

Goldphyre Resources Limited

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ASX: GPH

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Total Shares Quoted on ASX: 18,232,010

Unlisted Options on Issue: 21,389,800

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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

Laverton Downs: gold, base metals



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

ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2012

SUMMARY and HIGHLIGHTS

- Follow-up combined Reverse Circulation (RC) - Air core (AC) drilling (43 holes, 3596m) on the Axford Prospect, Lake Wells Project returned further exciting high-grade and significant gold intercepts
- High grade and significant gold intercepts remain open along trend and at depth and include:
 - 10m @ 1.55 g/t Au (LGRC015) including 1m @ 10.63 g/t Au
 - 48m @ 0.51 g/t Au (LGRC020) including 4m @ 2.70 g/t Au and 4m @ 1.55 g/t Au
 - 4m @ 2.26 g/t Au (LGRC017)
 - 4m @ 2.03 g/t Au (LGRC013)
- Petrological studies reveal gold at Axford is associated with silica-pyrite alteration
- Broad gold anomalous zones, well developed mineral alteration assemblages and granitic host indicate gold prospectivity in the Axford prospect area
- Further split results from remaining RC and AC drill program pending

EXPLORATION PLANNED MARCH 2013

- Targeting, field reconnaissance and geochemistry programs planned for prospective, recently acquired gold-base metal projects in the Leonora and Laverton regions (Laverton Downs, Gambier Lass, Kilkenny and Iguana)
- New drill program planning for Lake Wells (including Axford) pending receipt of all drill results

EXPLORATION ACTIVITIES

LAKE WELLS PROJECT

E38/1903 – 100% Goldphyre Resources Limited

Goldphyre Resources Limited (the 'Company' ASX: GPH) successfully completed a combined Reverse Circulation (RC) and Air Core (AC) drilling program on the Axford Prospect at the Lake Wells Project, 160 kilometres north of Laverton, Western Australia (Table 1, Figure 1).

Further high-grade and significant composite (nominal 4m) and split (1m) drill results were recorded in this drilling campaign. The latest results (Holes LGRC013-LGRC020) have been received from recent Reverse Circulation (RC) 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	Metres
LGRC013-025	RC	Axford	13	1,748
LGAC108-137	AC	Axford	30	1,848
		TOTAL	43	3,596

The Axford RC drilling (LGRC013-LGRC025) tested beneath shallow, historic drill-hole gold anomalies and significant gold intercepts recorded in the recent RC and AC drilling completed in August, 2012.

A number of significant and broad gold anomalous intercepts were recorded with a prominent result from this first batch of assays of **10m @ 1.55 g/t Au from 114m to 124m** in LGRC015 (Table 2, Figure 1-2). A high-grade assay of **1m @ 10.63 g/t Au** was recorded from 121m which demonstrates continuity of the sub vertical high-grade gold zone recorded up dip in LGRC011 (**6m @ 3.46 g/t Au from 94m**, including **1m @ 19.73 g/t Au** from 99-100m EOH, previously reported 28/09/2012). Of particular interest is the broad gold anomalous zone of **48m @ 0.52 g/t Au** from 116m recorded in LGRC020 when a 0.10 g/t Au cut off (with a maximum two composite samples <0.10 g/t Au as internal dilution) is applied. Encouraging anomalous or significant gold intercepts were recorded in all RC holes received in this assay batch.

Interpretive petrological studies (Mason, 2012¹) completed have revealed the high-grade gold mineralisation in the recently drilled hole LGRC011 is hosted by a medium-grained porphyry with quartz-mica-pyrite-chlorite alteration. Gold is present as native gold grains and tiny inclusions in pyrite. Field observations indicate similar alteration in the high-grade intercept in LGRC015.

The latest RC drilling is very encouraging as this work has revealed broad widths of silica-chlorite+-pyrite alteration in a host rock capable of large mineralised systems. The latest RC drilling has tested the strike potential of the high-grade zone in LGRC011 and LGRC015 to the north. The high grade and significant gold zones in Figure 2 are interpreted to be open to the south and at depth.

