a four wheel drive vehicle daily rate of \$85 (excluding GST).</p> <p>The remaining non-executive Directors will each be paid an annual fee of \$40,000.</p> <p>The Directors other than Mr Siggs have together been granted 5m incentive Options.</p>	Section 7
What important contracts has the Company entered into?	<p>The Company is a party to the following material contracts:</p> <ul style="list-style-type: none"> • Tenement Sale Agreement under which the Company acquired the Tenements dated 11 April 2011. This agreement has completed and the Company owns 100% of the Tenements. • Executive Service Agreement with Reefus Geology Services, a business controlled by Mr Siggs dated 17 May 2011. <p>Summaries of the key terms of these contracts are included in this Prospectus.</p>	Section 5.6 Section 7.3
What is being offered?	<p>17,500,000 new Shares to raise \$3,500,000 (before costs of the Offer) representing approximately 60% of the Shares on issue at the completion of the Offer.</p> <p>Oversubscriptions of up to a further 2,500,000 Shares may be accepted, to raise up to a further \$500,000.</p>	Section 8.1

4. INVESTMENT OVERVIEW

Question	Response	Further Information
What is the Offer Price?	The Offer Price is 20 cents per Share.	Section 8.1
What are the objectives of the Offer and how will the funds raised be used?	<p>The objectives of the Offer are (assuming \$3.5m is raised) to:</p> <ul style="list-style-type: none"> • Fund a 2 year program of \$1,822,000 to explore and develop the Company's projects. • Provide general working capital of \$1,016,140. • Fund corporate administration costs of \$619,360 for 2 years. • Pay the costs of the Prospectus process of \$392,500. • Allow access to equity markets to assist funding future development of the Company's projects and pursuing other complementary resource opportunities. <p>Oversubscriptions of up to \$500,000 will broadly be applied on further exploration, roughly between the Company's Lake Wells project and its other projects.</p> <p>This is a statement of the Company's intentions as at the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to vary the way funds are applied on this basis.</p>	Section 5.8
Is the Offer underwritten?	The Offer is not underwritten.	Section 8.12
Will the Company pay dividends?	The Company's focus will be on generating capital growth. The Company has no immediate intention to declare or distribute dividends. Payment of future dividends will depend on matters such as the future profitability and financial position of the Company.	Section 5.12
Where will the Shares be quoted?	An application will be made to the ASX for quotation of the Shares under the trading symbol "GPH".	Section 8.8
How do I apply for Shares under the Offer?	Applications can be made by completing an Application Form and sending it to the Company.	Application Form
When will I know if my Application was successful?	A holding statement confirming your allocation under the Offer will be sent to you if your Application is successful. Holding statements are expected to be issued on about 12 August 2011.	Section 8.2
How can I obtain further advice?	<p>By speaking to your accountant, stockbroker or other professional advisor.</p> <p>If you require assistance or additional copies of this Prospectus, please contact the Company on (08) 9481 7288.</p>	
Contact details	For further details, see the Corporate Directory at the beginning of this Prospectus.	Section 1

5. COMPANY AND PROJECT OVERVIEW

5.1 THE COMPANY

Goldphyre is an Australian company incorporated on 6 April 2011. Its primary focus is mineral exploration on underexplored Australian projects prospective for gold and other minerals sourced by direct tenement acquisition, joint venture partnerships and new project generation.

The Company has acquired 100% of 9 granted Tenements. The Tenements are located in the Laverton/Leonora region and Higginsville region of Western Australia and were acquired from a private company controlled by Messrs Brenton Siggs (a Director) and Ian Hamilton. The Tenements form 4 projects – Lake Wells, Yamarna, Mailman Hill and Island View. The Company's initial primary exploration focus will be on systematically evaluating these projects for gold, along with other commodities including base metals, uranium and platinum group elements (PGE).

The Tenements, which are considered greenfield, have been selected for their proximity to known mineralisation. However, investors should be aware that proximity to known mineralisation does not of itself indicate that the Company's exploration programs may be successful.

The Company intends to use the funds raised from the Offer primarily to commence detailed work programs on the granted Tenements. Based on limited historic exploration results, there is evidence of encouraging geochemistry and drill-hole anomalism on the Tenements. Given that the Tenements have been poorly or inadequately explored in the past, the Company believes recent geological and geophysical interpretation in conjunction with new targeting techniques and more effective drilling methods should significantly increase the potential for successful exploration campaigns.

A summary of each of the Company's projects is set out below and more detailed project information is located in the Independent Technical Report in section 10 of this Prospectus.

5.2 LAKE WELLS

The Lake Wells project is located 160 km north north east of Laverton and covers 555 km². Lake Wells forms the most extensive of the Company's exploration properties and consists of a large, contiguous tenement package securing a significant area of deformed greenstone-granitoid in the northeast part of the Yilgarn Craton, Western Australia.

Lake Wells includes a range of geological settings and has drill targets prospective for gold, nickel, platinum group elements, base metals and uranium. Complex structural setting and lithology, known shallow gold and base metal drill-hole anomalies, a paucity of effective, historic exploration work and minor flat-lying Permian and Proterozoic cover rocks were factors in the Company's acquisition of a significant ground holding.

Shallow end-of-hole Air Core (AC) gold anomalies completed by historic explorers in the late 1990's at Lake Wells remain untested. Other historic nickel and base-metals Rotary Air Blast (RAB) anomalism also remain untested. Nickel-copper and PGE mineralisation has previously been reported to the north northwest of the Lake Wells project at the Collurabbie project and GSWA mapping suggest Lake Wells shares similar rock types and structure to the regional geology at Collurabbie.

Until recent years, minimal exploration had been carried out in the Lake Wells region - possibly due to distance from established mining centres, misunderstood geology and inadequate drilling techniques. Following the increasing success of a neighbouring gold explorer to the south of Lake Wells and a better understanding of the geology of the Yamarna region, the Lake Wells project is considered to be a highly attractive exploration property for Goldphyre.

5.3 YAMARNA

The Yamarna project is located 140 km north east of Laverton and consists of one granted Exploration Licence with an area of 30 km². The Yamarna project lies to the north of the large tonnage, low grade Attila-Alaric gold deposit and the recently discovered, high-grade Central Bore gold deposit. The Yamarna project also lies adjacent to the calcrete-hosted 6.2 million lb Thatcher Soak uranium resource. The project area is covered by sand and calcrete and is considered prospective for gold, uranium and PGE.

The Yamarna project is a grass-roots stage project and completely covered by alluvium or calcrete. The project area has not been the subject of robust, systematic exploration. There is shallow drilling over the central and western parts of the tenement although the effectiveness of this drilling in terms of penetration through transported material and oxidised saprolitic material is questionable. Given the favourable geological setting, proximity to recent exploration successes by others and recent developments in a better understanding of the geological structure, the Yamarna project is considered to be a valuable exploration project.

5.4 MAILMAN HILL

The Mailman Hill project covers approximately 50 km² and consists of granted E37/990 and P37/7877. It is located 25 km east of Leonora, and includes a significant section of the Keith Kilkenny Fault Zone and a structurally complex mafic-felsic-sedimentary package considered highly prospective for gold and base metals.

The Crawfords prospect, which is reported to contain gold mineralisation, is located approximately eighty metres to the northwest of Mailman Hill's northern boundary. The gold mineralisation is considered to be associated with a sheared and strongly altered sandstone/conglomerate sequence. The along strike potential of the Crawfords prospect onto the Company's tenure has not been adequately tested.

5. COMPANY AND PROJECT OVERVIEW

The eastern portion of the Mailman Hill project is occupied by volcanoclastic rocks which are favourable hosts for base metals. Mailman Hill shows good potential for effective drill testing of existing drill hole gold intercepts and first pass base metal targeting.

5.5 ISLAND VIEW

The Island View project is located approximately 90 km south of Kalgoorlie and 25 km southeast of Widgiemooltha. The two tenements cover a total area of 5.6 km².

Island View is close to several gold deposits. The Higginsville gold mine (Resource: 1.57 Moz gold) is located approximately 12 km to the west of Island View and approximately 2 km to the east of E15/1050, a series of palaeochannel gold deposits have been mined (Louis-Brigette-Sophia deposits). The gold mines in the Island View area display different mineralisation styles – the Higginsville (Trident) Gold Operation is characterised by high-grade gold mineralisation associated with quartz veins and shearing in hard rock and the Louis-Brigette-Sophia gold deposits are associated with relatively shallow, transported sands and clays.

A small, high-grade underground gold mine is located on the eastern boundary of E15/1050 and preliminary studies suggest controlling structures trend southwards onto the Company's tenure. Unconfirmed reports of alluvial gold won on E15/1050 are also encouraging and require further investigation.

The Island View project is located in a tightly held, strongly mineralised gold-nickel province. The project is underexplored and is considered to possess both sulphide gold and palaeochannel gold (beneath on land and lake sediment cover) potential.

5.6 MATERIAL CONTRACTS RELEVANT TO PROJECTS

Goldphyre WA Pty Ltd ("**Vendor**") and the Company are parties to a Sale of Mining Tenements Agreement dated on or about 11 April 2011 ("**Tenement Sale Agreement**") under which the Company has acquired a 100% interest in 9 Tenements, consisting of four projects:

- (a) Lake Wells (E38/1903, E38/2113, E38/2114 and E38/2505);
- (b) Mailman Hill (E37/990 and P37/7887);
- (c) Yamarna (E38/1949); and
- (d) Island View (E15/1049 and E15/1050).

In consideration, the Company issued the Vendor 7,250,000 Shares and 3,625,000 Options (with an exercise price of \$0.20 and expiry date of 30 June 2015).

Completion of the acquisition occurred on 12 April 2011.

The Company will also issue the Vendor with further Shares in the following circumstances, subject to any necessary regulatory or shareholder approvals:

- (a) 2,000,000 Shares upon the Company delineating 250,000 ounces of JORC measured gold or equivalent (as a single commodity) that can be verified as an economic deposit by an independent expert, on a Tenement acquired from the Vendor;
- (b) 2,000,000 Shares upon the Company delineating a further 250,000 ounces of JORC measured gold or equivalent (as a single commodity) that can be verified as an economic deposit by an independent expert, on a Tenement acquired from the Vendor; and
- (c) 3,000,000 Shares upon the Company completing a bankable feasibility study in any of the Tenements acquired from the Vendor.

The Company will seek Shareholder approval at the next Shareholder meeting so that the Vendor can acquire any Shares issued upon milestones being met. See section 8.4 for details.

Subject to the grant of a waiver in writing from ASX from Condition 10 of Chapter 1 of the Listing Rules the Company agrees to pay the Vendor a 2% net smelter royalty on any mineral won from the Tenements acquired from the Vendor.

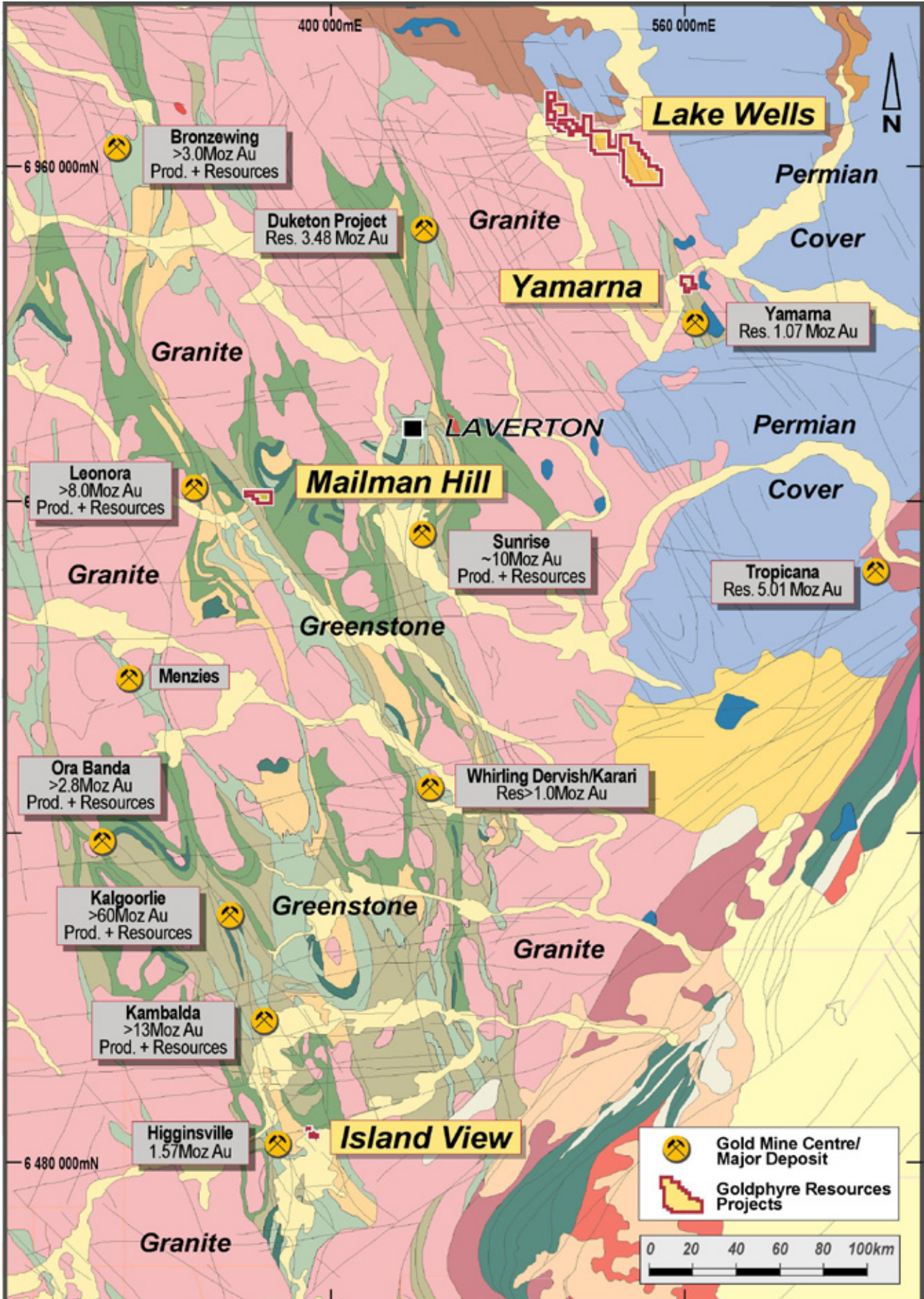
The Tenement Sale Agreement contained the usual warranties in favour of the Company in relation to the acquisition of mining tenements including but not being limited to good standing, validity of title, freedom from encumbrances and any legal actions or third party interests.

The Tenement Sale Agreement was entered into whilst the Company was a proprietary limited company, and for that reason shareholder approval was not obtained.

5.7 OBJECTIVES

The strategic objectives of the Company are to:

- (a) explore its current Tenements held in Western Australia; and
- (b) pursue new projects in the resources sector (both in gold and other commodities) both in Australia and overseas, by way of acquisition or investment.



Investors should be aware that proximity to known mineralisation does not of itself indicate that the Company's projects will contains minerals of economic quantities.

The Company's projects

5. COMPANY AND PROJECT OVERVIEW

In determining the suitability of investment opportunities, the Directors will use their experience in evaluating projects, the principle investment criteria will include:

- prospectivity, location and size of the project and proximity to existing projects;
- favourable risk to reward equation;
- ability to bring a successful discovery into production; and
- capital market support for the project.

There are currently no opportunities under review, and any such investments will be considered against the exploration success and merit of the Company's existing projects.

5.8 USE OF PROCEEDS

The Company intends to apply the funds raised from the Offer together with the Company's existing cash resources (approximately \$350,000) over a 2 year period as follows:

	Full Subscription (\$3.5m)	Over Subscription (\$4m)
Exploration Program ¹	1,822,000	2,237,000
Working Capital & Project Evaluation ²	1,016,140	1,071,140
Corporate Overheads and Administration ³	619,360	619,360
Costs of the Offers ⁴	392,500	422,500
TOTAL	3,850,000	4,350,000

Notes:

- See the Independent Technical Report for further details on the Company's planned exploration programs, both if \$3.5m or \$4m is raised. The Company considers its Lake Wells and Yamarna projects to be its priorities, and its exploration program has been prepared accordingly. The Company may vary the allocation with the proposed exploration program depending upon exploration success.
- The Company will consider investment opportunities in the resources sector (both in gold and other commodities) both in Australia and overseas. There are currently no opportunities under review, and any such investments will be considered against the exploration success and merit of the Company's existing projects.
- These expenses include wages and superannuation of employees and Directors, rent and outgoings, accounting fees, legal fees, ASX listing fees, auditing fees, insurance, share registry fees, travel expenses and all other items of a general administrative nature. See section 7.5 for details of Directors' remuneration.
- See section 8.19 for details.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

In the event the amount raised under this Prospectus is less than the full oversubscriptions, after accounting for reduced costs of the Offer by reason of the reduced fund raising fees, it is intended that the additional amount raised will be applied firstly towards additional exploration and then working capital and project evaluation. Additional exploration funds (at less than full oversubscriptions) will be applied broadly equally between the Company's Lake Wells project and its 3 other projects.

5.9 WORKING CAPITAL

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

5.10 FORECASTS

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

5.11 COMPANY TAX STATUS AND FINANCIAL YEAR

The Company will be taxed in Australia as a public company. The financial year of the Company ends on 30 June annually.

5.12 DIVIDEND POLICY

As Goldphyre is a mineral exploration company and is not mining, generating revenue or making profits, the Directors do not anticipate that Goldphyre will pay dividends in the immediate future.

5.13 COMPETENT PERSON'S STATEMENT

The information in this Prospectus that relates to exploration results, mineral resources or ore reserves is based on information compiled by Malcolm Castle of Castle Consulting who is a member of the Australasian Institute of Mining and Metallurgy. Malcolm Castle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Malcolm Castle consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

6. RISK FACTORS

6.1 INTRODUCTION

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and Directors. The risks identified in this section, or other risks factors, may have a material impact on the financial performance of the Company and the market price of the shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 RISKS SPECIFIC TO THE COMPANY

(a) Limited exploration with no resources

Whilst the Tenements share similar geological attributes (rock types, structure, age and metamorphic grade, and along trends) and are along trends or adjacent to nearby known resources, no resources have been defined in the Tenements.

Potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of the Tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(b) Exploration risk

The exploration costs of the Company described in the Independent Technical Report are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Specifically, there is a risk that exploration on the Lake Wells Tenements may be interrupted by unpredictable transported sand (which can delay drilling) or temporary inundation.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(c) Native Title and Aboriginal Heritage

Although the Company has investigated title to all of its Tenements (as detailed in the Solicitor's Report), the Company cannot give any assurance that title to such Tenements will not be challenged or impugned. The

Tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be delayed or hindered by the statutory native title processes. Within granted tenements it is also possible that some areas may be sterilised from exploration or mining by Aboriginal heritage issues.

The Directors will closely monitor the potential effect of native title claims involving the Tenements.

(d) Title and Tenure

The Company's Tenements only permit the Company to undertake exploration on the Tenements. In the event that the Company successfully delineates an economic resource on any of the Tenements, it will need to apply for a mining lease to undertake development and mining on the Tenement. There is no guarantee that the Company will be granted a mining lease if one is applied for.

Exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(e) Proposed Changes to Security Bonds

The Western Australian Department of Mines and Petroleum ("DMP") has foreshadowed possible changes to the security bond requirements in Western Australia. The DMP has recommended a fidelity fund to manage the risk of operations under the Mining Act 1978 (WA) failing to meet their mine rehabilitation and closure obligations.

In the event a fidelity fund is not established, there is a risk that the DMP may require full cost unconditional performance bonds to be provided. There is a risk that the Company may not have a sufficient financial ability to provide full cost unconditional performance bonds for its proposed activities, and as a result may be precluded from undertaking those activities.

6. RISK FACTORS

(f) Failure to Satisfy Expenditure Commitments

Each licence or lease carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Currently, the minimum annual expenditure commitments for each of the granted Tenements have been met. Details are set out in the Solicitor's Report on Tenements in Section 11 of this Prospectus.

(g) Limited history

The Company was incorporated on 6 April 2011 and therefore has a limited operating history on which an evaluation of its prospects can be made. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty.

(h) Taxation Risk

Any change in the Company's tax status or the tax applicable to holding Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders.

(i) Changes in Government Policy

Adverse changes in Federal or Western Australian government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(j) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of

consumables, spare parts, and plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration of its license interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(k) Resource Estimates

In the event that the Company successfully delineates a JORC compliant resource on any of the Tenements, that resource estimate will be an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(l) Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(m) Acquisition Risk

The Company's objectives include the pursuit of new projects in the resources sector, by way of acquisition or investment. The Directors of the Company will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that are likely to provide returns to shareholders. There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders.

(n) Additional Requirements for Capital

The funds raised under the Offer are considered sufficient to meet the exploration and evaluation objectives of the Company. Additional funding may be required in the event exploration costs exceed the Company's estimates. To effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(o) Conflicts of Interest

The Company's Directors are also Directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which such persons become aware will not necessarily be made available to the Company. The Directors intend, however, to allocate these to such companies on the basis of prudent business and judgement and the relative financial abilities and needs of the companies to participate. Although such persons have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

(p) Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(q) Environmental Risks

The Company's exploration programs will, in general, be subject to approval by governmental authorities. Development of any of the Company's properties will be dependent on the project meeting environmental

guidelines and, where required, being approved by governmental authorities.

