Drilling Indicates Extensive Brine Aquifer with Substantial Potash Potential

Lake Wells Potash Project

HIGHLIGHTS

Lake Wells Potash Project

- Modelling of historic drill data indicates an extensive aquifer volume beneath high-grade potash pit sampling
- Brine aquifer volumetric estimate of **1.6 billion cubic metres** contained within the boundaries of Goldphyre's Lake Wells Potash Project
- Drilling shows strong groundwater inflow and presence of a deep (over 80 metres) palaeochannel in the central part of the Project
- Some holes stopping in transported lake clays/sand horizon at depths greater than 100 metres
- Previous exploration by Goldphyre at Lake Wells yielded best assays of **7.36 kg/m³ K**, equivalent to **16.41 kg/m³ SOP** with an average across the 11 brine samples of **4.84 kg/m³ K**, equivalent to **10.79 kg/m³ SOP**
- **Next Steps** – drill test the potassium grades of the brine aquifer at depth, estimate an exploration target, and subsequently undertake further drilling to define a JORC Resource

LAKE WELLS POTASH PROJECT

Goldphyre Resources' 100% owned Lake Wells Potash Project is a brine-hosted sulphate of potash project located in the Eastern Goldfields region of Western Australia. The Company is aiming to supply the Australian domestic demand for SOP. Currently Australia imports 100% of all potash used, estimated at 500,000 – 600,000 tonnes per annum.

The Company is uniquely positioned in Australia's emerging potash sector through possession of Western Mining Corporation's (WMC) drilling data[i] on Lake Wells, encompassing 93 vertical air-core drill holes (*Appendix 1, Table1*) across the western end of the ring shaped playa lake system. No Native Title Claim exists over the Project area.

Goldphyre has modeled the WMC drill data and it indicates the volumetric estimate for the aquifer at the Project at **over 1.6 billion cubic metres** (*Figure 1: Lake Wells Potash Project, Aquifer model*), and indicating highly suitable regolith profiles for brine extraction (*Figure 2: Lake Wells Potash Project, Aquifer model section*).

Executive Chairman of Goldphyre Matt Shackleton, said, "The next step in our program at Lake Wells is to drill test the potassium grades of the brine, and the porosity & other physical properties of the aquifer. This will allow us to reliably estimate the potash volumes at the Project. On the back of the current modelling and that additional data we look forward to being able to estimate an exploration target for the Lake Wells Potash Project in the coming quarter, and subsequently undertake further drilling to define a JORC Resource."

The Company aims to be executing the forward work program in the September 2015 quarter. The program has been designed to develop data that will be used to evaluate the volume and potash concentration of the brine at depth, and to begin building the time data required to understand the re-charge rates of the Lake Wells playa lake system.

Area (km^2)	Average thickness (m)	Bulk volume (million m^3)	Porosity estimate	Brine volume (million m^3)
26	62	1,602	0.4 (upper)	641,000
			0.33 (middle)	529,000
			0.25 (lower)	400,000

