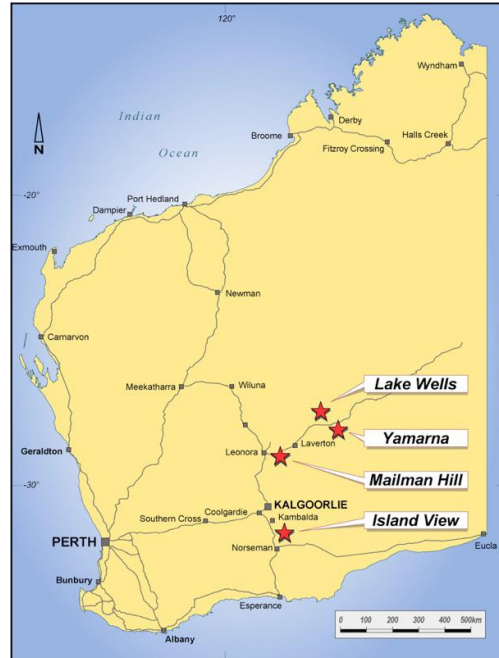


## ACTIVITIES REPORT - FOR THE PERIOD ENDING 31 MARCH 2012

### THE COMPANY and PROJECTS

- A Western Australian minerals explorer searching for precious and base metals in overlooked and underexplored greenstone belts of the Eastern Goldfields of Western Australia.
- Experienced Directors with strong and diverse backgrounds in company management, leadership and mineral exploration management.
- Exploration Manager with 24 years experience including 7 years in the Leonora and Lake Wells - Yamarna areas.



### SUMMARY and HIGHLIGHTS

- Four 100% owned gold focused exploration projects in the Eastern Goldfields of Western Australia, including the 555 km<sup>2</sup> Lake Wells Project.
- First pass Air-Core (AC) drill program completed and gold anomalous composite results received at Mailman Hill Project.
- Results received for soil sampling and laterite geochemistry drilling, Lake Wells Project.
- A regional Rotary Air Blast (RAB) - Air Core (AC) drill program to commence on Lake Wells Project tenements E38/1903 and E38/2505 during June 2012 quarter.
- Reverse circulation (RC) drilling planned to commence in the June 2012 quarter at Iron Tank Prospect, Mailman Hill.

### EXPLORATION ACTIVITIES

#### LAKE WELLS PROJECT

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

The regional RAB/AC drill program consisting of 96 holes (estimated 2,880m at nominal depth of 30m) is scheduled to commence early in the June 2012 reporting period on E38/2505. The objective is to test structural trends and aeromagnetic targets on the south eastern part of the Lake Wells project within E38/2505. This licence area captures an underexplored section of the Mt Gill Greenstone Belt and the interpreted northern extension of the Yamarna Shear and associated granitoid rocks (Figure 1 and 2).

The Company is working to secure a track-mounted drill rig for drill testing the Axford Prospect towards the end of the June 2012 quarter. This prospect requires follow up drill testing along trend and at depth. Several discrete “bulls-eye” magnetic high targets on the western part of E 38/2113 have been recognised and require drill testing.

Assay results were received for reconnaissance geochemistry samples collected from 2010-2011 soil and laterite RAB drilling on E38/1903 and E38/2113 (Appendix 1, 2). Results from 2010 laterite drilling included a maximum laterite geochemistry composite drill sample of 27 ppb Au (Hole THRB007, 5-10m, Figure 3, Appendix 2) in a population of lower values. Reconnaissance soil sampling on E38/1903 returned a maximum soil sample of 3 ppb Au in a population of null or lower values (Appendix 1).

It is considered the laterite drilling has not adequately tested the historic surface soil anomaly due to an ineffective drill method and further investigation is required via, AC drilling. A reconnaissance AC drill line has been scheduled to investigate the low level gold geochemistry value (single point 3 ppb Au with a background of < 1ppb in 9 samples, Figure 3, Appendix 2), along trend potential of low order gold values in historic RAB drilling and major North East structures interpreted from magnetics.