6.3 GENERAL RISKS

(a) Insurance Risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(b) Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(c) Regulatory Risk

The Company's mining operations and exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

6. RISK FACTORS

(d) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(e) Trading Risks

The price at which the Company's Shares trade on ASX after listing may be higher or lower than the Offer price and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in commodity prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.

There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

(f) Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(g) Litigation Risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(h) Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

7. BOARD & MANAGEMENT

7.1 DIRECTORS

Ron Punch – Executive Chairman

Mr Punch has had considerable banking, financial markets, stock broking and corporate experience. He started his career with Westpac (formerly Bank of New South Wales) and then the Reserve Bank of Australia. Mr Punch joined Patersons Stockbrokers in 1969 and was involved in portfolio management, underwriting, corporate and general advising and broking roles. He is also a former Chairman of the Perth Stock Exchange and its Listing Committee.

Mr Punch has served as chair and non-executive director on the boards of a number of ASX listed and private companies and is currently a director of the unlisted company Bullseye Mining Ltd and chair of unlisted Arena Resources Ltd. Mr Punch was the chairman of Australian Kaolin Ltd, a company that in 1999 went into external insolvency administration, due to operational issues in commencing its production plant.

Mr Punch has previously been a member of various professional organisations and committees and is a B Ec and A Fin.

Brenton Siggs – Non Executive Director

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. He has operated a successful geological contracting business based in Kalgoorlie, Western Australia since 1994.

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 Nickel Project and Kalgoorlie Nickel Project, Western Australia) and coal projects (Belvedere Coal Project, Queensland).

Mr Siggs is a director of the Vendor, and ultimately controls 60% of the Vendor's holding in the Company.

Mr Siggs has a Bachelor of Applied Science (Applied Geology) degree from the University of South Australia and is member of the Australian Institute of Geoscientists (AIG) and the Society of Economic Geologists (SEG).

Russell Lynton-Brown – Non Executive Director

Mr Lynton-Brown has sixteen years experience in the financial services industry specialising in the natural resources sector. Mr Lynton-Brown has worked with international and local stock broking companies providing advice to retail, institutional and corporate clients. He is currently a director of Imperium Minerals Ltd (unlisted) and is also the Managing Director of Arena Resources Limited (unlisted).

During the last three years, Mr Lynton-Brown has also served as a director of Pacific Ore Ltd (resigned 31 March 2011), Fortuna Minerals Limited (resigned 30 September 2009) and Aspire Mining Ltd (resigned 20 June 2011).

Christopher Clegg – Non Executive Director

Mr Clegg has over twenty 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. He is currently also a director of Arena Resources Ltd (unlisted).

7.2 MANAGEMENT AND CONSULTANTS

John Ribbons – Company Secretary

Mr Ribbons is an accountant who has worked within the resources industry for over fifteen years in the capacity of company accountant, group financial controller or company secretary.

Mr Ribbons has extensive knowledge and experience with ASX listed production and exploration companies. He has considerable site based experience with operating mines and has also been involved with the listing of several exploration companies on ASX.

7.3 EXECUTIVE SERVICE AGREEMENTS WITH DIRECTORS

Reefus Geology Services (a business controlled by Brenton Siggs) has agreed to provide technical geological management services to the Company at a daily rate of \$950 (excluding GST) plus a four wheel drive vehicle daily rate of \$85 (excluding GST). All fuel and oils costs will be invoiced to the Company. It is estimated that Reefus Geology Services will provide between approximately 5 to 9 days' services per month pre listing and 14 to 18 days' per month post listing.

Statewide Tenement Management (a business controlled by Chris Clegg) has agreed to provide tenement management services to the Company on normal commercial terms.

The Directors (other than Messrs Siggs and Clegg respectively) consider the respective agreements to be at arm's length and member approval was not sought for these agreements.

7. BOARD & MANAGEMENT

7.4 DISCLOSURE OF INTERESTS IN SECURITIES

As at the date of this Prospectus, the Directors have relevant interests in Shares and Options as set out below:

Director	Shares ¹	Options ²
Ron Punch	Nil	1,000,000
Brenton Siggs	7,250,000	3,625,000
Russell Lynton-Brown	Nil	2,000,000
Christopher Clegg	Nil	2,000,000

Notes:

- 1 The Directors are entitled to participate in the Offer.
- 2 See section 8.18 for details of Option terms. The Options were issued on 12 April 2011 whilst the Company was a proprietary company, and Shareholder approval was not required.

Directors are not required under the Company's Constitution to hold any Shares.

7.5 REMUNERATION OF DIRECTORS

The Company's Constitution provides that the remuneration of Directors (excluding salaries to executive Directors) will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors (excluding salaries to executive Directors) has been set at an amount not to exceed \$300,000 per annum.

The remuneration of executive Directors will be determined from time to time by the Board having regard to the nature and extent of their responsibilities.

The Director contracts stipulate that payment of Director fees will commence once the Company has been granted admission to the official list of the ASX. The Directors have not been paid any remuneration for their services to date as Directors.

Subject to Admission the non-executive Directors will each receive annual director's fees of \$40,000.

7.6 NO OTHER DIRECTORS INTERESTS

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last two years before the date of lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer;

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- (a) to a Director or proposed Director to induce him or her to become, or to qualify as, a Director; or

- (b) for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

7.7 CORPORATE GOVERNANCE

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The responsibilities of the Board include:

- Protection and enhancement of Shareholder value;
- Formulation, review and approval of the objectives and strategic direction of the Company;
- Approving all significant business transactions including acquisitions, divestments and capital expenditure;
- Monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- Ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- The identification of significant business risks and ensuring that such risks are adequately managed;
- The review and performance and remuneration of executive directors and key staff;
- The establishment and maintenance of appropriate ethical standards; and
- Evaluating and, where appropriate, adopting with or without modification, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability. Subject to the exceptions outlined below the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines. Copies of corporate governance policies are accessible on the Company's website at www.goldphyresources.com.au.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices will depart from the recommendations.

ASX Guidelines	Notification of Departure	Explanation for Departure
2.1 and 2.2	<p>A majority of the Board are not independent directors.</p> <p>The Chairman is not an independent director.</p>	<p>The Board takes the view that Ron Punch (Chairman) and Brenton Siggs (Non Executive Director) are not independent in terms of the ASX Corporate Governance Council's discussion of independent status. This is because Mr Punch holds an executive position with the Company and Mr Siggs controls a substantial holding in the Company. Despite this relationship, the Board believes that Ron and Brenton are able, and will make, quality and independent judgement in the best interests of the Company on all relevant issues before the Board.</p> <p>The Board considers that Russell Lynton-Brown and Christopher Clegg are independent in terms of the ASX Corporate Governance Council's discussion of independent status.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of a majority of independent non-executive Directors.</p> <p>Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.</p>
2.4	A nomination committee has been established.	The Board has established a nomination committee which consists of all Board members. The committee undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate, independent consultants will be engaged to identify possible new candidates for the Board.
3.2	The Company's Corporate Governance Plan does include an express policy specifically addressing achieving gender diversity, however, the board has not established measurable objectives for achieving gender diversity.	<p>The Board has adopted a gender diversity policy.</p> <p>The Company's Corporate Governance Plan includes a corporate code of conduct, which provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace. The Board has departed from the recommendation in 3.2 due to the current size of the Company.</p>
4.1, 4.2, 4.3	An audit committee has been established, however, it does not have at least 3 members and it may consist of executive directors.	The Board has established an audit committee. The committee undertakes the selection and proper application of accounting policies, the integrity of financial reporting, the identification and management of risk and review of the operation of the internal control systems.
8.1 and 8.2	A remuneration committee has been established, however, it does not have at least 3 members and the composition of this committee may vary.	The Board has established a remuneration committee. The committee as a whole is responsible for the remuneration arrangements for Directors and executives of the Company and considers it more appropriate to set aside time at Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. The Board has departed from the recommendation due to the current size of the Company.

8. INVESTMENT AND OFFER DETAILS

8.1 THE OFFER

Pursuant to the Offer, the Company invites applications for 17,500,000 Shares at an issue price of \$0.20 each to raise \$3,500,000.

Oversubscriptions of up to a further 2,500,000 Shares at an issue price of \$0.20 each to raise an additional \$500,000 may be accepted.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

8.2 INDICATIVE TIMETABLE

Lodgement of Prospectus with the ASIC	5 July 2011
Opening Date	13 July 2011
Closing Date of the Offers	5 August 2011
Despatch of Holding Statements	12 August 2011
Expected date for listing on ASX	17 August 2011

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice. Applicants are therefore encouraged to submit Applications as soon as possible after the Opening Date.

8.3 CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offer is summarised below:

Shares	Full Subscription (\$3.5m) ²	Over Subscription (\$4m) ²
Shares on issue at date of Prospectus ¹	11,750,010	11,750,010
Shares now offered at 20 cents	17,500,000	20,000,000
Total Shares on issue at completion of the Offer	29,250,010	31,750,010

- The rights attaching to ordinary Shares are summarised in section 8.17.
- In addition to the securities on issue the Company is also under an obligation to issue up to a further 7m Shares the Vendor. See section 5.6 for details of the circumstances in which these Shares will be issued. See section 8.4 for details of the effect of the issue on the control of the Company.

Options	Full Subscription (\$3.5m) ²	Over Subscription (\$4m) ²
Options on issue at date of Prospectus ¹	10,000,000	10,000,000
Options issued to the Vendors under the Tenement Sale	3,625,000	3,625,000
Options offered under this Prospectus to certain brokers and AFSL holders (or their nominees) ²	8,000,000	8,000,000
Total Options on issue at completion of the Offer	21,625,000	21,625,000

- The terms and conditions of all Options on issue are summarised in section 8.18.
- Under this Prospectus and at the Board's discretion, the Company offers up to 8m Options to certain brokers and AFSL holders (or their nominees) who assist with the raising of funds under this Prospectus. See section 8.18 for details.

8.4 EXISTING SHAREHOLDERS

Of the Shares on issue as at the date of this Prospectus, 1,000,000 Shares were issued to Resminco Pty Ltd at a price of \$0.0001 and in consideration for facilitating the Offer, 7,250,000 Shares were issued at a price of \$0.01 and 3,500,000 Shares were issued at a price of \$0.10. The issue price of these Shares was less than the price of Shares offered under this Prospectus to reflect the additional risk assumed by seed Shareholders.

As at the date of this Prospectus the substantial Shareholders of the Company are as follows:

Name	Shares	%
Goldphyre WA Pty Ltd, a company associated with Mr Siggs	7,250,000	62
Resminco Pty Ltd, a company associated with Mr Michael Punch (Mr Ron Punch's son)	1,000,000	9

It is anticipated that only Goldphyre WA Pty Ltd will remain substantial shareholders of the Company after the issue of shares in accordance with this Prospectus.

As set out in section 5.6, the Company is obliged to issue up to 7m Shares to the Vendor upon certain milestone events occurring. This would represent up to approximately 39.3% of the Company's issued share capital (assuming \$3.5m is raised under the Offer and no further Shares are issued). The Company will seek approval at the next Shareholder approval under section 611 of the Corporations Act for this acquisition.

8.5 APPLICATIONS

Applications for Shares under the Offer must be made using the Application Form.

Payment for the Shares must be made in full at the issue price of \$0.20 per Share. Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares. Completed Application Forms and accompanying cheques must be delivered to:

Goldphyre Resources Limited

c/- Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

or mailed to:

Goldphyre Resources Limited

c/- Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953

Cheques should be made payable to "Goldphyre Resources Limited – Share Offer Account" and crossed "Not Negotiable". Completed Application Forms must reach one of the above addresses by no later than the Closing Date.

The Company reserves the right to close the Offer early.

8.6 ALLOTMENT

Subject to ASX granting approval for the Company to be admitted to the Official List, allotment of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Prior to allotment, all application monies shall be held by the Company on trust. The Company, irrespective of whether the allotment of Shares takes place, will retain any interest earned on the application monies.

The Directors reserve the right to allot Shares in full for any application or to allot any lesser number or to decline any application. Where the number of Shares allotted is less than the number applied for, or where no allotment is made, the surplus application monies will be returned by cheque to the applicant within seven (7) days of the allotment date.

8.7 MINIMUM SUBSCRIPTION

The minimum subscription to be raised pursuant to the Offer is \$3.5 million. In accordance with the Corporations Act, no Shares will be allotted by the Company until the minimum subscription has been received.

If the minimum subscription has not been raised within 4 months after the date of this Prospectus, the Offers will not proceed and all application monies will be returned to Applicants (without interest).

8.8 ASX LISTING

The Company will apply to ASX within seven (7) days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares offered under this Prospectus. If the Shares are not admitted to quotation on ASX within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In that circumstance, the Offer will not proceed and all application monies will be returned to Applicants (without interest).

8.9 HONG KONG

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Prospectus you should obtain independent professional advice.

This Prospectus does not constitute a prospectus (as defined in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) ("**CO**") or notice, circular, brochure or advertisement offering any Shares to the public for subscription or purchase, or calculated to invite such offers by the public to subscribe for, or purchase, any Shares, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**").

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Prospectus in Hong Kong, other than to persons who are "professional investors" as defined in the SFO and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus", as defined in the CO, or which do not constitute an offer to the public within the meaning of the CO; and no person may issue or have in its possession for the purposes of issue, this Prospectus or any invitation or document relating to these Shares, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

This Prospectus is for the exclusive use of the person to whom it is addressed ("**the recipient**") in connection with the Offers, and no steps have been taken to register or seek authorisation for the issue of this Prospectus in Hong Kong.

This Prospectus must not be distributed, published, reproduced or disclosed (in whole or in part) by the recipient to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offers.

8. INVESTMENT AND OFFER DETAILS

8.10 UNITED KINGDOM

Neither the information in this Prospectus nor any other document relating to the Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**") has been published or is intended to be published in respect of the Shares. This Prospectus is issued on a confidential basis to fewer than 100 persons (other than "qualified investors" (within the meaning of section 86(7) of the FSMA)) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to s86(1) of the FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of s21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which s21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons:

- (a) who fall within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (members of certain bodies corporate); or
- (b) to whom it may otherwise be lawfully communicated (together "**relevant persons**").

The investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

8.11 APPLICANTS OUTSIDE AUSTRALIA

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

8.12 NOT UNDERWRITTEN

The Offer is not underwritten.

8.13 COMMISSIONS PAYABLE

The Company reserves the right to pay a commission of 5% (excluding GST) of amounts subscribed to any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Company and Resminco Pty Ltd are parties to an agreement under which, in consideration for corporate advisory services in connection with the Company's initial public offer and listing on ASX, the Company will:

- (a) issue Resminco Pty Ltd 1,000,000 Shares at an issue price of \$0.0001 and 5,000,000 Options (this has occurred);
- (b) pay Resminco Pty Ltd \$90,000 (plus GST) (this amount to be paid upon the Company's admission to the Official List).

Mr Michael Punch, the son of Mr Ron Punch, is a director and 50% shareholder of Resminco Pty Ltd.

The Directors (other than Mr Punch) consider the agreement to be at arm's length and member approval was not sought for the agreement.

8.14 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System ("**CHESS**"). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd ("**ASTCB**"), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to investors. Instead, holders of Shares will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement.

8.15 RESTRICTED SECURITIES

Subject to the Company being admitted to the Official List, certain Shares and Options on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow.

The Company expects that certain securities held by the Directors and the Vendor, representing approximately 40% of the Company's issued share capital (assuming \$3.5m is raised under the Offer), will be escrowed in accordance with ASX Listing Rules.

8.16 PRIVACY STATEMENT

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers; regulatory bodies, including the Australian Taxation Office; authorised securities brokers; print service providers; mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

8.17 ORDINARY SHARES

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to Shares with special rights to dividends the Directors may declare a final dividend in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

8. INVESTMENT AND OFFER DETAILS

(e) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) Variation of Rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

(g) 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 books closing date to exercise the Options.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

8.18 OPTIONS

The Company has 13,625,000 \$0.20 Options on issue with an expiry date of 30 June 2015, and otherwise subject to the following general terms and conditions:

- (a) The exercise price of each Option will be 20 cents ("**Exercise Price**").
- (b) Each Option shall be issued for no consideration.
- (c) Each Option entitles the holder to subscribe for one Share upon the payment of the Exercise Price per Share subscribed for.
- (d) The Options will lapse at 5.00 pm, Western Standard Time on 30 June 2015 ("**Expiry Date**").
- (e) The Options may be transferred at any time in accordance with the Corporations Law, the SCH Business Rules and/or the Listing Rules;
- (f) 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.

At the discretion of the Board, the Company offers up to 8,000,000 Options, exercisable at \$0.20 and with an expiry date of 30 June 2015 and otherwise on the above terms, to certain brokers and AFSL holders (or their nominees) who assist with the raising of funds under this Prospectus. These Options have a nil issue price. Applications for these Options can only be made on a personalised application form which, together with this Prospectus, will be given to persons to whom this offer is made. To accept the offer, the recipient must complete the Application Form and return it to the Company by the Closing Date.

8.19 EXPENSES OF THE OFFER

The total expenses of the Offer are estimated to be up to approximately \$422,500 (excluding GST and assuming full subscription) and are expected to be applied towards the items set out in the table below:

Item of Expenditure ²	Full Subscription \$3.5m	Over Subscription \$4m
	(\$)	(\$)
ASIC fees	2,000	2,000
ASX fees	33,000	33,000
Broker Commissions (5%) ¹	175,000	200,000
Adviser Fees (accounting, legal and other)	157,500	162,500
Printing, Design and Miscellaneous	25,000	25,000
TOTAL	392,500	422,500

1 As stated in section 8.18, the Company, at the Board's discretion, offers under this Prospectus up to 8 million Options to certain brokers and AFSL holders (or their nominees) who assist with the raising of funds under this Prospectus. Please refer to section 8.18 for further information. The table above reflects the cash expenses of the Offers and does not include the cost of these Options.

2 Refer to section 8.13 for payments to Resminco Pty Ltd.

8.20 QUERIES

Any queries regarding the Offer should be directed to John Ribbons, Company Secretary on +61 8 9481 7288.

Any queries regarding the Application Form should be directed to Security Transfer Registrars on +61 8 9315 2333.

9. FINANCIAL INFORMATION AND INVESTIGATING ACCOUNTANT'S REPORT

1 July 2011

The Directors

Goldphyre Resources Limited

23 Altona Street

WEST PERTH WA 6005

Dear Sirs

Investigating Accountant's Report – Goldphyre Resources Limited



**Bentleys Audit
& Corporate (WA) Pty Ltd**
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INTRODUCTION

This report has been prepared at the request of the Directors of Goldphyre Resources Limited ("Goldphyre" or "the Company"), for inclusion in a prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") on or around 1 July 2011 ("Prospectus"), relating to the proposed issue of a minimum of 17,500,000 ordinary shares at an issue price of \$0.20 each to raise a total of at least \$3,500,000.

The Company may also accept oversubscriptions of up to a further 2,500,000 ordinary shares at an issue price of \$0.20 to raise up to a further \$500,000. The offer is not underwritten and the minimum subscription level is \$3,500,000.

BASIS OF PREPARATION

The report has been prepared to provide investors with information on historical results and the financial position of Goldphyre, and to provide investors with a pro forma Statement of Financial Position and pro forma Statement of Comprehensive Income of Goldphyre as at 31 May 2011 adjusted to include funds raised by the Prospectus and the completion of exploration interest acquisitions and other transactions as referred to in Note 2 of Appendix 2.

This Report does not address the rights attaching to the Shares to be issued in accordance with the Prospectus, the risks associated with the investment, nor form the basis of an Expert's opinion with respect to a valuation of the Company or a valuation of the Share issue price of \$0.20 per share to the public.

Bentleys has not been requested to consider the prospects for Goldphyre nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Bentleys accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Section 6 of the Prospectus.

BACKGROUND

Goldphyre Resources Limited is an Australian company incorporated on 6 April 2011 with the primary purpose of investing in Western Australian exploration tenements prospective for gold and other minerals through direct tenement acquisition, joint venture partnerships and new project generation. For further details of the Company refer to the Company and Project Overview in Section 5 of this Prospectus.

The Company has acquired a 100% interest in the tenements forming the Lake Wells Project, Yamarna Project, Mailman Project and the Island View Project.

Since incorporation, the only other activities undertaken by the Company have been the preparation for the proposed ASX listing of Goldphyre. Refer to Section 5 of the Prospectus for further details of the nature of these agreements.



A member of Bentleys, an association of independent accounting firms in Australia.
The member firms of the Bentleys association are affiliated only and not in partnership.
Liability limited by a scheme approved under Professional Standards Legislation





SCOPE OF REPORT

Bentleys has been requested to:

- (a) report whether anything has come to our attention which would cause us to believe that the historical financial information disclosed in the appendices to this report is not fairly presented in accordance with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Goldphyre, and
- (b) report whether anything has come to our attention which would cause us to believe that the pro forma financial information disclosed in the appendices to this report is not presented fairly in accordance with the basis of preparation and assumptions set out therein and with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Goldphyre.

Goldphyre has prepared, and is responsible for, the historical and pro forma financial information included in the appendices to this report.