Table 1: Lake Wells Potash Project, Aquifer modelling

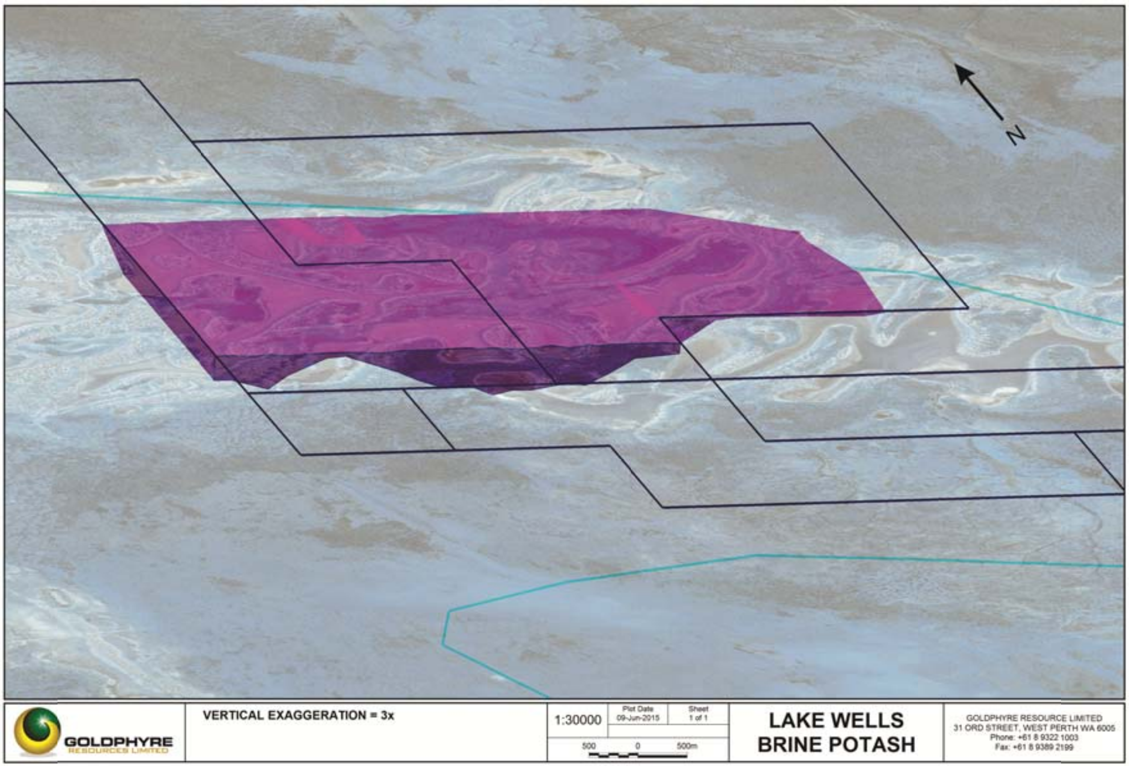

Figure 1: Lake Wells Potash Project, Aquifer model

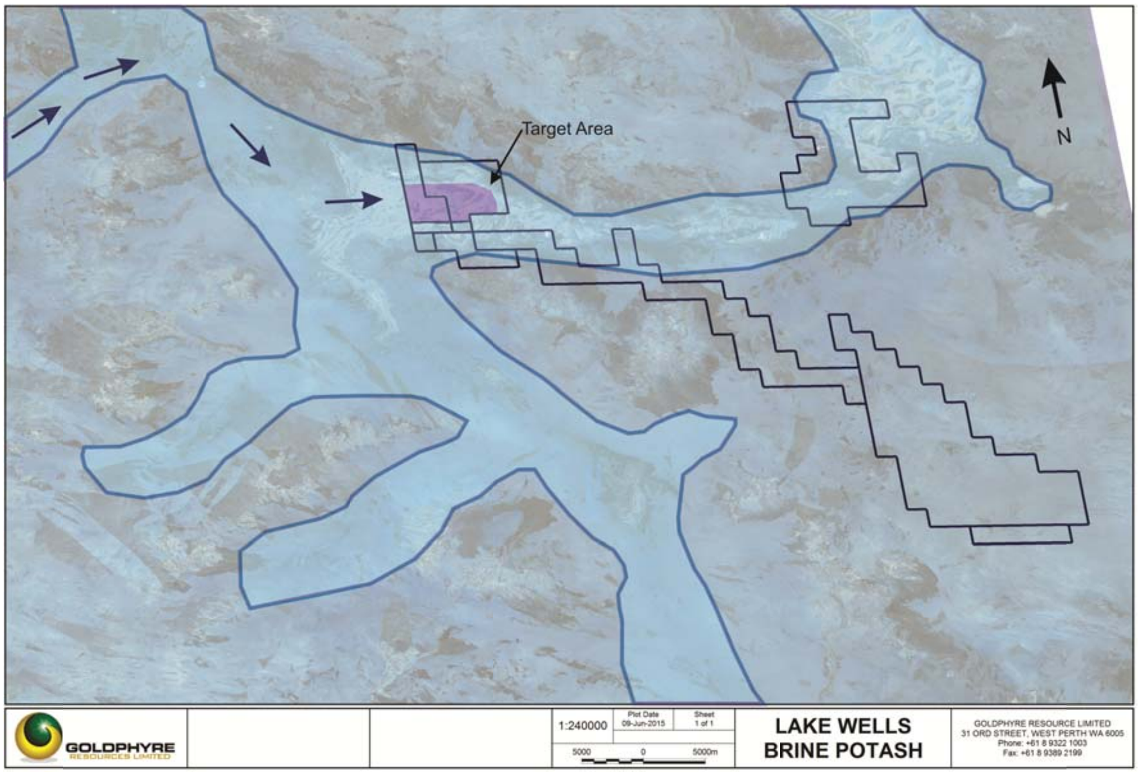

Figure 2: Lake Wells Potash Project, Paleochannel flow direction and GPH tenure

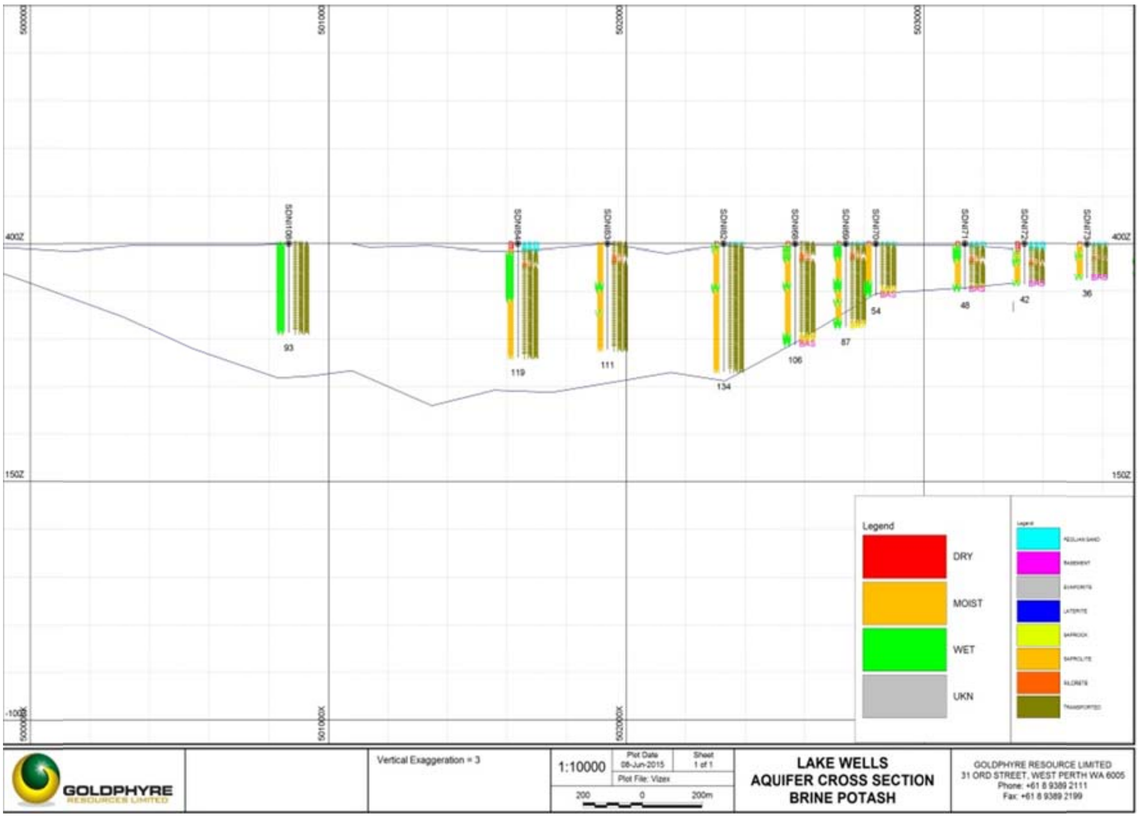

Figure 3: Lake Wells Potash Project, Aquifer model section

Technical Discussion

The Lake Wells Potash Project' brine potash results previously released (*see ASX announcement 10 March* 2015) are very strong, and the Company considers this aquifer modelling to be an important advance in understanding brine potash exploration at depth. A resource target of depth as opposed to breadth greatly reduces the Project's footprint, and is expected to reduce infrastructure cost, environmental impact and potential overall CAPEX and OPEX cost of a future brine potash extraction operation.

Research into brine groundwater systems[ii] [iii] and current work being undertaken by Reward Minerals Ltd at the LD Project outlines a sound technical model for testing the brine potash concentration at depth potential. Detailed logs from gold and base metal exploration work dating back to the 1990's have recorded sample condition, water table data and lithological information that has been used to generate a first pass aquifer volume model.

Four wide spaced lines of AC drilling were used for the model with the upper surface fixed to the top of the water table or first damp/wet sample in hole, and the lower surface fixed to the Archaean/hard rock basement. This drilling data has revealed an interpreted deep paleochannel in the central part of the project area (+80m deep) which may play a critical role in recharge of the near surface brine and add substantial potash brine volume potential.

Goldphyre's Technical Director Brenton Siggs commented, "Goldphyre is fortunate to have significant existing and recent drilling with quality data that shows good potential for a substantial palaeochannel or potash brine aquifer at depth".

The Company emphasizes that this modelling is of a preliminary nature only and drilling is required to test the brine potash concentration and aquifer properties, including but not limited to, sediment type(s), porosity and permeability throughout the target aquifer interval (near surface water table level to basement rock).

