

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”

SIGNIFICANT GOLD INTERCEPTS FROM ONE METRE RESPLITS INCLUDING A HIGH GRADE END OF HOLE INTERCEPT OF 1m @ 19.73 g/t GOLD AT THE AXFORD PROSPECT, LAKE WELLS PROJECT

HIGHLIGHTS

- **Exciting high-grade and significant gold intercepts confirmed with one metre split results from recent Reverse Circulation (RC) and Air Core (AC) drilling at the Axford Prospect;**
- **High grade and significant intercepts remain untested along trend and at depth and include:**

6m @ 3.46 g/t Au (LGRC011)
Including 1m @ 19.73 g/t Au
1m @ 1.10 g/t Au (LGAC074)
- **Other encouraging anomalous results in RC and AC drilling;**
- **Followup AC and RC drilling planned.**

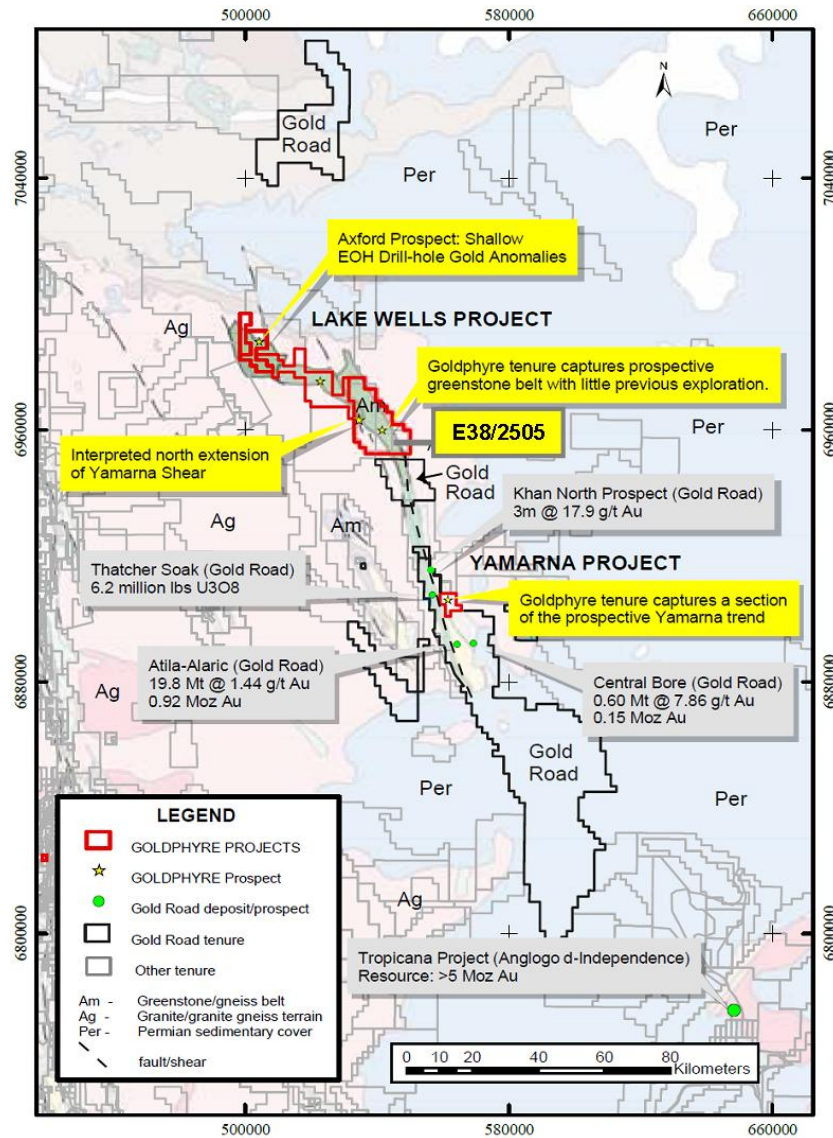
LAKE WELLS – AXFORD PROSPECT

E38/1903 – 100% Goldphyre Resources Limited

Goldphyre Resources Limited (ASX:GPH, Goldphyre) is pleased to announce high-grade and significant split (1m) assays have been received from recent Reverse Circulation (RC) and Air-core (AC) drilling at the Axford Prospect in the western part of the Lake Wells Project (Table 1, Figure 1).