SCOPE OF REVIEW

Bentleys has not audited the financial statements of Goldphyre as at 31 May 2011. We have conducted our review of the historical financial information in accordance with Australian Auditing Standard ASRE 2405 "Review of Historical Financial Information Other Than a Financial Report". We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- (i) enquiry of directors, management and others;
- (ii) analytical procedures on the historical information;
- (iii) a review of work papers, accounting records and other documents; and
- (iv) comparison of consistency in application of the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Goldphyre.

The review procedures were substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards.

Having regard to the nature of the review, which provides less assurance than an audit and to the nature of the historical and pro forma financial information, this report does not express an audit opinion on the historical and pro forma financial information included in the appendices to this report.

VALUATION OF EXPLORATION INTERESTS

The principal assets of Goldphyre will be its exploration interests.

The cost of the assets have been written off in the pro forma Statement of Comprehensive Income. We have not performed our own valuation of the exploration interests. We are unable to form a view on whether the carrying values of the interests are fairly stated.

9. FINANCIAL INFORMATION AND INVESTIGATING ACCOUNTANT'S REPORT

OPINIONS

(a) Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the historical financial information, as set out in the appendices of this report is not presented fairly in accordance with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Goldphyre.

(b) Pro Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma financial information, as set out in the appendices of this report is not presented fairly in accordance with the basis of preparation in the appendices and assumptions set out therein and with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Goldphyre.

SUBSEQUENT EVENTS

To the best of Bentleys' knowledge and belief, there have been no material items, transactions or events subsequent to 31 May 2011 not otherwise disclosed in this report or its appendices that have come to our attention during the course of our review which would cause the information included in this report to be misleading or deceptive.

INDEPENDENCE

Bentleys does not have any interest in the outcome of the listing of the shares, other than in connection with the preparation of this report for which normal professional fees will be received. Bentleys were not involved in the preparation of any part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus. Bentleys consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully



BENTLEYS

Chartered Accountants



CHRIS WATTS

Director



APPENDIX 1 - HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION

STATEMENT OF COMPREHENSIVE INCOME

	Note	Reviewed Actual For the Period 31 May 2011	Reviewed Pro forma At minimum subscription For the Period 31 May 2011	Reviewed Pro forma At maximum subscription For the Period 31 May 2011
		\$	\$	
Income		219	219	219
Consultant fees		(22,537)	(22,537)	(22,537)
Exploration expenditure		(79,576)	(79,576)	(79,576)
Other expenses		(22)	(22)	(22)
Loss before income tax		(101,916)	(101,916)	(101,916)
Income tax expense		-	-	-
Loss after income tax		(101,916)	(101,916)	(101,916)
Other comprehensive income		-	-	-
Total comprehensive Loss for the period		(101,916)	(101,916)	(101,916)

STATEMENT OF FINANCIAL POSITION

	Note	Reviewed Actual 31 May 2011	Reviewed Pro forma At minimum subscription 31 May 2011	Reviewed Pro forma At maximum subscription 31 May 2011
		\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	3	314,019	3,331,519	3,801,519
Other assets		10,312	10,312	10,312
TOTAL CURRENT ASSETS		324,331	3,341,831	3,811,831
TOTAL ASSETS		324,331	3,341,831	3,811,831
CURRENT LIABILITIES				
Trade and other payables		8,222	8,222	8,222
TOTAL CURRENT LIABILITIES		8,222	8,222	8,222
TOTAL LIABILITIES		8,222	8,222	8,222
NET ASSETS		316,109	3,333,609	3,803,609
EQUITY				
Issued capital	4	418,025	3,435,525	3,905,525
Reserves	5	-	-	-
Accumulated losses	6	(101,916)	(101,916)	(101,916)
TOTAL EQUITY		316,109	3,333,609	3,803,609

APPENDIX 2 - NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the Statement of Comprehensive Income and Statement of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Statement of Comprehensive Income and Statement of Financial Position are disclosed where appropriate.

The financial information has been prepared on the basis of a going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Statement of Comprehensive Income for the period ended 31 May 2011 and the Statement of Financial Position as at 31 May 2011 are in accordance with the Company's reviewed financial position at that date. The pro forma Statement of Comprehensive Income for the period ended 31 May 2011 and the pro forma Statement of Financial Position as at 31 May 2011 represents the reviewed financial result and position and adjusted for the transactions discussed in Note 2 to this report. The Statement of Comprehensive Income and Statement of Financial Position should be read in conjunction with the notes set out in this report.

(b) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(c) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Income Tax

The income tax expense for the period comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense is charged directly to equity instead of the Statement of Comprehensive Income when the tax relates to items that are credited directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.



Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(e) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Exploration and Evaluation Expenditure

Exploration and evaluation costs for each area of interest in the early stages of project life are expensed as they are incurred.

Exploration and evaluation costs for each area of interest that has progressed to pre-feasibility are accumulated. Accumulated costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where pre-feasibility activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect to that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production has commenced.

(g) Investments & Financial Instruments

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Income as gains and losses from investment securities.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

APPENDIX 2 - NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

(h) Trade Creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Issued Capital

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Employee Benefits

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(k) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.



Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables in the statement of financial position are shown inclusive of GST.

2. ACTUAL AND PROPOSED TRANSACTIONS TO ARRIVE AT THE PRO-FORMA FINANCIAL INFORMATION

The pro-forma financial information has been included for illustrative purposes to reflect the position of Goldphyre on the assumption that the following transactions had occurred as at 31 May 2011:

- (a) The issue of ordinary shares at \$0.20 each pursuant to the Prospectus;
- (b) The payment of expenses of the public issue excluding GST and expensed against equity;
- (c) The payment of corporate advisory fee to Resminco Pty Ltd ("Resminco") in accordance with terms of engagement and expensed against equity; and
- (d) The issue of 8,000,000 unlisted options to the promoters and shareholders of the Company exercisable at \$0.20 on or before 30 June 2015 for nil consideration.

3. CASH AND CASH EQUIVALENTS

	Note	Reviewed Actual 31 May 2011	Reviewed Pro forma At minimum subscription 31 May 2011	Reviewed Pro forma At maximum subscription 31 May 2011
		\$	\$	\$
Cash at Bank		314,019	314,019	314,019
Issue of ordinary shares pursuant to the Prospectus	2(a)	-	3,500,000	4,000,000
Prospectus issue costs	2(b)	-	(392,500)	(422,500)
Payment to Resminco	2(c)	-	(90,000)	(90,000)
		314,019	3,331,519	3,801,519

4. ISSUED CAPITAL

Issued capital		418,025	418,025	418,025
Issue of ordinary shares pursuant to the Prospectus	2(a)	-	3,500,000	4,000,000
Prospectus issue costs	2(b)	-	(392,500)	(422,500)
Payment to Resminco	2(c)		(90,000)	(90,000)
		418,025	3,435,525	3,905,525

a. Ordinary Shares

		No.	No.	No.
Opening balance		11,750,010	11,750,010	11,750,010
Issue of ordinary shares pursuant to the Prospectus	2(a)	-	17,500,000	20,000,000
		11,750,010	29,250,010	31,750,010

APPENDIX 2 - NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Note	Reviewed Actual 31 May 2011	Reviewed Pro forma At minimum subscription 31 May 2011	Reviewed Pro forma At maximum subscription 31 May 2011
		\$	\$	\$
5. RESERVES				
Option reserve		-	-	-
		-	-	-
a. Options				
		No.	No.	No.
Balance 31 May 2011		13,625,000	13,625,000	13,625,000
Issue of unlisted options	2(d)	-	8,000,000	8,000,000
		13,625,000	21,625,000	21,625,000
6. ACCUMULATED LOSSES				
Accumulated losses		(101,916)	(101,916)	(101,916)
		(101,916)	(101,916)	(101,916)
7. RELATED PARTIES				
Refer to Section 7 of the prospectus for details of related party transactions and shareholdings.				
8. COMMITMENTS				
(a) Exploration				
The Company will have minimum obligations pursuant to the terms and conditions of the exploration licences in the forthcoming year of \$186,220 for exploration commitments. These obligations are capable of being varied from time to time, in order to maintain current rights of tenure to mining tenements.				
(b) Native Title				
The Company's mining tenements may be subject to native title applications in the future. At this stage it is not possible to quantify the impact (if any) that native title may have on the operations of the Company.				
9. CONTINGENT ASSETS AND LIABILITIES				
At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in this Prospectus.				
10. SUBSEQUENT EVENTS				
At the date of this report there have been no material events subsequent to balance date that we are aware of, other than those disclosed in this Prospectus.				

10. INDEPENDENT TECHNICAL REPORT



Malcolm Castle

Consulting Geologist
 P.O. Box 473, South Perth, WA 6951
 Phone: 08 9474 9351
 Mobile: 04 1234 7511
 Email: mcastle@castleconsulting.com.au
 ABN: 84 274 218 871

1 July 2011

The Directors

Goldphyre Resources Ltd

Dear Sirs,

Re: **INDEPENDENT GEOLOGIST'S REPORT ON MINERAL PROPERTIES in WESTERN AUSTRALIA**

I have been commissioned by Goldphyre Resources Ltd (the "Company") to provide an independent technical report on the Company's projects in Western Australia ("Report"). This report is to be included in a Prospectus to be lodged by the Company with the Australian Securities and Investments Commission ("ASIC") in July 2011, to raise \$3,500,000 by issuing 17,500,000 ordinary shares at 20 cents and oversubscriptions to raise an additional \$500,000 by issuing a further 2,500,000 ordinary shares at 20 cents may be accepted. The funds raised will be used for the purpose of exploration and evaluation of the mineral properties held by the Company.

The Properties

The Lake Wells Project forms the most extensive of the exploration properties and consists of a tenement package securing a significant area of deformed greenstone-granitoid in the northeast part of the Yilgarn Craton, Western Australia. The Project includes a range of underexplored geological settings including the interpreted northern extension of the gold prospective Yamarna Shear Zone. Shallow, historic drill-hole gold and nickel anomalism provides immediate drill targets prospective for gold, nickel, platinum group elements (PGE), base metals and uranium.

The Yamarna Project (Yamarna) is located 140 km north east of Laverton and lies adjacent to significant gold resources and uranium mineralisation. Yamarna is located to the north of the Attila-Alaric gold deposit, the recently discovered high-grade Central Bore gold deposit and lies adjacent to the calcrete-hosted Thatcher Soak uranium prospect. The project is concealed by sand and calcrete and is highly prospective for gold, uranium and PGE.

The Mailman Project is located 25 km east of Leonora and the lease includes a significant section of the Keith Kilkenny Fault Zone (KKFZ) and a structurally complex mafic-felsic-sedimentary package considered highly prospective for gold and base metals. Historic drilling has returned broad, anomalous drill-hole gold intercepts within the project area and captures the potential of the Crawfords gold prospect, located near the northern boundary of the project.

Island View Project is proximal to several significant gold deposits and mineralisation styles - the Higginsville gold operation is located approximately 12 km to the west of Island View. Approximately 2 km to the east of E 15/1050, a series of shallow, palaeochannel gold deposits have been previously exploited and a neighbouring mining company is preparing to recommence mining operations.

Details in respect to the legal status and tenure of the tenements comprising the Projects have not been considered in this report but are outlined in the Independent Solicitor's Report in Section 11 of the Prospectus.

DECLARATIONS

Relevant codes and guidelines

This Report has been prepared as a technical assessment in accordance with the Code for *Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the "VALMIN Code")*, which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), as well as the rules and guidelines issued by the Australian Securities and Investments Commission ("ASIC") and the ASX Limited ("ASX") which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112).

Where and if mineral resources have been referred to in this Report, the classifications are consistent with the *"Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code")*, prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia, effective December 2004.

10. INDEPENDENT TECHNICAL REPORT

Under the definition provided by the ASX and in the VALMIN Code, these properties are classified as 'exploration projects', which are inherently speculative in nature. The properties are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the exploration and development programs proposed by the Company.

Please note, where assay values for rock chip samples and drill intercepts are quoted they represent the best results from a series of lower grade values. They should not be taken to represent the average grade of the samples unless otherwise stated.

Sources of Information

The statements and opinion contained in this Report are given in good faith and this review is based on information provided by the title holders, along with technical reports prepared by consultants, previous tenements holders and other relevant published and unpublished data for the area. I have endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this Report is based. A final draft of this Report was provided to the Company along with a written request to identify any material errors or omissions prior to lodgement.

In compiling this report, I did not carry out a site visit to any of the Company's Project areas. Based on my professional knowledge and experience and the availability of extensive databases and technical reports made available by various Government Agencies, I considered that sufficient current information was available to allow an informed appraisal to be made without such a visit.

At least half of the current liquid assets held and funds proposed to be raised are understood to be committed to the exploration and development of the Projects. The Company has sufficient working capital to carry out its stated objectives and has prepared staged exploration programs, specific to the exploration potential of each Project, which are consistent with its budget allocations. It is considered that sufficient exploration and mining activities have been undertaken by earlier explorers to justify the proposed programs and expenditure.

This Report has been compiled based on information available up to and including the date of this Report. Consent has been given for the distribution of this Report in the form and context in which it appears. I have no reason to doubt the authenticity or substance of the information provided.

Qualifications and Experience

The person responsible for the preparation of this Report is:

Malcolm Castle, B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM.

Malcolm Castle has over 40 years experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company 20 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including gold, base metals, iron ore and mineral sands. He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical Audits in many countries.

Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc. (Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

Mr Castle is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and has the appropriate relevant qualifications, experience, competence and independence to be considered as an "Expert" and "Competent Person" the Australian Valmin and JORC Codes, respectively.

Independence

I am not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the Projects or the Company. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this Report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully



Malcolm Castle
B.Sc.(Hons), MAusIMM,
GCertAppFin (Sec Inst)

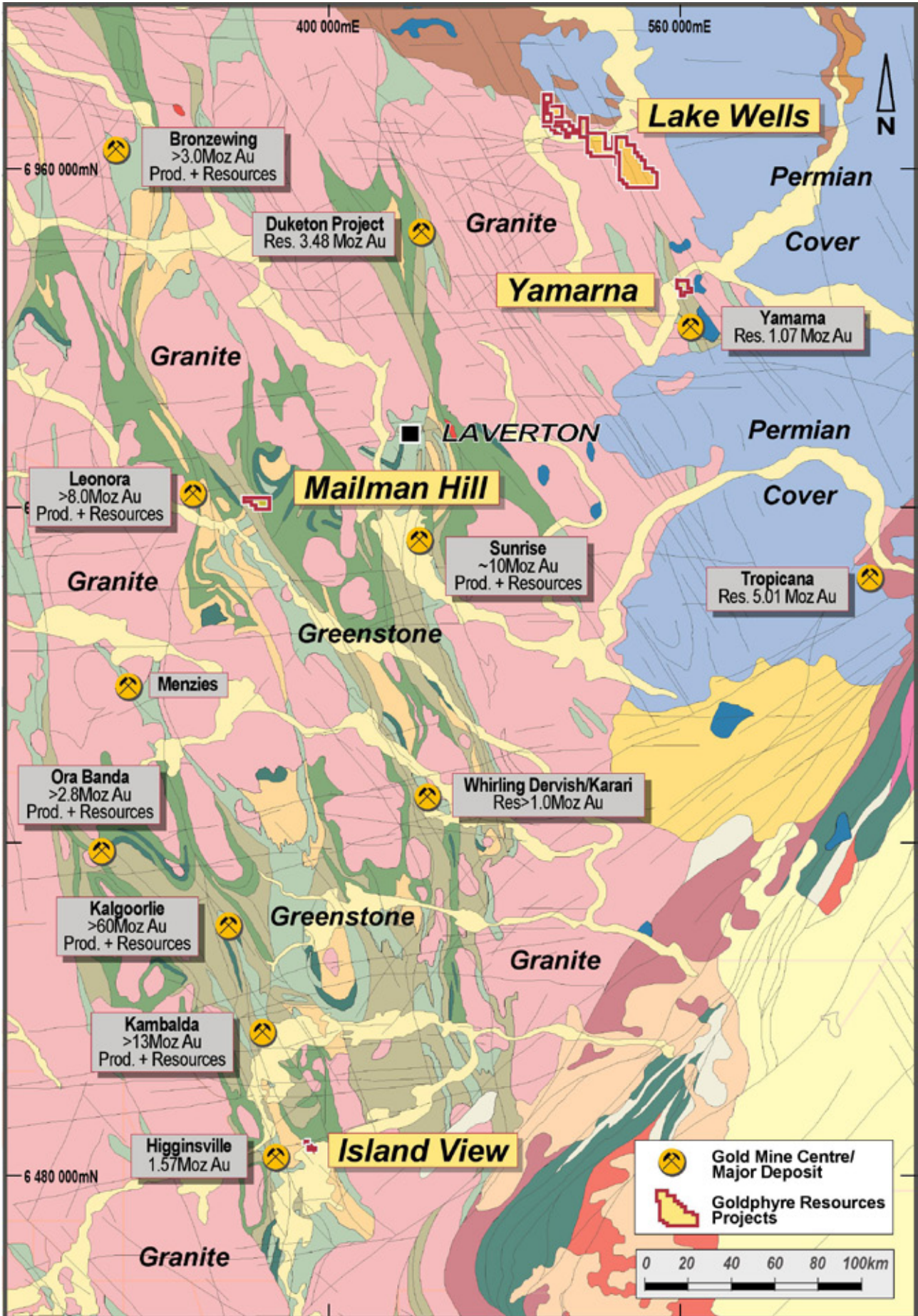


Figure 1. Project Location Plan, Western Australia.

10. INDEPENDENT TECHNICAL REPORT

1 LAKE WELLS PROJECT - YILGARN CRATON, WA

The Lake Wells Project forms the most extensive of the exploration properties and consists of a tenement package securing a significant area of deformed greenstone-granitoid in the northeast part of the Yilgarn Craton, Western Australia (Figure 1).

The Project includes a range of geological settings and has immediate drill targets prospective for gold, nickel, platinum group elements (PGE), base metals and uranium. Complex structural setting and lithology, known shallow gold and base metal drill-hole anomalies, a paucity of effective, historic exploration work and only minor Permian and Proterozoic cover were factors in acquiring a significant ground holding.

1.1 LOCATION AND TENURE

The Lake Wells Project is located 160 km NNE of Laverton and occupies a portion of Lake Wells Station and Vacant Crown Land. The project consists of four granted exploration licences (E 38/1903, E38/2113, E38/2114 and E38/2505). The project covers 555 km².

Project	Tenement	Status	Area, km ²
Lake Wells	E38/1903	Granted	64
Lake Wells	E38/2113	Granted	192
Lake Wells	E38/2114	Granted	34
Lake Wells	E38/2505	Granted	265
Total			555

The project area is accessed north from the township of Laverton via the Cosmo Newbery Road, thence north on the Prenti Downs Road. Access within the project area is restricted to limited fence lines and historic gridlines.

1.2 GEOLOGICAL SETTING

The Lake Wells Project is located on the north-eastern margin of the Yilgarn Craton, Western Australia. Recent work by Pawley et al (2009) from the Geological Survey of Western Australia (GSWA) has suggested a regional-scale fault zone, the Yamarna Fault Zone (YFZ) is a Yilgarn Craton terrane boundary situated on the western margin of the Mount Gill Greenstone Belt (Figure 2). The YFZ resembles other regional terrane boundaries (such as the Laverton Shear Zone) in that it is a deep-rooted structure that divides two contrasting metamorphic terranes of contrasting ages. The GSWA has also completed recent mapping (Pawley, 2010) that suggests the Yamarna Terrain has rocks of similar age and character as the fertile Kalgoorlie Terrane.

Thin, highly strained and folded WNW-NNW trending Archaean greenstone belts (Figure 2) have been recorded in subcrop observations, previous explorers' drill-hole data and interpreted from regional and detailed aeromagnetics and gravity surveys. Two main greenstone belts have been recognised as the Ulrich Range Greenstone Belt in the northwest part and the Mount Gill Greenstone Belt in the central and south-east parts. Metamorphic grade of the greenstone rocks are greenschist to

lower amphibolite facies. These greenstone belts consist of basalt, amphibolite, gabbro and felsic schists with chert-shale-BIF units. The greenstone belts are located within large areas of granitic rocks. Limited outcrop and drill data indicates the granitoid rocks consist of quartz-feldspar granite, adamellite, diorite and gneissic granite.

The Lake Wells Project area is almost entirely covered by Quaternary aeolian (sand dune) deposits, depositional sheet wash and playa lake deposits. Remnants of transported, pisolitic laterite have been observed within the sand dune terrain on the southern and central parts of the project. The sand dunes consist of fine to medium-grained, well-sorted quartz sand.

An E-W trending Archaean package dominated by mafic-ultramafic rocks and abundant porphyry-aplitic form low, resistant rises and small hills in the western part of the project. Massive E-W Proterozoic quartz reefs intrude the greenstone sequence in this area.

Field investigations completed by Goldphyre Resources Ltd determined that the outcrops on the western margin of the project consist of massive to strongly foliated, fine-grained basalt and amphibolite with medium to coarse-grained, equigranular doleritic-gabbroic sills and dykes. Other rock types observed include felsic-intermediate volcanic rocks and schistose, silicified in part, tremolite-chlorite+talc ultramafic rocks. Numerous, discontinuous, easterly trending coarse-grained, equigranular to porphyritic, aplitic-felsic porphyry dykes intrude the Archaean greenstone sequence. White-grey, massive to weakly laminated quartz reefs and veins of Proterozoic-Archaean age were also recorded.

