



QUARTERLY ACTIVITIES REPORT

JUNE 2015

HIGHLIGHTS

Lake Wells Potash Project (100% Owned)

- Drill program planning finalised during the quarter and drilling commenced 22 July 2015
 - Program planned for 2,000m of AC drilling to depths of up to 150 metres
 - Drilling has been designed to test the depth extensions to the previously recorded near surface samples, including a best assay of **7.36 kg/m³ K**, equivalent to **16.41 kg/m³ SOP** and an average across 31 brine samples of **4.84 kg/m³ K**, equivalent to **10.79 kg/m³ SOP**
- Modelling of historic drill data during the quarter indicated a brine aquifer volumetric estimate of **1.6 billion cubic metres** contained within the boundaries of Goldphyre's Lake Wells Potash Project

Corporate

- Successful placement of shares to existing and new sophisticated investors raised \$1,000,000
- Company is now funded to implement its forward work program at the 100% owned Lake Wells Potash Project

LAKE WELLS POTASH PROJECT

Goldphyre Resources' 100% owned Lake Wells Potash Project (*Figure 1: Location map*) is a brine-hosted sulphate of potash project located in the Eastern Goldfields region of Western Australia, which is aiming to supply the Australian domestic demand for SOP. Currently Australia imports 100% of all potash used, estimated at 500,000 – 600,000 tonnes per annum.

During the quarter, Goldphyre modeled historic Western Mining Corporation (WMC) drill dataⁱ, which indicated a volumetric estimate for the aquifer at the Project at **over 1.6 billion cubic metres**ⁱⁱ (*Figure 2: Lake Wells Potash Project, Aquifer model, Table 1: Lake Wells Potash Project, Aquifer modelling*). In addition, the interpretation of the data indicates that the regolith profile at Lake Wells is amenable for potash brine extraction.

On the back of the modeling and interpretation work, the Company finalised its drill program planning for the Lake Wells Potash Project, with drilling commencing on Wednesday 22 July 2015. Goldphyre's previous exploration

and sampling of the Lake Wells brines yielded assays up to **7.36 kg/m³ K**, equivalent to **16.41 kg/m³ SOPⁱⁱⁱ**. The Company's inaugural potash drill program has been designed to test potash concentration through the aquifer to bedrock, deliver data that will be used to evaluate the brine volume and commence aquifer monitoring data capture, including re-charge rates of the Lake Wells playa lake system. (Figure 3: Lake Wells Potash Project, Schematic cross section with proposed drill hole trace demonstrating blade refusal penetration through regolith and deep paleochannel section & Figure 4: Lake Wells Potash Project, Planned Air-core drilling program).

