

GOLDPHYRE RESOURCES LIMITED
ACN 149 390 394

SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 5 July 2011 (**Original Prospectus**) issued by Goldphyre Resources Limited ACN 149 390 394 (**Company**).

This Supplementary Prospectus is dated 3 October 2011 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that day. ASIC, ASX Limited (**ASX**) and their respective officers do not take any responsibility as to the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Original Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Original Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Original Prospectus as an electronic prospectus and may be accessed on the Company's website at www.goldphyresources.com.au. The Company will send a copy of this Supplementary Prospectus to all Applicants who have applied for Shares under the Original Prospectus as at the date of this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisors without delay.

1. EXTENSION OF TIME TO OBTAIN QUOTATION AND RAISE MINIMUM SUBSCRIPTION

In accordance with the Corporations Act, if a person offers securities under a disclosure document (e.g. a prospectus) and the disclosure document states or implies that the securities are to be quoted on a financial market (e.g. ASX) and the securities are not admitted to quotation within 3 months after the date of the disclosure document (**Quotation Condition**) then an issue or transfer of securities in response to an application made under the disclosure document is void and the person offering the securities must return the money received by the person from the applicants as soon as practicable.

In addition, the Corporations Act provides that where a disclosure document states that the securities will not be issued or transferred unless a minimum amount is raised and that condition is not satisfied within 4 months after the date of the disclosure document the person must repay the monies received from the applicants or give the applicants a supplementary disclosure document and 1 month to withdraw their application and be repaid.

Accordingly, the Company has until 5 October 2011 to have the Shares offered pursuant to the Original Prospectus admitted to quotation on the ASX and until 5 November 2011 to raise the minimum subscription of \$3,500,000 (**minimum subscription**).

2. STATUS OF THE OFFER

As at the date of this Supplementary Prospectus the Company has received 325 valid Applications for 11,919,000 Shares totalling \$2,383,800. Whilst the Company has received Applications pursuant to the Original Prospectus, no Applications have been processed. It has not raised the minimum subscription provided for in the Original Prospectus of \$3,500,000, and is not able to issue any Shares pursuant to the Original Prospectus or obtain quotation of those Shares on ASX by 5 October 2011.

3. ASIC MODIFICATION

On 3 October 2011 the Company was granted a modification of the Corporations Act by ASIC (**ASIC Modification**). The effect of the ASIC Modification is to give the Company:

- (a) a further 3 months after the date of this Supplementary Prospectus to obtain quotation of the Shares on ASX (i.e. by 3 January 2011); and
- (b) a further 4 months after the date of this Supplementary Prospectus to raise the Minimum Subscription (i.e. by 3 February 2011).

4. REDUCTION IN MINIMUM SUBSCRIPTION

The Company's Board has resolved to reduce the minimum subscription under the Offer from \$3,500,000 to \$2,500,000. Accordingly the minimum subscription under the Offer will now be reached when the Company has received applications for 12,500,000 Shares.

Each reference in the Original Prospectus (including independent technical report) to the minimum subscription amount should be read as a reference to \$2,500,000 or 12,500,000 Shares (as applicable).

The reduction in the minimum subscription under the Offer will not reduce the amount the Company has budgeted for exploration in the two year period from listing on ASX.

The Directors are of the view that on the successful completion of the Offer, the Company will have sufficient working capital to fund the Company's activities.

As a result of the reduced minimum subscription the Company's capital structure will be as follows:

Shares	Full Subscription (\$2.5m)¹	Over Subscription (\$4m)¹
Shares on issue at date of Prospectus	11,750,010	11,750,010
Shares now offered at 20 cents	12,500,000	20,000,000
Total Shares on issue at completion of the Offer	24,250,010	31,750,010

¹ 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 of the Original Prospectus for details of the circumstances in which these Shares will be issued. See section 8.4 of the Original Prospectus for details of the effect of the issue on the control of the Company.

The Vendors will hold a maximum of 29.9% of the Company, assuming the full subscription of \$2.5m is raised.

Page 7, section 4 (Investment Overview) (“What is being offered?”)

The existing text is replaced with the following text:

“12,500,000 new Shares to raise \$2,500,000 (before costs of the Offer) representing approximately 52% of the Shares on issue at the completion of the Offer. Oversubscriptions of up to a further 7,500,000 Shares may be accepted, to raise up to a further \$1,500,000.”

