

Goldphyre Resources Limited

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Projects:

Lake Wells: gold, nickel, base metals, PGM, uranium

Yamarna: gold, PGM, uranium

Mailman Hill: gold, base metals

Island View: gold, base metals



“A new company targeting overlooked and underexplored greenstone belts in the Eastern Goldfields of Western Australia”

**LAKE WELLS
GOLD EXPLORATION UPDATE**

HIGHLIGHTS

- Further significant and broad gold intercepts recorded from remaining composite drill results from recent Reverse Circulation (RC) and Air Core (AC) drilling (43 holes, 3,596m) confirm presence of large alteration system at the Axford Prospect
- Significant and anomalous composite intercepts remain open along trend and at depth and includes:
 - 4m @ 1.28 g/t Au (LGRC023)
 - 20m @ 0.56 g/t Au (LGRC021)
 - 4m @ 1.57 g/t Au (LGAC131)
 - 20m @ 0.35 g/t Au (LGAC137)
 - 32m @ 0.23 g/t Au (LGAC112)
- Other gold anomalous intervals (+100 ppb Au) associated with broad alteration haloes in RC and AC drilling
- Encouraging new reconnaissance soil and rock-chip results up to 1.56 g/t gold from surface quartz veining near Axford
- Field reconnaissance and follow-up geochemistry to commence 23rd January, 2013 at Lake Wells

LAKE WELLS – AXFORD PROSPECT

E38/1903 – 100% Goldphyre Resources Limited

Goldphyre Resources Limited (ASX: GPH or “Goldphyre”) is pleased to announce further significant and anomalous composite (nominal 4m) drill results from the Axford Prospect at the Lake Wells Project.

These results are from the final five outstanding RC holes (LGRC021-LGRC025) and from all AC drilling (LGAC108-LGAC137) completed in mid-December, 2012 (Table 1, Figure 1).

Table 1. Lake Wells - RC and AC Results Summary

Hole_ID	Drill_Type	Prospect	Holes	Metres
LGRC013-025	RC	Axford	13	1,748
LGAC108-137	AC	Axford	30	1,848
		TOTAL	43	3,596

The RC drilling (LGRC013-LGRC025) tested beneath shallow, historic drill-hole gold anomalies and significant gold intercepts from recent RC and AC drilling at the Axford Prospect.

Further significant and broad gold anomalous intercepts were recorded with a best result of **4m @ 1.28 g/t Au from 24m** in LGRC023 (Table 2, Figure 1). All samples are nominal 4m composite samples (except where denoted*) and follow-up 1m sampling is a priority to gain a more accurate assessment of the composite gold intercepts.

The latest RC holes drilled were completed on four fences. Three fences straddled the high-grade gold intercept in LGRC011 and the fourth fence was drilled to the north, over gold anomalies reported in consecutive AC drill holes (LGAC074 and LGAC075). This northernmost fence of holes is located 200 metres north of the high-grade gold intercept in LGRC011 and LGRC015 and the shallow 4m @ 1.28 g/t Au intercept recorded in LGRC023 is interpreted to be associated with a northerly trending zone of significant gold mineralisation.

AC drilling (LGAC108-LGAC137) was completed on various priority target areas at Axford including:

- 1) Testing and confirming the northerly trend of significant gold mineralisation on the western part of Axford (successfully demonstrating a +100 ppb gold-in-hole trend of over 400m strike from LGAC137 section to LGAC114 section).
- 2) Follow-up anomalous recent and historic AC drilling (with anomalous gold results returned from the eastern part of Axford).
- 3) Follow-up ineffective shallow historic holes that terminated in quartz veining or weathered sulphide mineralisation.

This AC drilling recorded further encouraging gold anomalous intercepts on a mainly wide spaced drill pattern (40m-80m drill centres and 80m-300m between drill lines) and highlights the presence of several gold-in-hole trends which require follow-up testing.

The latest results do confirm the presence of a large alteration system commonly associated with several major Eastern Goldfields deposits and supports the petrological findings announced recently (ASX Release, 12th December, 2012¹) regarding the identification of granitic porphyry and diorite rocktypes with strong quartz-mica-pyrite-chlorite alteration.