Next Steps

The Company is negotiating drill contractor terms, and aims to be executing a forward work program in the September 2015 quarter designed to provide drill data that will be used to further evaluate brine volumes, and importantly to assess potash concentrations at depth.

Goldphyre also continues to engage in discussions with its neighbouring tenement holders, with the intention of potentially building its tenement position in the area over time.

CONTACT

Matt Shackleton
Executive Chairman
m.shackleton@goldphyre.com.au
+61 (0) 438 319 841

Brenton Siggs
Technical Director
b.siggs@goldphyre.com.au
+61 8 9389 2111

Potassium, potash and SOP

Grade, volume and recharge rates

Brine SOP resources are typically contained within aquifers. Three essential technical parameters to address when considering these types of deposits are grade, volume and re-charge rates of the aquifer.

Goldphyre's Lake Wells Potash Project' analyses are summarised in Appendix 1, Table 2.

Figure 2 demonstrates the paleochannel flow (and resultant potential brine recharge) into Goldphyre' Lake Wells playa lake system, interpreted from Geoscience Australia research[iv]. Drilling has demonstrated significant palaeochannel flows in the central part of the Project.

Logistics

Goldphyre's exploration base at the Lake Wells Potash Project is located approximately 300 kilometres from Leonora (*Figure 4*). Accessed by sealed roads for some 140 kilometres, with a further 160 kilometres of high quality, road train haulage capacity gravel roads, the Company has commenced a desktop study into the logistical solution to a potential development.

Figure 4. The Lake Wells Potash Project is the best placed part of the playa system to access vital freight infrastructure

Sulphate of Potash – SOP

SOP (*Figure 5*) is prized as the premium source of potassium for fertiliser use, with its high potassium, accompanying sulphur and low chlorine content (typically 45% K, 18% S and < 1% Cl respectively).

Brine SOP deposits are relatively uncommon, with only 3 producing operations globally. Subject to location and access to infrastructure however, brine SOP projects typically occupy the lower end of the production cost curve. Currently there is not a brine SOP operation in Australia.

Potash brine exploration in Australia is growing strongly. The relatively slow development progress of high CAPEX potash projects, and global macro-economic circumstances more generally, provide strong incentives for the development of domestic potash supplies.

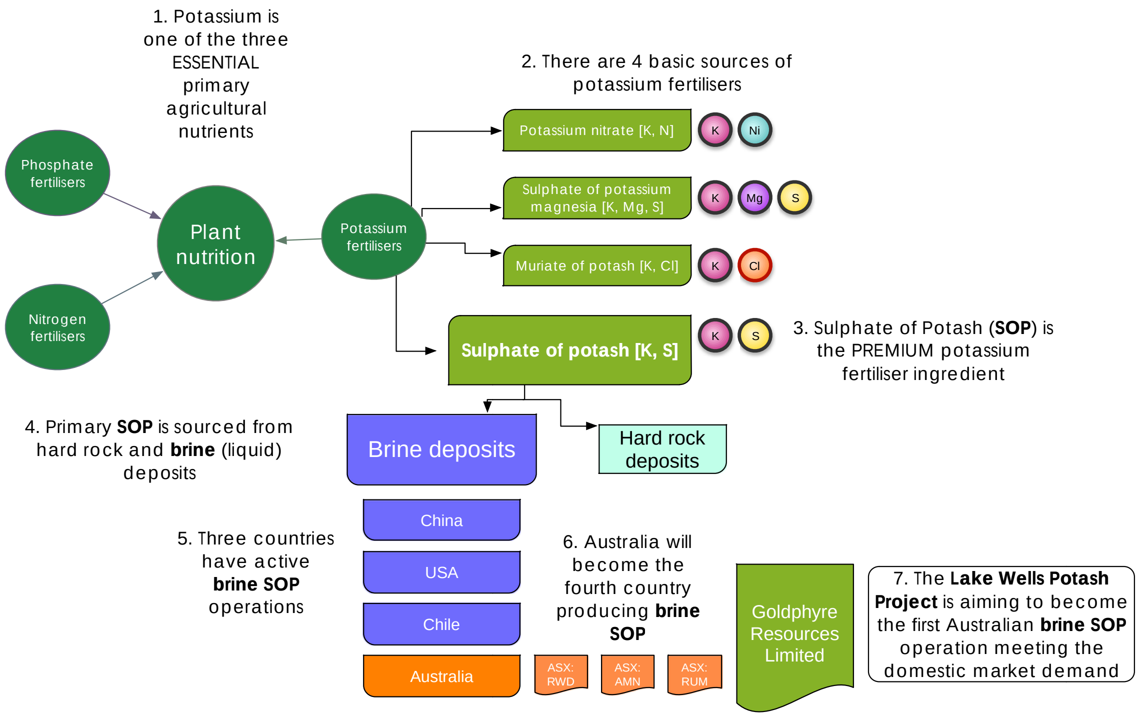

Figure 5. Potash essentials

Competent Person's 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 2012 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 the matters based on his information in the form and context in which it appears. Mr Siggs is a shareholder and director of Goldphyre WA Pty Ltd, a company that holds ordinary shares and options in the capital of Goldphyre Resources Limited (Goldphyre Resources Limited, Annual Report 2014).

