24th May 2012

MEDIA RELEASE/ASX ANNOUNCEMENT

GOLDPHYRE RESOURCES LIMITED COMPLETES RECONNAISSANCE DRILLING AT LAKE WELLS PROJECT

- **Reconnaissance Rotary Air Blast (RAB) - Air core (AC) drill program (94 holes, 3066m) successfully completed on Lake Wells tenements E38/1903, E38/2113 and E38/2505**
- **Results received for first 9 holes on E38/1903 recorded gold anomalism**
- **Further AC drilling planned**
- **Assay results pending for 85 holes**

LAKE WELLS

E38/1903, E38/2113, E38/2114 and E38/2505 – 100% Goldphyre Resources Limited

Goldphyre Resources Limited (ASX: GPH) is pleased to advise that a reconnaissance RAB-AC drilling program has been completed on the Lake Wells Project, located 160 kilometres north of Laverton. The drilling program tested regional target areas on tenements E38/1903, E38/2113 and E38/2505 (Table 1).

Table 1. Drill Status Table

Hole_ID	Tenement	Drill_Type	Prospect	Holes	Metres
LGAC001-009	E38/1903	AC	Yilly	9	381
LGAC053-055	E38/1903	AC	Reconnaissance	3	8
LGAC043-052	E38/2113	AC	Reconnaissance	10	361
LGAC010-042	E38/2505	AC	Reconnaissance	33	1,426
LGRB001-039	E38/2505	RAB	Reconnaissance	39	890
			TOTAL	**94**	**3,066**

YILLY AREA

Scout drilling on the Yilly area consisted of 9 reconnaissance holes (LGAC001-009, 381m) and tested magnetic features and low, elevated soil sampling (max 3ppb gold) on the eastern portion of E38/1903. Composite assay results have been received for these nine drill holes.

Table 2. Lake Wells – Yilly Area - Anomalous Gold Results

Hole	Northing(m)	Easting(m)	Dip	Azimuth	Interval		Width(m)	Gold (ppb)	Hole Depth(m)
					From (m)	To(m)			
LGAC001	6988140	505570	-90	-	4	16	12	73	40
					32	36	4	129	
LGAC004	6989208	505297	-90	-	28	32	4	70	52

Datum: GDA94 Co-ordinate system with collar pickup by hand-held GPS Garmin 60
Note: All composite samples (maximum 4m interval) were collected by scoop or spear from Air-core drill chips and delivered to Bureau Veritas Kalassay Lab,Kalgoorlie for 40g Fire Assay Digest with ICPMS Finish (FA40_ICPMS). (Detection Limit – 1ppb Au)

The first hole of the line, LGAC001, returned encouraging composite gold anomalous intercepts: 12m @ 73 ppb Au from 4m depth (recorded in laterite and sandy grit) and 4m @ 129 ppb Au from 36m depth (logged in weathered granitic and gabbroic rocks) (Table 2, Figure 1).

Although considered low tenor, the gold anomaly recorded in LGAC001 is believed to be of particular significance, as LGAC001 is located at the start of the reconnaissance drill line and the closest historic drilling is approximately 1km to the south.

Followup AC drill testing is planned in the area around LGAC001 and will also focus on an adjacent, strong north-south trending structure interpreted from aeromagnetics. Another elevated gold anomalous zone in LGAC004 (4m @ 70 ppb Au from 28m) also requires further AC drill testing. It is planned to further investigate this prospective area when a track-mounted drill rig is scheduled to test the Axford Prospect in late June.

Field logging of these drill-holes revealed a variably weathered sequence of laterite, sands and clay overlying weathered gneiss and schist with volcanics and gabbroic rocks. Three scout AC holes (LGAC053-055) were also completed on E38/1903 and recorded very shallow weathered dolerite. Assays are pending for these holes.