These observations, along with aeromagnetic interpretation and limited drill-hole data, suggest this section of the Ulrich Range Greenstone Belt on the west part of the project, extends northwards beneath transported cover. Ferruginised and silicified rocks related to weathered granitoid have been mapped by the GSWA on the western boundary of the southern central part of the project.

1.3 PREVIOUS EXPLORATION

Historic gold production for the Lake Wells area consisted of at least 304 grams won from a small gully in the Ulrich Range in 1905. A portion of this production may have been sourced from a series of small shafts sunk on quartz veins 3 km and 6 km NW of Mount Strawbridge. Small-scale mining during the period 1979-1980 realised recorded production of 1.48 kg of gold from 528 tonnes. Historic gold workings were located adjacent to the project area boundary in the vicinity of Mt Strawbridge.

Soil and lake sediment geochemistry and Rotary Air Blast (RAB) and Aircore (AC) drilling by previous explorers have been completed over the western parts of the Lake Wells Project. Western Mining Corporation (WMC) completed reconnaissance AC drilling with most hole centres up to 80-200m apart and drill lines 400 to over 1000m apart. The exception is some close-spaced drilling (50 m x

25 m) over areas with shallow elevated gold intercepts in several air-core drill-holes at the Axford Prospect on E 38/1903. Shallow gold anomalism at the Axford prospect has not been followed up adequately at depth or along strike and no Reverse Circulation (RC) drilling has been completed on the project. The eastern part of the project area (E38/2113 and E38/2505) has had very little previous shallow RAB drilling completed but elevated assays of nickel, copper and zinc have been recorded.

Recent work completed in the past three years has consisted of remote sensing interpretation, reconnaissance soil geochemistry traverses (geochemistry samples recorded gold values less than 10 ppb Au) and a small RAB drilling program. A historic, reconnaissance soil geochemistry line with sample results ranging from 5-19 ppb Au (with a background of 1-2 ppb Au) over an E-W distance of 1.1 km was tested with a reconnaissance RAB laterite drilling traverse in 2010 (9 holes, 181 metres). The drill centres varied from 80-160m apart and all holes were terminated in transported laterite. The laterite drill samples are yet to be analysed for precious metals and base-metals.

The Yamarna Greenstone Belt to the south of the Lake Wells Project is currently being explored by Gold Road Resources Limited ('Gold Road'), an ASX listed gold exploration company. Gold Road has been successful in discovering high-grade gold mineralisation at the Central Bore deposit and has previously announced a large gold resource at the Attila-Alaric project. The current resource

announced in 2011 by Gold Road for both the Attila-Alaric and Central Bore prospects is 20.4 Mt @ 1.63 g/t Au at 0.50 g/t Au cut-off (1 067 300 oz Au). A resource of 595 000t @ 7.86 g/t Au at 1.0 g/t Au cut-off (150 300 oz Au) for the high-grade Central Bore deposit was announced in 2011. The resource figures include Inferred, Indicated and Measured Categories (Source: Gold Road Resources Ltd, ASX Announcement 18/03/2011). Significant chromium and platinum group elements (PGEs) have also been previously recorded by Gold Road and a uranium resource at Thatcher Soak has also been defined.

Aeromagnetics Interpretation

The combined regional and reprocessed, detailed aeromagnetic Lake Wells image (Figure 3) reveals pronounced, thin, linear greenstone belts trending NNW in the northwestern (Ulrich Range Belt) and the central portion (Mt Gill Belt) of the Lake Wells region (Figure 3).

The batholithic granite bodies are represented by large, fairly uniform, moderately magnetic areas. Both strongly magnetic and magnetic low internal granites can be recognised in the regional magnetics data. Easterly trending, Proterozoic mafic dykes show a negative magnetics response.

Several, discrete "bulls-eye" magnetic high targets on the western part of Lake Wells have been recognised. Other target areas include tightly folded, strongly magnetic units dislocated by a

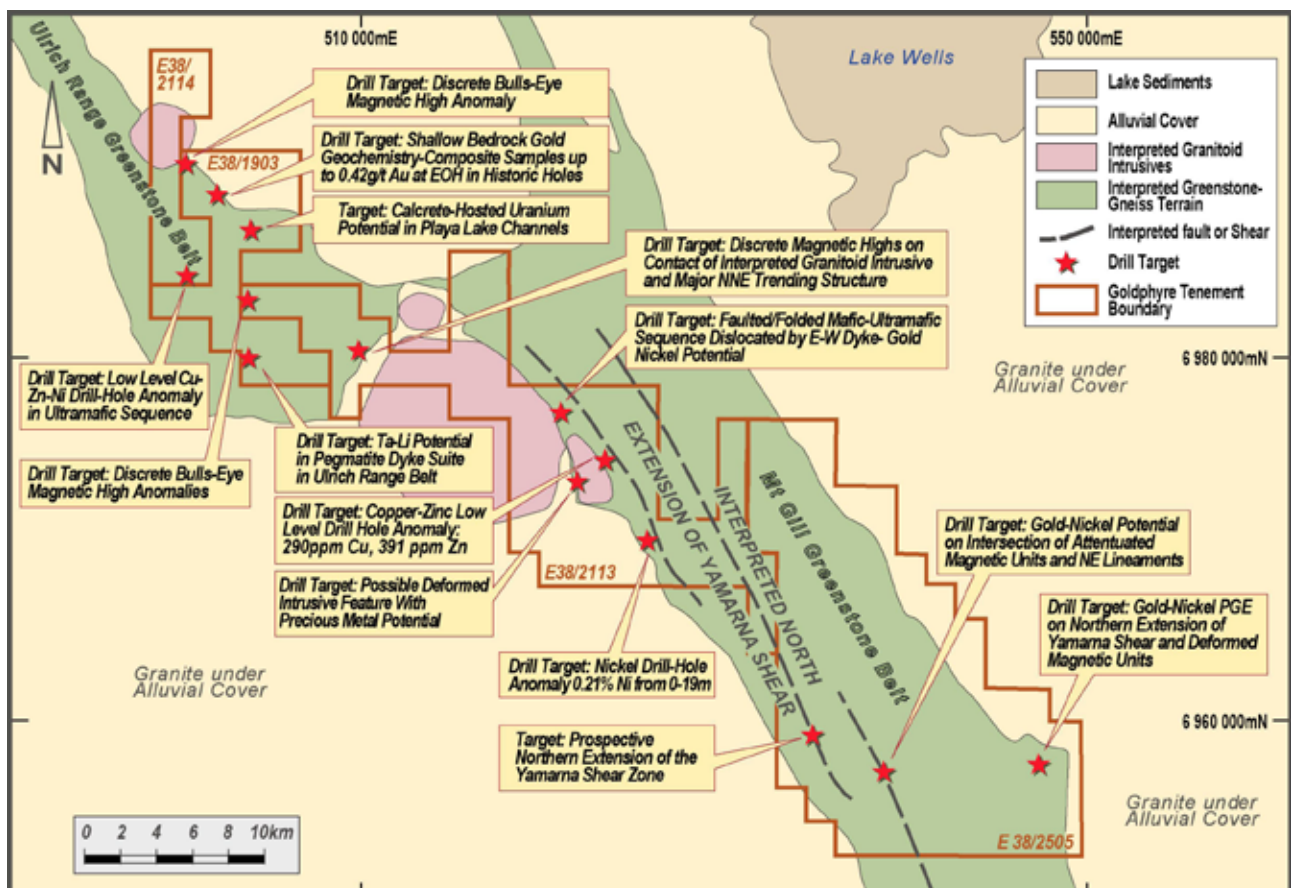


Figure 2. Lake Wells Project – Mapped and Interpreted Geology.

10. INDEPENDENT TECHNICAL REPORT

major, E-W trending Proterozoic dyke on the eastern contact of large interpreted granite intrusive.

Please note, where assay values for rock chip samples and drill intercepts are quoted they represent the best results from a series of lower grade values. They should not be taken to represent the average grade of the samples unless otherwise stated.

1.4 PROSPECTIVITY

The Lake Wells Project is targeting gold, nickel, platinum group elements (PGE), base metals and uranium prospectivity. Complex structural setting and lithology, known shallow gold and base metal drill-hole anomalies, a paucity of historic exploration work and only minor Permian and Proterozoic cover are elements of the area.

Lake Wells boasts precious and base-metal potential, along with uranium exploration opportunities and some areas are ready for drill testing (Axford Prospect, Figure 4). Nickel-copper and PGE mineralisation has also been reported to the northwest of the Lake Wells Project at the Collurabbie Project held by Falcon Minerals Ltd. Lake Wells shares similar rocktypes and structure to the regional geology at Collurabbie and historic, anomalous gold and low level base-metal drill-hole anomalies provide a good foundation for precious and base metal prospectivity. Given

the geological and structural setting, the Lake Wells project is considered to be prospective for a variety of targets and to be worthy of further exploration. There is a small amount of previous exploration and much of that work was not exhaustive. The project is considered to be an advanced exploration project with immediate drill targets available.

1.5 PLANNED EXPLORATION AND BUDGET

Target generation via aeromagnetics reprocessing and interpretation has revealed prospective zones of dislocated, strongly magnetic circular intrusive and linear shear/fault features. Several, discrete "bulls-eye" magnetic high targets on the western part of E 38/2113 have been recognised and also require priority drill targeting. Other targets of interest include tightly folded, strongly deformed magnetic units dislocated by a major, E-W trending Proterozoic dyke on the eastern contact of a large interpreted granite intrusive in the central part of E 38/2113.

Targeting studies of nickel-copper and PGE mineralisation on Lake Wells should be considered in conjunction with gold targeting. There is also potential for near surface, calcrete-hosted uranium mineralisation associated with palaeodrainage channels on the Lake Wells playa lake system (eg Thatcher Soak-style uranium target).

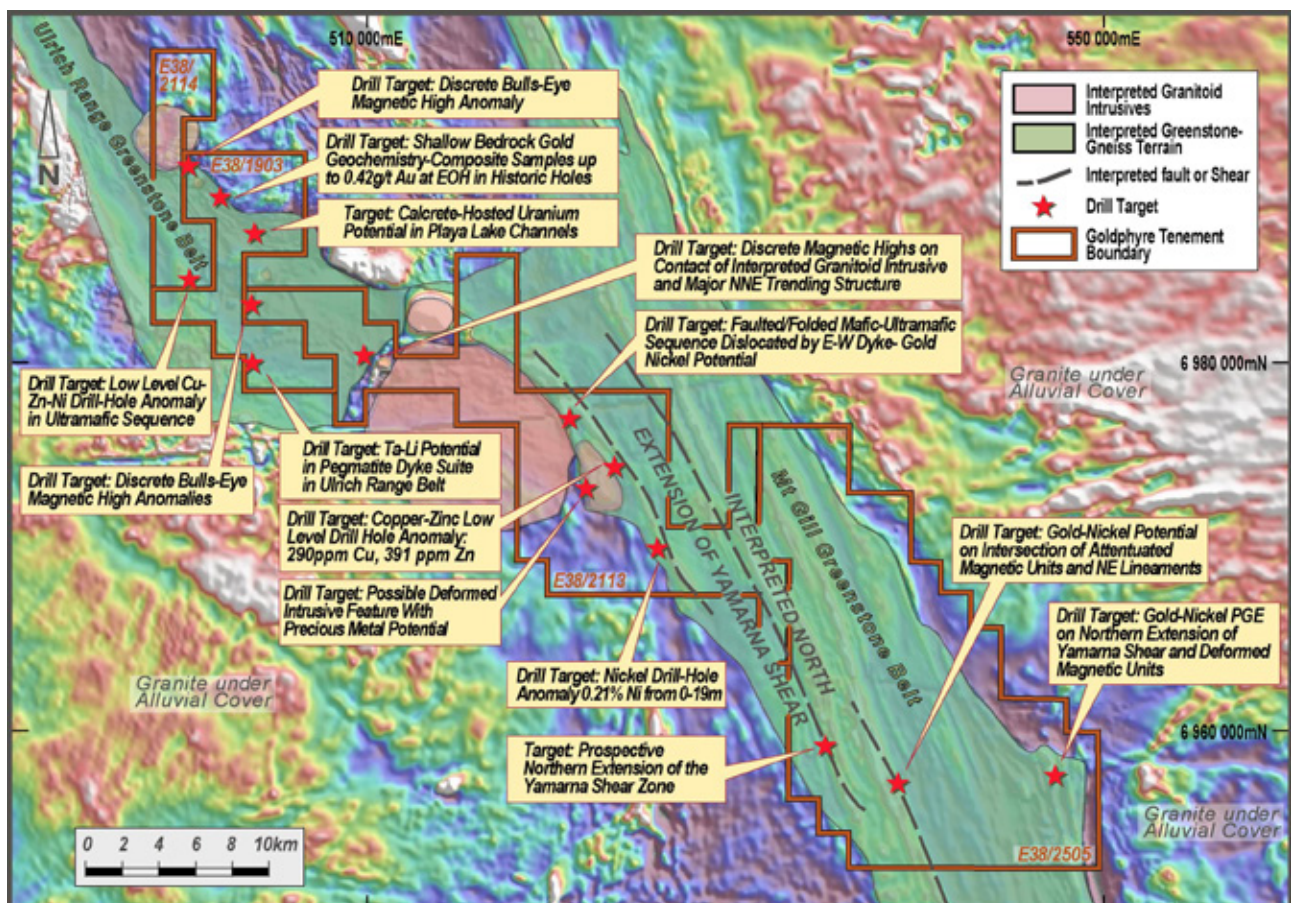


Figure 3. Lake Wells Project Aeromagnetics Image with Targets

The Lake Wells Project is a major ground holding in an emerging gold province. The project area is underexplored and the Company plans to explore for a number of commodities. Gold anomalies (in shallow, AC drilling, Figure 4) have been interpreted to be open along strike to the north and require priority followup with deeper RC drilling. Low order base-metal anomalies in historic, reconnaissance RAB drilling require further evaluation along strike with RAB/AC drilling.

These preliminary target areas will be further defined with surface geochemical programs, RAB and AC drilling and followed up by RC drilling.

Budget for \$3.5 million capital raising:

ACTIVITY	YEAR 1 (A\$)	YEAR 2 (A\$)	TOTAL (A\$)
Data Review	2,000	2,000	4,000
Geochemistry	12,000	12,000	24,000
Geophysical Survey/Interp.	22,000	26,000	48,000
RAB/AC Drilling and Assaying	76,000	66,000	142,000
RC/DDH Drilling and Assaying	135,000	250,000	385,000
Field Management	42,000	74,000	116,000
TOTAL	289,000	430,000	719,000

Budget for \$4.0 million capital raising:

ACTIVITY	YEAR 1 (A\$)	YEAR 2 (A\$)	TOTAL (A\$)
Data Review	2,000	2,000	4,000
Geochemistry	12,000	16,000	28,000
Geophysical Survey/Interp.	32,000	30,000	62,000
RAB/AC Drilling and Assaying	92,000	76,000	168,000
RC/DDH Drilling and Assaying	175,000	275,000	450,000
Field Management	100,000	100,000	200,000
TOTAL	413,000	499,000	912,000

The budget will be spent on the granted tenements. The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress. It is also noted that proposed expenditure is sufficient to cover the minimum expenditure obligation for the Lake Wells tenements as specified by the Department of Mines and Petroleum of Western Australia.

It is considered that the Company has a reasonable proposed exploration budget over two years consistent with its stated objectives and that this program is warranted and justified on the basis of the previous exploration activity and demonstrated potential for discovery of gold and base metals mineralisation

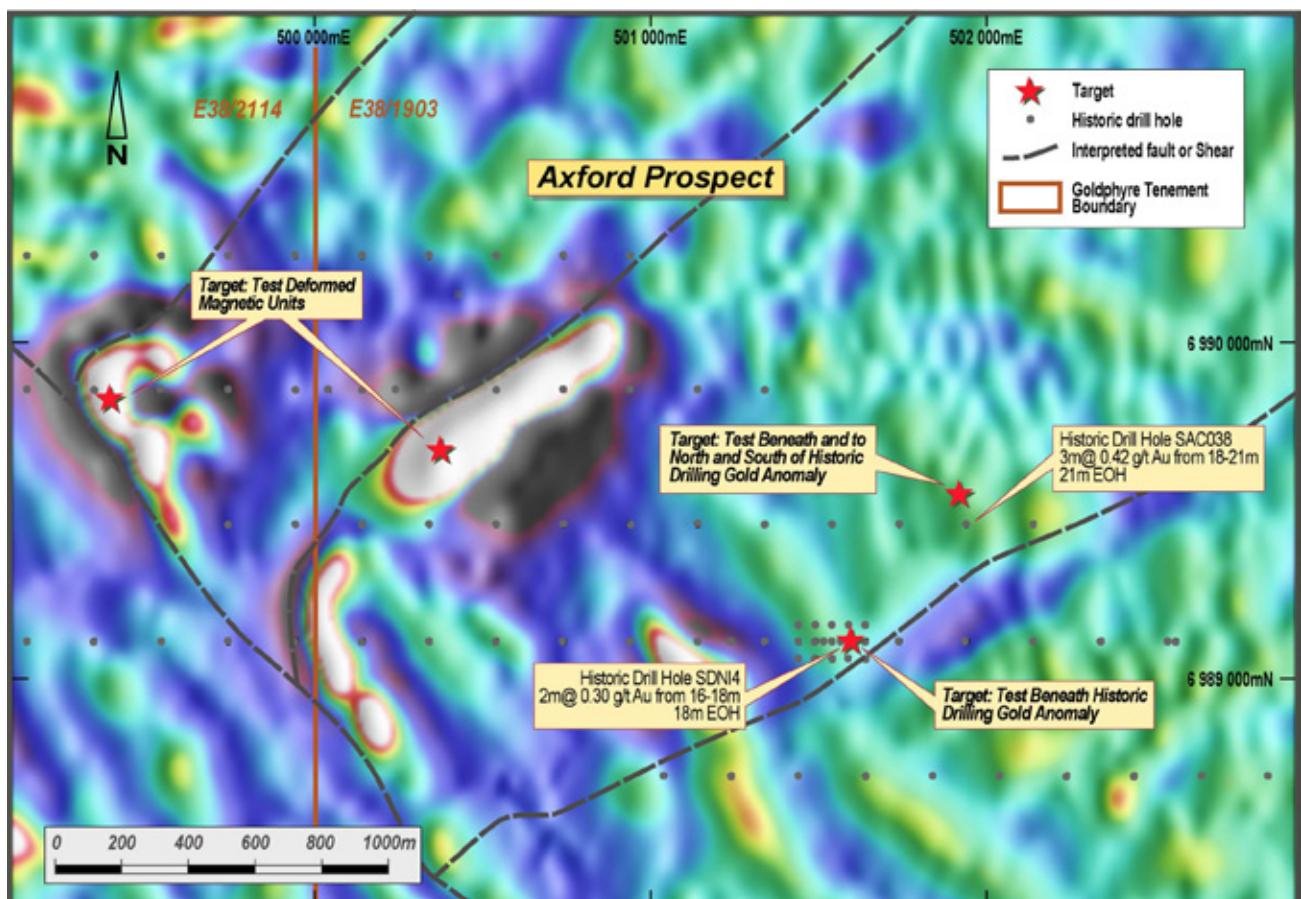


Figure 4: Axford Prospect Magnetics Image with Targets

10. INDEPENDENT TECHNICAL REPORT

2 YAMARNA PROJECT - YILGARN CRATON, WA

The Yamarna Project (Yamarna) is located 140 km north east of Laverton and lies adjacent to significant gold resources and uranium mineralisation. Yamarna is located adjacent to the calcrete-hosted Thatcher Soak uranium prospect and to the north of the Attila-Alaric and Central Bore gold deposits (held by Gold Road Resources Ltd). The project is concealed by sand and calcrete and is highly prospective for gold, uranium and PGE.

2.1 LOCATION AND TENURE

The Yamarna Project) is located 140 km east of Laverton and is accessed by the Laverton-Warburton Road. Access to the project area is via fencelines and tracks from Yamarna Homestead. It includes one granted Exploration Licence covering 30 square kilometres.

Project	Tenement	Status	Area, km ²
Yamarna	E 38/1949	Granted	30

2.2 GEOLOGICAL SETTING

The Yamarna Greenstone Belt trends north northwest is up to 12 km wide and appears to form a north plunging syncline. The greenstone sequence is fault bound by granitic batholiths to the east and west. The Yamarna Greenstone Belt consists of mafic-felsic rocks grading upwards into sedimentary and mafic rocks (Figure 5). Felsic rocks consisting of dacitic flows, agglomerates and tuffs and mafic rocks consisting of mainly basalt have been mapped. A layered mafic-ultramafic intrusion has also been reported on the eastern margin of the Yamarna Greenstone Belt. Remnants of the flat-lying Permian Paterson Formation (poorly sorted sandstone, conglomerate, claystone and tillite) have been observed to the southeast of Yamarna.

The Yamarna Project is located on the eastern margin of the Yamarna Greenstone Belt and Archaean rocks are concealed mainly by alluvial sand and silt. Persistent calcrete associated with playa lakes has been mapped in the northern part of the Yamarna Project.