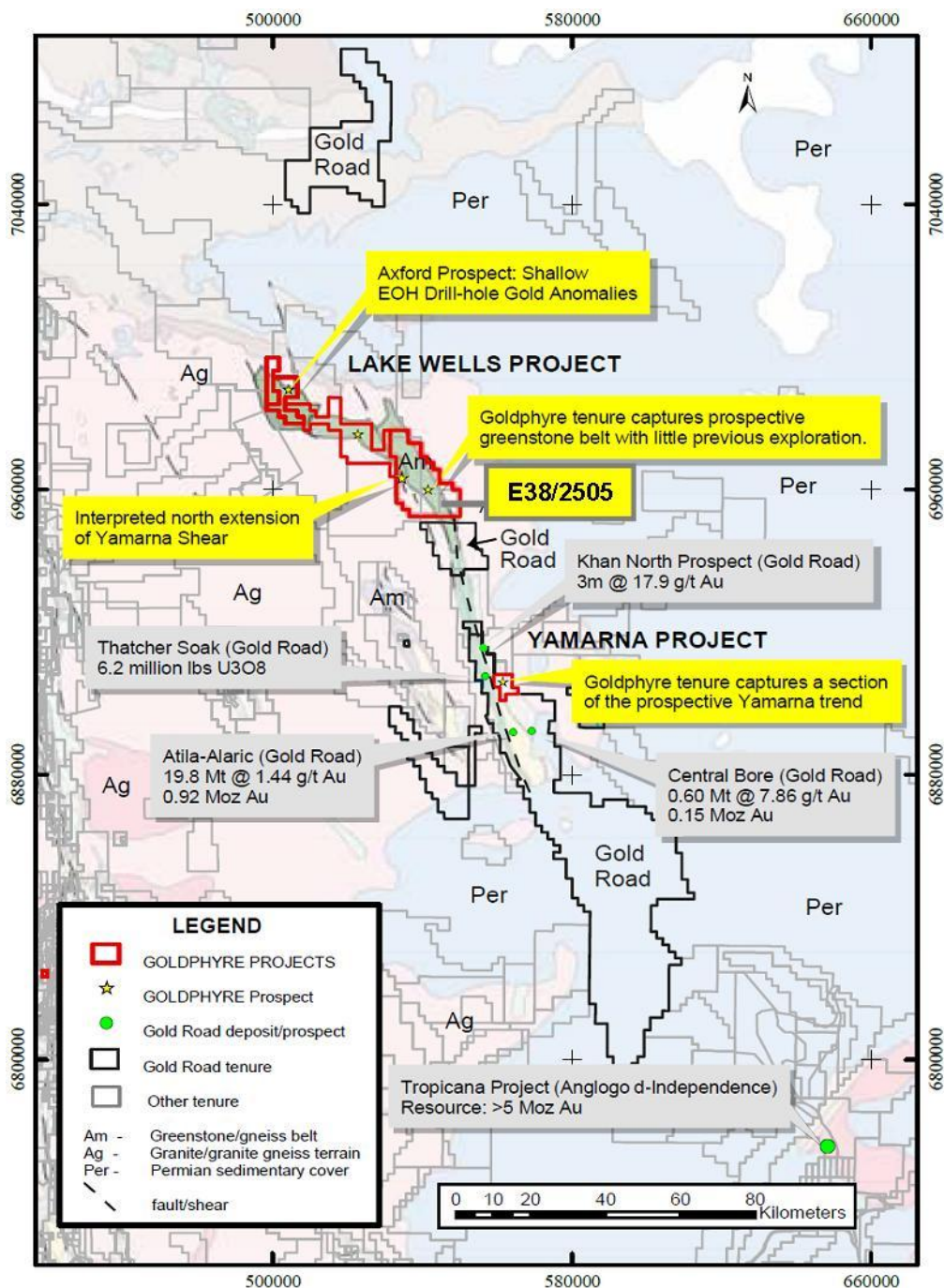


Figure 1 - Lake Wells-Yamarna Region showing Goldphyre project areas and targets.