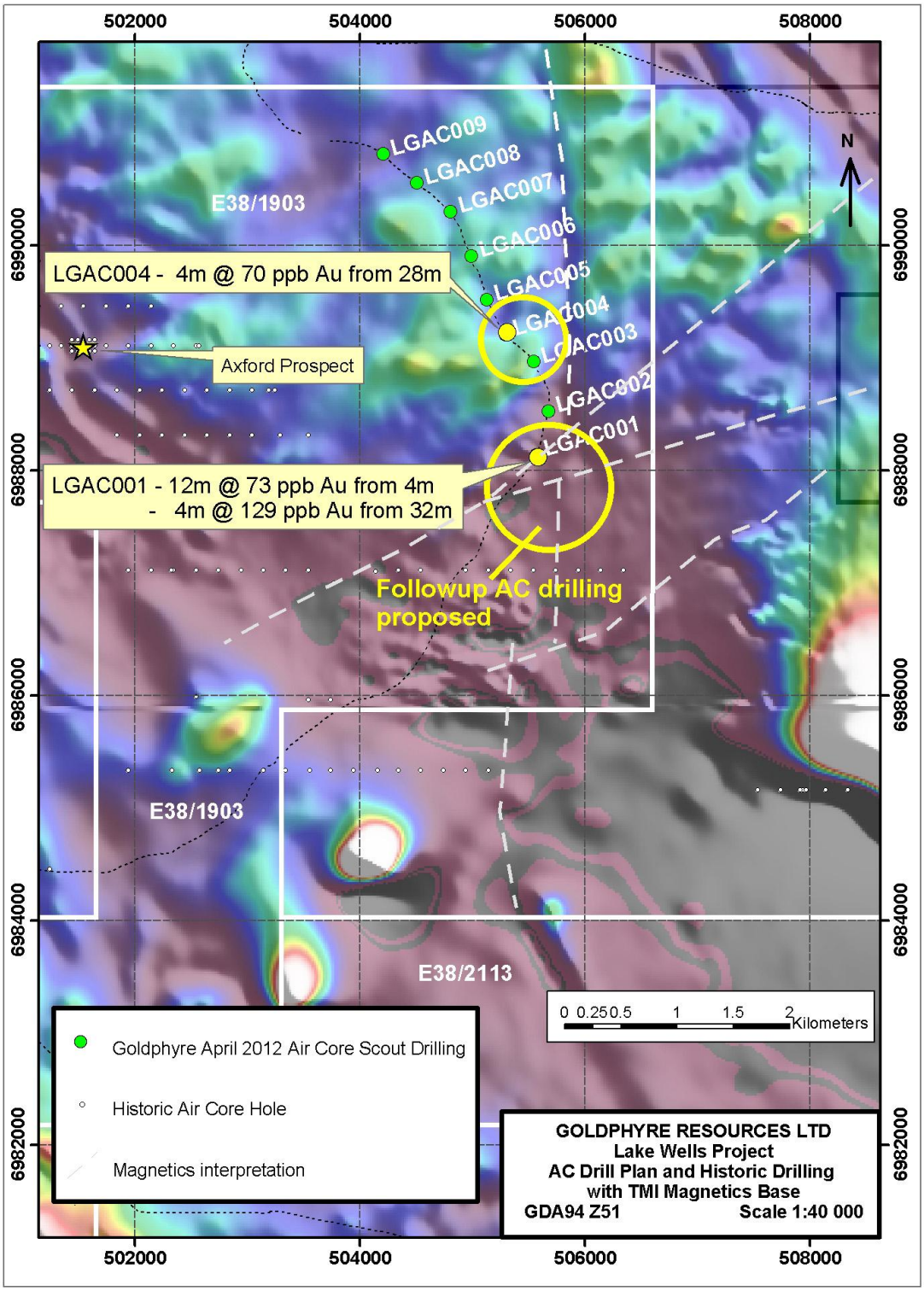

Figure 1. Yilly Area Drill Collar Plan with TMI Magnetics basemap showing gold anomalies.

LAKE WELLS – EAST AREA E38/2505

A regional RAB/AC drilling program was completed on E38/2505 (Table 1, Figure 2-3). Drilling was carried out on selective east-west traverses with hole centres ranging from 160m-320m apart. Sandy drilling conditions and soft ground access were experienced in some areas but overall, the reconnaissance program was successful in evaluating major structural and lithological features, including the interpreted northern extension of the Yamarna Shear and the dislocated Mt Gill Greenstone Belt.