A sequence of Archaean rocks including felsic volcanics, sedimentary and mafic-ultramafic intrusives has been interpreted to underlie the alluvial and calcrete cover. A NNW fault bound Archaean sequence in the vicinity of the Yamarna Homestead (12 km to the south of the Company's tenure) consists of felsic tuffs and sedimentary units, a layered ultramafic-gabbroic unit, greywacke, siltstone, basalt and granodiorite (Davis, 1999). BIF outcrop, along with biotite granite intrusives, has also been mapped along strike to the south of the Yamarna Project.

2.3 PREVIOUS EXPLORATION

Historic exploration in the Yamarna region has consisted of gold, base-metals and uranium exploration since the 1970's. Kilkenny Gold NL, Western Mining Corporation, Asarco Co. and more recently, Gold Road has conducted phases of exploration on various sections of the greenstone and granitoid rocks.

The Yamarna Project itself has not been the subject of robust, systematic exploration (Figure 6). The project is however very prospective, as it lies adjacent to the calcrete-hosted Thatcher Soak uranium resource (6.2 million pounds U₃O₈) and is along trend of the large tonnage Attila-Alaric gold resource and high-grade Central Bore gold resource. Gold Road is one of the major explorers in the region and has released high-grade gold drill intersections of up to 3m @ 17.9 g/t gold among lower values at the Khan Prospect, located two kilometres to the west of the Yamarna Project. These intersections were reported to the ASX by Gold Road Resources and represent the best values from a number of lower values and do not represent the average grade of all intersections.

Please note, where assay values for rock chip samples and drill intercepts are quoted they represent the best results from a series of lower grade values. They should not be taken to represent the average grade of the samples unless otherwise stated.

2.4 PROSPECTIVITY

The Yamarna Project is considered highly prospective for gold and uranium, as the project occupies a section of the eastern part of the Yamarna Greenstone Belt and lies adjacent to the calcrete-hosted Thatcher Soak uranium resource and is along trend of the large tonnage Attila-Alaric gold resource (917 000 oz Au) and the Central Bore gold resource (150 300 oz Au) (Source: Gold Road Resources Ltd, ASX Announcement 18/03/2011). Gold Road has also released high-grade gold drill intersections (Gold Road Resources Ltd Annual Report 2007) at the Khan Prospect, located two kilometres to the west of the Yamarna Project and at time of writing, has reported high-grade gold intercepts from new discoveries at Central Bore and Justinian (Source: www.goldroad.com.au).

The Yamarna Project is a grass-roots stage project and completely covered by alluvium or calcrete. The proximity to significant gold and uranium resources and prospects indicate the project area is highly prospective for gold, uranium and PGE. Aeromagnetic interpretation indicates the presence of dislocated magnetic units and an elongate, dislocated magnetic body which does not appear to be adequately drill tested (Figure 6).

Given the geological setting, the Yamarna project is considered to be prospective for gold mineralisation and to be worthy of further exploration. There is historic, shallow drilling over the central and western parts of the tenement although the effectiveness of this drilling in terms of penetration through transported material and oxidised saprolitic material is questionable. The project is considered to be a conceptual exploration project.

2.5 PLANNED EXPLORATION AND BUDGET

Further historic exploration data review with field reconnaissance and geochemistry sampling is planned. AC/RAB drilling with followup RC drilling is planned to test any precious metal, base-metal and uranium anomalies generated.

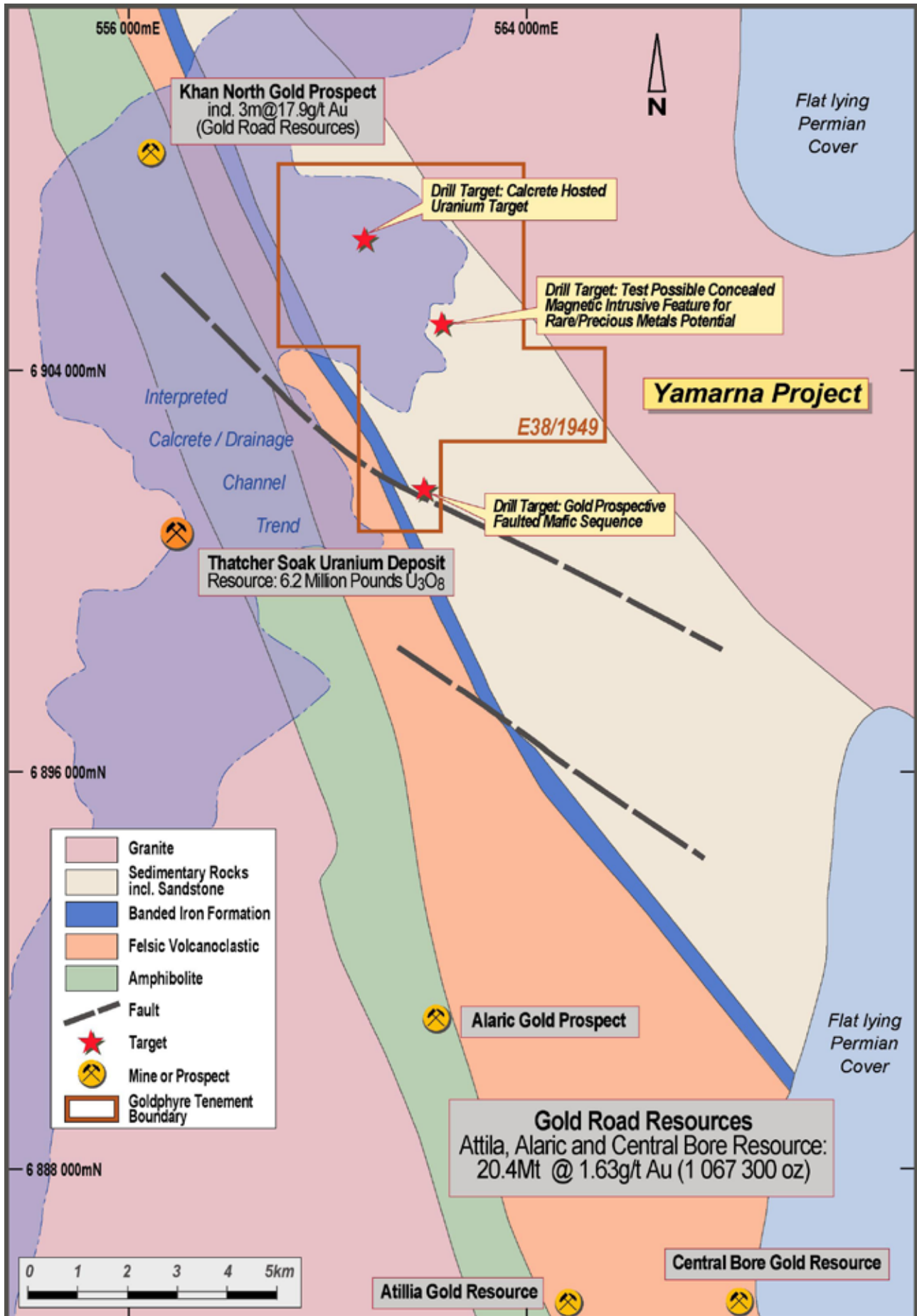


Figure 5. Yamarna Interpreted Geology and Targets

10. INDEPENDENT TECHNICAL REPORT

RC and diamond drilling will be planned following the evaluation of first pass AC/RAB drilling.

The proposed exploration program proposed by Goldphyre has been reviewed in the context of this report and it is considered it to be appropriate for the Yamarna prospect areas.

Proposed budget for \$3.5 million capital raising:

ACTIVITY	YEAR 1 (A\$)	YEAR 2 (A\$)	TOTAL (A\$)
Data Review	2,000	1,000	3,000
Geochemistry	6,000	2,000	8,000
Geophysical Survey/Interp.	16,000	25,000	41,000
RAB/AC Drilling and Assaying	26,000	36,000	62,000
RC/DDH Drilling and Assaying	55,000	100,000	155,000
Field Management	36,000	68,000	104,000
TOTAL	141,000	232,000	373,000

Proposed budget for \$4.0 million capital raising:

ACTIVITY	YEAR 1 (A\$)	YEAR 2 (A\$)	TOTAL (A\$)
Data Review	2,000	1,000	3,000
Geochemistry	6,000	2,000	8,000
Geophysical Survey/Interp.	22,000	28,000	50,000
RAB/AC Drilling and Assaying	32,000	38,000	70,000
RC/DDH Drilling and Assaying	85,000	130,000	215,000
Field Management	48,000	66,000	114,000
TOTAL	195,000	265,000	460,000

The budget will be spent on the granted tenements. The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress. It is also noted that proposed expenditure is sufficient to cover the minimum expenditure obligation for the Yamarna tenement as specified by the Department of Mines and Petroleum of Western Australia.

It is considered that the Company has a reasonable proposed exploration budget over two years consistent with its stated objectives and that this program is warranted and justified on the basis of the previous exploration activity and demonstrated potential for discovery of gold and base metals mineralisation.

3 MAILMAN PROJECT - YILGARN CRATON, WA

The Mailman Project is located 25 km east of Leonora and the project includes a significant section of the Keith Kilkenny Fault Zone (KKFZ) and a structurally complex mafic-felsic-sedimentary package considered highly prospective for gold and base metals. The Leonora gold camp has production/resources of 8 Moz of gold.

3.1 LOCATION AND TENURE

The Project covers approximately 50 km² and consists of granted E37/990 and P37/7877. The project area has excellent road and rail access.

The Project consists of a large exploration licence and a thin prospecting licence located on the northern boundary of E 37/990. This tenement package occupies an area within a mosaic of tightly held prospecting and exploration licences and was targeted for gold and base-metals prospectivity.

Major gold mines in the region (Leonora Camp) and other significant deposits and prospects (Mertondale 1-5 and Nambi) are located to the west and north of the project.

Project	Tenement	Status	Area, km ²
Mailman Hill	E 37/990	Granted	45.88
Mailman Hill	P 37/7877	Granted	1.67
Total			47.55

3.2 GEOLOGICAL SETTING

The area to the north and east of the Leonora Project features the Murrin Greenstone Belt and the Keith Kilkenny Fault Zone (Figure 7). The Murrin Greenstone Belt consists of basalt, dolerite, gabbro and andesite with sedimentary rocks including chert and BIF. The metamorphic grade ranges from prehnite-pumpellyite to greenschist facies.

A sequence of felsic volcanics intruded by biotite granitoids and structurally overlain by mafic-ultramafic rocks hosts the lens-shaped copper-lead-zinc deposit at Teutonic Bore, 60 kilometres to the north of Leonora. More recently, a base metal discovery is currently being mined at Jaguar.

The project captures a significant section of the Keith Kilkenny Fault Zone (KKFZ) and a structurally complex package of Archaean Murrin Greenstone Belt rocks including mafic-ultramafic and felsic-volcanosedimentary units (interpreted to be members of the Gindalbie and Mulgabbie Formations).

A series of north to northeast trending anticlines and synclines are interpreted in the eastern part of the Leonora Project. Northwest trending, fault-associated conglomerate, arkose, dacitic and rhyolitic volcanics and other sedimentary units related to the KKFZ on the western part of the Leonora Project unconformably overlie the strongly folded greenstone sequence.

3.3 PREVIOUS EXPLORATION

Significant historic exploration and mining has been completed over the Leonora area. The Leonora gold camp includes the Sons of Gwalia, Harbour Lights and Tower Hill mines with a cumulative gold production/resource of over 8 Moz. Other gold mines and prospects (Mertondale 1-5, Nambi) are located to the west and north of Leonora. Major base-metal deposits (Teutonic Bore, Jaguar) have been discovered to the north of Leonora.

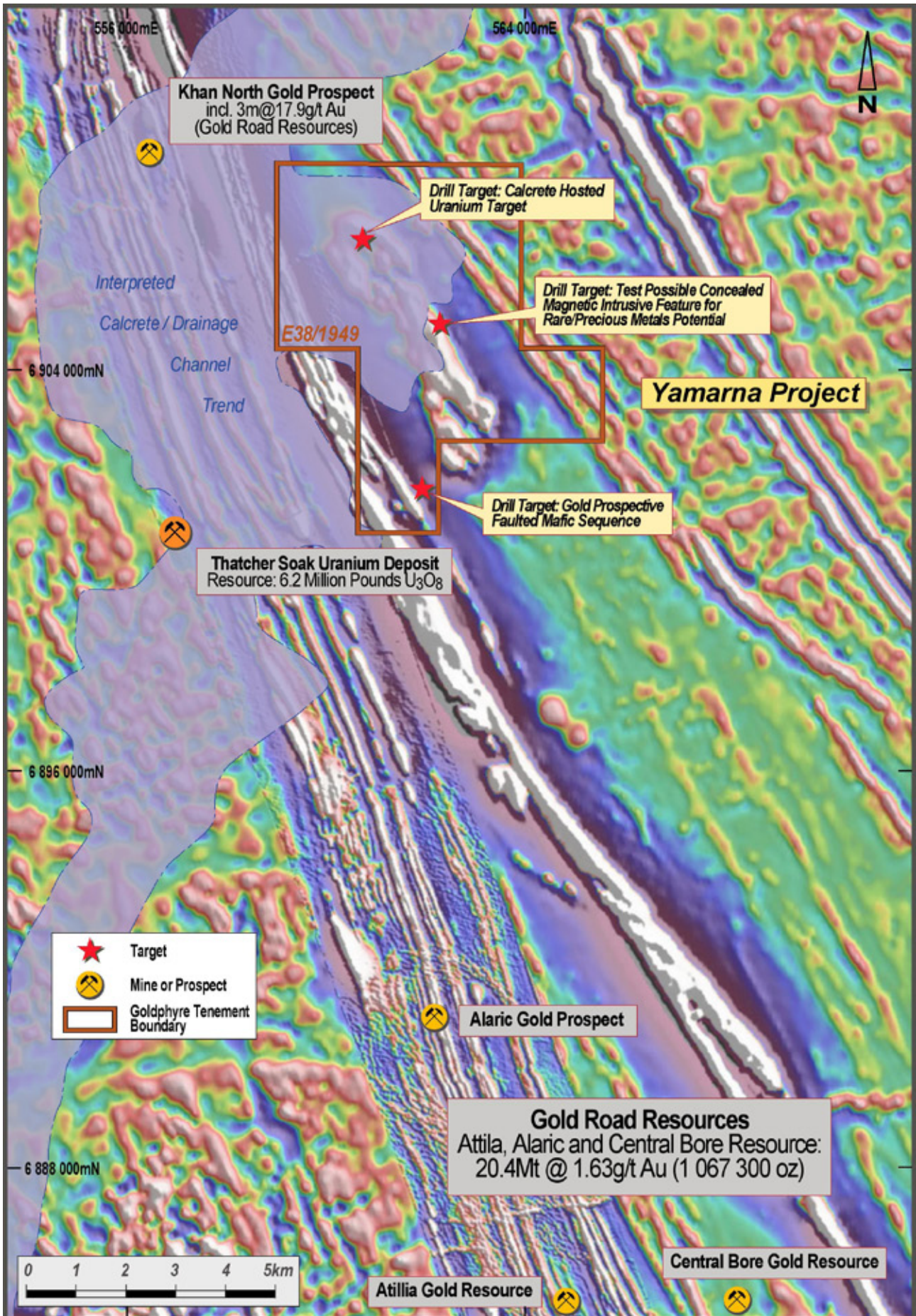


Figure 6. Yamarna Aeromagnetic Image and Targets

10. INDEPENDENT TECHNICAL REPORT

Previous explorers' data includes aeromagnetics and gravity surveys and RAB and RC drilling. Isolated reconnaissance RC drilling (max 250m deep angled holes) and wide-spaced (~200 m x 100m RAB/AC) drilling (Gunther, 2004) in the western part of the tenement (Figure 8) returned several anomalous gold zones in weathered, hematite-altered sandstone (Iron Tank Prospect). An historic RC hole (ITRC004) returned a shallow intercept of 28m @ 0.50 g/t Au from 17m, including 4m @ 1.00 g/t Au from 25m (Gunther, 2004). This gold intercept has not been followed up with

systematic, shallow drill testing and remains open to the north and south and has not been adequately tested at depth.

Northwest of the Iron Tank Prospect lies the Crawfords gold prospect (held by Golden State Resources Ltd). Crawfords lies only 80 m from the Company's tenement boundary and the Golden State Resources website (www.goldenstate.com.au/projects/minerals) describes mineralised structures on the project area to be broad and intensely altered with zones of gold anomalism up to 150 m thick. The Crawfords prospect gold mineralisation

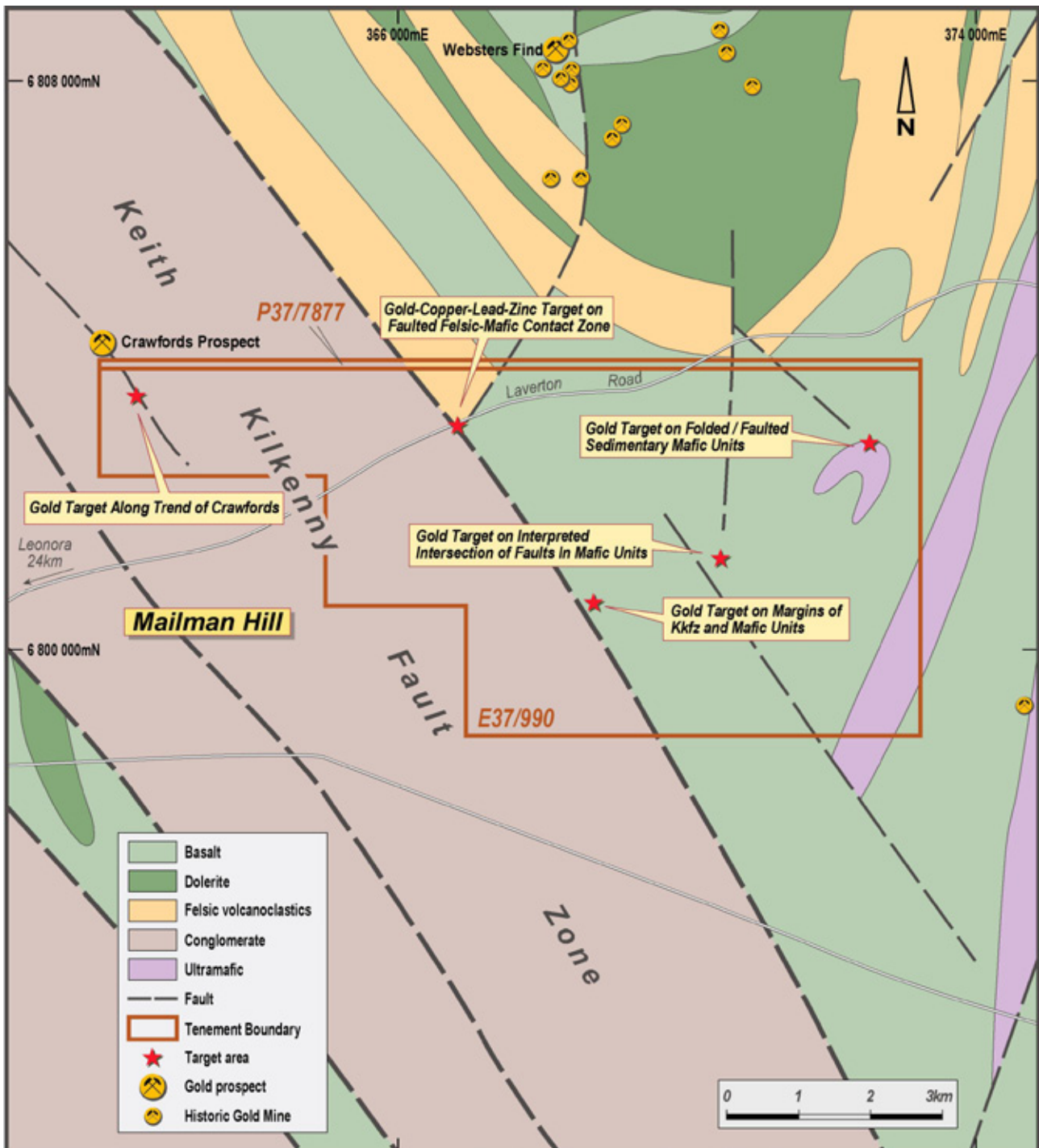


Figure 7. Mailman Hill Interpreted Geology and Targets

appears to be associated with a sheared and strongly altered sandstone/conglomerate sequence. Intercepts including 13m @ 3.46 g/t Au from 40m have been recorded amongst other lower grade values. The along strike potential of the Crawfords Prospect onto the Company's tenure has not been adequately tested and drilling program should target this trend and follow-up encouraging intercepts at the Company's Iron Tank Prospect.

A previous explorer (Johnson's Well Mining NL, Hansen, 1997) has recorded elevated palaeochannel drill-hole intersections within a range of lower values to the south of Mailman Hill and the western, Tertiary Age sediment covered part of the project is considered prospective for this style of mineralization.

Please note, where assay values for rock chip samples and drill intercepts are quoted they represent the best results from a series of lower grade values. They should not be taken to represent the average grade of the samples unless otherwise stated.

3.4 PROSPECTIVITY

The Mailman Hill Project is a strategic ground holding of considerable area in a tightly held region well known for large-scale gold, base-metal and nickel mines. The project area is underexplored with partially concealed greenstone rocks, captures major structural features and interpreted splays and has strong gold and base-metals potential.