Forward Looking Statements Disclaimer

This announcement contains forward-looking statements that 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.

GOLDPHYRE RESOURCES LIMITED

Appendix 1

Table 1: Lake Wells Potash Project, WMC collar survey table

HOLE_ID	DRILL_TYPE	GRID	GDA_N	GDA_E	RL*	DIP	AZI	EOH_DEPTH
SDNI1	AC	GDA94_Z51	6989108	502138	450	90	0	52
SDNI2	AC	GDA94_Z51	6989108	501938	450	90	0	34
SDNI3	AC	GDA94_Z51	6989108	501738	450	90	0	20
SDNI4	AC	GDA94_Z51	6989108	501538	450	90	0	18
SDNI5	AC	GDA94_Z51	6989108	501338	450	90	0	40
SDNI6	AC	GDA94_Z51	6989108	501138	450	90	0	29
SDNI7	AC	GDA94_Z51	6989108	500938	450	90	0	20
SDNI8	AC	GDA94_Z51	6989108	500738	450	90	0	18
SDNI9	AC	GDA94_Z51	6989108	500538	450	90	0	6
SDNI10	AC	GDA94_Z51	6989108	500338	450	90	0	6
SDNI11	AC	GDA94_Z51	6989108	500138	450	90	0	4
SDNI12	AC	GDA94_Z51	6989108	499938	450	90	0	12
SDNI13	AC	GDA94_Z51	6989108	499738	450	90	0	10
SDNI14	AC	GDA94_Z51	6989108	499538	450	90	0	10
SDNI15	AC	GDA94_Z51	6989108	499338	450	90	0	31
SDNI16	AC	GDA94_Z51	6989108	499138	450	90	0	12
SDNI17	AC	GDA94_Z51	6989108	498938	450	90	0	20
SDNI17B	AC	GDA94_Z51	6989113	498938	450	90	0	23
SDNI18	AC	GDA94_Z51	6989108	498738	450	90	0	53
SDNI19	AC	GDA94_Z51	6989108	498538	450	90	0	30
SDNI20	AC	GDA94_Z51	6989108	498338	450	90	0	14
SDNI28	AC	GDA94_Z51	6987108	502338	450	90	0	88
SDNI29	AC	GDA94_Z51	6987108	502538	450	90	0	76
SDNI30	AC	GDA94_Z51	6987108	502738	450	90	0	54
SDNI31	AC	GDA94_Z51	6987108	502938	450	90	0	36
SDNI32	AC	GDA94_Z51	6987108	503138	450	90	0	57
SDNI33	AC	GDA94_Z51	6987108	503338	450	90	0	81
SDNI34	AC	GDA94_Z51	6987108	503538	450	90	0	109
SDNI35	AC	GDA94_Z51	6986998	503768	450	90	0	114
SDNI36	AC	GDA94_Z51	6987098	504138	450	90	0	114
SDNI37	AC	GDA94_Z51	6987108	504338	450	90	0	83
SDNI38	AC	GDA94_Z51	6987108	504538	450	90	0	46
SDNI39	AC	GDA94_Z51	6987108	500738	450	90	0	44
SDNI40	AC	GDA94_Z51	6987108	504938	450	90	0	46
SDNI41	AC	GDA94_Z51	6987108	505138	450	90	0	28
SDNI42	AC	GDA94_Z51	6987108	505338	450	90	0	34
SDNI43	AC	GDA94_Z51	6987108	505538	450	90	0	34
SDNI44	AC	GDA94_Z51	6987108	505738	450	90	0	28
SDNI45	AC	GDA94_Z51	6987108	505938	450	90	0	19
SDNI46	AC	GDA94_Z51	6987108	506138	450	90	0	18
SDNI47	AC	GDA94_Z51	6987108	506338	450	90	0	10