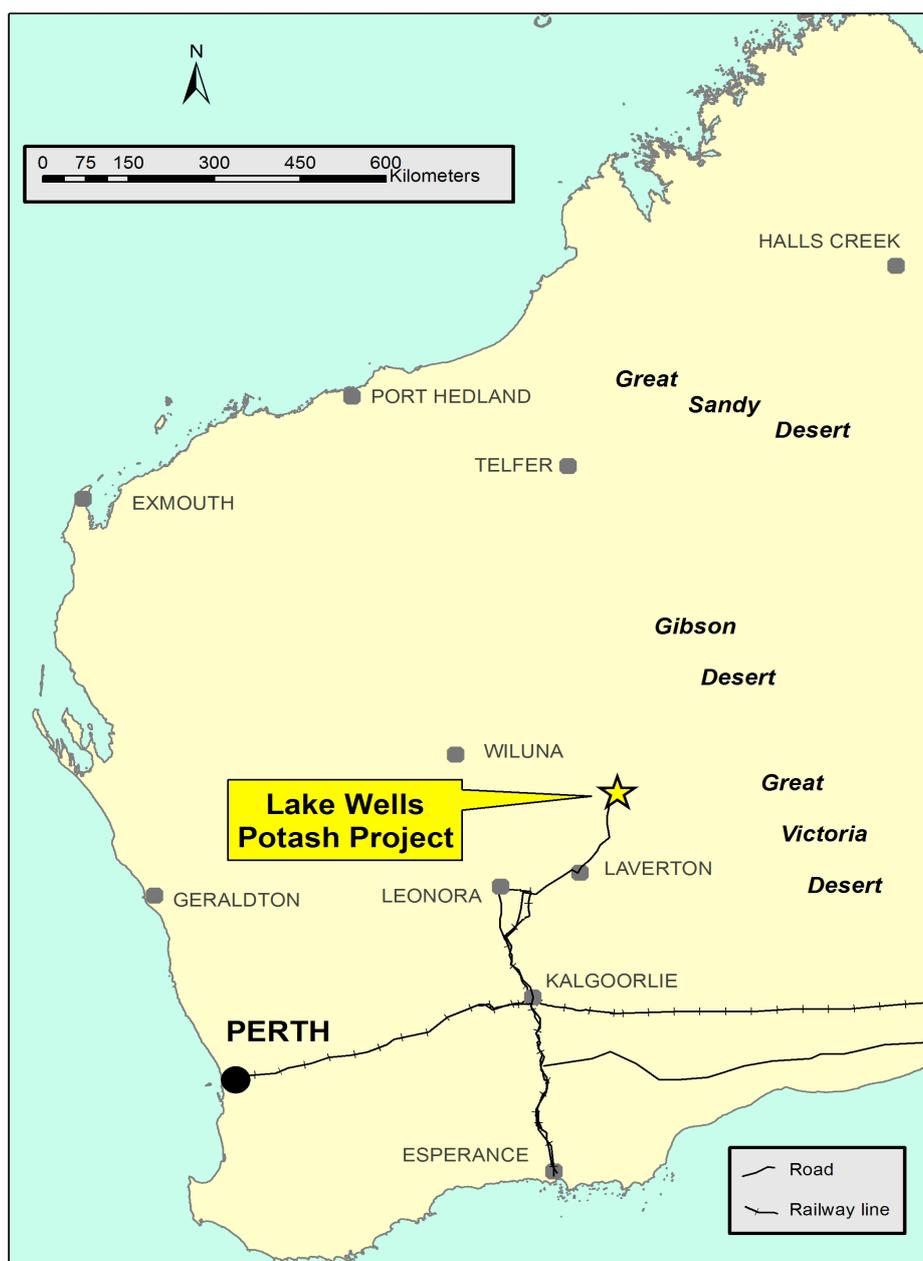


Figure 1: Lake Wells Potash Project, Location map

Area (km ²)	Average thickness (m)	Bulk volume (million m ³)	Porosity estimate	Brine volume (million m ³)
26	62	1,602	0.4 (upper)	641
			0.33 (middle)	529
			0.25 (lower)	400