Given the geological setting and historic gold anomalism and encouraging results, the project is considered to be prospective for gold and base metal mineralisation and to be worthy of further exploration. There is a significant amount of previous exploration and much of that work was not exhaustive. The project is considered to be an advanced exploration project with immediate drill targets available.

3.5 PLANNED EXPLORATION AND BUDGET

A RAB/AC drill program should be devised to test gold targets. Further investigation is required to assess the base-metal potential (Teutonic Bore or Jaguar-style) of the faulted felsic volcanoclastic sequence dominating the eastern part of the project area.

The along trend potential of the Crawfords Prospect into the western section of the Leonora Project is significant and requires priority AC/RAB testing.

Preliminary exploration work completed has consisted of previous explorers' compilation, field reconnaissance and targeting. AC/RAB drilling is planned to test gold and base-metal targets. RC and diamond drilling will be planned following the evaluation of first pass AC/RAB drilling.

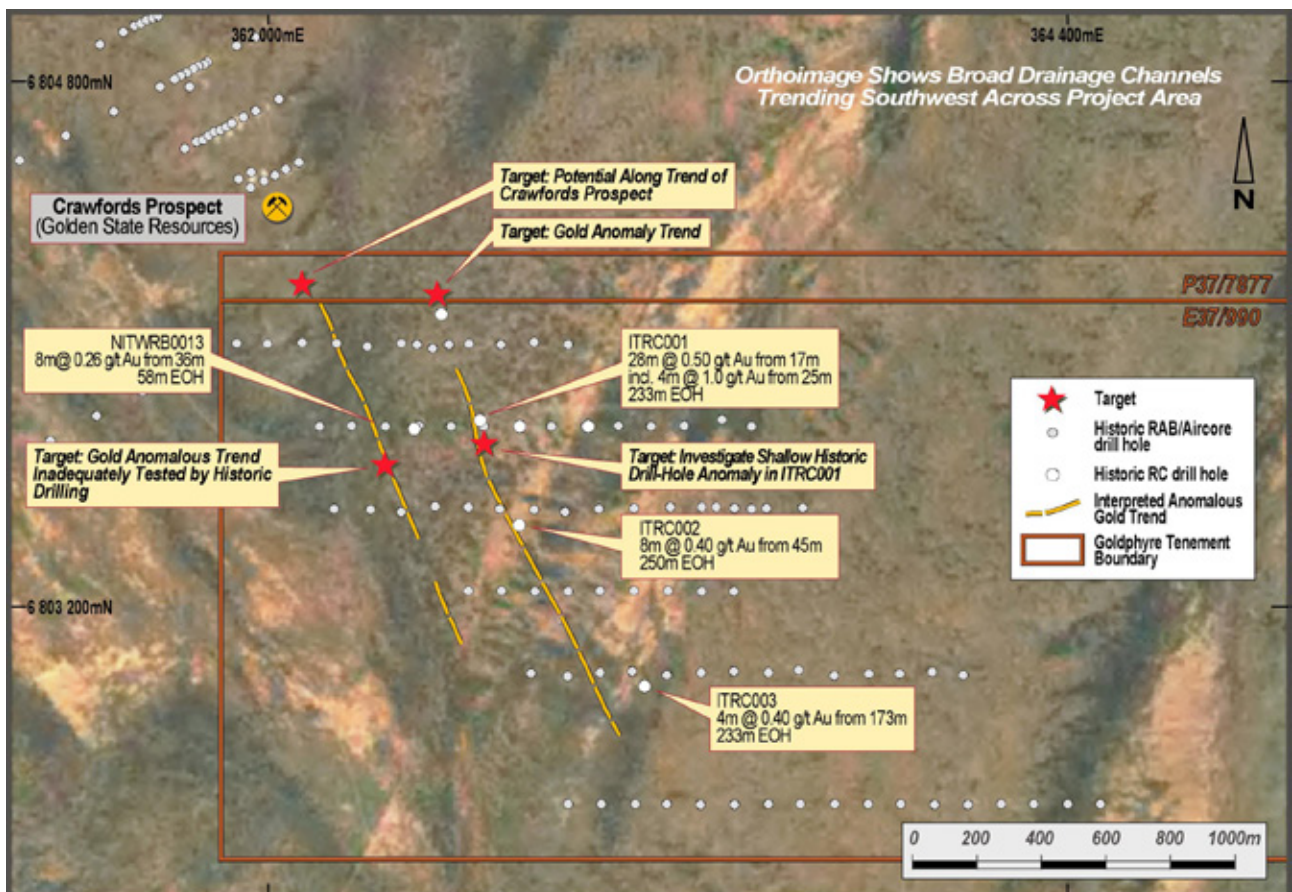


Figure 8. Mailman Hill - Iron Tank Prospect and Targets

10. INDEPENDENT TECHNICAL REPORT

Proposed budget for \$3.5 million raising:

ACTIVITY	YEAR 1 (A\$)	YEAR 2 (A\$)	TOTAL (A\$)
Data Review	3,000	2,000	5,000
Geochemistry	6,000	2,000	8,000
Geophysical Survey/Interp.	10,000	20,000	30,000
RAB/AC Drilling and Assaying	45,000	55,000	100,000
RC/DDH Drilling and Assaying	52,000	80,000	132,000
Field Management	38,000	64,000	102,000
TOTAL	154,000	223,000	377,000

Proposed budget for \$4.0 million raising:

ACTIVITY	YEAR 1 (A\$)	YEAR 2 (A\$)	TOTAL (A\$)
Data Review	3,000	2,000	5,000
Geochemistry	6,000	2,000	8,000
Geophysical Survey/Interp.	10,000	20,000	30,000
RAB/AC Drilling and Assaying	55,000	60,000	115,000
RC/DDH Drilling and Assaying	64,000	96,000	160,000
Field Management	45,000	65,000	110,000
TOTAL	183,000	245,000	428,000

The budget will be spent on the granted tenements. The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress. It is also noted that proposed expenditure is sufficient to cover the minimum expenditure obligation for the Mailman tenements as specified by the Department of Mines and Petroleum of Western Australia.

It is considered that the Company has a reasonable proposed exploration budget over two years consistent with its stated objectives and that this program is warranted and justified on the basis of the exploration activity and demonstrated potential for discovery of gold and base metals mineralisation.

4 ISLAND VIEW PROJECT

4.1 LOCATION AND TENURE

The Island View Project consists of the granted tenements E 15/1049 and E 15/1050 and covers 5.6 km². The project is located approximately 90 km south of Kalgoorlie and 25 km southeast of Widgiemooltha. Major gold deposits in the region include the St. Ives deposits to the north, the Louis and Brigitte mines to the east and the Higginsville gold operations to the west.

Project	Tenement	Status	Area, km ²
Island View	E15/1049	Granted	1.2
Island View	E15/1050	Granted	4.4
Total			5.6

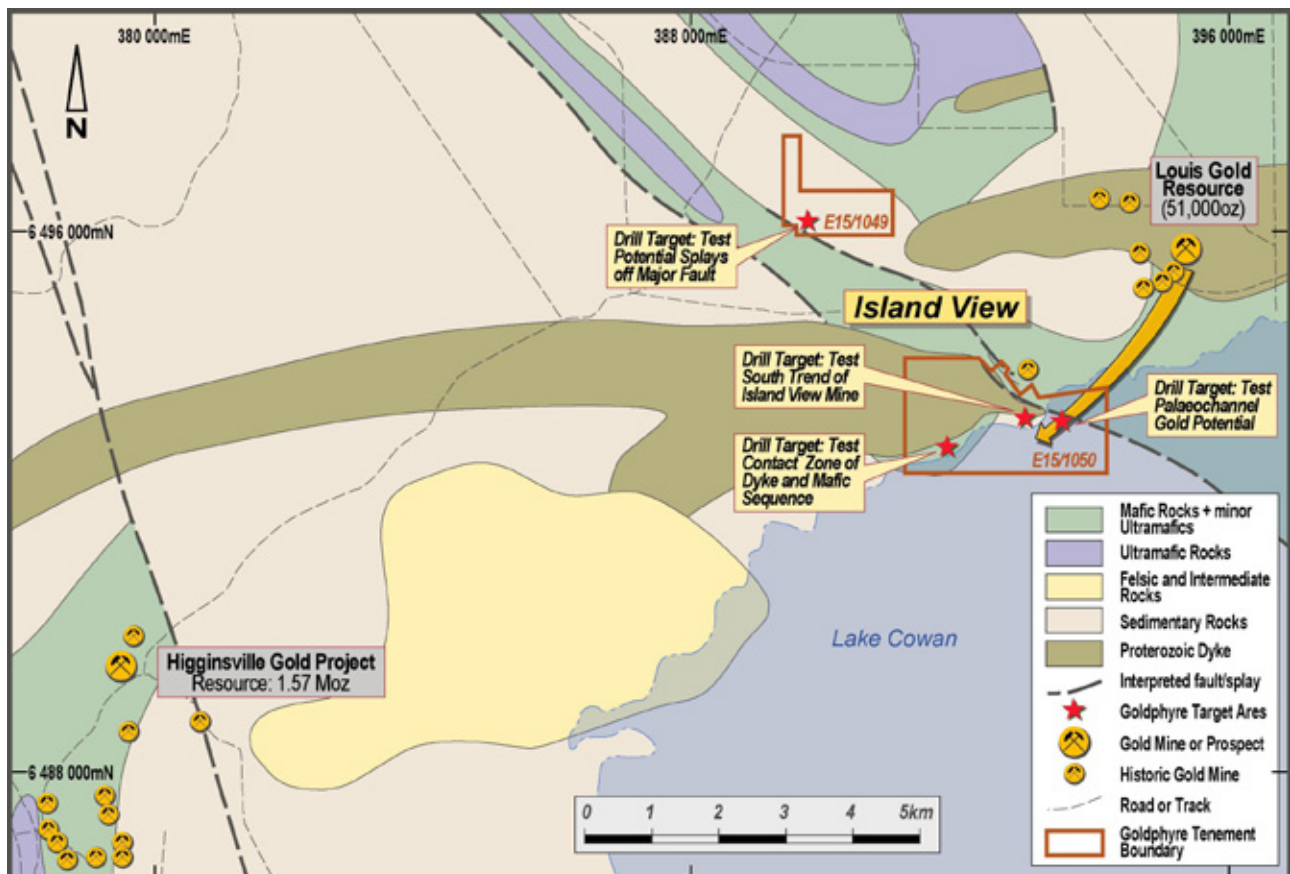


Figure 9: Island View Project Geology and Targets

4.2 GEOLOGICAL SETTING

The Kambalda-Widgiemooltha area is occupied by dolerites, komatiite ultramafic rocks and basaltic flows with felsic and intermediate rocks, argillites and gabbro. Gold mineralisation in the St. Ives area to the north of Island View is related to NNW striking thrust zones in mafic rocks.

The dominant geological feature of the Island View Project on E15/1050 is the doleritic-gabbroic rocks of the regional, east-west trending Binneringie Proterozoic Dyke (Figure 9). The Binneringie Dyke is of similar composition to the Jimberlana Dyke to the south, which has been the subject of historic PGE and base-metal exploration.

4.3 PREVIOUS EXPLORATION

The Island View Project has undergone historic soil sampling with soil sample values in the range of 0-25 ppb Au (Compston, 2005).

Preliminary exploration work completed consisted of a previous explorers' compilation, remote sensing acquisition and interpretation, field reconnaissance, reconnaissance soil sampling (no values recorded over 10 ppb Au) and rock-chip sampling (20 reconnaissance rock-chip samples taken with one sample (IVGB008) returning 0.23 g/t Au from a laminated quartz vein outcrop with the remaining samples in the range of 0-100 ppb Au).

Please note, where assay values for rock chip samples and drill intercepts are quoted they represent the best results from a series of lower grade values. They should not be taken to represent the average grade of the samples unless otherwise stated.

4.4 PROSPECTIVITY

Island View is proximal to several gold deposits and mineralisation styles - the Higginsville gold operation is located approximately 12 km to the west of Island View. Approximately 2 km to the east of E15/1050, a series of palaeochannel gold deposits have been mined (Louis-Brigitte-Sophia deposits, Vinar, 2001). A small, high-grade, privately owned, underground gold mine is located on the eastern boundary of E15/1050 and preliminary studies suggest controlling structures trend southwards onto the Company's tenure. Unconfirmed reports of alluvial gold won on E15/1050 are also encouraging and require further investigation. Shallow, historic RAB drilling has also been completed 1km to the north of E15/1049.

The Island View Project is located in a tightly held, strongly mineralised gold-nickel province. The project is underexplored and is considered to possess both sulphide gold and palaeochannel gold (beneath on land and lake sediment cover) potential.

4.5 PLANNED EXPLORATION AND BUDGET

Further historic exploration data review with field reconnaissance, followup soil, rock-chip and lake sediment geochemistry sampling is planned. AC/RAB drilling with followup RC drilling should be implemented to test gold and base-metal targets.

Proposed Budget for \$3.5 million capital raising:

ACTIVITY	YEAR 1 (A\$)	YEAR 2 (A\$)	TOTAL (A\$)
Data Review	2,000	1,000	3,000
Geochemistry	4,000	2,000	6,000
Geophysical Survey/Interp.	15,000	25,000	40,000
RAB/AC Drilling and Assaying	30,000	25,000	55,000
RC/DDH Drilling and Assaying	65,000	100,000	165,000
Field Management	38,000	46,000	84,000
TOTAL	154,000	199,000	353,000

Proposed Budget for \$4.0 million capital raising:

ACTIVITY	YEAR 1 (A\$)	YEAR 2 (A\$)	TOTAL (A\$)
Data Review	2,000	1,000	3,000
Geochemistry	4,000	2,000	6,000
Geophysical Survey/Interp.	15,000	25,000	40,000
RAB/AC Drilling and Assaying	44,000	36,000	80,000
RC/DDH Drilling and Assaying	80,000	120,000	200,000
Field Management	48,000	60,000	108,000
TOTAL	193,000	244,000	437,000

The budget will be spent on the granted tenements. The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress. It is also noted that proposed expenditure is sufficient to cover the minimum expenditure obligation for the Island View tenements as specified by the Department of Mines and Petroleum of Western Australia.

It is considered that the Company has a reasonable proposed exploration budget over two years consistent with its stated objectives and that this program is warranted and justified on the basis of the previous exploration activity and demonstrated potential for discovery of gold and base metals mineralisation.

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This Report contains statements attributable to third persons. These statements are made in, or based on statements made in previous geological reports that are publicly available from either a government department or the ASX. The authors of these previous reports have not consented to the statements' use in this Report, and these statements are included in accordance with ASIC Class Order [CO 07/428] Consent to quote: Citing trading data and geological reports in disclosure documents and PDS.

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6 GLOSSARY OF TECHNICAL TERMS

aeolian	Formed or deposited by wind.
aerial	Photographs of the earths surface taken from an aircraft.
photography	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earths magnetic field.
aeromagnetic	Data pertaining to the physical properties of the earths crust at or near surface and collected from an aircraft.
airborne	Drilling method employing a drill bit that yields sample material which is delivered to the surface inside the rod string by compressed air.
geophysical data	Pertaining to silt, sand and gravel material, transported and deposited by a river.
aircore	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alluvial	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
alluvium	An assemblage of minerals formed at moderate to high temperatures (450°C to 700°C) during regional metamorphism.
alteration	An intermediate volcanic rock composed of andesine and one or more mafic minerals.
amphibolite facies	
andesite	

anomalies	An area where exploration has revealed results higher than the local background level.	conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
anticline	A fold in the rocks in which strata dip in opposite directions away from the central axis.	copper	A reddish metallic element, used as an electrical conductor on the basis of brass and bronze.
antiformal	An anticline-like structure.	dacite	An extrusive rock composed mainly of plagioclase, quartz and pyroxene or hornblende or both.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.	depletion	The lack of gold in the near-surface environment due to leaching processes during weathering.
assayed	The testing and quantification metals of interest within a sample.	diamond drill hole	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
Au	Chemical symbol for gold.	dilational	Open space within a rock mass commonly produced in response to folding or faulting.
auger sampling	A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole.	dolerite	A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
axial plane	The plane that intersects the crest or trough of a fold, about which the limbs are more or less symmetrically arranged.	DoIR	Department of Industry and Resources, WA.
basalts	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.	ductile	Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking.
polymetallics	A non-precious metal, usually referring to copper, lead and zinc.	dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
bedrock	Any solid rock underlying unconsolidated material.	en-echelon	Repeating parallel, but offset, occurrences of lenticular bodies such as ore veins.
BIF	A rock consisting essentially of iron oxides and cherty silica, and possessing a marked banded appearance.	erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earth's surface.
BLEG sampling	Bulk leach extractable gold analysis; an analytical method for accurately determining low levels of gold.	fault zone	A wide zone of structural dislocation and faulting.
brittle	Rock deformation characterised by brittle fracturing and brecciation.	feldspar	A group of rock forming minerals.
Cainozoic	An era of geological time spanning the period from 65 million years ago to the present.	felsic	An adjective indicating that a rock contains abundant feldspar and silica.
carbonate	Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO ₃ . Essential component of limestones and marbles.	folding	A term applied to the bending of strata or a planar feature about an axis.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.	foliated	Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.	follow-up	A term used to describe more detailed exploration work over targets generated by regional exploration.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).	g/t	Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
clays	A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates.	gabbro	A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.
colluvium	A loose, heterogeneous and incoherent mass of soil material deposited by slope processes.	geochemical	Pertains to the concentration of an element.
conduits	The main pathways that facilitate the movement of hydrothermal fluids.	geophysical	Pertains to the physical properties of a rock mass.
		GIS database	A system devised to present partial data in a series of compatible and interactive layers.

10. INDEPENDENT TECHNICAL REPORT

gneissic	Coarse grained metamorphic rocks characterised by mineral banding of the light and dark coloured constituent minerals.	lineament	A significant linear feature of the earth's crust, usually equating a major fault or shear structure.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.	lithological contacts	The contacts between different rock types.
granoblastic	A term describing the texture of a metamorphic rock in which the crystals are of equal size.	lithotypes	Rock types.
granodiorite	A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.	magnetite	A mineral comprising iron and oxygen which commonly exhibits magnetic properties.
greenschist	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.	metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.	metasedimentary	A rock formed by metamorphism of sedimentary rocks.
greywackes	A sandstone like rock, with grains derived from a dominantly volcanic origin.	monzogranite	A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase feldspar, but usually with a low quartz content.
GSWA	Geological Survey of Western Australia.	Moz	Millions of ounces.
gypsum	Mineral of hydrated, or water-containing, calcium sulphate.	Mt	Million Tonnes.
halite	Impure salt deposit formed by evaporation.	mylonite	A hard compact rock with a streaky or banded structure produced by extreme granulation of the original rock mass in a fault or thrust zone.
hangingwall	The mass of rock above a fault, vein or zone of mineralization.	nickel	Silvery-white metal used in alloys.
hematite	Iron oxide mineral, Fe ₂ O ₃ .	nickel laterite	Nickel ore hosted within the laterite profile, usually derived from the weathering of olivine-rich ultramafic rocks.
hinge zone	A zone along a fold where the curvature is at a maximum.	open pit	A mine working or excavation open to the surface.
hydrothermal fluids	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.	Orthoimage	A geographically located composite plan using aerial photography as a base.
igneous	Rocks that have solidified from a magma.	outcrops	Surface expression of underlying rocks.
infill	Refers to sampling or drilling undertaken between pre-existing sample points.	palaeochannels	An ancient preserved stream or river.
insitu	In the natural or original position.	pegmatite	A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals.
interflow	Refers to the occurrence of other rock types between individual lava flows within a stratigraphic sequence.	pisolitic	Describes the prevalence of rounded manganese, iron or alumina-rich chemical concretions, frequently comprising the upper portions of a laterite profile.
intermediate	A rock unit which contains a mix of felsic and mafic minerals.	playa lake	Broad shallow lakes that quickly fill with water and quickly evaporate, characteristic of deserts.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.	polymictic	Referring to coarse sedimentary rocks, typically conglomerate, containing clasts of many different rock types.
intrusive contact	The zone around the margins of an intrusive rock.	porphyries	Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass.
ironstone	A rock formed by cemented iron oxides.	ppb	Parts per billion; a measure of low level concentration.
isoclinal	A series of folds that dip in the same direction at the same angle.	Proterozoic	An era of geological time spanning the period from 2,500 million years to 570 million years before present.
joint venture	A business agreement between two or more commercial entities.	pyroxenite	A coarse grained igneous intrusive rock dominated by the mineral pyroxene.
komatiitic	Magnesium-rich mafic to ultramafic extrusive rock.	quartz reefs	Old mining term used to describe large quartz veins.
laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.		
lead	A metallic element, the heaviest and softest of the common metals.		

quartzfeldspathic	Compositional term relating to rocks containing abundant quartz and feldspar, commonly applied to metamorphic and sedimentary rocks.	silcrete	Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
quartzose	Quartz-rich, usually relating to clastic sedimentary rocks.	silica	Dioxide of silicon, SiO ₂ , usually found as the various forms of quartz.
RAB drilling	A relatively inexpensive and less accurate drilling technique involving the collection of sample returned by compressed air from outside the drill rods.	sills	Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy.
rafts	A relatively large block of foreign rock incorporated into an intrusive magma.	silts	Fine-grained sediments, with a grain size between those of sand and clay.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.	soil sampling	The collection of soil specimens for mineral analysis.
regolith	The layer of unconsolidated material which overlies or covers insitu basement rock.	stocks	A small intrusive mass of igneous rock, usually possessing a circular or elliptical shape in plan view.
residual	Soil and regolith which has not been transported from its point or origin.	strata	Sedimentary rock layers.
resources	Insitu mineral occurrence from which valuable or useful minerals may be recovered.	stratigraphic	Composition, sequence and correlation of stratified rocks.
rhyolite	Fine-grained felsic igneous rock containing high proportion of silica and felspar.	stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
rock chip sampling	The collection of rock specimens for mineral analysis.	strike	Horizontal direction or trend of a geological structure.
saline	Salty	subcrop	Poorly exposed bedrock.
saprock	Zone of weathered rock preserved within the weathered profile.	sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralization.
saprolite	Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering.	supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
satellite imagery	The images produced by photography of the earth's surface from satellites.	syenite	An intrusive igneous rock composed essentially of alkali feldspar and little or no quartz and ferromagnesian minerals.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.	syncline	A fold in rocks in which the strata dip inward from both sides towards the axis.
scree	The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion.	talc	A hydrous magnesium silicate, usually formed due to weathering of magnesium silicate rocks.
sedimentary	A term describing a rock formed from sediment.	tectonic	Pertaining to the forces involved in or the resulting structures of movement in the earth's crust.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.	tholeiitic	A descriptive term for a basalt with little or no olivine.
shale	A fine grained, laminated sedimentary rock formed from clay, mud and silt.	thrust fault	A reverse fault or shear that has a low angle inclination to the horizontal.
sheared	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.	tremolite	A grey or white metamorphic mica of the amphibole group, usually occurring as bladed crystals or fibrous aggregates.
sheet wash	Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.	ultramafic	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
		veins	A thin infill of a fissure or crack, commonly bearing quartz.
		volcaniclastics	Pertaining to clastic rock containing volcanic material.
		volcanics	Formed or derived from a volcano.
		zinc	A lustrous, blueish-white metallic element used in many alloys including brass and bronze.

