29th August 2012

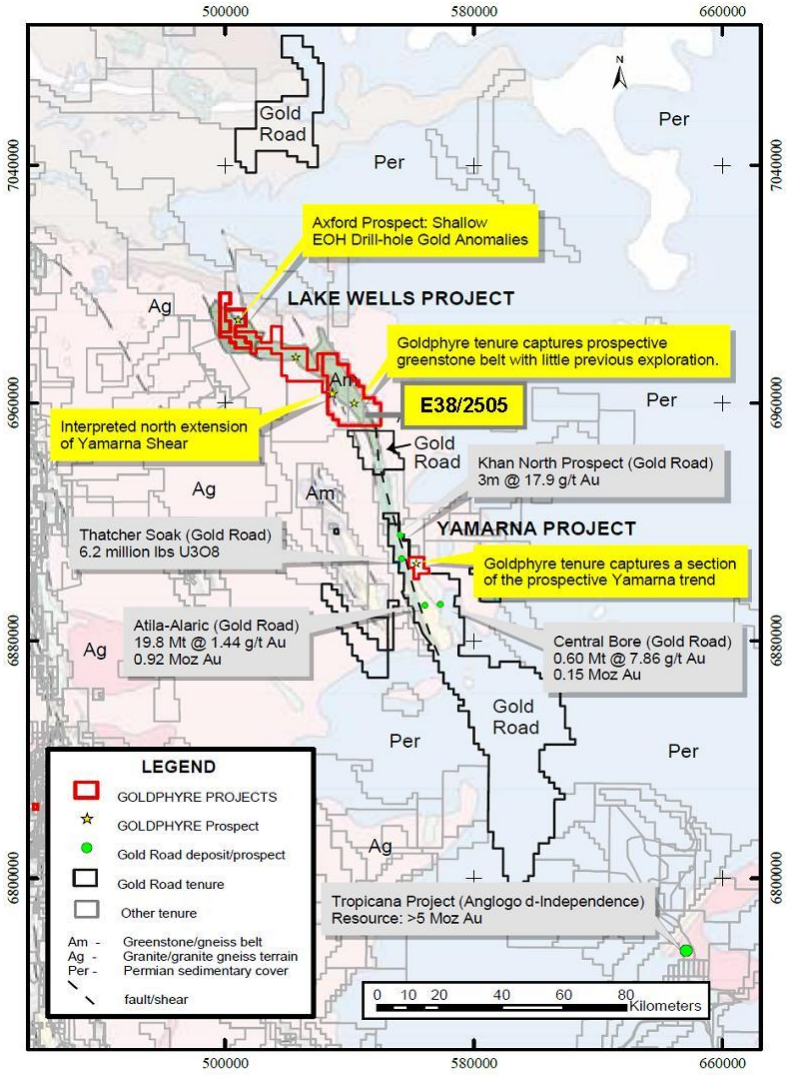
MEDIA RELEASE / ASX ANNOUNCEMENT

SIGNIFICANT GOLD INTERCEPTS INCLUDING AN END OF HOLE INTERCEPT OF 4m @ 4.71 g/t GOLD AT THE AXFORD PROSPECT, LAKE WELLS PROJECT

- **Significant end-of-hole (EOH) gold intercept of 4m @ 4.71 g/t gold from 96m to 100m EOH received along with other encouraging composite and 1m split results from first drill program at the Axford Prospect;**

- **Other encouraging results include 1m @ 4.51 g/t Au from 41m LGRC003 (1m Reverse Circulation split result) and a best Air-core intercept of 4m @ 1.31 g/t Au from 32m to 36m EOH in LGAC088 (4m composite results);**

- **Underexplored area with wide-spaced drilling and anomalous gold trends open to the north, west and downdip.**



LAKE WELLS – AXFORD PROSPECT

E38/1903 – 100% Goldphyre Resources Limited

Goldphyre Resources Limited (ASX:GPH, Goldphyre) is pleased to announce significant composite (2-4m) and split (1m) assays have been received from recent Reverse Circulation (RC) and Air-core (AC) drilling at the Axford Prospect in the western part of the Lake Wells Project (Table 1, Figure 1).