Goldphyre's Technical Director Brenton Siggs said, 'Further high-grade and significant gold intercepts in an area with relatively little previous exploration, along with encouraging alteration zones in a porphyry host and positive petrological data is a great boost for the Axford Prospect and the Lake Wells Project in general.'

¹ Reference : Mason, D G, 2012. Petrographic Descriptions For Drill Chip Rock Samples from the Axford Gold Prospect. Report #3879.

Table 2. Lake Wells - RC and AC Drill-Hole Results (Composite and 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)			
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	
					incl.	117	118	1	1.31*	
					incl.	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	
					incl.	124	128	4	1.55	
						128	132	4	0.34	
						140	148	8	0.36	

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 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 fence of holes is located 200 metres north of the high-grade gold intercept in LGRC011 and LGRC015.

Figure 1. Lake Wells - Axford Drill Collar Plan

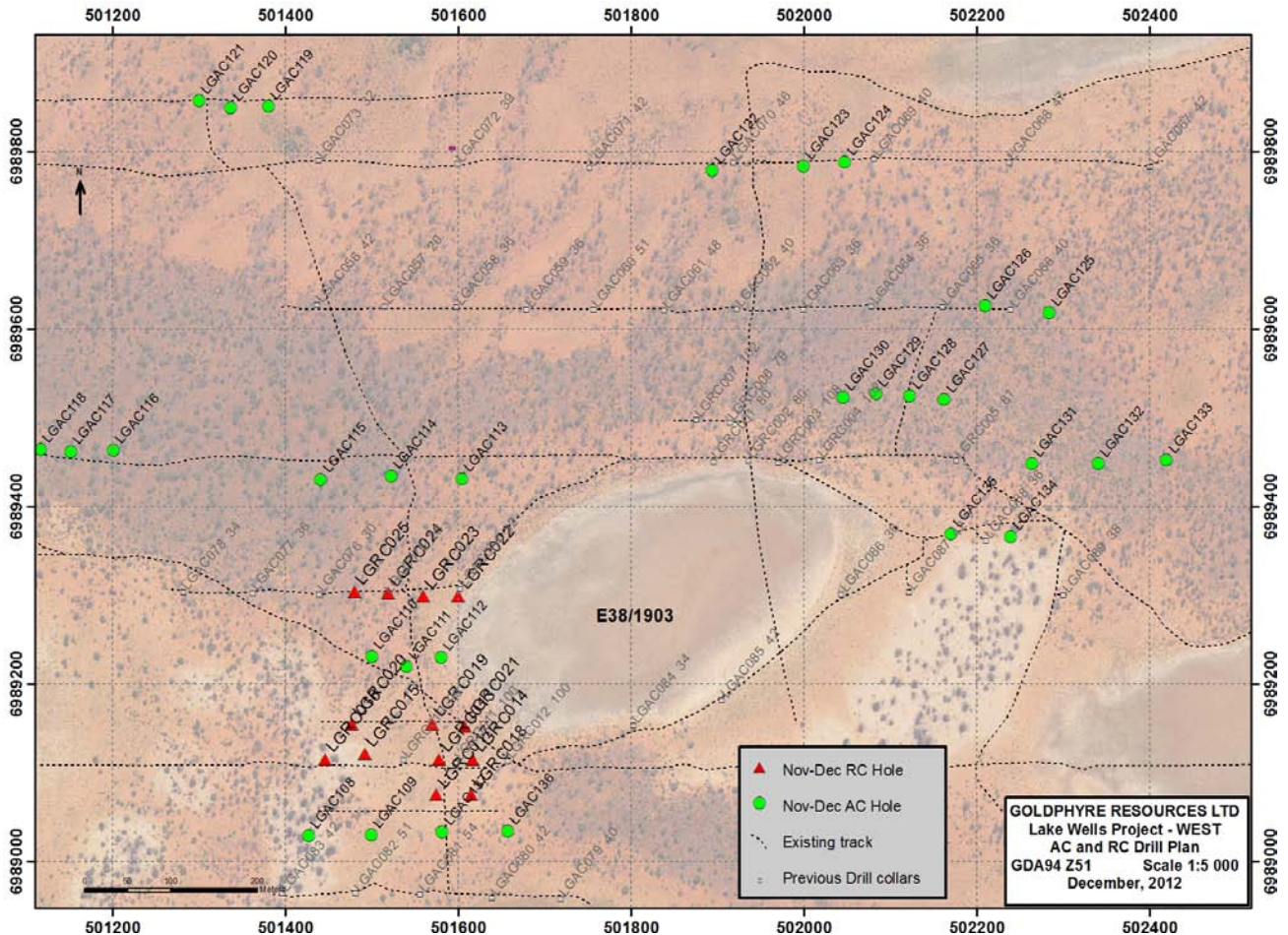


Figure 1 above shows hole collar locations from the recent RC drill program. Figure 2 below shows detail of the RC drilling with anomalous and significant gold intercepts completed in December 2012.

Figure 3 shows a cross section at the Axford Prospect (6989115 N Section) with an interpretation of the high-grade and significant gold zones.

Reconnaissance AC drilling (LGAC108 – LGAC137) was also completed at Axford. The AC drill program tested low order historic drill hole anomalies, aeromagnetic targets and areas where historic holes were ineffective. The AC program was shortened due to limited salt lake access and rig suitability however all high priority drill-holes (both AC and RC) were completed in this campaign.

Follow-up RC and additional scout AC drilling with a salt-lake accessible drill rig will be proposed for the 2013 field season following the receipt of all outstanding assay results and geological interpretive and targeting studies.