11. SOLICITOR'S REPORT ON TENEMENTS

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1 July 2011

The Directors

Goldphyre Resources Limited

23 Altona Street

WEST PERTH WA 6005

Dear Sirs

SOLICITOR'S REPORT ON TENEMENTS

11.1 INTRODUCTION

This report is prepared for inclusion in a prospectus to be issued by Goldphyre Resources Limited (**Company**) to raise \$3.5 million with oversubscriptions of up to \$0.5 million by way of an initial public offering at a price of 20 cents per share (**Prospectus**) to be lodged with the Australian Securities and Investments Commission on or about 5 July 2011.

The report relates to Western Australian mining tenements (**Tenements**) in which the Company holds an interest. An overview of the Tenements is contained in Schedule 1. Schedule 2 contains an overview of the native title and heritage status of the Tenements. The Schedules are attached to and, together with the notes to the Schedules, form part of this report.

The notes to Schedule 1 refer to conditions of particular note and are not an exhaustive list of all the applicable conditions relating to the Tenements. The mining tenement register maintained by the Western Australian Department of Mines and Petroleum (**DMP**) can be searched for a full list of the conditions affecting each of the Tenements.

11.2 SEARCHES

For the purpose of this report, we have obtained and reviewed:

- (a) searches of the Tenements in the mining tenement register maintained by the DMP. The DMP searches were conducted on 29 June 2011;
- (b) "Quick Appraisal" reports of the Tenements from the DMP summarising information available in the online "TENGRAPH" system maintained by the DMP. These searches were conducted on 24 May 2011;
- (c) an additional DMP search and "Quick Appraisal" for E38/2505 completed on 1 July 2011;
- (d) searches of registered Aboriginal sites through the 'Aboriginal heritage inquiry system' maintained by the Department of Indigenous Affairs. These

searches were conducted between 17 May and 6 June 2011; and

- (e) enquiries of DMP to confirm whether each of the granted Tenements was validly granted under the *Native Title Act 1993* (Cth).

11.3 OPINION

As a result of the searches and enquiries, but subject to the assumptions and qualifications set out in this report, we are satisfied that:

- (a) as at the dates of the searches set out above this report provides an accurate statement as to the status of the Tenements;
- (b) unless otherwise specified in this report, the Tenements are validly granted and in good standing; and
- (c) this report provides accurate statements as to third party interests, including encumbrances in relation to the Tenements as apparent from our searches and information provided to us.

11.4 ASSUMPTIONS AND QUALIFICATIONS

In this report:

- (a) we have assumed the accuracy and completeness of the results of the searches of the registers maintained by DMP and other information obtained from DMP;
- (b) we have assumed that all contracts, agreements or arrangements we reviewed were within the capacity and powers of and were validly authorised, executed and delivered by and binding on each party to them and, where applicable, duly stamped;
- (c) we note that the continued holding of the Tenements is subject to compliance with the terms and conditions of the relevant legislation and any applicable agreements;

- (d) we have assumed the accuracy and completeness of any instructions, documents and information given to us by the Company or any of its officers, employees, advisers, agents or representatives;
- (e) we have assumed that the responses to any questions which we have put to the directors, officers, employees, advisers and agents of the Company have been true and accurate in all respects and have not contained any material omissions;
- (f) we have assumed that there were no documents other than those which were disclosed to us which related to the issues we examined;
- (g) we have assumed that all material matters (including contracts and other documents) have been advised or provided to us by the directors, officers, employees, advisers, agents and representatives of the Company in response to our inquiries;
- (h) we have assumed that no terms of any of the contracts, agreements or arrangements we reviewed have been or are currently in breach;
- (i) where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the searches obtained, we express no opinion on such compliance;
- (j) where complaints or objections have been lodged against the Tenements we make no comment on the likelihood of success of such complaints or objections;
- (k) where a Tenement has been granted we have assumed that the future provisions of the *Native Title Act 1993* (Cth) have been complied with;
- (l) references in Schedule 1 to any area of land are taken from details in the searches obtained. It is not possible to verify the accuracy of the land area without conducting a survey; and
- (m) where Ministerial consent to any agreement or dealing in relation to a Tenement is being or will be sought, we express no opinion as to whether such consent will be granted or the consequences of it being refused.

This report only relates to the mining law applicable to the Tenements as at the date of this report. This report is limited to the matters expressly contained within it.

11.5 MINING TENEMENTS GENERALLY

The Company has, under a tenement sale agreement with Goldphyre WA Pty Ltd (ACN 061 039 361), acquired a 100% interest in the Tenements (**Tenement Sale Agreement**). The terms of the Tenement Sale Agreement are summarised in section 5.6 of this Prospectus.

The Tenements comprise of granted exploration licences and a prospecting licence under the *Mining Act 1978* (WA) (**Mining Act**).

The holder of a mining tenement under the Mining Act is permitted to explore for all minerals including oil shale, but excluding soil, petroleum or a geothermal energy resource (which are all governed by the *Petroleum and Geothermal Energy Resources Act 1987* (WA)), and sand or clay which occurs on private land. The Mining Act also excludes the holder of a mining tenement from exploring for or mining iron, unless the Minister specifically authorises the holder of the mining tenement to do so and endorses the mining tenement title, accordingly.

Amendments to the Mining Act were passed by Parliament on 26 October 2004 and came into effect from 10 February 2006. Tenements applied for prior to 10 February 2006 are subject to different terms and conditions to mining tenements applied for and granted after 10 February 2006. Each of the Tenements were applied for after 10 February 2006.

(a) Exploration Licences

An exploration licence authorises the holder to enter the land the subject of the exploration licence to explore for minerals with vehicles, machinery and equipment as may be necessary or expedient for the purpose of exploring for minerals in, on or under the land.

Exploration licences are described by graticular blocks, with individual graticular blocks ranging in area from approximately 2.8km² to 3.3 km² depending on where a block is located within the State. One exploration licence may include up to a maximum of 70 graticular blocks. There is no limit on the number of exploration licences which may be held by any one person.

An exploration licence applied for on or after 10 February 2006 remains in force for a period of five years from the date of grant. The whole or any part of the land the subject of the granted exploration licence may be extended by one period of five years and then by a further period, or periods, of two years if the Minister is satisfied that a prescribed ground for extension exists. Prescribed grounds include where the Minister is satisfied that insufficient work has been carried out due to difficulties or delays arising from governmental, legal, climatic or heritage reasons, or where the Minister considers that the land has been unworkable for the whole or a considerable part of any year of the term, or where the Minister considers that work carried out justifies further exploration.

At the end of the initial period of five years, the registered holder of an exploration licence must surrender 40% of the area of the exploration licence. The Minister may defer the requirement to surrender if satisfied that a prescribed ground for deferral exists (similar to those outlined above in relation to the grant of an extension).

11. SOLICITOR'S REPORT ON TENEMENTS

During the first year of the term of an exploration licence, a legal or equitable interest in or affecting the exploration licence cannot be transferred or otherwise dealt with, whether directly or indirectly, without the prior written consent of the Minister. Any agreement made in contemplation of a dealing or other transaction of an exploration licence is valid provided the agreement expressly provides that Ministerial consent is to be obtained as a condition of the dealing or other transaction.

The registered holder of an exploration licence may, as of right, while the exploration licence continues in force, apply for and, subject to the Mining Act and any conditions on which the exploration licence is held, have granted one or more mining leases over any part or parts of the land the subject of the exploration licence. Where an application for a mining lease is made and the term of the exploration licence expires prior to the grant of the mining lease, the exploration licence will continue in force in respect to the land the subject of the application for a mining lease until the application for a mining lease is determined.

Annual rent for an exploration licence is \$113.50 per block for years one to three of the term of the licence, \$176.50 per block for years four and five of the term of the licence, \$239.50 per block for years six and seven of the term of the licence and \$453.50 per block for year eight and each subsequent year of the term of the licence (based on rental rates as at 1 July 2011).

Exploration licences are subject to minimum annual expenditure requirements which are calculated at not less than \$1,000 per block for years one to three of the term of the licence (subject to minimums of \$10,000 for licences of one block only, \$15,000 for licences of two to five blocks and \$20,000 for licences of six or more blocks); not less than \$1,500 per block for years four and five of the term of the licence (subject to minimums of \$10,000 for licences of one block only, \$20,000 for licences of two to five blocks and \$30,000 for licences of six or more blocks); not less than \$2,000 per block for years six and seven of the term of the licence (subject to minimums of \$15,000 for licences of one block only, \$30,000 for licences of two to five blocks and \$50,000 for licences of six or more blocks); and not less than \$3,000 per block for years eight and each subsequent year of the term of the licence (subject to minimums of \$20,000 for licences of one block only, \$50,000 for licences of two to five blocks and \$70,000 for licences of six or more blocks) (based on expenditure requirements as at 1 July 2010).

The holder of an exploration licence may apply for exemption from compliance with minimum expenditure requirements on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless exempted, renders the exploration licence liable to forfeiture.

(b) Prospecting Licences

A prospecting licence authorises the holder to enter upon land for the purpose of prospecting for minerals with vehicles, machinery and equipment as may be necessary or expedient for the purpose of prospecting for minerals in, on or under the land. It also permits the undertaking of operations and works necessary for that purpose, including digging pits, trenches and holes, sinking bores and tunnelling. A prospecting licence holder may excavate, extract or remove earth, soil, rocks, stone, fluid or mineral-bearing substances not exceeding 500 tonnes over the term of the licence.

A prospecting licence remains in force for a period of four years from the date on which it was granted. In the case of prospecting licences applied for on or after 10 February 2006 the Minister has discretion to extend the prospecting licence for one further four year period if satisfied that a prescribed ground exists.

Prescribed grounds include where the Minister is satisfied that insufficient work has been carried out due to difficulties or delays arising from governmental, legal, climatic or heritage reasons, or where the Minister considers that the land has been unworkable for the whole or a considerable part of any year of the term or where the Minister considers that work carried out justifies further prospecting.

The registered holder of a prospecting licence may, as of right while the prospecting licence continues in force, apply for and, subject to the Mining Act, have granted one or more mining leases over any part of the land the subject of the prospecting licence. Where an application for a mining lease is made and the term of the prospecting licence expires prior to the grant of the mining lease, the prospecting licence will continue in force with respect to the land the subject of the application for a mining lease until the application for a mining lease is determined.

Annual rental for the first year of a prospecting licence is payable at the time of application, and following grant of the tenement will be payable in respect of each year of the term at the rate of \$2.20 per hectare with a minimum annual rental of \$22.00 (based on rental rates as at 1 July 2011).

Prospecting licences are subject to minimum annual expenditure requirements, which are calculated at the rate of A\$40.00 per hectare, subject to a minimum of A\$2,000 per annum (based on expenditure requirements as at 1 July 2010). The holder may apply for exemption from compliance with minimum expenditure requirements on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless exempted, renders the prospecting licence liable to forfeiture.

Forfeiture of Prospecting Licences

If an exemption from expenditure is refused or a registered holder of a prospecting licence fails to comply with a condition imposed on a granted prospecting licence, fails to pay rent or a statutory royalty, fails to file a report required by the Mining Act, fails to satisfy a request of the Minister, or is convicted of an offence under the Mining Act, then the Warden may, on the application of the Minister, mining registrar, any authorised officer of DMP, or any person make an order for the forfeiture of that prospecting licence or miscellaneous licence.

An application for forfeiture in respect of expenditure conditions must be made during the expenditure year in relation to which the requirement is not complied with or within eight months thereafter.

A Warden may only make an order for forfeiture if the Warden is satisfied that non-compliance is of sufficient gravity to justify the forfeiture of the mining tenement.

A Warden may, as he or she thinks fit in the circumstances, impose a penalty as an alternative to making an order for forfeiture of a prospecting licence or miscellaneous licence. The penalty must not exceed \$10,000 in a case where expenditure conditions have not been complied with, and not exceed \$50,000 in any other case.

Securities

An applicant for a prospecting or a mining lease is required to lodge a security for compliance with the conditions to which the tenement, if granted, will from time to time be subject and with the provisions of the Mining Act and the *Mining Regulations 1981* (WA) (**Mining Regulations**). This mandatory security must be lodged with the mining registrar within 28 days after lodging the relevant application. As at 1 July 2010, the amount of the security required is \$5,000.

The DMP has foreshadowed possible changes to the security bond requirements in Western Australia. The DMP has recommended a fidelity fund to manage the risk of operations under the Mining Act failing to meet their mine rehabilitation and closure obligations.

In the event a fidelity fund is not established, there is a risk that the DMP may require full cost unconditional performance bonds to be provided.

(c) Tenement Conditions and Forfeiture

Mining tenements granted in Western Australia are subject to various conditions prescribed by the Mining Act. The conditions provide for the payment of rent, minimum expenditure and reporting requirements. In addition, standard conditions are imposed addressing environmental and heritage issues. The Minister (or the Warden or mining registrar in the case of a prospecting licence) may also impose specific conditions on a mining tenement such as restrictions on mining or access.

If a registered mining tenement holder fails to comply with the annual minimum expenditure requirement, that person may apply to the DMP for an exemption from expenditure for that year. If an exemption from expenditure is refused, or a registered holder of a mining tenement fails to comply with any other condition imposed on the mining tenement, then the mining tenement will be liable to forfeiture under the Mining Act.

11.6 NATIVE TITLE

Access to much of the land in Australia for the purpose of conducting commercial activities such as mining is governed by certain Commonwealth and State legislation which outlines procedures that must be followed to gain access to land.

(a) Native Title Act

On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. The Commonwealth Parliament responded to the Mabo decision by passing the *Native Title Act 1993* (Cth) (**NTA**) which came into operation on 1 January 1994.

The Commonwealth Government is considering amendments to the NTA, including the 'future act' provisions (discussed below). As no Bill or exposure draft legislation has yet been produced, it is too early to comment on the likely scope of these changes should they occur.

Native Title Claims

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The Federal Court will then refer the application to the Native Title Registrar of the National Native Title Tribunal (**NNTT**) for the application of the registration test. If the Native Title Registrar is satisfied that the lodged claim meets the registration requirements set out in the NTA, it will be entered on the Register of Native Title Claims (**Register**) maintained by the NNTT. Registered claimants are given certain procedural rights in relation to "Future Acts" under the NTA including the "right to negotiate" procedure.

Future Acts

A Future Act is an activity or development on land or waters that affects native title, including the grant of mining or exploration tenements, on or after 1 January 1994. Native title claimants' gain the 'right to negotiate' in relation to the grant of certain mining tenements if their native title claim is registered at the time the government issues a notice (known as a section 29 notice), stating it intends to do the act (i.e. grant the tenement), or if their claim becomes registered within four months after that notice. In some cases (especially for exploration or prospecting licences) the 'right to negotiate' does not apply, and a 'fast track' procedure (the 'expedited procedure') applies instead.

11. SOLICITOR'S REPORT ON TENEMENTS

Right to Negotiate Procedure

Under the right to negotiate procedures, parties are required to negotiate in relation to the grant of the proposed Future Act, eg the grant of a mining tenement. Negotiations are initiated to obtain the agreement of the relevant native title parties to the carrying out of the proposed Future Act on the native title land. The right to negotiate procedure consists of a statutory minimum six month period of negotiation between the relevant government party, the native title party and the grantee, during which time the parties must negotiate in good faith with a view to reaching agreement about the doing of the Future Act.

If parties cannot reach agreement as to the terms of grant, a negotiation party may apply to the NNTT (as the arbitral body) to make a determination as to whether the grant may proceed (and if so, on what conditions).

Expedited Procedure

Some Future Acts might have minimal impact on native title rights and interests and many qualify for "fast tracking". This process is known as the "expedited procedure" and it is Western Australian Government policy that it will apply to the grant of exploration and prospecting licences in Western Australia where the applicant has executed a Regional Standard Heritage Agreement (**RSHA**) or has an existing Alternative Heritage Agreement (**AHA**) in place. In the absence of such an agreement the applications will be processed under the right to negotiate regime (discussed above).

A RSHA or AHA is drafted to address Aboriginal heritage issues on the area the subject of a tenement. The agreements generally provide for the native title party to withdraw their objection to the expedited procedure and consent to the grant of the tenement upon the terms of the agreement. Amongst other things, the RSHA or AHA will generally require the conduct of a heritage survey prior to the conduct of most exploration activity (see the section below on Aboriginal heritage). In the Goldfields Region (where all of the Tenements are located) the relevant RSHA is known as the '**Goldfields RSHA**'.

If the proposed grant is advertised under the expedited procedure, native title parties can lodge an objection. An objection by a native title party is not an objection to the tenement being granted, but is an objection to the application being fast-tracked. If there is no objection lodged, the tenement can be granted. If an objection is lodged to the grant of the tenement under the expedited procedure, the parties may either negotiate and reach agreement, or apply to the NNTT for a determination.

Some claimant groups will lodge an objection despite a RSHA being offered by the tenement applicant. Generally this is because they will seek a more 'favourable' agreement. In these circumstances it is open to the tenement applicant to agree to

additional terms with the claimant group, or apply to the NNTT for a determination. Generally, where the applicant has executed a RSHA or AHA and there are no registered sites in the area of the tenement then the NNTT will determine the tenement can be granted.

Exercise of Rights

As the Tenements were all validly granted under the NTA, the Company's rights under the Tenements will prevail over any inconsistent native title rights, meaning that the Company is free (from a native title perspective) to carry out all lawful exploration activities on the Tenements, subject only to the terms of any agreements entered into with the native title claim groups.

Compensation

The Mining Act makes mining tenement holders liable for native title compensation. As a result, if it is proved that native title exists over any of the land the subject of the Tenements, and the native title holders make application to the Federal Court for compensation, the tenement holder may be liable to pay any compensation awarded. To date, the Federal Court has never awarded native title compensation (although very few compensation claims have been commenced).

Conversion to Mining Lease

In relation to the Tenements it is important to note that, where it is proposed to convert from an exploration licence or prospecting licence to a mining lease, and native title claims are lodged and registered, it will be necessary to go through the 'right to negotiate' process with any native title holders or claimants whose claims are accepted for registration at the relevant time, unless the Company has earlier entered into an agreement with the claimants relating to such conversion.

(b) Native Title Status of the Tenements

Some of the Tenements relate to land which is currently the subject of:

- i. the Kurrku native title determination application (Federal Court no WAD385/10). This claim was lodged on 9 December 2010;
- ii. the Yilka native title determination application (Federal Court no WAD297/2008). This claim was lodged on 15 December 2008; and
- iii. the Ngadju native title determination application (Federal Court no WAD6020/98). This claim was lodged on 24 December 1998.

See Schedule 2 for details of the Tenements affected by these claims. Additional claims may be made in the future over the area of the Tenements.

All of the three native title claims have passed the NTA 'registration test', so each of the claim groups have the benefit of the 'future act' processes under the NTA (discussed above). The discussion above regarding 'Conversion to Mining Leases' therefore applies if the Company wishes to convert any of the affected Tenements to mining leases. This process can delay the grant of the mining leases but is a usual process for the grant of mining leases in Western Australia.

Our inquiries of DMP confirm that all of the granted Tenements were granted following compliance with the 'expedited procedure', so all of these Tenements have been validly granted under the NTA.

11.7 ABORIGINAL HERITAGE

(a) Legal context

Tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the *Aboriginal Heritage Act 1972* (WA) (**Heritage Act**).