Table 1. Lake Wells - RC and AC Results Summary

Hole_ID	Drill_Type	Prospect	Holes
LGRC001-012	RC	Axford	12
LGAC056-107	AC	Axford, Yilly, Reconnaissance	52
		TOTAL	**64**

RC drilling (LGRC001-LGRC012) tested beneath shallow, historic drill-hole gold anomalies at the Axford Prospect. Until now, gold anomalism in historic drill holes had never been followed up adequately at depth or along strike and no historic RC drilling had been completed on the project area (Figure 1).

A significant intercept of **4m @ 4.71 g/t Au from 96m to 100m EOH** was reported in LGRC011. Elevated silver (0.41 g/t Ag) was also recorded in this 4m EOH intercept. A gold anomalous zone of 8m @ 0.41 g/t Au was recorded immediately above the 4.71 g/t Au intercept from 88-96m. The gold mineralisation in LGRC011 appears to be associated with a silicified granitic intrusive with minor disseminated pyrite and is interpreted to be open along trend to the northeast, to the south and at depth.

This gold intercept strengthens Goldphyre's view that the Lake Wells project represents an overlooked and underexplored region.

Table 2. Lake Wells - RC Drill-Hole Results (Composite and 1m Split samples)

Hole	Northing(m)	Easting(m)	Dip	Azimuth	Interval		Width(m)	Gold (g/t)	Hole Depth (m)
					From (m)	To(m)			
LGRC002	*6989451*	*501936*	*-60*	*270*	*72*	*73*	*1*	*0.26*	*80*
LGRC003	***6989449***	***501970***	***-60***	***270***	***41***	***42***	***1***	***4.51***	***108***
					42	*44*	*2*	*0.15*	
LGRC010	6989114	501537	-60	270	28	60	32	0.13	90
					72	76	4	0.18	
LGRC011	**6989111**	**501597**	**-60**	**270**	88	96	8	0.41	**100**
					96	**100**	**4***	**4.71**	

* - denotes composite sample at end-of-hole

Intercepts in italics = 1m RC Split results

Datum: GDA94 Zone 51 Co-ordinate system with collar pickup by hand-held GPS Garmin 60, Hole Inclination by clinometer and azimuth by compass.

Note: All composite samples (maximum 4m interval) were collected by scoop or spear from RC or AC drill chips and 1m RC split samples were collected by rig-mounted rotary splitter directly off rig at time of drilling and delivered to Bureau Veritas Kalassay Lab, Kalgoorlie for 40g Fire Assay Digest with ICPMS Finish (FA40_ICPMS).(Detection Limit – 1ppb Au,Pt,Pd)

[1] Reference: WMC Resources Ltd, Sand Dune JV Annual Report for Period to 31 December 1997, p8.

Hole LGRC011 is the middle hole of a 'fence' of three angled RC holes that tested beneath a modest, shallow gold anomaly (2m @ 0.30 g/t Au from 16m to EOH[1]) in a historic drill-hole. A broad, anomalous gold intercept of 32m @ 0.13 g/t Au from 28m was reported from the neighboring drill-hole to the west, LGRC010 (Figure 2). Holes LGRC001, 004-009, 012 recorded no significant gold results.

One metre split samples were collected from a previously reported 4m composite intercept of 4m @ 1.58 g/t Au from 40m in LGRC003 and returned a significant intercept **of 1m @ 4.51 g/t gold from 41m** (Table 2, Figure 2). Although the one metre sampling has reduced the width, this gold value is considered very significant as the intercept has been recorded at relatively shallow depth, at a significant grade and is interpreted to be open at depth and to the northeast and southwest.