Table 1: Lake Wells Potash Project, Aquifer modelling

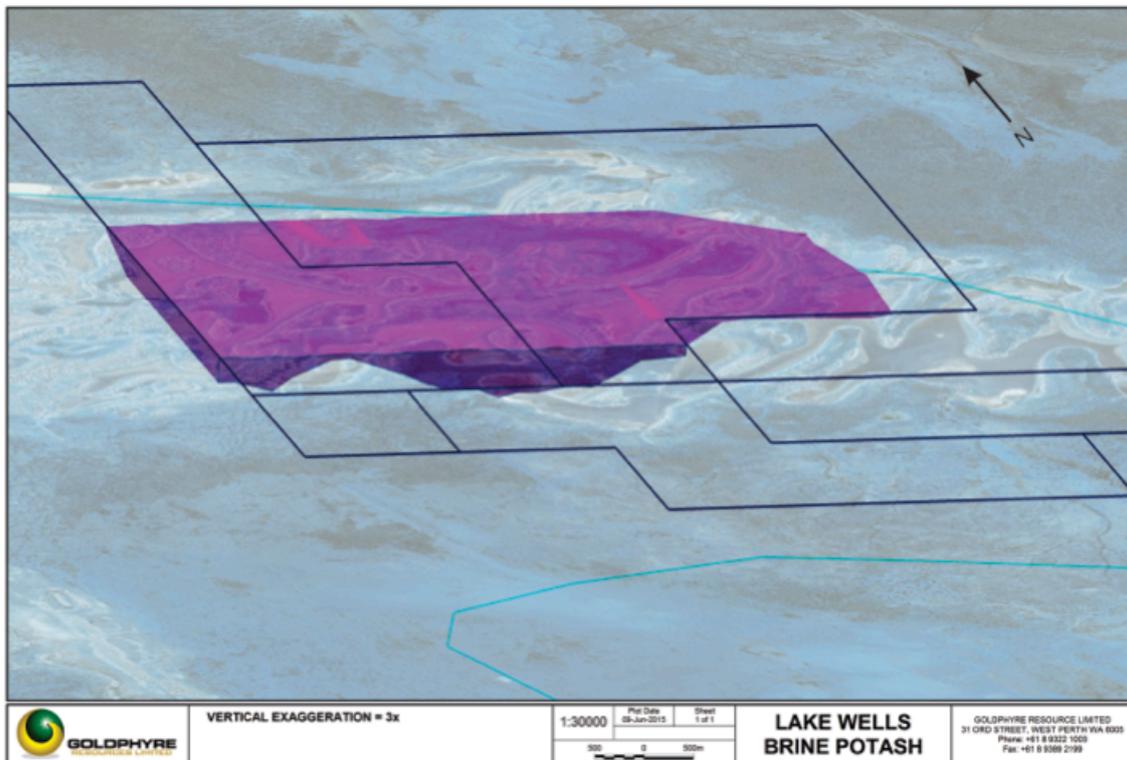


Figure 2: Lake Wells Potash Project, Aquifer model



Figure 3: Lake Wells Potash Project, Schematic cross section with proposed drill hole trace demonstrating blade refusal penetration through regolith and deep palaeochannel section