The Heritage Act protects sites and areas of significance to Aboriginal people. The Minister of Indigenous Affairs' consent (under section 18 of the Heritage Act) is required where any use of land is likely to result in the excavation of or damage to an Aboriginal site or any object on or under that site.

There is no requirement for a site to be registered in any public manner or be in any way acknowledged as an Aboriginal site for it to qualify as an Aboriginal site for the purposes of the Heritage Act. A register of sites is maintained by the Aboriginal Affairs Department of Western Australia.

We have conducted a search of that register, in respect of the land covered by the Tenements, for the purposes of this Report. However it is important to note that the Heritage Act applies to all Aboriginal sites and objects, whether or not they are registered under the Heritage Act.

In respect of any Aboriginal sites that exist on any of the Tenements, the Company will need to ensure that any interference with such sites is avoided where possible. The Company can achieve this by carrying out Aboriginal heritage surveys with the relevant traditional owners. A heritage survey involves members of the claim group and generally an anthropologist walking over the land and discussing the proposed exploration activity and its impact on any heritage values and identifying any areas to be protected or excluded from some activity. The costs of the heritage survey are met by the registered tenement holder. The Company has signed Aboriginal heritage agreements with some (but not all) groups of traditional owners; see the comments below regarding Aboriginal heritage agreements.

If interference with any Aboriginal sites is unavoidable, the Company must ensure that such interference does not lead to risk of prosecution under the Heritage Act. The Company can do so by obtaining Ministerial consent as referred to above.

We understand that the State Government is undergoing a review of the Heritage Act. Details have not yet been released and it is expected to be at least late in 2011 before any details of the review become known.

The Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (ATSIHP Act) also affords some protection to Aboriginal sites. This Act applies Australia-wide - so applies to all of the Tenements - and is aimed at the preservation and protection from desecration of significant Aboriginal areas and significant Aboriginal objects. Under the ATSIHP Act a person may apply to the Commonwealth Minister for either an interim or final protection order. A final protection order may operate permanently or for any specified period of time. Prior to making a relevant declaration, the Commonwealth Minister must commission a report in relation to the area. This process may take several months. The Company has informed us that it is not aware of any action taken, or proposed to be taken, by the Commonwealth Minister under the ATSIHP Act.

(b) Registered Aboriginal sites within Tenement areas

Our searches revealed that a registered site exists within the area of two of the Tenements (DIA Site ID 15268 ('Katata Creek') straddles the boundary of E37/990 and P37/7877; Mailman Hill Project).

However, given that it is likely that only a small percentage of all Aboriginal sites across Western Australia are registered, it is highly probable that other, unregistered, Aboriginal sites exist within the areas of the Tenements.

The comments above regarding avoiding interference with such sites (including by conducting Aboriginal heritage surveys, or obtaining Ministerial consent where relevant) are therefore applicable.

(c) Tenement conditions regarding Aboriginal heritage

A number of the granted tenements were granted subject to one of the following conditions:

- i. *'If the Goldfields Land and Sea Council (GLSC) sends a request within 90 days after the grant of the Licence, the Licensee shall, within 30 days of the request execute in favour of the GLSC the revised GLSC Wongatha Interim Standard Heritage Agreement' (GLSC Condition); or*
- ii. *'If the Central Desert Native Title Services (CDNTS) sends a request ... within 90 days after the grant of the Licence, the Licensee shall, within 30 days of the request execute in favour of the CDNTS the revised CDNTS Wongatha Interim Standard Heritage Agreement.' (CDNTS Condition).*

See Schedule 2 for details of the Tenements affected by these conditions.

11. SOLICITOR'S REPORT ON TENEMENTS

These two tenement conditions only require the tenement holder to take action (by signing the relevant heritage agreement) if requested to do so within the 90 day period stated in each condition. If so requested, a failure by the tenement holder to comply with the condition would render the Tenement potentially liable for forfeiture.

We are informed by the Company that it has entered into agreements with the GLSC for the three Tenements that contain the GLSC Condition. We have reviewed only one of these agreements (for E37/990) which in our view is not the form of agreement required under the GLSC Condition. We do not consider that this anomaly gives rise to a risk of forfeiture as it is reasonable to assume that the GLSC offered the alternative agreement so is happy with its terms.

The Company was sent a draft agreement by CDNTS within the 90 day period under the CDNTS Condition, but in our view that draft agreement did not comply with the CDNTS Condition. We are informed by the Company that it has not signed the agreement offered by CDNTS, and that the Company wrote to CDNTS in January 2011 explaining it had no immediate requirements for access to the relevant Tenement (E38/1949). Because the agreement offered by CDNTS did not comply with the CDNTS Condition, it is our view that the Company has not breached the CDNTS condition.

(d) Aboriginal heritage agreements

Aboriginal heritage agreements have been entered into with respect to several of the Tenements, as listed in detail in Schedule 2.

We have reviewed these Aboriginal heritage agreements in the cases where we have been provided copies of them (see Schedule 2). All of the agreements contain usual industry-standard terms, and do not contain any unusual or onerous conditions. These agreements provide an agreed procedure for the Company to carry out Aboriginal heritage surveys to facilitate exploration activities, while mitigating any risk of damaging Aboriginal sites and potentially breaching the Heritage Act. The agreements have been entered into with other entities (ie. not the Company – see Schedule 2 for details) but we are informed by the Company that all of these agreements are being assigned to the Company.

The absence of executed Aboriginal heritage agreements in respect of some of the Tenements does not prevent the Company from carrying out exploration activities.

We also note that the agreement in respect of E38/1903 was executed by the GLSC on behalf of the Wongatha native title claim group. The Wongatha claim was subsequently dismissed, meaning there is no longer a 'Wongatha native title claim group'.

(e) Aboriginal reserve affecting access to E38/1949

Road access to Tenement E38/1949 must pass through an Aboriginal reserve under Part III of the Aboriginal Affairs Planning Authority Act 1972 (WA) (AAPA Act). Before traversing the Aboriginal reserve, the Company must obtain an entry permit under the AAPA Act. Entry permits are granted by the Minister for Indigenous Affairs, after consulting with the Aboriginal Lands Trust (ALT), which in turn consults with the traditional owner residents of the relevant reserve.

CDNTS is the native title representative body for the area in which E38/1949 lies. CDNTS considers (wrongly) that E38/1949 lies within the nearby Aboriginal Reserve. CDNTS sent a copy of its standard agreement for exploration within the Aboriginal Reserve to Goldphyre Resources Pty Ltd by letter dated 9 December 2009, but the agreement has not been signed.

The Company will not be able to gain road access to E38/1949 without obtaining an entry permit under the AAPA Act. This risk needs to be managed by the Company taking all reasonable steps to gain the relevant entry permit. The Company has informed us that it is aware of the requirements and will comply with them when necessary.

11.8 CONSENTS

This report is provided solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document without our prior written consent.

Fairweather Corporate Lawyers consent to being named in the Prospectus as the authors of this report.

Fairweather Corporate Lawyers has given, and has not before the lodgement of this Prospectus, withdrawn its consent to the inclusion of this report in the Prospectus.

11.9 DISCLOSURE OF INTEREST

Fairweather Corporate Lawyers will be paid normal and usual professional fees for the preparation of this report and related matters, as set out elsewhere in the Prospectus.

*Fairweather
Corporate Lawyers*

Yours sincerely

FAIRWEATHER

CORPORATE LAWYERS

SCHEDULE 1 - TENEMENT SCHEDULE

Tenement	Commencement date	Expiry date	Holder	Area	Dealings/interest	Minimum Annual Expenditure	Notes
E38/1903	02/05/2007	01/05/2012	Goldphyre WA Pty Ltd	21 blocks	Goldphyre WA Pty Ltd and the Company are parties to a tenement sale agreement under which the Company has acquired a 100% legal and beneficial interest in the Tenements. Completion of acquisition occurred on 12 April 2011, and the tenement transfers have been lodged with the Department of State Revenue for stamping. Once stamped the tenement transfers can be lodged with the DMP and the Tenements registered in the Company's name.	\$31,500	
E38/2113	29/08/2008	28/08/2013	Goldphyre WA Pty Ltd	63 blocks		\$63,000	A
E38/2114	23/10/2008	22/10/2013	Goldphyre WA Pty Ltd	11 blocks		\$20,000	A
E37/990	1/10/2009	30/09/2014	Goldphyre WA Pty Ltd	16 blocks		\$20,000	A, B, E
P37/7877	2/12/2010	1/12//2014	Goldphyre WA Pty Ltd	168 hectares		\$6,720	B, E
E38/1949	16/09/2009	15/09/2014	Goldphyre WA Pty Ltd	10 blocks		\$20,000	C, D, F
E15/1049	12/01/2009	11/01/2014	Goldphyre WA Pty Ltd	1 block		\$10,000	G
E15/1050	25/03/2009	24/03/2014	Goldphyre WA Pty Ltd	2 blocks		\$15,000	G
E38/2505	1 July 2011	30/06/2016	Goldphyre WA Pty Ltd	87 blocks		\$87,000	

NOTES:

- A In respect to the area outlined in "red" and designated FNA 7836 in TENGRAPH (former Wongatha native title claim WC99/01) the following condition shall apply:
- "If the Goldfields Land and Sea Council (GLSC) sends a request by pre-paid post to the licensee's address within 90 days after the grant of the licence, the licensee shall, within 30 days of the request exercise in favour of the GLSC the revised GLSC Wongatha Interim Standard Heritage Agreement."
- B No mining within 25 metres of either side of the Gas/Petroleum pipeline contained within Petroleum Pipeline Licence No 36 as shown in TENGRAPH.
- C In respect to the area outlined in "red" and designated FNA 7835 in TENGRAPH (former Wongatha native title claim WC99/01) the following condition shall apply:
- "If the Central Desert Native Title Services (CDNTS) sends a request by pre-paid post to the Licensee's address within 90 days after the grant of the Licence, the Licensee shall within 30 days of the request execute in favour of the CDNTS the revised CDNTS Wongatha Interim Standard Heritage Agreement.
- D Consent to mine on the Warburton Range Stock Route Reserve 24980 granted subject to: No mining operations being carried out on Stock Route Reserve 24980 which restrict the use of the reserve.
- E Kurrku Native Title Determination Application (WAD 385/10, NNTT no WC10/18).
- F Yilka Native Title Determination Application (WAD297/2008, NNTT no WC08/005).
- G Ngadju Native Title Determination Application (WAD6020/98, NNTT no WC99/002).

SCHEDULE 2 - NATIVE TITLE AND ABORIGINAL HERITAGE STATUS OF THE TENEMENTS

Tenement	Native title claim	Aboriginal heritage Tenement condition	Registered Aboriginal site	Aboriginal heritage agreements			
				Company	Indigenous Party	Date	Form of Agreement
E38/1903	n/a (Note A)	n/a	n/a	Duskgale Pty Ltd	GLSC on behalf of Wongatha Claim Group	15.09.2006	Goldfields RSHA
E38/2113	n/a (Note A)	GLSC Condition	n/a	(Note B)			GLSC WISHA (Note B)
E38/2114	n/a (Note A)	GLSC Condition	n/a	(Note B)			GLSC WISHA
E37/990	Kurrku	GLSC Condition	Yes (DIA Site ID 15268)	Goldphyre Resources Pty Ltd	GLSC	10.09.2009	GLSC WISHA
P37/7877	Kurrku	n/a	Yes (DIA Site ID 15268)	No agreement executed (See note C)			
E38/1949	Yilka	CDNTS Condition	n/a	No agreement executed (See note C)			
E15/1049	Yilka	n/a	n/a	Duskgale Pty Ltd	GLSC on behalf of Ngadju Claim Group	06.03.2008	Goldfields RSHA
E15/1050	Ngadju	n/a	n/a	Duskgale Pty Ltd	GLSC on behalf of Ngadju Claim Group	09.06.2008	Goldfields RSHA
E38/2505	n/a	n/a	n/a	No agreement signed (See note D)			

NOTES:

- A. These three Tenements (E38/1903, E38 2113 and E38/2114) are in the area of the previously dismissed Wongatha native title claim. Within the area of these three Tenements no new claim has been lodged and registered.
- B. The 'GLSC WISHA' is the GLSC 'Wongatha Interim Standard Heritage Agreement'. The Company has informed us that it has entered into the GLSC WISHA for these two tenements (E38/2113 and E38/2114) but we have not sighted a copy of either agreement.
- C. The Company has not executed an agreement in respect of E38/1949 or P37/7877.
- D. E38/2505 is not the subject of any native title claim, so it is not unusual that no agreement has been signed.

12. ADDITIONAL INFORMATION

12.1 FEES AND BENEFITS

Malcolm Castle has acted as Independent Technical Expert and has prepared an Independent Technical Report which is included in section 10 of this Prospectus. The Company estimates it will pay Malcolm Castle a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Malcolm Castle has not received any other fees from the Company.

Bentleys Audit & Corporate (WA) Pty Ltd has acted as Investigating Accountant in this Prospectus and has prepared an Investigating Accountant's Report which is included in section 9 of this Prospectus. The Company estimates it will pay Bentleys Audit & Corporate (WA) Pty Ltd a total of \$8,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bentleys Audit & Corporate (WA) Pty Ltd has not received any other fees from the Company.

Fairweather Corporate Lawyers has acted as the Australian solicitors to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements set out in section 11 of this Prospectus. The Company estimates it will pay Fairweather Corporate Lawyers \$30,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Fairweather Corporate Lawyers has not received any other fees from the Company.

DWCorporate, has provided corporate administration services to the Company and will be paid approximately \$49,000 (excluding GST) for these services, from this amount Goldphyre has already paid DWCorporate fees of \$29,367.56 (including GST). During the 24 months preceding lodgement of this Prospectus with the ASIC, DWCorporate has not received any other fees from the Company.

Resminco Pty Ltd, has provided corporate advisory services to the Company and will be paid approximately \$90,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC Resminco Pty Ltd has been issued 1,000,000 Shares at \$0.0001 and 5,000,000 Options.

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

12.2 CONSENTS

The following parties have given their written consent to be named in the Prospectus and for the inclusion of statements made by those parties, and have not withdrawn such consent before lodgement of this Prospectus with ASIC:

- (a) Malcolm Castle has consented to being named as Independent Technical Expert in this Prospectus and to the inclusion of the Independent Technical Report in section 10 of this Prospectus in the form and context in which the report is included.
- (b) Bentleys has consented to being named as the Company's Auditor and Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in section 9 of this Prospectus in the form and context in which the report is included.
- (c) Fairweather Corporate Lawyers has consented to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements set out in section 11 of this Prospectus in the form and context in which the report is included.
- (d) DWCorporate Pty Ltd has consented to being named in this Prospectus.
- (e) Resminco Pty Ltd has consented to being named in this Prospectus.
- (f) Security Transfer Registrars Pty Ltd has consent to being named as the share registry to the Company in this Prospectus.

Each of the persons referred to above in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section; and
- (c) has not caused or authorised the issue of this Prospectus.

12. ADDITIONAL INFORMATION

12.3 LITIGATION

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

12.4 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, you may obtain a copy of this Prospectus from the Company's website at www.goldphyresources.com.au.

If you have not, please email the Company at admin@goldphyresources.com.au and the Company will send you, free charge, either a hard copy or a further electronic copy of the Prospectus or both.

Alternatively, you may obtain an electronic copy of the Prospectus from the Company's website at www.goldphyresources.com.au

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

12.5 TAXATION

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

12.6 EMPLOYEE PERFORMANCE RIGHT PLAN

A summary of the principle terms of the Plan are as follows:

- (a) Eligible employees include full or part-time employees (including a Director employed in an executive capacity) of the Company or its subsidiaries who is declared by the Board to be eligible to receive grants of Performance Rights.
- (b) The Board may from time to time, in its absolute discretion, issue invitations in writing to eligible employees inviting applications for the grant of Performance Rights on the terms set out in the Plan and on such additional performance conditions as the Board determines.
- (c) Unless the Board otherwise determines, no amount is payable by an eligible employee in relation to the grant of a Performance Right or on vesting of a Performance Right.
- (d) As the Plan is a newly established Plan, no Performance Rights have been issued under the Plan to date.
- (e) Once a Performance Right has been granted to an eligible employee, it is not transferable.
- (f) Each Performance Right issued to an eligible employee will vest on the date specified in the invitation issued by the Company.
- (g) Performance Rights will lapse if the employee granted the Performance Right ceases to be an employee of the Company or its subsidiaries (except in the case of total and permanent disability, death and such other cases as the Board may determine).
- (h) The terms and conditions of the Plan must at all times comply with the Corporations Act, the Listing Rules, the Constitution of the Company and any other legislation that applies to the Plan.

13. DIRECTORS' RESPONSIBILITY AND CONSENTS

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that with respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons having given their consent to the statements being included in this Prospectus in the form and context in which they are included and having not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each of the Directors of Goldphyre Resources Limited has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 5 July 2011



Signed for and on behalf of
Goldphyre Resources Limited by
Ron Punch

14. GLOSSARY

Where the following terms are used in this Prospectus they have the meanings set out below:

"A\$" or "\$" means an Australian dollar.

"Admission" means admission to the Official List.

"Applicant" means a person who has applied for Shares under this Prospectus.

"Application Form" means the application form attached to or accompanying this Prospectus relating to the Public Offer.

"ASIC" means Australian Securities & Investments Commission.

"ASX" means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange (as the context requires).

"Board" means the board of Directors as constituted from time to time.

"Company" or "Goldphyre" means Goldphyre Resources Limited (ACN 149 390 394).

"Closing Date" means the closing date of the Offer as set out in section 8.2 of this Prospectus (subject to the Closing Date being extended or the Offer being closed early).

"Constitution" means the constitution of the Company.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Directors" mean the directors of the Company at the date of this Prospectus.

"Exposure Period" means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

"Independent Technical Report" means the technical report prepared by Malcolm Castle, which appears at section 10 of this Prospectus.

"Investigating Accountant's Report" means the investigating accountant's report prepared by Bentleys Audit & Corporate (WA) Pty Ltd included in section 9 of this Prospectus.

"Listing Rules" means the official listing rules of ASX.

"Offer" means the offer of Shares pursuant to this Prospectus as set out in section 8 of this Prospectus.

"Offer Price" means 20 cents per Share.

"Official List" means the official list of ASX.

"Official Quotation" means official quotation by ASX in accordance with the Listing Rules.

"Opening Date" means the opening date of the Offer as set out in section 8.2.

"Option" means an option to acquire a Share on the terms and conditions described in section 8.18.

"PGE" means platinum group elements.

"Prospectus" means this prospectus.

"Share" means a fully paid ordinary share in the capital of the Company.

"Share Registry" means Security Transfer Registrars Pty Ltd.

"Shareholder" means a holder of Shares.

"Tenement" means a tenement in which the Company has an interest as set out in the Solicitor's Report on Tenements in section 11 of this Prospectus.

"Tenement Sale Agreement" means the Sale of Mining Tenements Agreement between the Vendor and the Company dated on or about 11 April 2011.

"Vendor" means Goldphyre WA Pty Ltd (ABN 13 061 039 361), a company associated with Mr Siggs (a Director) and Ian Hamilton.

"WST" means Western Standard Time observed in Perth, Western Australia.

GOLDPHYRE RESOURCES LIMITED
ACN 149 390 394
PUBLIC APPLICATION FORM

Share Registrar Use Only	
Broker reference – stamp only	
Broker code	Adviser Code

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM.

A Number of Shares applied for (minimum 10,000 and then multiples of 2,500 Shares).

at \$0.20 per Share =

B Total amount payable cheque(s) to equal this amount

You may be allocated all of the Shares above or a lesser number

C Full name details title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account designation>

Name of joint applicant 3 or <account designation>

D Tax file number(s) Or exemption category

Applicant 1/company

Joint applicant 2/ trust

Joint applicant 3/exemption

E Full postal address

Number/street

Suburb/town

State/postcode

F Contact details

Contact name

Contact daytime telephone number

Contact email address

G CHESS HIN (if applicable)

H Cheque payment details please fill out your cheque details and make your cheque payable to **“Goldphyre Resources Limited – Share Offer Account”**

CHEQUE DETAILS

Drawer

Bank

BSB

Amount of cheque

I Return of the Application Form with your cheque for the Application monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 5 July 2011 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

GUIDE TO THE PUBLIC APPLICATION FORM

This Application Form relates to the Offer of 17,500,000 Shares in Goldphyre Resources Limited ACN 149 390 394 at \$0.20 per Share pursuant to the Prospectus dated 5 July 2011. Oversubscriptions of up to a further 2,500,000 Shares at an issue price of \$0.20 each to raise up to an additional \$500,000 may be accepted. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and a Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares.

Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Shares applied for by the sum of \$0.20.

Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.

Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.

Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.

The Company will apply to ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Application in respect of securities allotted.

If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to the relevant section of the Prospectus.

Please complete cheque details as requested:

Make your cheque payable to "Goldphyre Resources Limited – Share Offer Account" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares and Options in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

Lodgement of Applications

Return your completed Public Application Form with cheque(s) attached to:

By Post to:

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953
Australia

Or delivered to:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Public Application Forms must be received no later than 5.00 pm WST time on 5 August 2011.



GOLDPHYRE
RESOURCES LIMITED



23 Altona Street
West Perth WA 6005
info@golphyre.com.au
www.golphyresources.com.au