The drilling has confirmed the Mt Gill Greenstone Belt lies beneath relatively shallow sand cover (approximately 5m-40m thick) and a variety of rocktypes were recorded. Field logging revealed a variably weathered sequence of sedimentary rocks, gneiss, basalt, granite and mica schists beneath the sand horizon with hole depths ranging from 6m-74m.

This drilling was completed with a combination of RAB drilling method (which proved effective only in areas of thin or negligible sand cover) and the AC drilling method, which was used in areas of thicker sand and silcrete to penetrate into the Archaean basement.

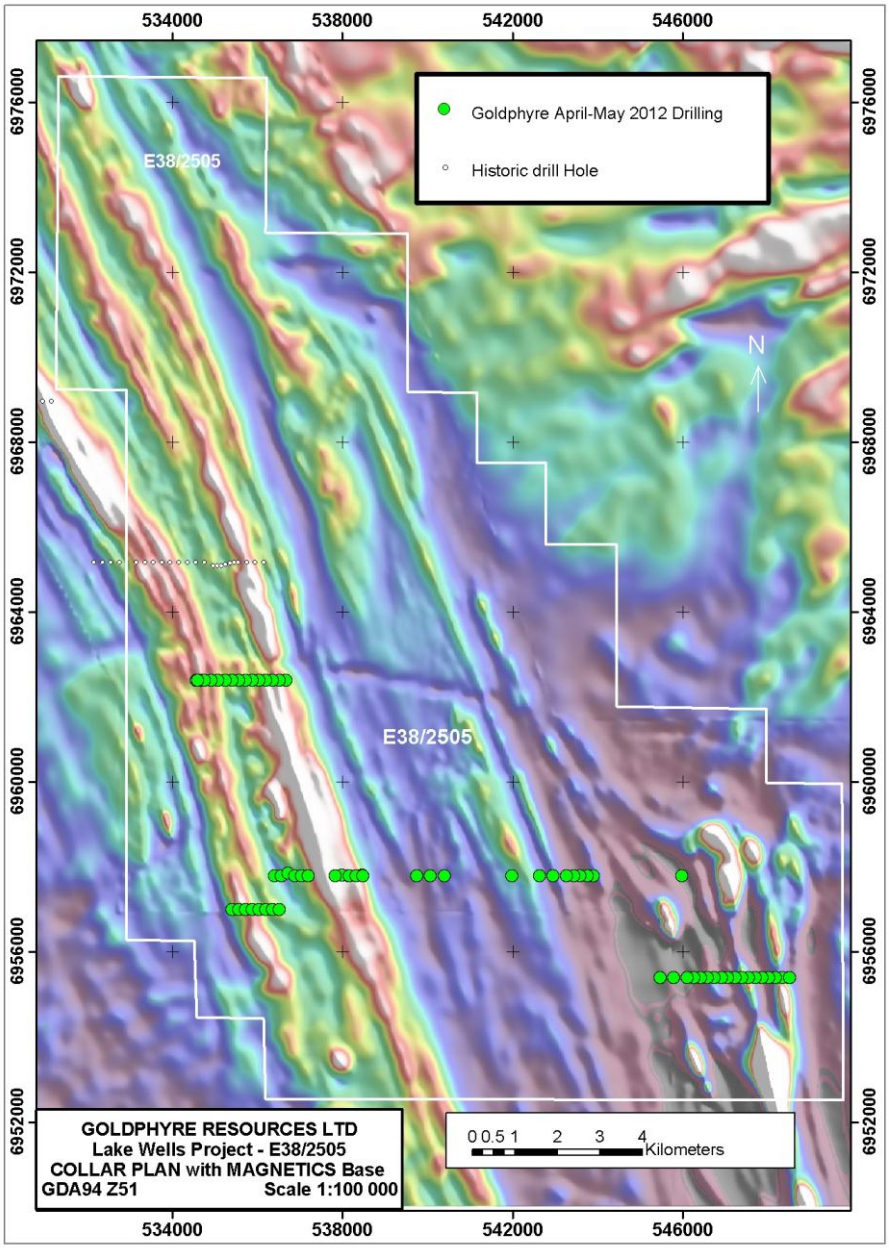

Figure 2. Lake Wells – EAST Reconnaissance Drill Collar Plan with TMI Magnetics basemap.