Table 1. Lake Wells - RC and AC Results Summary

Hole_ID	Drill_Type	Prospect	Holes
LGRC001-012	RC	Axford	12
LGAC056-107	AC	Axford, Yilly, Reconnaissance	52
TOTAL			64



RC drilling (LGRC001-LGRC012) tested beneath shallow, historic drill-hole gold anomalies at the Axford Prospect. Until now, gold anomalism in historic drill holes had never been followed up adequately at depth or along strike and no historic RC drilling had been completed on the project area (Figure 1).

A significant intercept of **6m @ 3.46 g/t Au from 94m to 100m EOH** was reported in LGRC011. A high-grade assay of **1m @ 19.73 g/t Au** was recorded from 99m to 100m EOH. Other gold anomalous zones in LGRC011 were recorded from 65m depth.

The high-grade gold mineralisation in LGRC011 appears to be associated with a medium-grained silicified granitic intrusive with disseminated fine-grained pyrite and minor quartz veining. This zone is interpreted to be open along trend to the northeast, to the south and at depth.

Goldphyre’s Technical Director Brenton Siggs said “this high-grade gold intercept recorded in the very first RC drill program at Axford is very encouraging and provides confidence in our strategic exploration targeting at Lake Wells”.

Table 2. Lake Wells - RC and AC Drill-Hole Results (1m Split samples)

Hole	Hole Type	Northing (m)	Easting (m)	Dip	Azimuth	Interval		Width (m)	Gold (g/t)	Hole Depth (m)	
						From (m)	To (m)				
LGRC010	RC	6989114	501537	-60	270	28	30	2	0.54	90	
						36	41	5	0.27		
						43	44	1	0.10		
						54	56	2	0.15		
						59	60	1	0.26		
LGRC011	RC	6989111	501597	-60	270	65	66	1	0.16	100	
						88	92	4	0.35		
						94	100	6	3.46		
						incl.	96	97	1		1.72
						incl.	99	100	1*		19.73
LGAC074	AC	6989307	501602	90	-	27	30	3	0.45	32	
						incl.	29	30	1		1.10
LGAC075	AC	6989299	501516	90	-	16	21	5	0.29	28	
						24	25	1	0.19		
						27	28	1	0.11		
LGAC088	AC	6989361	502210	90	-	33	34	1	0.11	36	

* - denotes 1m split 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: Intercepts calculated with 0.10 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 1m AC split results 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,Pt,Pd)

Hole LGRC011 is the middle hole of a 'fence' of three angled RC holes that tested beneath a modest, shallow gold anomaly (2m @ 0.30 g/t Au from 16m to EOH¹) in a historic drill-hole. One metre split assays have confirmed the presence of a thick, gold anomalous zone in the LGRC010, the hole drilled 60m to the west of LGRC011. LGRC010 recorded intercepts up to 0.54 g/t Au (Table 2) and similar intermittent zones of silica alteration and with minor, intermittent pyrite mineralisation. Although RC down-hole data is very limited, the shallower gold anomalous zone in LGRC010 suggests a moderate easterly dip to the high-grade zone encountered near the end-of-hole in LGRC011. Holes LGRC001, 004-009, 012 recorded no significant gold results.

One metre split samples were collected from a previously reported 4m composite intercept of 4m @ 1.58 g/t Au from 40m in LGRC003 and returned a significant intercept of **1m @ 4.51 g/t gold from 41m** (previously reported, Figure 2). Although the one metre sampling has reduced the width, this gold value is considered very significant as the intercept has been recorded at relatively shallow depth, at a significant grade and is interpreted to be open at depth and to the northeast and southwest.

¹ Reference: WMC Resources Ltd, Sand Dune JV Annual Report for Period to 31 December 1997, p8.

One metre sample results have been received for selected AC holes with anomalous composite results in the first pass drill program (Table 3). Several 1m split gold anomalies were recorded including 3m @ 0.45 g/t Au from 27m (including **1m @ 1.10 g/t Au from 29m in LGAC074**). An interesting AC composite sample (4m @ 1.31 g/t Au from 32m to EOH in LGAC088) returned only background values (1m @ 0.11 g/t Au from 33m). This lower than expected result may be due to coarse gold.

Composite gold anomalies reported at the end-of-hole in consecutive drill holes (LGAC074 and LGAC075) returned encouraging 1m split gold anomalies. These holes are collared 200m north of the high-grade 1m @ 19.73 g/t Au intercept in LGRC011 and follow-up infill drilling is a priority in this north-south trending corridor.