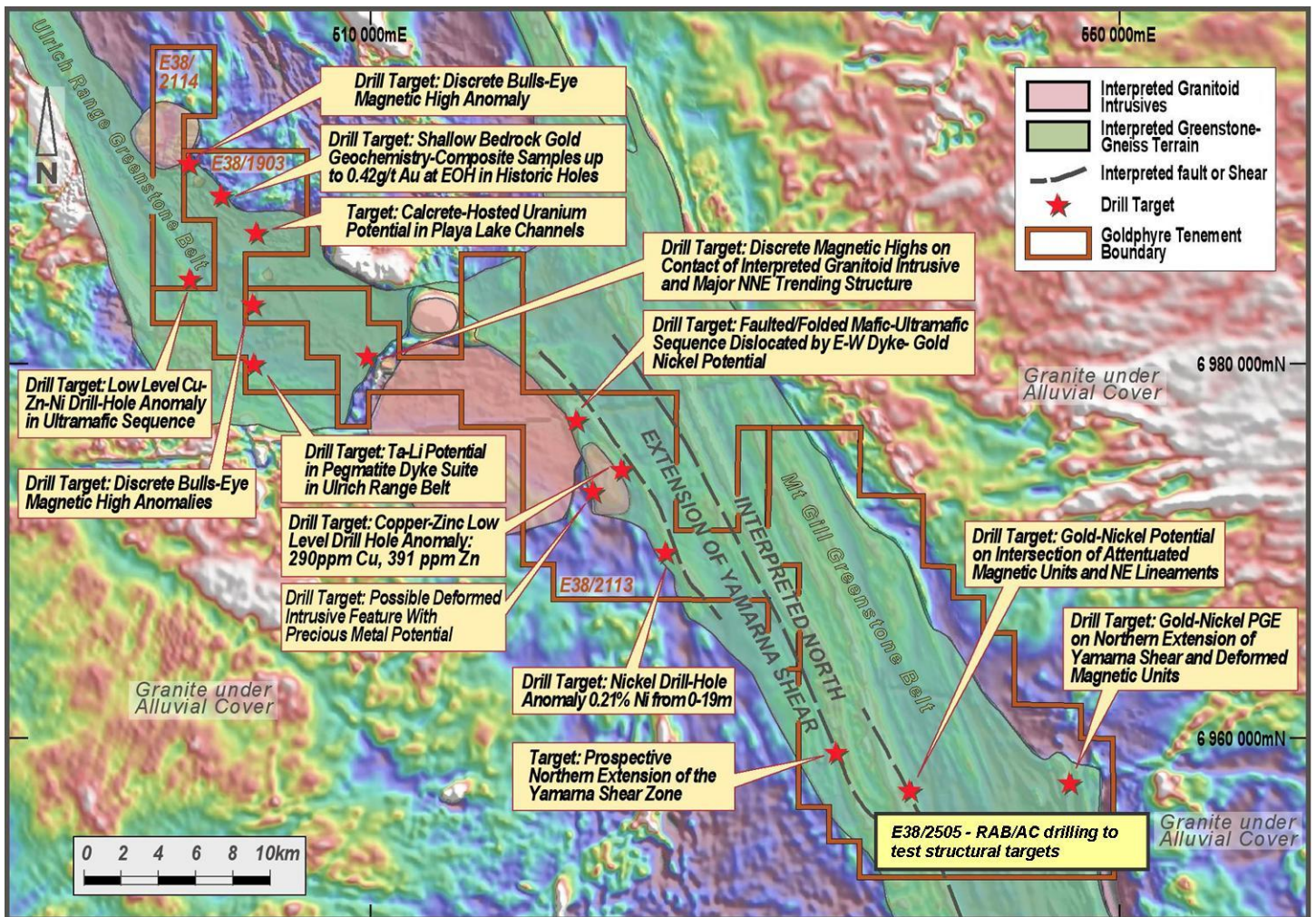


Figure 2 - Lake Wells project with aeromagnetics base showing eastern drill targets on E38/2505