SDNI48	AC	GDA94_Z51	6987108	502318	450	90	0	110
SDNI49	AC	GDA94_Z51	6987108	502138	450	90	0	124
SDNI50	AC	GDA94_Z51	6987108	501938	450	90	0	124
SDNI51	AC	GDA94_Z51	6987108	501738	450	90	0	123
SDNI52	AC	GDA94_Z51	6987108	501538	450	90	0	84
SDNI53	AC	GDA94_Z51	6987108	501338	450	90	0	66
SDNI54	AC	GDA94_Z51	6987108	501078	450	90	0	22
SDNI55	AC	GDA94_Z51	6987108	500938	450	90	0	30
SDNI56	AC	GDA94_Z51	6987108	500738	450	90	0	20
SDNI57	AC	GDA94_Z51	6987108	500538	450	90	0	26
SDNI58	AC	GDA94_Z51	6987108	500338	450	90	0	56
SDNI59	AC	GDA94_Z51	6987108	500138	450	90	0	24
SDNI60	AC	GDA94_Z51	6987108	499938	450	90	0	36
SDNI61	AC	GDA94_Z51	6987108	499738	450	90	0	18
SDNI62	AC	GDA94_Z51	6987108	499538	450	90	0	20
SDNI63	AC	GDA94_Z51	6987108	499338	450	90	0	24
SDNI64	AC	GDA94_Z51	6987108	499138	450	90	0	78
SDNI65	AC	GDA94_Z51	6987108	498938	450	90	0	126
SDNI66	AC	GDA94_Z51	6987108	498738	450	90	0	77
SDNI67	AC	GDA94_Z51	6987108	498538	450	90	0	80
SDNI68	AC	GDA94_Z51	6985328	502568	450	90	0	106
SDNI69	AC	GDA94_Z51	6985328	502738	450	90	0	87
SDNI70	AC	GDA94_Z51	6985328	502838	450	90	0	54
SDNI71	AC	GDA94_Z51	6985328	503138	450	90	0	48
SDNI72	AC	GDA94_Z51	6985328	503338	450	90	0	42
SDNI73	AC	GDA94_Z51	6985328	503548	450	90	0	36
SDNI74	AC	GDA94_Z51	6985328	503738	450	90	0	34
SDNI75	AC	GDA94_Z51	6985328	503938	450	90	0	32
SDNI76	AC	GDA94_Z51	6985328	504153	450	90	0	24
SDNI77	AC	GDA94_Z51	6985328	504338	450	90	0	18
SDNI78	AC	GDA94_Z51	6985328	504538	450	90	0	16
SDNI79	AC	GDA94_Z51	6985328	504738	450	90	0	20
SDNI80	AC	GDA94_Z51	6985328	504938	450	90	0	8
SDNI81	AC	GDA94_Z51	6985328	505138	450	90	0	24
SDNI82	AC	GDA94_Z51	6985328	502328	450	90	0	134
SDNI83	AC	GDA94_Z51	6985328	501938	450	90	0	111
SDNI84	AC	GDA94_Z51	6985328	501638	450	90	0	119
SDNI105	AC	GDA94_Z51	6985988	502538	450	90	0	93
SDNI106	AC	GDA94_Z51	6985958	503738	450	90	0	72
SDNI107	AC	GDA94_Z51	6985958	503538	450	90	0	94
SDNI108	AC	GDA94_Z51	6985328	500868	450	90	0	93
SAC034	AC	GDA94_Z51	6989108	502338	450	90	0	57
SAC035	AC	GDA94_Z51	6989108	502538	450	90	0	10
SAC099	AC	GDA94_Z51	6988308	501838	450	90	0	30
SAC100	AC	GDA94_Z51	6988308	502038	450	90	0	29

SAC101	AC	GDA94_Z51	6988308	502238	450	90	0	32
SAC102	AC	GDA94_Z51	6988308	502438	450	90	0	25
SAC103	AC	GDA94_Z51	6988308	502638	450	90	0	24
SAC104	AC	GDA94_Z51	6988308	502838	450	90	0	36
SAC105	AC	GDA94_Z51	6988308	503038	450	90	0	63
SAC106	AC	GDA94_Z51	6988308	503288	450	90	0	78
SAC107	AC	GDA94_Z51	6988308	503538	450	90	0	78

*RL assumed equal for all holes collared on flat lake surface or adjacent flat terrain