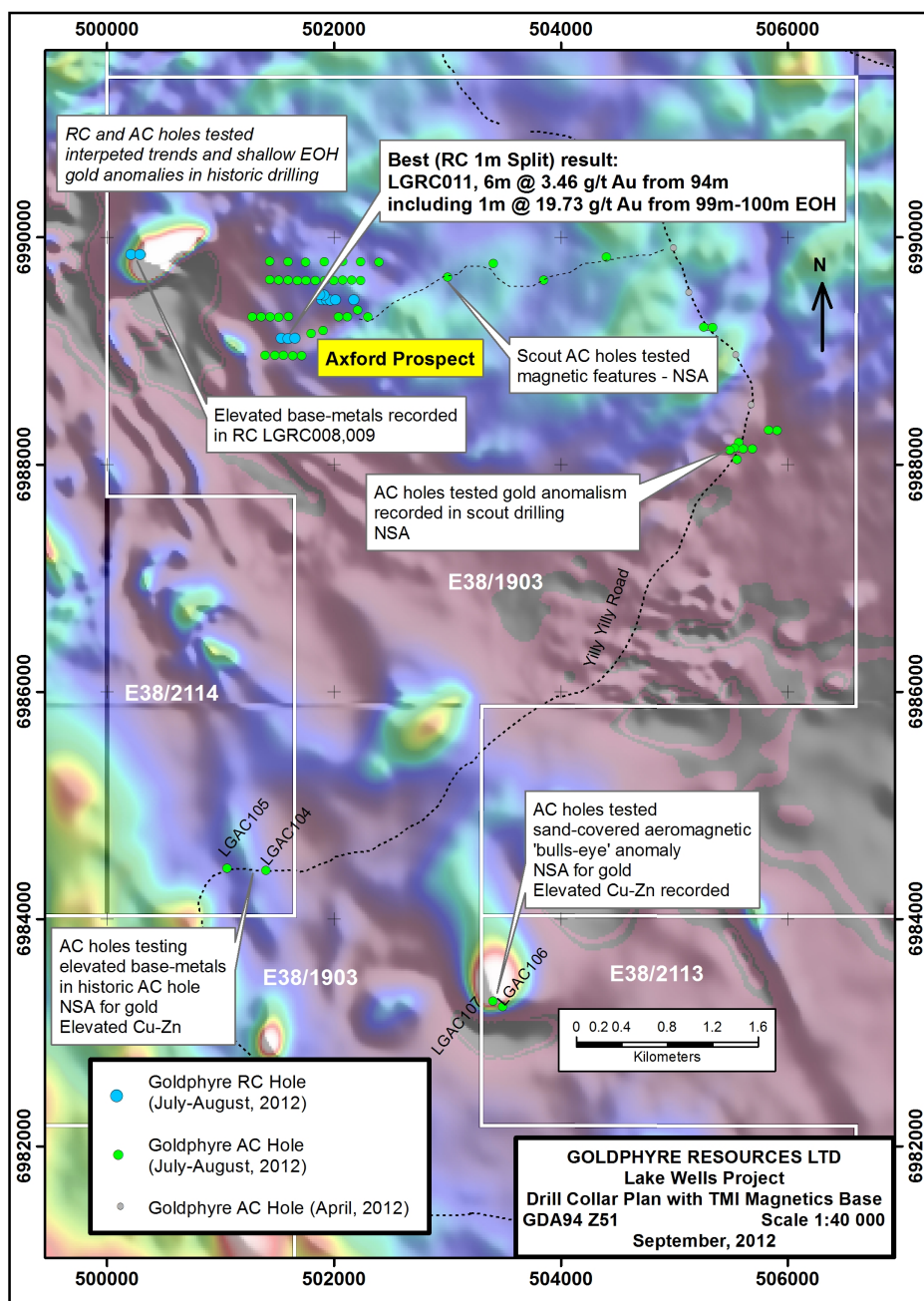


Figure 1. Lake Wells WEST Area (E38/1903, E38/2113, E38/2114) Drill Collar Plan with TMI Magnetics base map

Figure 1 above shows hole collar locations from the recent RC and AC drill program. Figure 2 below shows further detail of hole locations and latest 1m split gold intercepts from the Axford Prospect. Figure 3 shows a recent drill scene at the Axford Prospect.