¹ Reference : Mason, D G, 2012. Petrographic Descriptions For Drill Chip Rock Samples from the Axford Gold Prospect. Report #387

Table 2. Lake Wells - Axford RC Drill-Hole Results (Previously released results in Italics)

Hole	Hole Type	Northing(m)	Easting(m)	Dip	Azimuth	Interval		Width(m)	Gold (g/t)	Hole Depth (m)	
						From (m)	To(m)				
LGRC013	RC	6989115	501578	-60	270	18	19	1	1.26*	114	
						20	24	4	0.32		
						69	72	3	1.16*		
						92	96	4	2.03		
						96	97	1	0.37*		
LGRC014	RC	6989115	501617	-60	270	48	56	8	0.37	168	
						155	156	1	0.41*		
LGRC015	RC	6989121	501492	-60	90	36	40	4	0.29	168	
						40	44	4	1.24		
						48	52	4	0.36		
						84	88	4	0.32		
						110	113	3	0.35*		
						114	124	10	1.55		
						<i>incl.</i>	117	118	1		1.31*
<i>incl.</i>	121	122	1	10.63*							
					144	152	8	0.67			
					164	168	4**	0.67			
LGRC016	RC	6989115	501446	-60	90	96	100	4	0.74	120	
LGRC017	RC	6989075	501575	-60	270	68	72	4	2.26	144	
						76	80	4	0.58		
						88	92	4	1.32		
						128	136	8	0.51		
LGRC018	RC	6989075	501615	-60	270	148	152	4	0.32	168	
LGRC019	RC	6989155	501570	-60	270	52	56	4	0.35	114	
LGRC020	RC	6989155	501477	-60	90	116	120	4	2.70	168	
						124	132	8	0.95		
						<i>incl.</i>	124	128	4		1.55
						128	132	4	0.34		
						140	148	8	0.36		
LGRC021	RC	6989152	501607	60	270	96	100	4	0.39	150	
						108	128	20	0.56		
						144	148	4	0.22		
LGRC022	RC	6989299	501600	60	90	64	68	4	0.24	100	
LGRC023	RC	6989299	501560	60	90	24	28	4	1.28	100	
						44	56	12	0.26		
LGRC024	RC	6989302	501519	60	90	32	36	4	0.23	114	
						60	64	4	0.39		
						100	104	4	0.32		
LGRC025	RC	6989304	501480	60	90	20	28	8	0.68	120	
						40	44	4	0.70		
						116	120	4**	0.26		

4m composite sample except where denoted *

**EOH composite sample

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: 1m RC split intercepts calculated with 0.20 g/t Au lower cut, no upper cut and maximum 2m internal dilution. 1m RC split samples were collected by rig-mounted rotary splitter directly off rig at time of drilling and nominal 4m RC composite samples were collected by PVC spear or scoop. Samples delivered to Bureau Veritas Kalassay Lab, Kalgoorlie for 40g Fire Assay Digest with ICPMS Finish (FA40_ICPMS). (Detection Limit – 1ppb Au)

The petrological study also revealed gold is present as native gold grains and tiny inclusions in pyrite. This observation may explain gold assay repeatability discrepancies in an isolated AC composite sample (LGAC131, 4m @ 1.57 g/t Au returned repeat samples ranging from 0.79 g/t Au to 3.80 g/t Au, Table 4). Other composite results show reasonable repeatability and both Goldphyre and internal assay laboratory “QA/QC” checks are within acceptable limits.

This latest drilling has confirmed a robust gold-in-hole anomalous zone on the western part of Axford in conjunction with new gold anomalous holes on the eastern side. Further exploration is required to evaluate the strike, extent and downdip potential of the interpreted high-grade shoot nature of the Axford mineralisation and investigate the untested salt lake covered central area and follow up new AC gold anomalies.

