



7 December 2011

Mr Wade Baggott
ASX Limited
Level 2
8 The Esplanade
Perth WA 6000

Dear Wade

RE: OPTION TERMS

Goldphyre Resources Limited confirms that options issued to brokers are issued on the following 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.
- (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.

If you require any further information please contact me.

Yours sincerely

A handwritten signature in blue ink that reads "John Ribbons". The signature is fluid and cursive, with a large loop at the end.

John Ribbons
Company Secretary