LAKE WELLS – CENTRAL AREA E38/2113

Scout AC drilling (10 holes, 361m) was completed on E38/2113. Logging revealed weathered mafic, gneissic and granite-porphyry rock types. Assay results for this drilling are yet to be received.

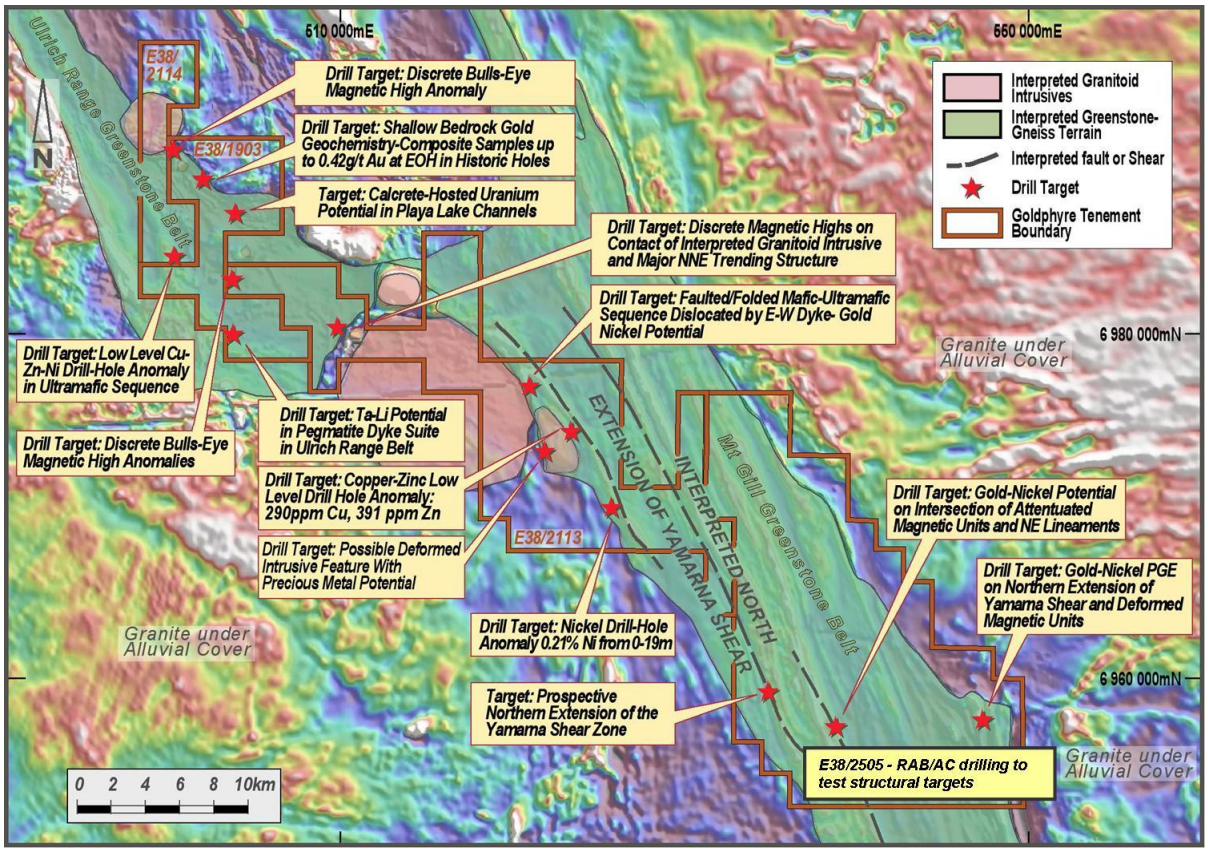

Figure 3. Lake Wells Project overview with TMI Magnetics basemap showing regional targets.

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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 Ltd. 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.