Composite sample results have been received for AC holes (LGAC056-LGAC107) completed in the first pass drill program (Table 3). Further strong down-hole gold anomalies were recorded in this program including a best AC intercept of **4m @ 1.31 g/t** Au **from 32m to EOH** in LGAC088. Several other gold anomalous AC intercepts have been received, including anomalies reported at EOH in consecutive drill holes (LGAC074 and LGAC075). In Goldphyre's view, these anomalous gold results further increase the prospectivity of the Axford Prospect.

Two AC holes (LGAC106-LGAC107) tested a sand covered, discrete 'bulls-eye' magnetic target (Figure 1, Table 4). Minor fine-grained disseminated sulphide (logged as pyrite) was recorded in both holes and elevated base-metals values (10m @ 215 ppm Cu and 114 ppm Zn from 44-54m EOH) and elevated silver (2m @ 0.1 g/t Ag from 52-54m EOH) were recorded in hole LGAC107. These elevated results suggest base metal prospectivity may be associated with the discrete magnetic anomaly.

Table 3. Lake Wells AC Drill-Hole Results (Composite samples)

Hole	Northing (m)	Easting (m)	Dip	Azimuth	Interval		Width(m)	Gold (ppb)	Hole Depth(m)
					From (m)	To(m)			
LGAC066	6989621	502239	90	-	28	36	8	176	40
LGAC074	6989307	501602	90	-	28	32	4*	204	32
LGAC075	6989299	501516	90	-	16	28	12*	154	28
LGAC088	**6989361**	**502210**	**90**	**-**	**32**	**36**	**4***	**1306**	**36**

* - denotes composite sample at end-of-hole

Datum: GDA94 Zone 51 Co-ordinate system with collar pickup by hand-held GPS Garmin 60, Hole Inclination by clinometer and azimuth by compass.

Note: All composite samples (maximum 4m interval) were collected by scoop or spear from RC or AC drill chips and delivered to Bureau Veritas Kalassay Lab, Kalgoorlie for 40g Fire Assay Digest with ICPMS Finish (FA40_ICPMS). (Detection Limit – 1ppb Au,Pt,Pd)