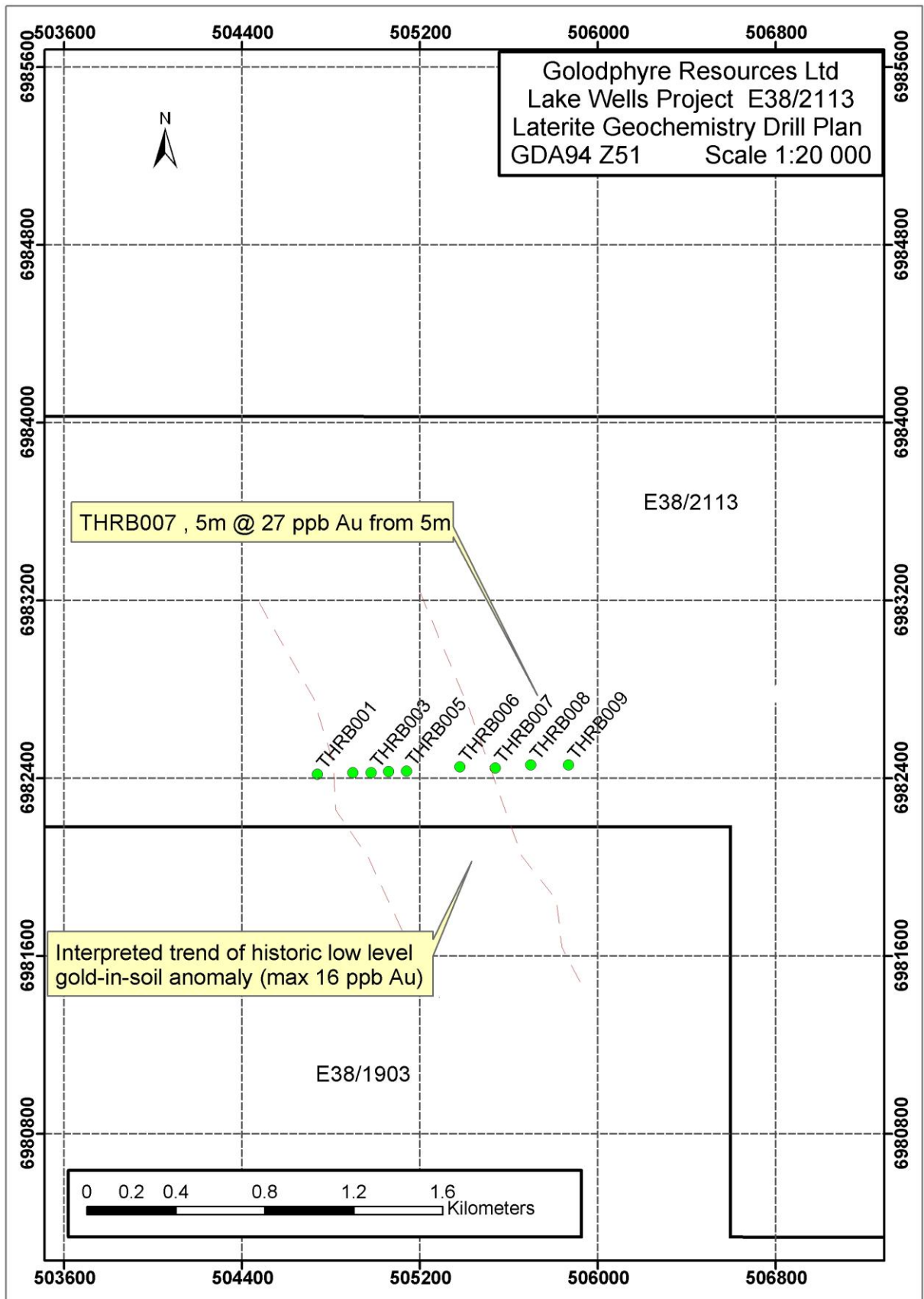


Figure 3 - Lake Wells Laterite geochemistry drill plan E38/2113

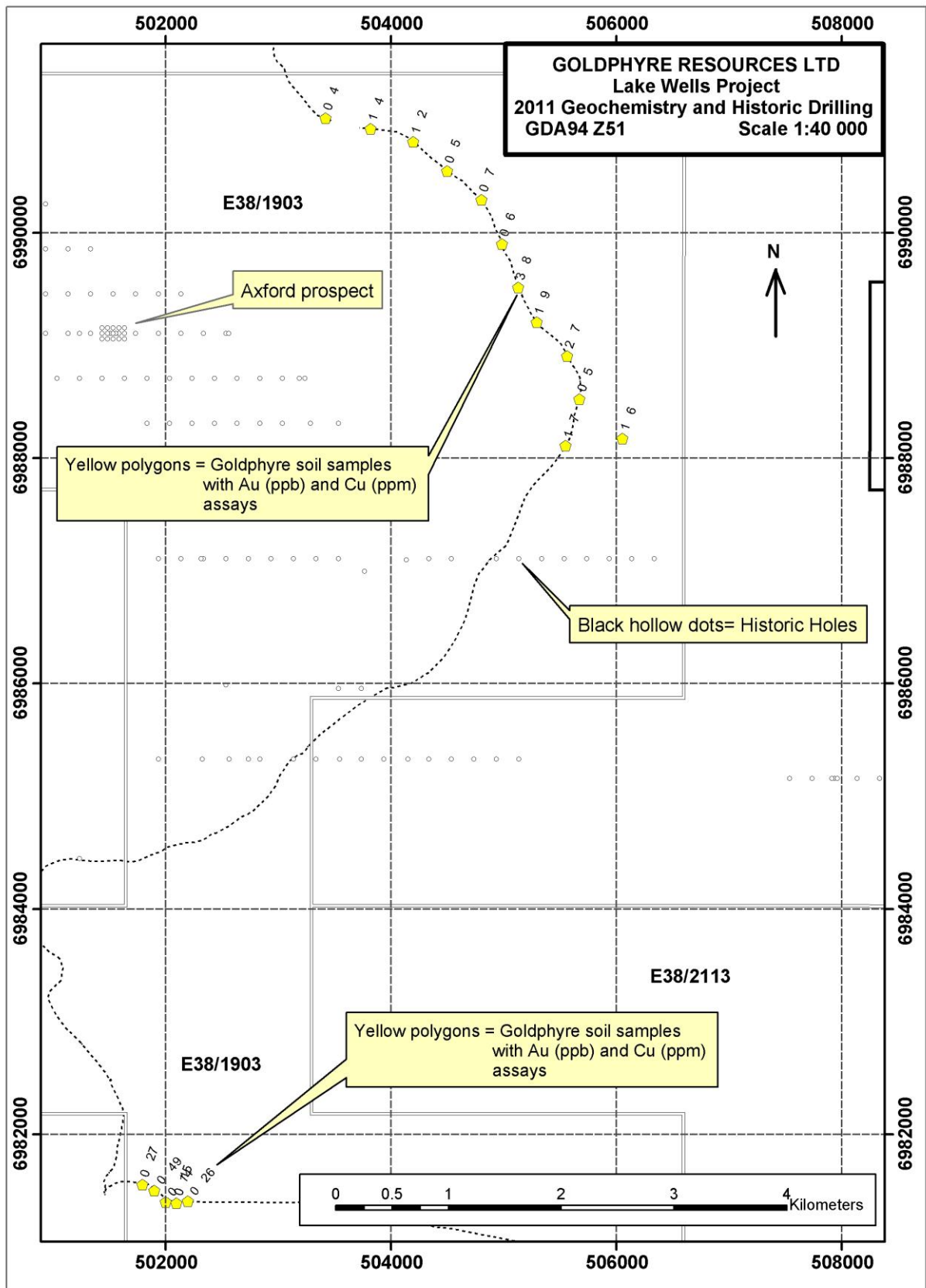


Figure 4 - Lake Wells soil geochemistry results E38/1903



## MAILMAN HILL

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

An Air Core (AC) drilling program was completed at the Iron Tank Prospect at the Mailman Hill project, 25 kilometres east of Leonora (Figure 5).

The AC drill program (18 holes for 670m) consisted of a first stage program designed to test the southern trend of the neighbouring explorers' gold prospect (Crawford's Prospect) and test along strike of the broad gold anomaly (28m @ 0.50 g/t Au from 17m<sup>1</sup>) in historic RC hole ITRC001 (Iron Tank Prospect), located in the western part of E37/990 (Figure 5).