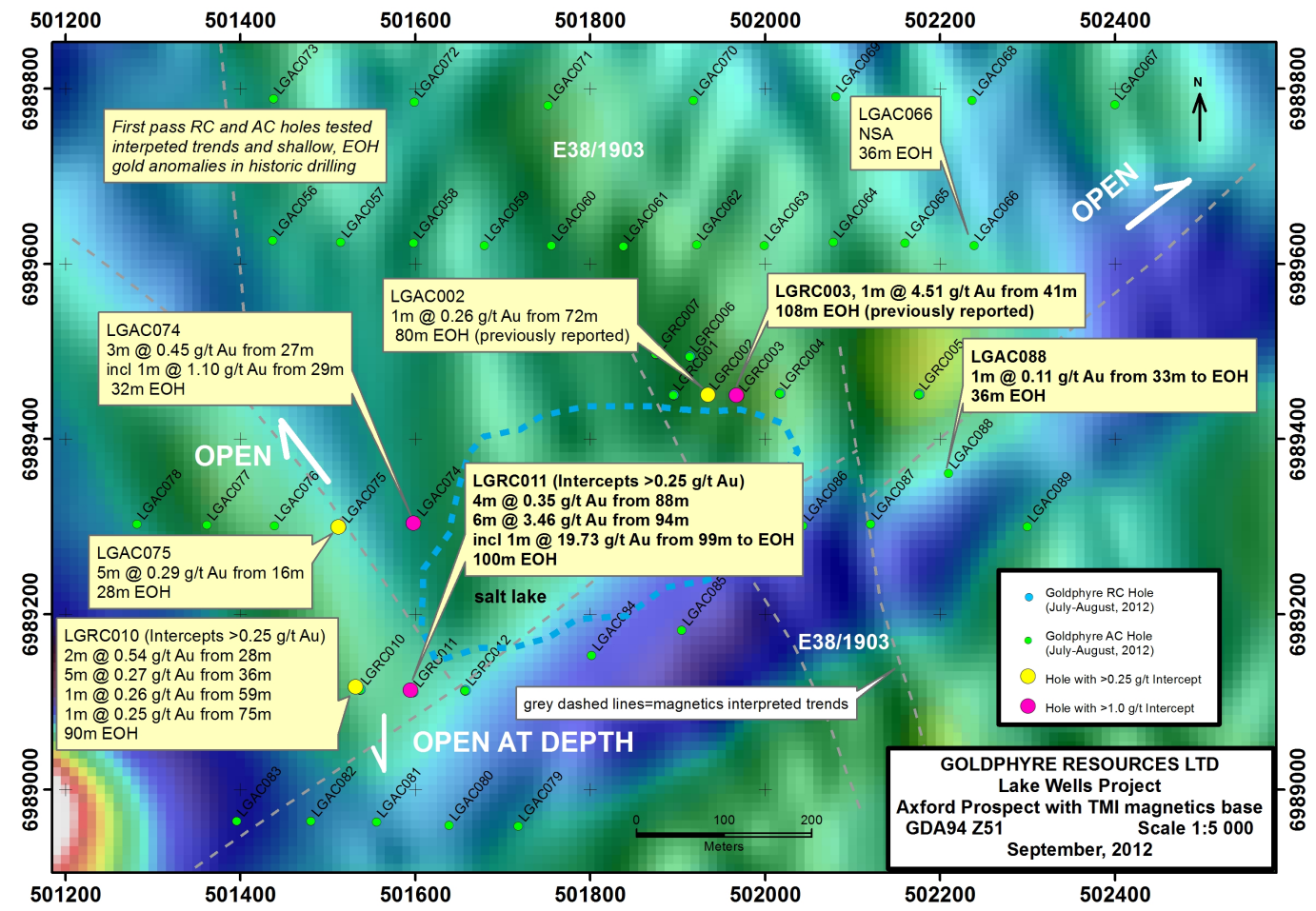


Figure 2. Axford Prospect Drill Collar Plan with latest gold intercepts and TMI Magnetics base map

The company is currently securing an all terrain track-mounted drill rig to follow-up the high-grade and significant gold intercepts at the Axford Prospect. Further detailed aeromagnetic interpretation will aid RC/AC drill program design and the Company is also considering conducting an Induced Polarisation (IP) geophysical survey on the Axford Prospect. An IP geophysical survey may provide timely and valuable information regarding the presence and form of sulphide (pyrite) mineralisation, which appears to be closely related to bedrock gold mineralisation at the Axford Prospect.



Figure 3. RC Drilling scene at the Axford Prospect

Brenton Siggs

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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 contains 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.