Figure 2. Axford WEST – Detail of RC Collar Plan

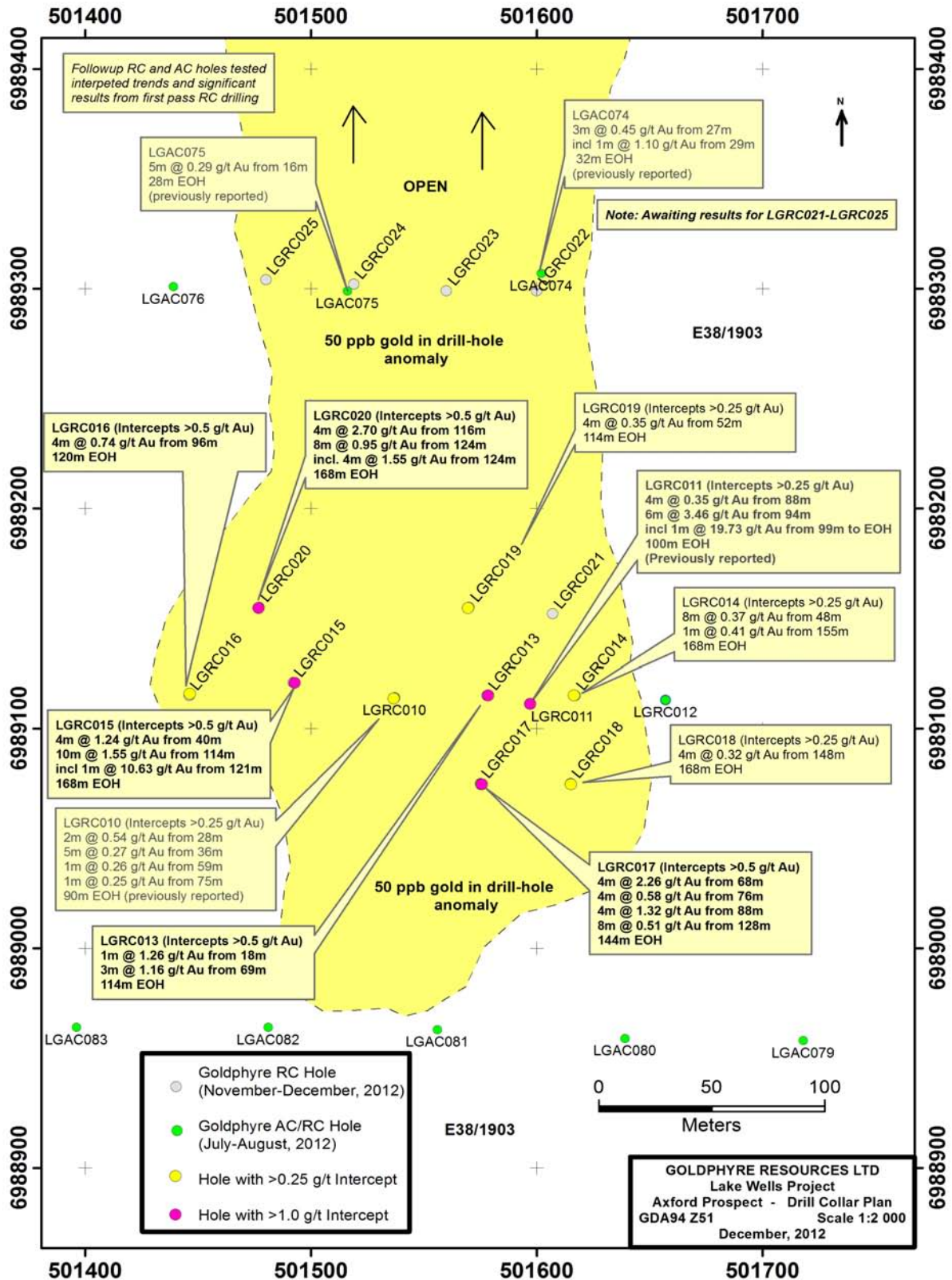


Figure 3. Axford Prospect 6989115N Cross Section

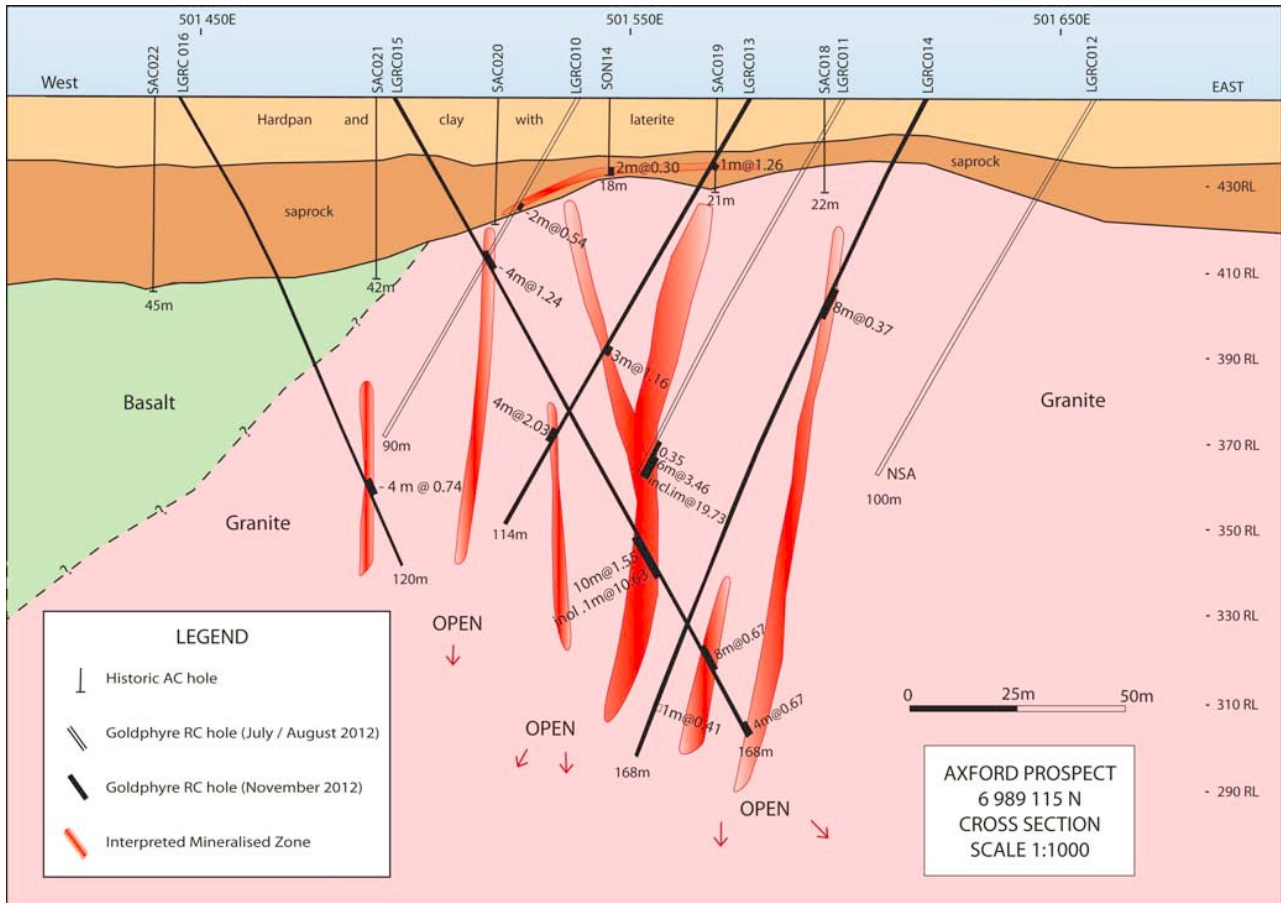


Figure 4. RC Drilling scene at the Axford Prospect



MAILMAN HILL

E37/990 and P37/7877 – 100% Goldphyre Resources Limited

Targeting and geological data acquisition and interpretation was completed on the Mailman Hill Project. Recent adjacent tenement acquisitions (Gambier Lass and Kilkenny) has increased the Company's ground holding in the highly prospective gold-base metals terrain in the Leonora region.

YAMARNA PROJECT

E38/1949 – 100% Goldphyre Resources Limited

Desktop targeting and evaluation studies and data compilation were completed in the reporting period.

The Company has been engaged in ongoing negotiations with the Yilka claimant group for the purposes of meeting heritage clearance obligations for exploration access to the project area.

ISLAND VIEW PROJECT

E15/1049 and E15/1050 – 100% Goldphyre Resources Limited

