

OPTION UNDERWRITING OVERSUBSCRIBED

- **Goldphyre to secure A\$5.5 million funding via full option underwriting**
- **Bookbuild closes substantially oversubscribed with strong levels of interest shown by both existing shareholders and key new investors (both domestic and international)**
- **Goldphyre to move into Q4 with a very well-funded balance sheet to continue advancing the Lake Wells Potash Project to commercialisation**

Goldphyre Resources Limited (ASX: GPH) is pleased to announce that it has entered into an underwriting agreement to fully underwrite the Company's listed option series (ASX: GPHO) up to a value of A\$5.5 million.

Goldphyre has 68,856,465 listed GPHO options on issue, exercisable at \$0.08 cents on or before 5.00pm (AWST), 30 September 2016. The underwriting gives Goldphyre a level of certainty that the options will result in funding of A\$5.5 million, ensuring the Company is well funded for the next important programs of work as it progresses the Lake Wells Potash Project to commercialisation.

Hartleys Limited ("Hartleys" or "Underwriter") acted as Lead Manager and Underwriter to the option underwriting.

The Underwriter received demand from sub-underwriters for substantially more than the 68.86 million options on issue and Goldphyre is very pleased with the strong levels of interest shown by both existing shareholders and key new investors (both domestic and international).

Goldphyre's Executive Chairman, Matt Shackleton, said:

"Our Lake Wells Potash Project is a superior Australian potash project and one that is best positioned for early entry to market.

This substantially oversubscribed option underwriting demonstrates the considerable support we have for our project which has a core of high-grade palaeochannel brine mineralisation, is amenable to low-cost, proven brine extraction using conventional bores, and is close to infrastructure. We have a clear and now well-funded strategy to bring the Project to fruition as quickly as possible."

The GPHO options expire on 30 September 2016 and option holders are advised to contact the Company Secretary with any queries in relation to the exercise of options.

Option underwriting – further information

The underwriting agreement is conditional upon all representations and warranties made by the Company in the agreement (which are standard in nature), being accurate as at the shortfall notification date (expected to be 7 October 2016) and the shortfall subscription date (expected to be 12 October 2016).

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It is anticipated that the Company will announce the number of shares to be issued as a result of this underwriting on or about 12 October 2016.

In consideration for the underwriting, the Underwriter will receive a fee of 6.00% of the amount underwritten. To the extent any sub-underwriters engaged by Hartleys are unable to fulfil their commitment in relation to the underwriting, there is provision in the underwriting agreement for the total number of options to be underwritten by Hartleys to be reduced by the amount of the relevant sub-underwriter's commitment.

The underwriting agreement contains standard termination provisions for an agreement of this nature, including (among other things) if there is a breach of the underwriting agreement.

For further information, please contact:

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