Table 3. Lake Wells - Axford AC Drill-Hole Results

Hole	Hole Type	Northing (m)	Easting (m)	Dip	Azimuth	Interval		Width (m)	Gold (g/t)	Hole Depth (m)
						From (m)	To (m)			
LGAC110	AC	6989231	501500	60	270	20	28	8	176	54
LGAC111	AC	6989220	501540	60	270	20	24	4	131	66
						36	56	20	196	
					incl.	48	52	4	570	
LGAC112	AC	6989230	501580	60	270	12	44	32	227	66
LGAC114	AC	6989434	501522	60	90	40	44	4	248	66
LGAC119	AC	6989850	501380	90	0	36	40	4	102	60
LGAC120	AC	6989849	501377	90	0	36	40	4	330	60
LGAC124	AC	6989788	502047	90	0	36	40	4	107	60
LGAC131	AC	6989448	502263	90	0	44	48	4	1,570	66
LGAC133	AC	6989452	502419	90	0	64	66	2*	190	90
LGAC137	AC	6989033	501581	60	270	20	40	20	352	66
					incl.	24	28	4	800	
						52	60	8	412	

* - 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)

Table 4. LGAC131 Gold assay results with repeat results

Hole_ID	Intercept	Au_1	Au_RPT_2	Au_RPT_3	Au_RPT_4	Au_RPT_5	Au_AVERAGE (g/t)
LGAC131	44-48, 4m	3.80	0.78	1.06	0.89	1.30	1.57

Note: 4m composite sample collected by spear from AC drill chips and delivered to Bureau Veritas Kalassay Lab, Kalgoorlie for 40g Fire Assay Digest with ICPMS Finish (FA40_ICPMS) with repeats. (Detection Limit – 1ppb Au)

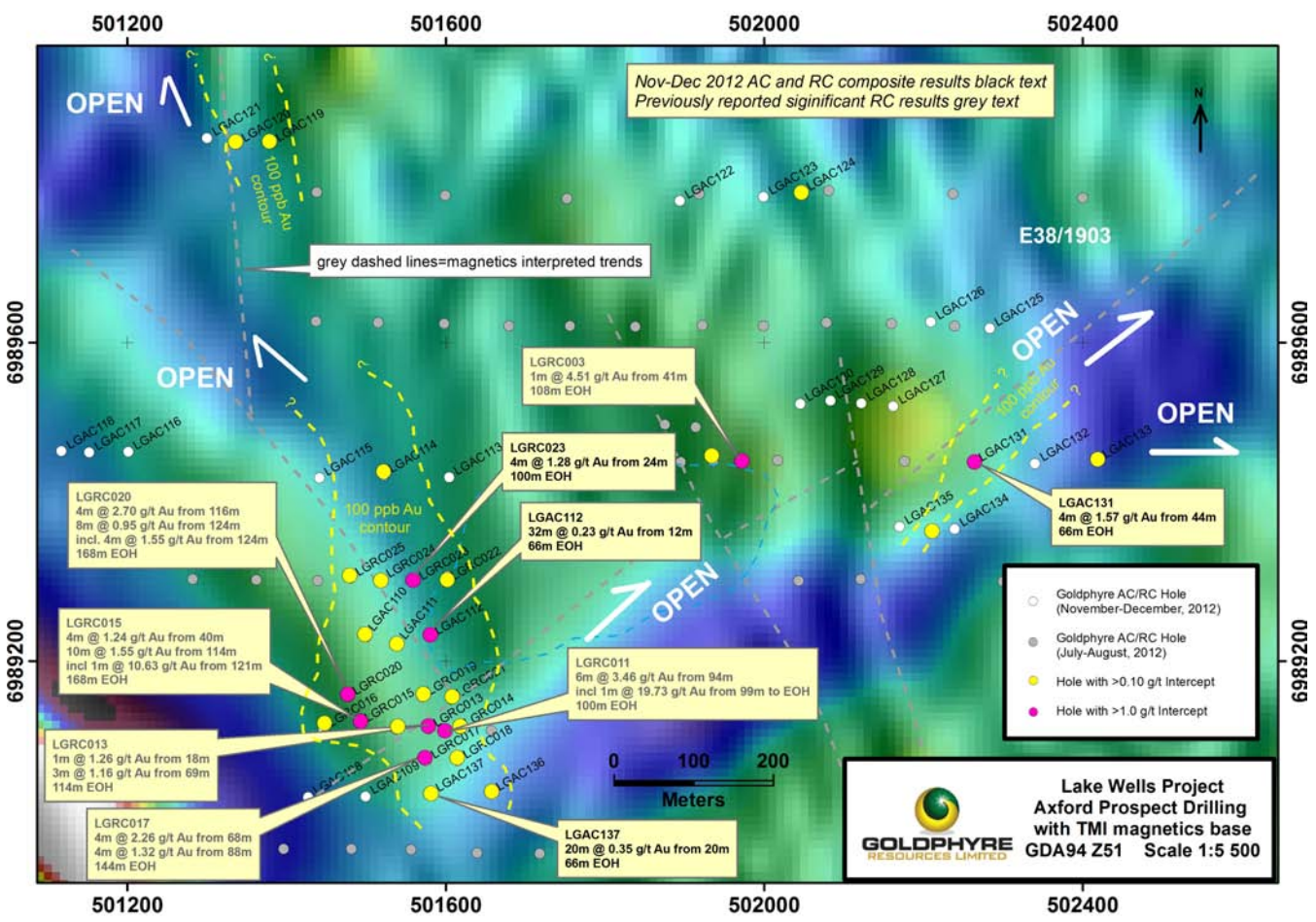
Goldphyre’s Technical Director Brenton Siggs said, “Further significant and broad zones of anomalous gold are very welcome but it is really encouraging to see widespread alteration zones in the limited drilling completed to date, suggesting a large alteration system similar to other granite-hosted Eastern Goldfields deposits”.