The program was reduced by two holes due to hard ground encountered by the small AC rig at the Iron Tank Prospect. The 28m @ 0.50 g/t intersection in historic hole ITRC001 still requires further testing with a larger RC rig.

Composite assay results have been received with a best intercept of 4m @ 276 ppb Au from 44m in MHAC016 (Table 1). Although considered low tenor, the composite gold results are encouraging in the end-of-hole (EOH) intercepts recorded in MHAC011, MHAC012 and MHAC015. Coincident arsenic anomalism was also recorded in EOH intercepts in MHAC012 (209 ppm As) and MHAC015 (153ppm As). Arsenic is considered to be an important pathfinder element in the Eastern Goldfields.

Drilling revealed a shallow weathered sandstone and siltstone sequence with minor hematite+magnetite alteration.

An RC drilling rig is scheduled to follow-up AC gold anomalies and test along strike of the historic intersection in ITRC001 in the second half of the June 2012 quarter.

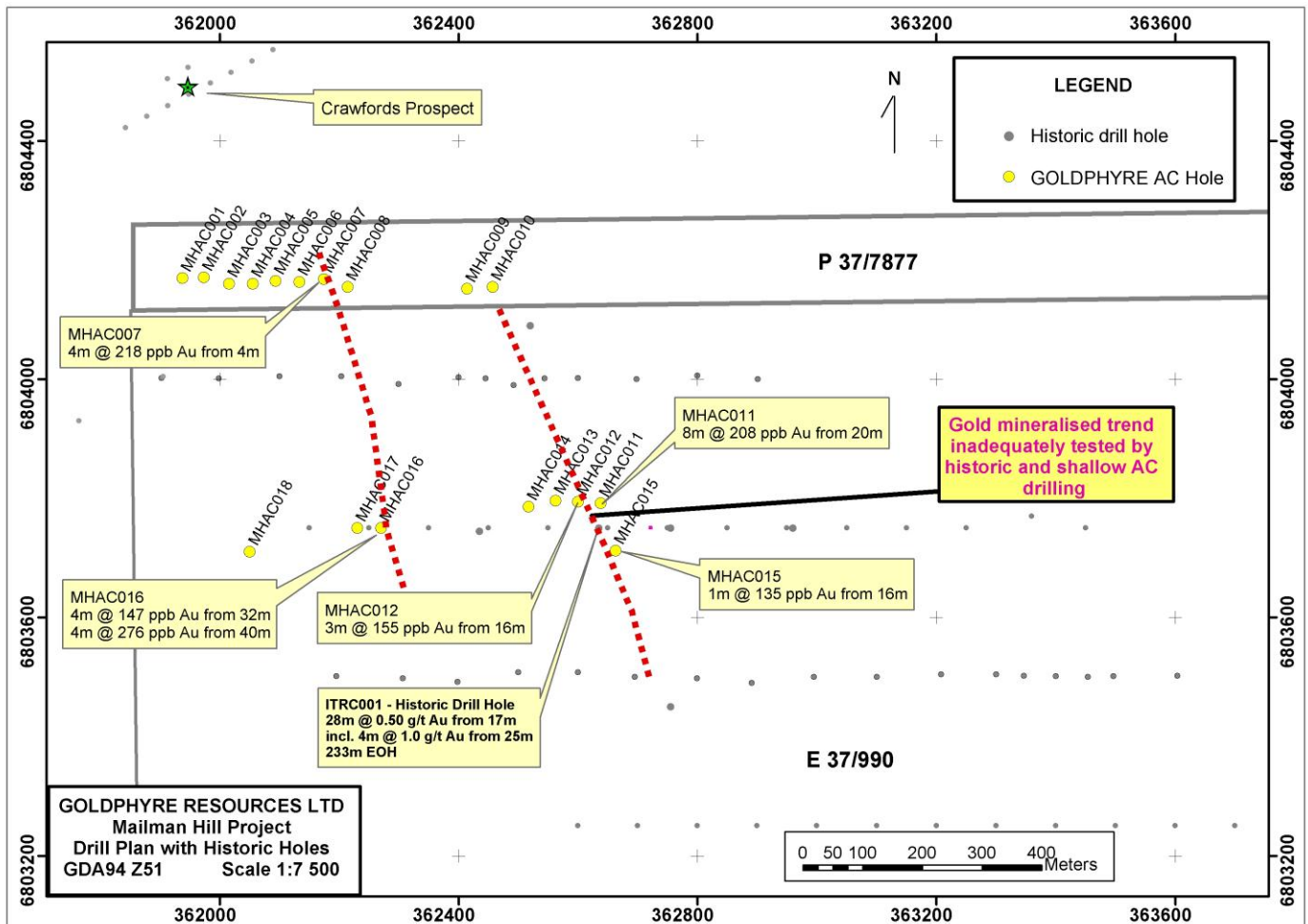


Figure 5 - Mailman Hill Air-Core Drill Plan, Iron Tank Well Prospect

<sup>1</sup> Reference Jindalee Resources Limited ASX release dated 28 October 2004, Quarterly Report to Shareholders for 3 months ended 30 September 2004).

**Table 1 - Mailman Hill - Anomalous Gold Results**

Hole	Northing(m)	Easting(m)	Dip	Azimuth	Interval		Width(m)	Gold (ppb)	Hole Depth(m)	Comments
					From (m)	To (m)				
MHAC007	6804168	362174	-60	270	4	8	4	218	36	
MHAC011	6803792	362638	-90	-	20	28	8	208	28	Anomalous gold intercept at end of hole
MHAC012	6803794	362600	-90	-	16	19	3	155	19	Anomalous gold intercept at end of hole
MHAC015	6803712	362663	-90	-	16	17	1	135	17	Anomalous gold intercept at end of hole