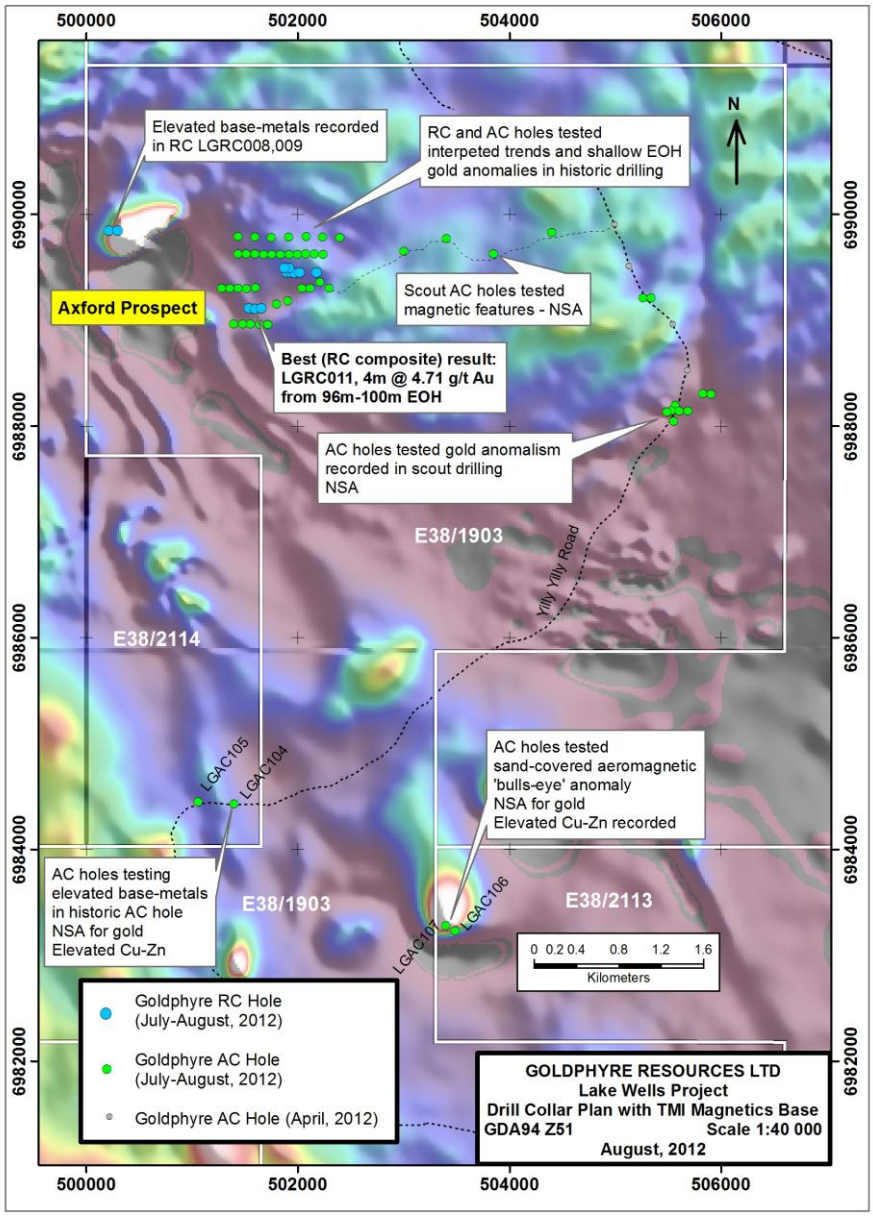


Figure 1. Lake Wells WEST Area (E38/1903, E38/2113, E38/2114) Drill Collar Plan with TMI Magnetics base map

Figure 1 above shows hole collar locations from the recent RC and AC drill program. Figure 2 below shows further detail of hole locations and gold intercepts from the Axford Prospect.

Table 4. Lake Wells - RC and AC Drill-Hole Results (Composite base-metal samples)

Hole	Northing(m)	Easting(m)	Dip	Azimuth	Interval		Width(m)	Cu(ppm)	Zn(ppm)	Hole Depth(m)
					From (m)	To(m)				
LGRC008	6989849	500216	60	90			62*	129	97	78
LGRC009	6989849	500294	60	90	60	78	18*	112	107	78
LGAC104	6984429	501401	90	-	52	56	4	127	122	66
LGAC107	6983277	503402	90	-	44	54	10*	215	114	54

* - denotes composite sample at end-of-hole

Datum: GDA94 Zone 51 Co-ordinate system with collar pickup by hand-held GPS Garmin 60, Hole Inclination by clinometer and azimuth by compass.

Note: All composite samples (maximum 4m interval) were collected by scoop or spear from RC or AC drill chips and delivered to Bureau Veritas Kalassay Lab,Kalgoorlie for 40g Fire Assay Digest with AD02_ICPMS finish. (Detection Limit – Cu,Zn : 1ppm).