Follow-up RC and additional scout AC drilling with a salt lake accessible drill rig will be planned for the 2013 field season following the collection and receipt of all outstanding 1m RC and AC split assay results from recent drilling and further geological interpretive and targeting studies.

One metre split samples of significant and selected anomalous intervals from the AC and RC drilling program will be collected from site and freighted to the assay laboratory as soon as possible.

Figure 1 below shows hole collar locations and assay results from previous and recently completed RC and AC drill programs.

Figure 1. Lake Wells WEST Area (E38/1903) Drill Collar Plan



LAKE WELLS - NORTH WEST AREA

E38/1903, E38/2114 – 100% Goldphyre Resources Limited

Reconnaissance geochemistry sampling (16 rock chips, 37 soil samples, Figure 2) was completed in the north west part of the Lake Wells Project. Soil geochemistry consisted of two east/west lines with sample spacing of 200m on the northern edge of the Lake Wells playa lake system. Rock chips were collected at areas of prospective subcrop or outcrop.

The highest soil sample recorded was 16 ppb gold (with a background range of 0-3 ppb Au). The 16 ppb Au result is considered anomalous in this area and sand/clay soil regolith type. Encouraging gold values up to **1.56 g/t Au** from samples of surface quartz veining with minor weathered pyrite grains were also recorded (Table 3). Aeromagnetics interpretation suggests the gold anomalous soil and rock-chip samples occur near the south-east contact of an internal granitoid and trend south-east, in the general direction of the Axford prospect.

Further field reconnaissance and rock chip geochemistry is planned commencing 23rd January, 2013.