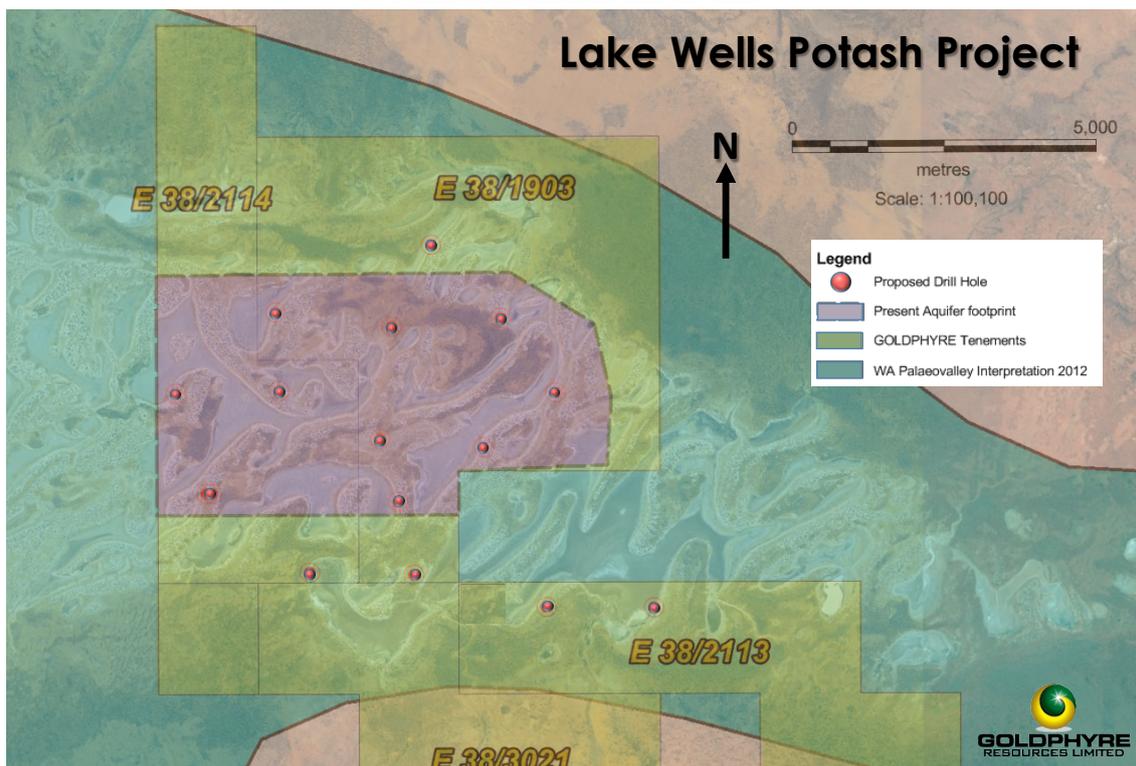


Figure 4: Lake Wells Potash Project, Planned Air-core drilling program

The Company continued developing the network of technical consultants required to bring a brine hosted potash project to fruition, including engaging with hydrological, hydrochemical and engineering consultants, rail and road based freight providers, and end user industry groups and users. The management team is also implementing a forward work program developed with input from the respective technical professionals with the aim of delineating a potash resource at the Lake Wells Potash Project.

CORPORATE

Capital Raising

The Company completed a placement of ordinary shares (ASX: GPH) to existing and new sophisticated investors on 24 June 2015. Priced at 3.2 cents per share including a free attaching listed option (ASX: GPHO) exercisable at 8 cents at any time before 30 September 2016, the placement raised \$1,000,000 before costs.

The placement will be effected in two tranches, with the first tranche of 17.1 million shares settled on Friday 3 July 2015, and the second tranche of 14.1 million shares and 31.25 million options to be settled after the Company's General Meeting called for 7 August 2015.

Cash Position

At 30 June 2015, the Company had cash reserves of \$284,000 (this is prior to the receipt of any funds from the \$1,000,000 placement announced 24 June 2015).



General Meeting of Shareholders

The Company has issued a Notice of Meeting to shareholders, calling a General Meeting for Friday 7 August 2015, to consider among other issues the ratification of the share issue under Tranche 1 of the placement referred to above, and to resolve to issue the shares and options under Tranche 2.

FUTURE ACTIVITIES

The current Air-core drilling program at the Lake Wells Potash Project is due to complete in August 2015. The Company expects to begin reporting assay results to shareholders within the September 2015 quarter.

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POTASSIUM, POTASH AND SOP

Grade, volume and recharge rates

Brine SOP resources are typically contained within aquifers. Three essential technical parameters to address when considering these types of deposits are grade, volume and re-charge rates of the aquifer.

Logistics

Goldphyre's exploration base at the Lake Wells Potash Project is located approximately 300 kilometres from Leonora (Figure 5). Accessed by sealed roads for some 140 kilometres, with a further 160 kilometres of high quality, road train haulage capacity gravel roads, the Company has commenced a desktop study into the logistical solution to a potential development.



Figure 5: The Lake Wells Potash Project is the best placed part of the playa system to access vital freight infrastructure

Sulphate of Potash – SOP

SOP (Figure 6) is prized as the premium source of potassium for fertiliser use, with its high potassium, accompanying sulphur and low chlorine content (typically 45% K, 18% S and < 1% Cl respectively).

Brine SOP deposits are relatively uncommon, with only 3 producing operations globally. Subject to location and access to infrastructure however, brine SOP projects typically occupy the lower end of the production cost curve. Currently there is not a brine SOP operation in Australia.

Potash brine exploration in Australia is growing strongly. The relatively slow development progress of high CAPEX potash projects, and global macro-economic circumstances more generally, provide strong incentives for the development of domestic potash supplies.