Page 12, section 5.8 (Use of Proceeds)

The use of proceeds table is replaced with the following:

	Full Subscription (\$2.5m)	Oversubscriptions (\$4m)
Exploration Program ¹	1,822,000	2,237,000
Working Capital & Project Evaluation ²	66,140	1,071,140
Corporate Overheads and Administration ³	619,360	619,360
Costs of the Offers ⁴	342,500	422,500
TOTAL	2,850,000	4,350,000

Notes:

¹ See the Independent Technical Report for further details on the Company's planned exploration programs, both if \$2.5m 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 amount to be spent on exploration will not change as a result of the amount to be raised being reduced from \$3.5m to \$2.5m.

Page 20, section 8.1 (The Offer)

The first two paragraphs of section 8.1 are replaced with the following text:

"Pursuant to the Offer, the Company invites applications for 12,500,000 Shares at an issue price of \$0.20 each to raise \$2,500,000. Oversubscriptions of up to a further 7,500,000 Shares at an issue price of \$0.20 each to raise an additional \$1,500,000 may be accepted."

Page 20, section 8.4 (Existing Shareholders)

The final paragraph of section 8.4 is replaced with the following text:

"As set out in section 5.6, the Company is obliged to issue up to 7,000,000 Shares to the Vendor upon certain milestone events occurring. Assuming \$2.5m is raised under the Offer and no further Shares are issued, the Vendor would hold 45.6% of the Company if all 7,000,000 Shares are issued."

Page 21, section 8.7 (Minimum Subscription)

The first paragraph of section 8.7 is replaced with the following text:

"The minimum subscription to be raised pursuant to the Offer is \$2.5 million. In accordance with the Corporations Act, no Shares will be allotted by the Company until the minimum subscription has been received."

Page 25, section 8.19 (Expenses of the Offer)

The expenses of the Offer table is replaced with the following:

Item of Expenditure²	Full Subscription \$2.5m	Over Subscription \$4m
ASIC fees	2,000	2,000
ASX fees	33,000	33,000
Broker Commissions (5%) ¹	125,000	200,000
Adviser Fees (accounting, legal and other)	157,500	162,500
Printing, Design and Miscellaneous	25,000	25,000
TOTAL	342,500	422,500

Page 28, section 9 (Financial Information and Investigating Accountant's Report)

The Financial Information and Investigating Accountant's Report dated 1 July 2011 is deleted and replaced with the financial and investigating accountant's report which appears at page 8 of this Supplementary Prospectus.

5. CLOSING DATE

Given the ASIC Modification, the Company has extended the Closing Date.

Accordingly, references to the Closing Date in the Original Prospectus are amended and the Important Dates set out in the Key Information on page 3 of the Original Prospectus and the Indicative Timetable set out in the Investment and Offer Details on page 20 the Original Prospectus are deleted and replaced with the following timetable:

Indicative timetable*

Lodgement of Original Prospectus with the ASIC	5 July 2011
Opening Date	13 July 2011
Closing Date	18 November 2011
Despatch of holding statements	25 November 2011
Expected date for quotation on ASX	2 December 2011

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

6. RIGHT TO WITHDRAW APPLICATIONS

In accordance with the Corporations Act, where the Quotation Condition is not satisfied, the Company must give Applicants who have previously submitted an Application Form under the Original Prospectus a copy of this Supplementary Prospectus and 1 month to withdraw their application and be repaid.

Any repayments made by the Company pursuant to an applicant exercising their right to withdraw their application will be made in full without interest.

An Applicant who wishes to withdraw their application and obtain a refund must submit a written request to the Company at either of the addresses set out below so that it is received within 1 month of the date of this Supplementary Prospectus (i.e. **by close of business on 3 November 2011**).

Mailed to: Goldphyre Resources Limited C/- Security Transfer Registrars Pty Ltd P O Box 535 APPLECROSS WA 6953	Delivered to: Goldphyre Resources Limited C/- Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6153
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The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in the Application Form lodged by that Applicant.

7. APPLICATIONS

Investors who have NOT previously submitted an Application Form

Applications for Shares under the Offer must be made using the application form attached to or accompanying this Supplementary Prospectus (**Supplementary Application Form**). Applications must NOT be made on the application form attached to or accompanying the Original Prospectus.

The Supplementary Application Form contains detailed instructions on how it is to be completed.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Supplementary Application Forms and accompanying cheques, made payable to "**Goldphyre Resources Limited – Share Offer Account**" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Supplementary Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

Applicants who HAVE previously submitted an Application Form AND DO NOT want to withdraw their application

Applicants in this category DO NOT need to complete a further Supplementary Application Form in order to receive their Shares. However, such applicants may lodge a Supplementary Application Form if they wish to apply for additional Shares in accordance with the instructions set out above for investors who have NOT previously submitted an Application Form.