MHAC016	6803750	362270	-90	-	32	36	4	147	64	
MHAC016	6803750	362270	-90	-	40	44	4	276	64	

Datum: GDA94 Co-ordinate system

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)

## **YAMARNA PROJECT**

### **E38/1949 – 100% Goldphyre Resources Limited**

The Company has identified specific drill targets for which statutory approvals have been obtained. Subject to Heritage clearance issues being resolved, the Company plans to commence drilling during the September 2012 quarter.

The Company has progressed negotiations with Central Desert Native Title Services the Native Title representative body for Yilka claimant group for the purposes of meeting statutory Heritage obligations.

## **ISLAND VIEW PROJECT**

### **E15/1049, E15/1050 – 100% Goldphyre Resources Limited**

Evaluation work is proceeding and the Company will advise when specific drill targets have been identified.

**APPENDIX 1 - LAKE WELLS SOIL GEOCHEMISTRY – E38/1903**

SAMPLE_ID	GDA_N	GDA_E	Au_ppb	As_ppm	Cu_ppm	Ni_ppm	Pb_ppm	Zn_ppm
YYSS043	6988113	505554	1	1.1	7	6	5.8	10
YYSS044	6988525	505677	<1	1	5	5	4.1	9
YYSS045	6988908	505566	2	1.2	7	7	3.8	8
YYSS046	6989208	505296	1	1.3	9	9	5.1	11
YYSS047	6989517	505132	3	1	8	8	4.7	12
YYSS048	6989901	504990	<1	1.1	6	6	4.4	8
YYSS049	6990295	504807	<1	1.2	7	7	4.2	10
YYSS050	6990551	504502	<1	1.2	5	6	4.1	7
YYSS051	6990811	504203	1	1.3	2	3	0.9	2
YYSS052	6990926	503822	1	0.9	4	5	3.4	5
YYSS053	6991021	503423	<1	1.1	4	5	4.1	5
YYSS054	6988178	506059	1	0.9	6	7	3.9	6
YYSS055	6981407	502202	<1	1	26	16	5.7	12
YYSS056	6981390	502100	<1	0.9	15	13	3.8	9
YYSS057	6981400	502005	<1	0.7	14	13	3.7	9
YYSS058	6981502	501905	<1	1.1	49	88	4.7	26
YYSS059	6981555	501800	<1	1.2	27	17	5.5	15