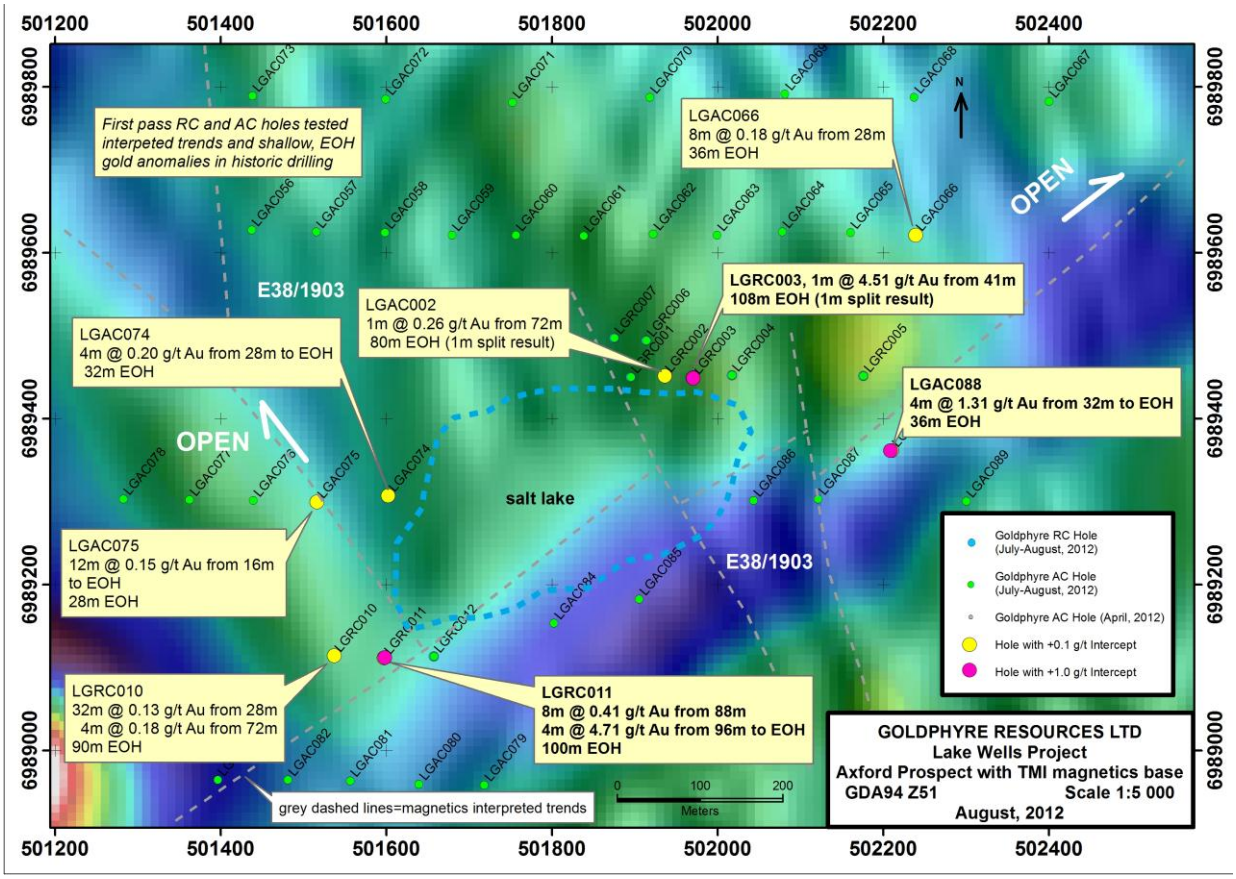


Figure 2. Axford Prospect Drill Collar Plan with gold intercepts and TMI Magnetics base map

Followup RC and AC drilling of significant and anomalous gold intercepts is now a priority at the Axford Prospect, pending the collection and assay of relevant 1m RC and AC split samples and detailed interpretation of lithological logging and aeromagnetics interpretation to aid drill program design.

ABOUT GOLDPHYRE RESOURCES LIMITED

Goldphyre Resources Limited 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.

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 anomalism (as recorded at the Axford prospect) provides immediate drill targets. The overall project is considered prospective for gold, nickel, platinum group elements (PGE), base metals and uranium.

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.

The Mailman Hill 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.

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 neighboring company is preparing to recommence mining operations.

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.

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COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brenton Siggs who is a member of the Australasian Institute of Geoscientists. Mr Siggs is contracted to the company through Reefus Geology Services and is a Non-Executive Director (Exploration Manager) of Goldphyre Resources Limited. Mr Siggs has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Siggs consents to the inclusion in this report of this information in the form and context in which it appears.