SampleID	Easting	Northing	RL	Ca	K	K	SOP	SO4	Na	Cl	Mg	TDS
	m	m	m	mg/l	mg/l	kg/m3	kg/m3	mg/l	mg/l	mg/l	mg/l	mg/l
LGW005	6987170	499890	447	579	4540	4.54	10.12	22700	68700	101000	9840	NA
LGW006	6987109	502892	446	712	5250	5.25	11.71	17400	73200	115000	7540	237000
LGW007	6987643	504878	444	922	4620	4.62	10.30	14800	65700	101000	6270	NA
LGW008	6985230	502650	449	573	5080	5.08	11.33	16200	76100	122000	8530	NA
LGW009	6985320	500131	449	463	5790	5.79	12.91	23000	79700	135000	12600	287000
LGW011	6989270	501770	447	1090	2670	2.67	5.95	12200	42500	68600	4680	NA
LGW013	6989439	496680	447	858	4970	4.97	11.08	19200	60400	98000	8780	
LGW014	6989653	495402	446	851	4060	4.06	9.05	19300	54500	90800	8930	175000
LGW015	6987778	496371	446	970	3590	3.59	8.01	17000	47300	81400	7890	150000
LGW016	6985919	495900	447	987	3920	3.92	8.74	18000	51500	84800	8560	
LGW017	6984554	496886	445	816	4640	4.64	10.35	18200	64100	106000	9930	199000
LGW019	6983940	504612	447	814	4580	4.58	10.21	21200	68300	99700	9370	190000
LGW020	6982994	502261	450	510	4380	4.38	9.77	19900	67700	119000	10300	
LGW027	528854	6983607	440	880	4230	4.23	9.43	15200	69800	126000	6760	220000
LGW028	527636	6984176	444	788	2720	2.72	6.07	17100	50400	97400	5450	178000
LGW029	526288	6984010	443	480	6100	6.10	13.60	21400	111000	166000	9140	296000
LGW030	525044	6984810	447	932	3470	3.47	7.74	15600	65300	102000	5900	192000
LGW031	524176	6983712	444	550	4390	4.39	9.79	17900	78800	146000	9600	275000
LGW032	524196	6985312	440	385	5290	5.29	11.80	19800	84400	161000	8890	291000
LGW040	508511	6983949	447	488	5400	5.40	12.04	19600	91800	146000	9360	283000
LGW041	509378	6983480	448	479	7360	7.36	16.41	21200	97600	171000	9530	318000
LGW043	505573	6986212	448	650	5170	5.17	11.53	16600	74600	131000	8610	236000
LGW044	506164	6987064	445	552	6020	6.02	13.42	18900	90200	161000	7730	298000
LGW045	497981	6988711	448	416	5710	5.71	12.73	24600	73700	142000	10700	276000
LGW046	498131	6987191	450	510	5000	5.00	11.15	23600	66500	127000	11000	262000
LGW047	498426	6986168	449	436	6800	6.80	15.16	21200	84400	156000	15500	134000
LGW048	504776	6988893	447	1070	2900	2.90	6.47	15300	43200	67500	4170	151000
LGW049	504185	6986188	452	443	5340	5.34	11.91	23300	79400	142000	7720	279000
LGW050	502645	6985228	449	542	5450	5.45	12.15	5030	85400	135000	9740	230000
LGW051	500949	6984208	451	535	4680	4.68	10.44	26600	70000	124000	10900	210000
LGW054	494145	6985011	453	833	4420	4.42	9.86	18800	56800	107000	9550	209000
AVERAGE				**638**	**4933**	**4.93**	**11.00**	**18668**	**74133**	**127104**	**8738**	**243100**

Table 2: Lake Wells Potash Project, All potash brine sample results

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[i] Williams, R.I. (1998), Sand Dune JV Annual Report for the Period 22 November 1996 to 31 December 1997, *WMC Ltd*, a54285

[ii] Holzbecher, E. (2005), Groundwater flow pattern in the vicinity of a salt lake, *Hydrobiologica*, 532, 233 - 242

[iii] Nield, D.D., Simmons, C.T., Kuznetsov, A.V., Ward, J.D. (2008), On the evolution of salt lakes: Episodic convection beneath an evaporating salt lake, *Water Resources Research*, *44*, W02439

[iv] Mernagh, T. P. (Ed.) (2013), A Review of Australian Salt lakes and Assessment of their Potential for Strategic Resources, *Record 2013/39 Geoscience Australia*

Appendix 2

Reporting of Exploration Results – JORC (2012) Requirements

LAKE WELLS POTASH PROJECT

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• LAKE WELLS PROJECT – No sampling completed or analysis. Previous Explorers drilling completed in 1996-1998 by WMC Resources Ltd.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Previous Explorers drilling consisted of Air core (AC) drilling. Drill Contractor unknown.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample condition (dry, wet, moist) derived from previous explorers drill logs. • Previous Explorers drilling and this data not recorded • Previous Explorers drilling and this data not recorded
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Hard copy geological logging completed by previous explorers. This drilling was reconnaissance exploration in nature and of limited detail to support Mineral Resource estimation, mining and metallurgical studies. • Previous explorers logging qualitative.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain*	• No core drilling • Previous Explorers sampling techniques unknown and no samples results used by Goldphyre Resources Ltd. • Sample Preparation not recorded. • Quality control procedures not recorded. • Measures not recorded in historic drill report. • This data not recorded in historic drill report.