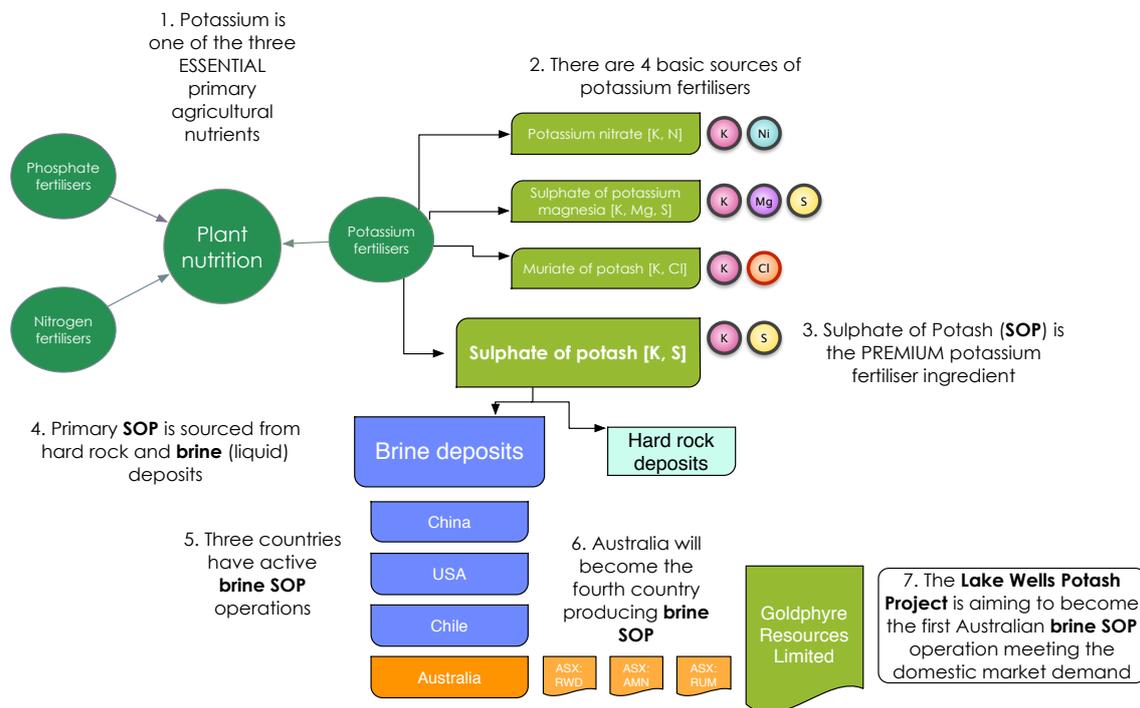


Figure 6: Potash essentials

Competent Person's 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 2012 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 the matters based on his information in the form and context in which it appears. Mr Siggs is a shareholder and director of Goldphyre WA Pty Ltd, a company that holds ordinary shares and options in the capital of Goldphyre Resources Limited (Goldphyre Resources Limited, Annual Report 2014).

Forward Looking Statements Disclaimer

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

ⁱ Williams, R.I. (1998), Sand Dune JV Annual Report for the Period 22 November 1996 to 31 December 1997, WMC Ltd, a54285

ⁱⁱ Refer to ASX Announcement 11 June 2015 'Lake Wells Potash Project, Extensive brine aquifer modelling'. That announcement contains the relevant statements, data and consents referred to in this announcement. Goldphyre Resources Limited, and its directors, officers and agents, are not aware of any new information that materially affects the information contained in the 11 June 2015 announcement.

ⁱⁱⁱ Refer to ASX Announcement 10 March 2015 'Lake Wells Potash Project, High grade brine exploration project in the eastern goldfields'. That announcement contains the relevant statements, data and consents referred to in this announcement. Goldphyre Resources Limited, and its directors, officers and agents, are not aware of any new information that materially affects the information contained in the 10 March 2015 announcement.