Datum: GDA94  
Co-ordinate  
system

Note: All soil samples were collected by hand digging to 0.1-0.5m depth and delivered to Bureau Veritas Kalassay Lab, Kalgoorlie for 40g Aqua Regia Digest with ICPMS Finish (AR40\_ICPMS). (Detection Limit – 1ppb Au)

**APPENDIX 2 LAKE WELLS LATERITE GEOCHEMISTRY RAB COLLARS AND DRILLING RESULTS – E38/2113**

Hole_Id	GDA_N	GDA_E	Depth
THRB001	504740	6982418	21
THRB002	504900	6982425	26
THRB003	504982	6982425	27
THRB004	505060	6982430	18
THRB005	505140	6982432	17
THRB006	505380	6982450	21
THRB007	505540	6982445	15
THRB008	505700	6982460	12
THRB009	505870	6982460	24

All holes -90, RAB Blade method. Datum: GDA94 Co-ordinate system

Hole_ID	From	To	Au_ppb	Pt_ppb	Pd_ppb
THRB001	0	5	7	3	3
THRB001	5	10	2	8	5
THRB001	10	15	4	9	7
THRB001	15	20	2	9	7
THRB001	20	21	1	5	6
THRB002	0	5	4	4	4
THRB002	5	10	3	8	5



Hole_ID	From	To	Au_ppb	Pt_ppb	Pd_ppb
THRB002	10	15	2	10	5
THRB002	15	20	1	8	6
THRB002	20	25	7	4	5
THRB002	25	26	4	4	5
THRB003	0	5	3	4	20
THRB003	5	10	1	8	4
THRB003	10	15	2	8	7
THRB003	15	20	7	4	5
THRB003	20	25	1	3	4
THRB003	25	27	1	6	5
THRB004	0	5	3	4	4
THRB004	5	10	1	8	4
THRB004	10	15	9	8	8
THRB004	10	15	3	8	7
THRB004	15	17	2	9	5
THRB005	0	5	11	4	4
THRB005	5	10	2	7	4
THRB005	10	15	2	7	5
THRB005	15	16	2	4	5
THRB006	0	5	9	3	4
THRB006	5	10	3	6	5
THRB006	10	15	2	8	4
THRB006	15	20	2	9	6
THRB006	20	21	2	8	5
THRB007	0	5	8	3	3
THRB007	5	10	27	6	4
THRB007	10	15	10	6	5
THRB008	0	5	19	2	4
THRB008	5	10	2	5	4
THRB008	10	12	1	4	3
THRB009	0	5	13	2	4
THRB009	5	10	3	6	3
THRB009	10	15	2	4	2
THRB009	15	20	12	5	3
THRB009	20	24	1	7	5

Note: All composite samples (maximum 5m interval) were collected by scoop or spear from Rotary Air Blast drill chips and delivered to Bureau Veritas Kalassay Lab, Kalgoorlie for 40g Fire Assay Digest with ICPMS Finish (FA40\_ICPMS). (Detection Limit – 1ppb Au, Pt, Pd)

#### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

Ron Punch  
Executive Chairman  
Goldphyre Resources Limited  
Tel: +61 8 9389 2111  
[www.goldphyresources.com.au](http://www.goldphyresources.com.au)

#### **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 and 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.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

**Goldphyre Resources Limited**

ABN

58 149 390 394

Quarter ended ("current quarter")

31 March 2012

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(92)	(109)
(b) development	-	-
(c) production	-	-
(d) administration	(61)	(134)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(137)</b>	<b>(224)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(137)</b>	<b>(224)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(137)	(224)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	2,996
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Capital Raising Costs	(27)	(454)
	<b>Net financing cash flows</b>	(27)	2,542
	<b>Net increase (decrease) in cash held</b>	(164)	2,318
1.20	Cash at beginning of quarter/year to date	2,785	303
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,621	2,621

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	93
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

**Financing facilities available**

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	250
4.2	Development	-
4.3	Production	-
4.4	Administration	50
<b>Total</b>		<b>300</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	81	285
5.2 Deposits at call	2,540	2,500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,621</b>	<b>2,785</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**


*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	26,732,010	26,732,010		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	20,000	20,000		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	20,389,800	-	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 30 June 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 30 April 2012

Print name: **John Ribbons**

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.