

GOLDPHYRE TO RAISE \$1.1M AS IT MOVES TOWARDS MAIDEN RESOURCE AT LAKE WELLS POTASH PROJECT IN WA

KEY POINTS

- **Goldphyre to raise up to \$1.1m in over-subscribed placement at 6.4c a share**
- **Drilling now underway as part of plan to complete maiden Resource at Lake Wells by June**
- **Recently announced Exploration Targetⁱ underpins Goldphyre's strategy to produce 75,000-100,000tpa of premium-priced sulphate of potash**
- **Strategy aimed at maximising economic returns with project cap-ex of less than \$100m**

NEXT STEPS

- **March 2016** **Diamond drilling program commenced today**
- **June 2016** **Publication of a maiden resource estimate**
- **Q2/Q3 2016** **Install test pumping bores, field evaporation trials**
Publication of resource upgrade
- **Q4 2016/Q1 2017** **Publication of measured resource estimate**

Goldphyre Resources Limited (ASX: GPH) advises that it has received commitments from professional and sophisticated investors to raise up to \$1.1 million through the issue of up to 17.2 million shares at 6.4 cents each. Hartleys Limited is Broker to the Offer.

The proceeds will be used to fund the diamond drilling program now underway at the Lake Wells Potash Project, further planned drill programs, associated assay analysis and modelling and working capital.

This work is aimed at completing a maiden JORC Resource estimate by June this year.

Goldphyre published an Exploration Targetⁱ last week, which underpins its strategy to produce 75,000-100,000 tonnes a year of sulphate of potash, which is currently selling for ≈ A\$1,000 per tonne at the farm gate.

Goldphyre Executive Chairman Matt Shackleton said the Company was now set to accelerate the exploration program and related studies at Lake Wells.

“The strong potential of Lake Wells is becoming increasingly clear,” Mr Shackleton said. “We have tripled the size of the project, we will bring on the Mark Creasy-controlled Yandal Investments as our major shareholder and we are well funded and on track to deliver a maiden JORC Resource in coming months.

“We fully expect this resource to further underpin a low CAPEX, profitable potash operation.”

The allotment of tranche 1 of the Placement for up to approximately 15.5 million shares (\$992,000) is not subject to shareholder approval and will fall within the Company's 15% placement capacity under ASX LR 7.1 and additional 10% placement capacity under ASX LR 7.1A.

The second tranche of the Placement for up to 1.7 million shares (\$108,000), are to be issued subject to shareholder approval at the Company's General Meeting scheduled to take place in April 2016. The Company will send a notice of meeting to shareholders in due course with respect to, amongst other matters, the approvals required for the second tranche of the Placement.

The Lake Wells Potash Project

A drilling program conducted at Lake Wells in July 2015ⁱⁱ identified high-grade potash mineralisation both beneath the lake and the low dune areas surrounding the lake. That drilling program generated wide intercepts of high-grade potash to depths of 135m (down-hole), which was the depth capacity of the drill rig used.

Two passive seismic survey programs have been conducted at the Project^{iii iv}. This data permits the clear targeting of drill holes into the deepest parts of the palaeovalley, allowing Goldphyre to assess the characteristics of the sand layers traditionally found in the bottom strata of the palaeovalley sediments (Figure 1).

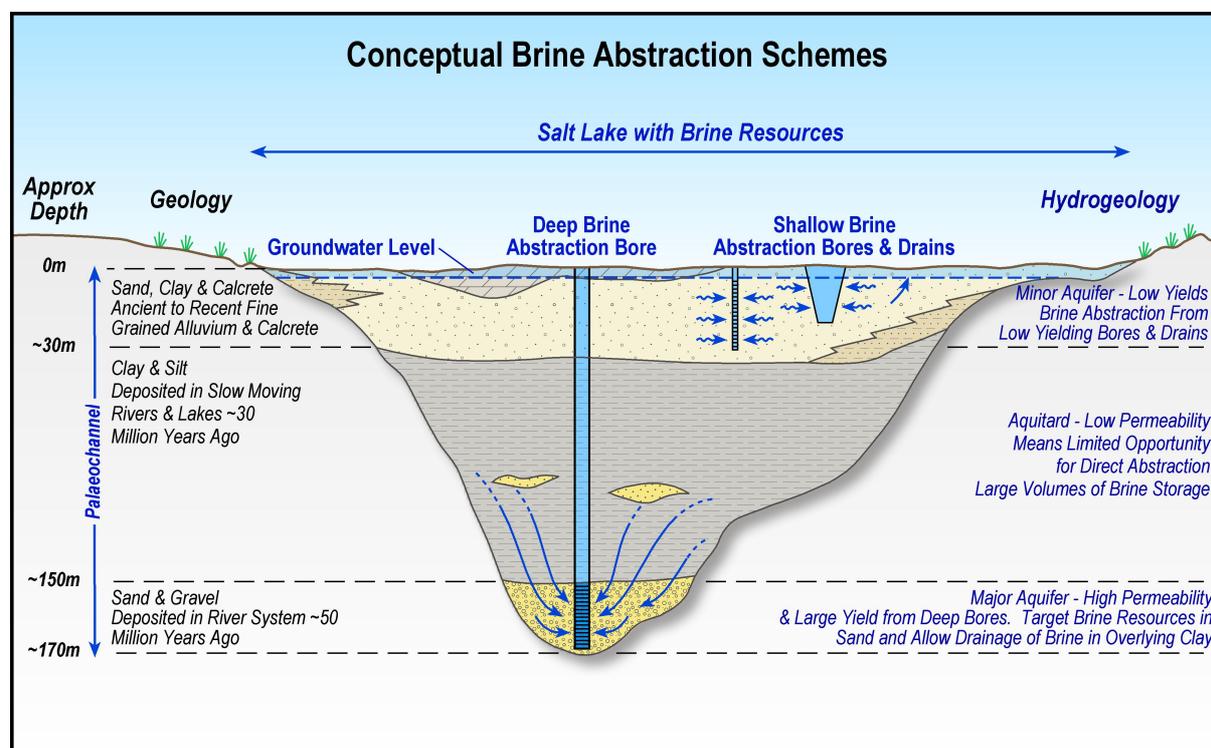


Figure 1: Goldphyre's current diamond drill program will target the deepest sections of the extensive palaeovalley, which is where the highly porous sand layers are traditionally found

This coarse, unconsolidated material often has a high permeability, which facilitates drainage of the overlying hydrogeological units.

Goldphyre has commenced a diamond drilling program at the Lake Wells Potash Project. This program will be aimed at understanding the sand, or basal layer, found at the bottom of the palaeovalley (Figure 1). Using the results of the drilling program, Goldphyre plans to release a Maiden JORC Resource Estimate in H1 2016.

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ⁱ Refer to ASX announcement 8 March 2016 'Major Sulphate of Potash Exploration Target at Lake Wells'. 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 8 March 2016 announcement.

The potential quantity and grade of the Exploration Target is conceptual in nature. There has not yet been sufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

ii Refer 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.

iii Refer to ASX announcement 15 December 2015 'Seismic Survey Defines Extensive, Deep Palaeovalley'. 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 15 December 2015 announcement.

iv Refer to ASX announcement 8 February 2016 'Second Seismic Survey Doubles Size of Deep Palaeovalley'. 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 8 February 2016 announcement.