Historic data compilation, target assessment and evaluation work is proceeding and the Company will advise when specific drill targets have been identified.

PROJECT ACQUISITIONS

The acquisition of four new project areas was reported in the September 2012 Quarterly Report and a brief description of these recent project additions to the Company are summarised below.

Exploration work during the reporting period included targeting and historic data compilation. Field reconnaissance and geochemistry programs will now be designed and this ground work is scheduled to commence once the tenement applications are granted. It is anticipated that tenement applications may progress to grant status during the March and June 2013 quarters.

GAMBIER LASS AND KILKENNY

Historic explorers and data compilation has commenced on two significant new tenement packages acquired to the east of Leonora.

The first project area, Gambier Lass, is located 15 kilometres north-east of Leonora and consists of approximately 66 km². The project area captures considerable strike length and width of Archaean rocks prospective for gold and base metals. An historic exploration report² included Rotary Air Blast (RAB) drill assay results and one composite sample returned high copper and zinc values. This area requires further detailed research to carefully evaluate the authenticity or otherwise of high base metal values.

Historic gold mines are located adjacent to the Gambier Lass Project and the stratigraphy is similar to the Teutonic Bore and Jaguar base-metal mines located to the north of the project.

The Kilkenny Project is located approximately 60 kilometres southeast of Leonora. Preliminary studies of historic exploration data indicate the Kilkenny Project has historic gold workings with recorded gold production, anomalous gold values in soil geochemistry, historic percussion drill-holes with encouraging gold intercepts and prospective structural targets.

² South Mertondale 11-12, P37/4938-4957 Annual Report, Cardinia 1995/1, RGC Exploration Pty Ltd, 9 March 1995, Appendix 2, A43864.