Criteria	JORC Code Explanation	Commentary
	size of the material being sampled.	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• No historic assay data used. Previous Explorers sampling techniques unknown and no samples results used by Goldphyre Resources Ltd.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No historic assay data used
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Previous Explorers drill data in AMG84 Zone 51 converted to GDA94 Zone 51. • Grid System – MGA94 Zone 51. • No RL data collected at time of Previous Explorers drilling but Topographic elevation assumed using published GSWA geological maps. RL for historic holes on flat salt lake and surrounding flat terrain reasonably assumed same RL for modelling exercise.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Previous Explorers hole spacing on approximate 100-200m drill centres on nominal 800-1200m spaced east-west drill traverses.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Previous Explorers east-west reconnaissance drill traverses possibly targeted gold and base metal targets on interpreted north trending structures and the general trend of the underlying Archaean rock sequence. • Previous explorers drilling considered a suitable orientation for the purposes of aquifer modelling.
Sample security	• *The measures taken to ensure sample security.*	• This data not recorded in previous explorers report.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• This data not recorded in previous explorers report.

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The LAKE WELLS PROJECT, located 140 km northeast of Laverton, Western Australia consists of tenements: E38/1903, E38/2113, E38/2114 and E38/2505. All tenements held 100% by Goldphyre Resources Limited. There is no Native Title Claim registered in respect of the project tenure. Accordingly, there is no requirement for a Regional Standard Heritage Agreement to be signed. • At time of writing, the tenements have

Criteria	JORC Code Explanation	Commentary
		expiry dates ranging between 30/6/2016 and 16/6/2019.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous reconnaissance AC and Goldphyre AC/RC drilling has been completed in the Lake Wells –WEST Area. Previous and recent Goldphyre RAB/AC reconnaissance RAB/AC drilling has been completed in the Lake Wells-CENTRAL and Lake Wells-SOUTH project areas. Companies that have completed previous exploration in the region include WMC Ltd, Kilkenny Gold NL, Anglogold Ashanti Australia Ltd, Croesus Mining NL and Terra Gold Mining Ltd. Drill data from historic AC drilling completed by WMC resources Ltd was used for basic modelling including collar,survey,EOH, Sample condition (Wet/Moist/Dry). This drill data extracted from WMC Resources Ltd Report - *Williams, RI, 1998. Sand Dune JV. Annual Report For the Period 22 November 1996 to 31 December 1997. WMC Ltd. a54285.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Targets include: Brine hosted potash, shear and granite hosted gold mineralisation associated with the structure and associated splays of the interpreted northern extension of the regional Yamarna Shear and Ulrich Range Greenstone Belt. Other target types are mafic-ultramafic hosted Ni-Cu+-PGE mineralisation, ultramafic (komatiite-hosted) nickel mineralisation and felsic hosted copper-zinc-lead mineralisation.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• AC drilling completed by previous explorers WMC Resources Ltd (1996-1998). Collar information for the drill holes used in modelling is included in Appendix 1.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No reporting of previous explorers exploration assay results. • No reporting of previous explorers exploration assay results. • No reporting of previous explorers exploration assay results.

Criteria	JORC Code Explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No reporting of previous explorers exploration assay results. • No reporting of previous explorers exploration assay results. • No reporting of previous explorers exploration assay results.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate summary diagrams are included in the accompanying report above.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• No previous explorers assay data reported. Goldphyre potash brine pit sampling results previously released (ASX:GPH Release 10/03/2015, ASX:GPH Quarterly Activities Report MARCH 2015 dated 28/04/2015).
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Geophysical data (TMI, FVD, Gravity) processing completed by Southern Geoscience Consultants, Perth, in 2009-2011 along with previous explorers' drill will contribute to further understanding and exploration targeting on the project area.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Based on previous explorers drill data, basic modelling **and *Other Substantive Exploration data*** summarised above, the design of followup reconnaissance drilling program(s) are proposed. • Areas for future and followup reconnaissance drilling located on/adjacent to potential brine aquifer model as shown on oblique plan and section included in the accompanying report above.