Applicants who HAVE previously submitted an Application Form AND DO want to withdraw their application

Applicants in this category may withdraw their applications and be repaid any application monies upon written request to the Company in the manner set out in Section 6.

8. ASX LISTING

Section 8.8 of the Original Prospectus is replaced by the following:

"Application for Official Quotation by ASX of the Shares offered pursuant to the Prospectus was made within 7 days after the date of the Prospectus.

Following the ASIC Modification, if the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Supplementary Prospectus (i.e. 3 January 2011), or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription."

9. CONSENT

Bentleys Audit & Corporate (WA) Pty Ltd has consented to being named in this Supplementary Prospectus and to the inclusion of the Investigating Accountant's Report in section 4 of this Supplementary Prospectus in the form and context in which the report is included.

The following persons have consented to their reports (contained in the Original Prospectus) being amended by reason of this Supplementary Prospectus but, except as noted above, have not made any statements that are included in this Supplementary Prospectus or statements identified in this Supplementary Prospectus as being based on any statements made by those persons, and have not withdrawn their consent before lodgement of this Prospectus with ASIC:

- (a) Malcolm Castle – as independent geologist;
- (b) Fairweather Corporate Lawyers – as independent solicitors.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Supplementary Prospectus other than as noted above.

10. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Christopher Clegg
For and on behalf of
Goldphyre Resources Limited

CW: DL:1GOLD20:C

26 September 2011

The Directors
Goldphyre Resources Limited
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WEST PERTH WA 6005

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Dear Sirs

Investigating Accountant's Report – Goldphyre Resources Limited

Introduction

This report has been prepared at the request of the Directors of Goldphyre Resources Limited ("Goldphyre" or "the Company"), for inclusion in a supplementary prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") on or around 3 October 2011, relating to the proposed issue of a minimum of 12,500,000 ordinary shares at an issue price of \$0.20 each to raise a total of at least \$2,500,000 (the prospectus dated 5 July 2011 and supplementary prospectus dated 3 October each lodged by the Company with ASIC are together the "Prospectus").

The Company may also accept oversubscriptions of up to a further 7,500,000 ordinary shares at an issue price of \$0.20 to raise up to a further \$1,500,000. The offer is not underwritten and the minimum subscription level is \$2,500,000.

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.

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.

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

	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	314,019	2,331,519	3,801,519
Other assets	10,312	10,312	10,312
TOTAL CURRENT ASSETS	324,331	2,341,831	3,811,831
TOTAL ASSETS	324,331	2,341,831	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	2,333,609	2,803,609
EQUITY			
Issued capital	418,025	2,435,525	2,905,525
Reserves	-	-	-
Accumulated losses	(101,916)	(101,916)	(101,916)
TOTAL EQUITY	316,109	2,333,609	2,803,609

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 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.

(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:

- 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
- 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.

	Reviewed Actual 31 May 2011 \$	Reviewed Pro forma At minimum subscription 31 May 2011 \$	Reviewed Pro forma At maximum subscription 31 May 2011 \$
3. Cash and cash equivalents			
Cash at Bank	314,019	314,019	314,019
Issue of ordinary shares pursuant to the Prospectus	2(a) -	2,500,000	4,000,000
Prospectus issue costs	2(b) -	(392,500)	(422,500)
Payment to Resminco	2(c) -	(90,000)	(90,000)
	314,019	2,331,519	3,801,519
4. Issued capital			
Issued capital	418,025	418,025	418,025
Issue of ordinary shares pursuant to the Prospectus	2(a) -	2,500,000	4,000,000
Prospectus issue costs	2(b) -	(392,500)	(422,500)
Payment to Resminco	2(c) -	(90,000)	(90,000)
	418,025	2,435,525	3,905,525
a. Ordinary Shares			
Opening balance	11,750,010	11,750,010	11,750,010
Issue of ordinary shares pursuant to the Prospectus	2(a) -	12,500,000	20,000,000
	11,750,010	24,250,010	31,750,010

		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 \$32,560 rental commitments and \$304,720 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.

Guide to the Public Application Form

This Application Form relates to the Offer of 12,500,000 Shares in Goldphyre Resources Limited ACN 149 390 394 at \$0.20 per Share pursuant to the Prospectus dated 5 July 2011 and Supplementary Prospectus dated 3 October 2011. Oversubscriptions of up to a further 7,500,000 Shares at an issue price of \$0.20 each to raise up to an additional \$1,500,000 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 2,000 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 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 and Supplementary 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 and Supplementary 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 Supplementary 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

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 18 November 2011.