LAVERTON DOWNS

Historic explorers and data compilation work has commenced on a gold prospective area covered by Exploration Licence 38/2724 (granted 18th January, 2013). The exploration licence lies in the highly prospective Laverton Tectonic Zone and was the subject of a three way ballot in which the Company was successful and obtained first priority over the ground applied for.

Preliminary studies of previous explorers' reports show the tenement has historic gold-in-hole results (200-500 ppb Au range), significant gold deposits and mines in the region and has a prospective structural setting.

IGUANA

Previous explorers report and compilation work has commenced on Exploration Licence Application 16/447, an area covering prospective ground at Iguana, located approximately 80 kilometres north-west of Kalgoorlie. This area was targeted due to a prospective structural setting, the presence of historic workings in the vicinity and the close proximity along trend (approximately 500m from the tenement boundary) of the Iguana open pit gold mine (2007 resource of 181,500 oz gold³).

³ Reference: Monarch Gold Mining Company Limited, Media Release, 6th November, 2007, page 1

APPENDIX 1 - LAKE WELLS RC/AC COLLARS

Hole_ID	Hole_Type	GDA_N(m)	GDA_E(m)	Dip	Azimuth	RL(m)	Depth(m)
LGRC013	RC	6989115	501578	60	270	448	114
LGRC014	RC	6989115	501617	60	270	447	168
LGRC015	RC	6989121	501492	60	90	450	168
LGRC016	RC	6989115	501446	60	90	452	120
LGRC017	RC	6989075	501575	60	270	451	144
LGRC018	RC	6989075	501615	60	270	451	168
LGRC019	RC	6989155	501570	60	270	451	114
LGRC020	RC	6989155	501477	65	90	443	168
LGRC021	RC	6989152	501607	60	270	448	150
LGRC022	RC	6989299	501600	60	90	448	100
LGRC023	RC	6989299	501560	60	90	450	100
LGRC024	RC	6989302	501519	60	90	451	114
LGRC025	RC	6989304	501480	60	90	448	120
LGAC108	AC	6989029	501427	60	270	453	60
LGAC109	AC	6989030	501499	60	270	447	60
LGAC110	AC	6989231	501500	60	270	448	54
LGAC111	AC	6989220	501540	60	270	441	66
LGAC112	AC	6989230	501580	60	270	447	66
LGAC113	AC	6989431	501604	60	90	448	66
LGAC114	AC	6989434	501522	60	90	447	66
LGAC115	AC	6989430	501441	60	90	455	66
LGAC116	AC	6989463	501201	60	90	452	54
LGAC117	AC	6989462	501152	60	90	453	60
LGAC118	AC	6989464	501117	60	90	445	54
LGAC119	AC	6989850	501380	90	0	455	60
LGAC120	AC	6989849	501377	90	0	450	60
LGAC121	AC	6989857	501300	90	0	443	72
LGAC122	AC	6989778	501894	90	0	453	72
LGAC123	AC	6989783	501999	90	0	449	60
LGAC124	AC	6989788	502047	90	0	447	60
LGAC125	AC	6989618	502283	90	0	453	72
LGAC126	AC	6989626	502209	90	0	454	60
LGAC127	AC	6989520	502162	90	0	455	48
LGAC128	AC	6989524	502122	90	0	443	54
LGAC129	AC	6989527	502083	90	0	440	54
LGAC130	AC	6989523	502045	90	0	447	66
LGAC131	AC	6989448	502263	90	0	451	66
LGAC132	AC	6989448	502340	90	0	450	60
LGAC133	AC	6989452	502419	90	0	449	90
LGAC134	AC	6989366	502239	90	0	457	48
LGAC135	AC	6989369	502170	90	0	452	48
LGAC136	AC	6989034	501657	90	0	442	60
LGAC137	AC	6989033	501581	60	270	450	66

All holes -60 angled or -90 vertical, RC Face Sampling Hammer or AC Blade method.
Datum: GDA94 Zone 51 Co-ordinate system

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 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.