

GOLDPHYRE AWARDED \$108,000 DRILLING GRANT BY WA GOVERNMENT

Goldphyre Resources Limited (ASX: GPH) is pleased to advise that it has been awarded a \$108,000 grant by the WA Government to co-fund exploration drilling at the Company's Lake Wells Potash Project, 500km north-east of Kalgoorlie.

The funding, which will be provided under the Exploration Incentive Scheme administered by the Department of Mines and Petroleum, will be put towards the drilling program planned as part of Goldphyre's strategy to establish a maiden Resource at Lake Wells by mid-2016.

Goldphyre announced last week that it will triple the size of its Lake Wells project holding to 1500km² under a transaction with a company controlled by prospector Mark Creasy (see ASX announcement 2 December 2015)ⁱ.

Under the agreement with Lake Wells Exploration Pty Ltd ("LWE"), a subsidiary of Creasy's investment vehicle Yandal Investments Pty Ltd, Goldphyre will acquire 100% of the potash rights over a 1000km² ground package held by LWE immediately adjacent to the Company's Lake Wells Potash Project (Figure 1).

The transaction will see Mr Creasy's company emerge as Goldphyre's largest shareholder with a 19.9 per cent holding.

Upon completion of the transaction, Goldphyre will immediately conduct a seismic program on the LWE ground with a view to releasing a maiden Exploration Target for the entire project in February 2016.

Goldphyre will then conduct a drilling program on its and the LWE ground as part of its strategy to publish a maiden Resource by the middle of next year.

The expanded Lake Wells Potash Project is a brine-hosted sulphate of potash (SOP) project, which is aiming to supply the Australian domestic demand for SOP. Goldphyre has reported high-grade potash from surface to depths of over 135m, with 3 of 17 holes being effectively open ended at this depthⁱⁱ.

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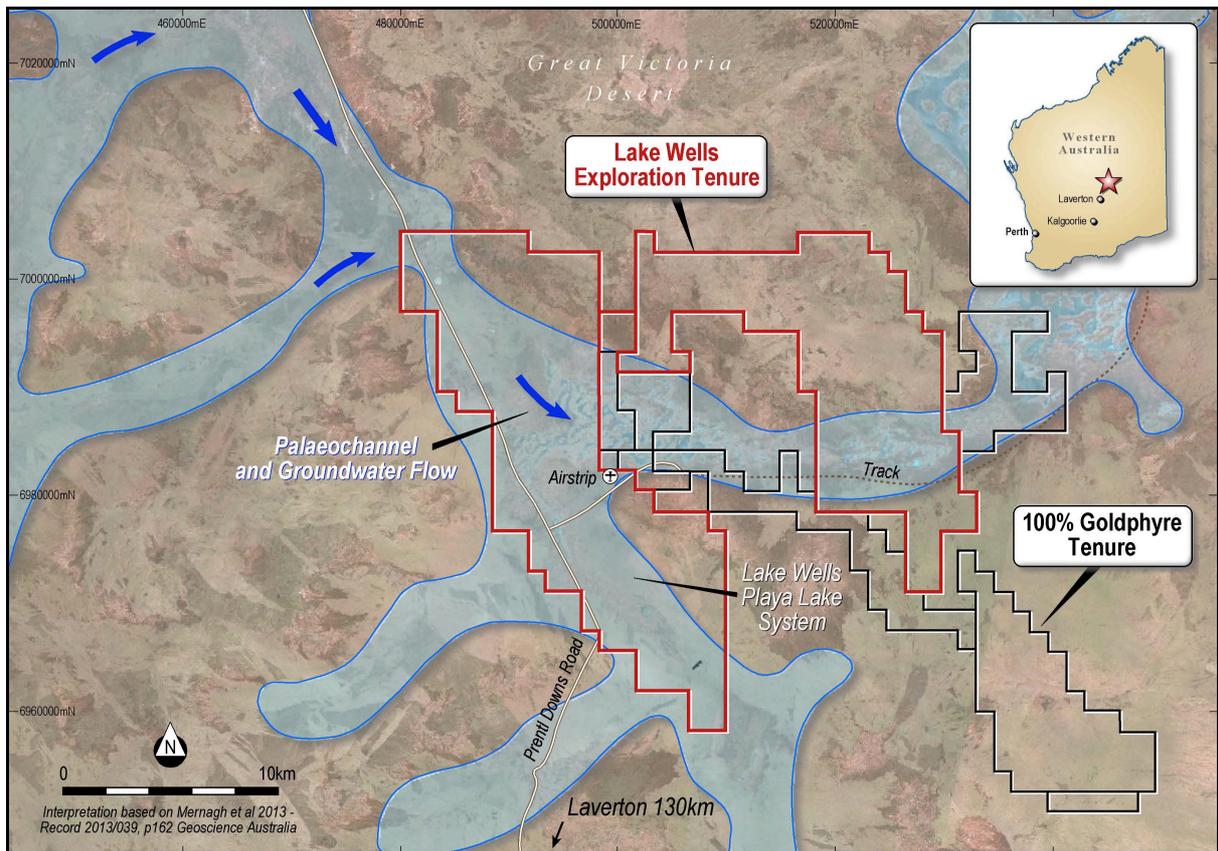


Figure 1: The Lake Wells Potash Project's footprint has been extended to over 200km² of lake surface area

ⁱRefer to ASX announcement 2 December 2015 'Goldphyre Triples Lake Wells Potash Project Area'. That announcement contains the relevant statements, data and consents referred to in this announcement. Apart from that which is disclosed in this document, Goldphyre Resources Limited, its directors, officers and agents, are not aware of any new information that materially affects the information contained in the 2 December 2015 announcement.

ⁱⁱRefer to ASX announcement 26 August 2015 'Lake Wells Potash Drilling Results'. That announcement contains the relevant statements, data and consents referred to in this announcement. Apart from that which is disclosed in this document, and in the ASX announcement 15 October 2015 'Quarterly Activities Report', Goldphyre Resources Limited, its directors, officers and agents, are not aware of any new information that materially affects the information contained in the 26 August 2015 announcement.