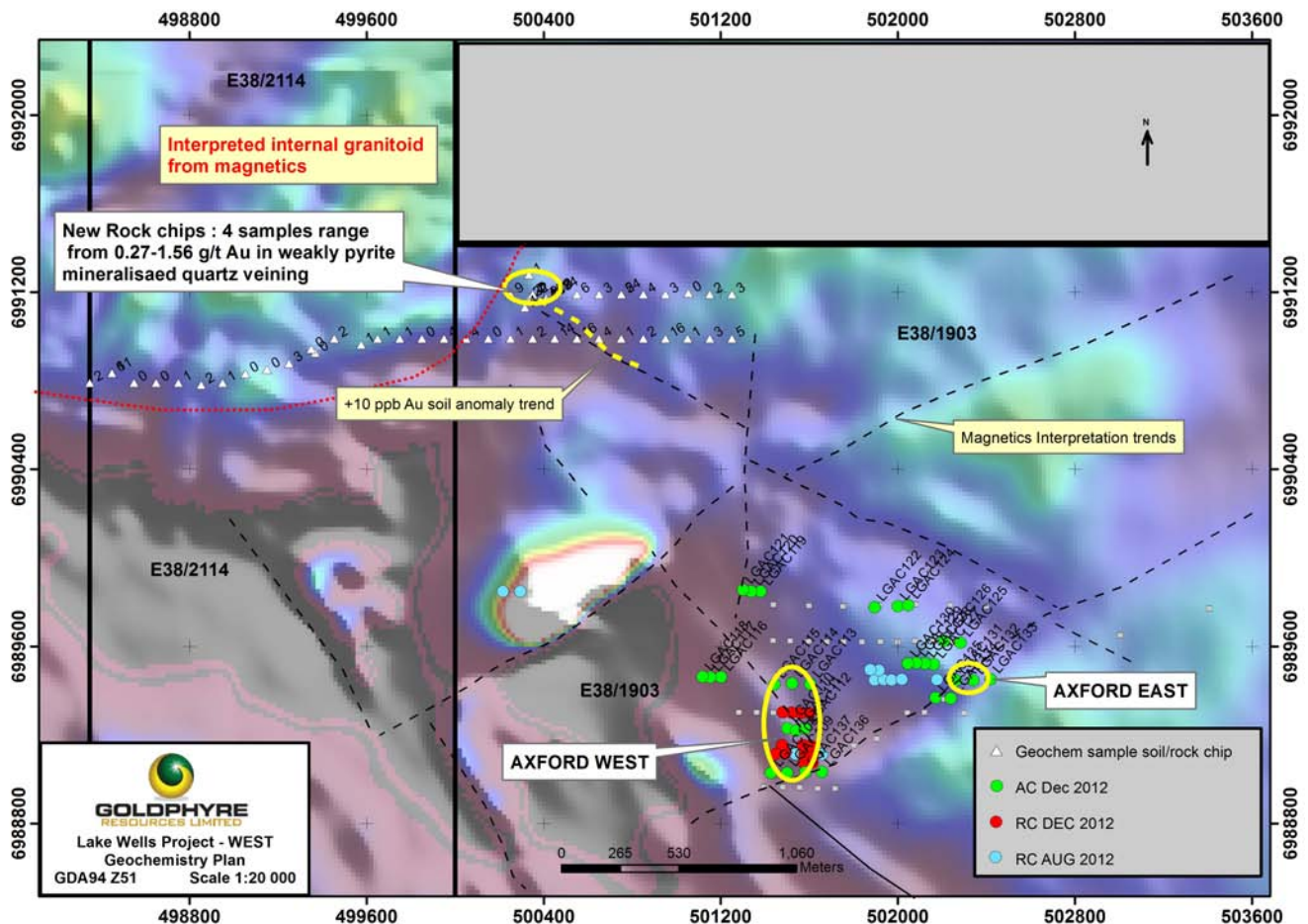
Table 5. Lake Wells Rock-chip sampling (Samples >100 ppb gold)

SITE ID	GDA_N	GDA_E	Au_ppb	Description
GMGS012	6991174	500410	273	vein quartz with minor pyrite
GMGS013	6991174	500410	677	vein quartz with minor pyrite
GMGS014	6991165	500407	1,560	vein quartz with minor pyrite
GMGS015	6991165	500407	459	vein quartz with minor pyrite

Datum: GDA94 Zone 51 Co-ordinate system with sample pickup by hand-held GPS Garmin 60.

Note: Rock chips <3 kg sample weight collected and delivered to Bureau Veritas Kalassay Lab, Kalgoorlie for 40g Aqua Regia Digest with ICPMS Finish (AR40_ICPMS). (Detection Limit – 1ppb Au)

Figure 2. Lake Wells WEST Area – Reconnaissance Geochemistry Plan (Soil values in ppb Au)



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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.

FORWARD LOOKING STATEMENT

This announcement may contain forward-looking statements which 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.