

Lefroy executes Agreement with BML Ventures to mine the Lucky Strike gold deposit

12 February 2025

HIGHLIGHTS

- Lefroy Exploration Limited (Lefroy) and BML Ventures Pty Ltd (BML) have entered into a profit-sharing mining agreement in relation to the Lucky Strike Gold Project, 60km southeast of Kalgoorlie, which contains a total MRE of 1.27 Mt @ 1.95 g/t Au for 79,600 ounces.
- Private mining contractor BML will be appointed as the statutory Mine Operator and manage all mining activities and approvals, funding all capital and operating costs required to advance the Lucky Strike Project.
- Net surplus cash (calculated after deduction of all expenses) to be distributed evenly between the partners 50% LEX and 50% BML.
- Negotiations to finalise toll milling production partnerships and agreements well advanced, with further updates scheduled in the March quarter.
- A preliminary 3000 metre RC drilling program to commence in late February, designed to unlock further value at Lucky Strike, and refine resource models ahead of final mine planning.
- This agreement strongly aligns with the Company's mission of unlocking value from its substantial +1million ounce Au resource base through resource growth and strategic partnerships and occurs as the Australian dollar gold reaches \$4,600/oz for the first time.
- The profit-sharing agreement enables the Company's to accelerate the mining of Lucky Strike, with operations anticipated to commence in the second half of 2025

Lefroy Exploration Limited ("Lefroy" or "the Company") (ASX: LEX) is pleased to announce that it has entered into a profit share mining agreement with BML Ventures Pty Ltd ("BML") with regards to the Lucky Strike Gold Project ("Lucky Strike"). which contains an MRE of 1.27 Mt @ 1.95 g/t Au for 79,600 ounces (Indicated 0.70Mt @ 1.93g/t Au for 43,400 oz. Inferred 0.57Mt @ 1.97g/t for 36,200 oz).

LEFROY CEO, GRAEME GRIBBIN, COMMENTED:

“We are delighted to be partnering with BML via this profit-sharing agreement at Lucky Strike. This partnership represents a truly defining moment for the Company, as we take a major next step down our pathway to realising value from the Lucky Strike project.”

“Importantly, as stated in December 2024, this agreement represents a mutually beneficial arrangement for both parties, offering a very low risk pathway to development for Lefroy, while engaging the services of an experienced mining contractor in BML to oversee, navigate and manage approvals and mining process, with Lefroy exposed to minimal upfront cash contributions.”

BML is a privately owned mining contractor based in Kalgoorlie and has a strong track record of funding, developing, and operating open pit gold mines.

With a strong technical focus, BML uses its low-cost owner/operator mining fleet and its relationships with local toll treatment operators to maximise profitability and cash generation from small to medium sized mining projects.

BML has recently collaborated with Auric Mining Limited (ASX:AWJ) on mining the Jeffreys Find Gold Project.

PROFIT MINING AGREEMENT

The binding Profit-Sharing Agreement between BML and Lefroy is in relation to the Lucky Strike Gold Project (Figures 1, 2 and 4), which contains an MRE of 1.27 Mt @ 1.95 g/t Au for 79,600 ounces (Indicated 0.70Mt @ 1.93g/t Au for 43,400 oz. Inferred 0.57Mt @ 1.97g/t for 36,200 oz) (“Profit-Sharing Agreement”).

The previously executed Exclusivity Agreement between BML and Lefroy (refer ASX release 18 December 2024) is replaced upon the execution of the Profit-Sharing Agreement.

The material commercial terms of the Profit-Sharing Agreement are as follows:

- Upon the parties successfully executing the Profit-Sharing Agreement, Lefroy will grant an exclusive right to BML to open pit mining at the Lucky Strike Area, within the Lucky Strike Project, with a profit-sharing split of LEX 50% and BML 50%;
- BML is authorised and responsible for the mine site and any mining approvals and is to act as the statutory Mine Operator responsible for all mining activities and BML will coordinate and fund all approvals required for the mining of Lucky Strike;
- BML will use best endeavours to commence mining at the Lucky Strike Area within 18 months of signing this Profit-Sharing Agreement, if satisfied as to the agreed

profitability threshold, that there is sufficient continuity of high-grade ore across the Lucky Strike Area and that sufficient toll milling capacity is available;

- BML is to fund capital and operating costs and manage all mining related activities at Lucky Strike.
- BML is to coordinate toll milling negotiations with third party toll milling processing plant operators on behalf of the parties, including in respect of processing costs and scheduling of toll milling slot availability;
- Lefroy agrees to undertake a pre-mining resource infill drilling program to further consolidate the geological and resource confidence at Lucky Strike;
- All subsequent drilling following a decision to mine (including all grade control drilling) to be undertaken and funded by BML as expenses;
- All net cash from the sale of product (Au) is to be paid to/retained by BML up to and until all the costs incurred and paid by BML for undertaking mining at the Lucky Strike Area have been repaid from the sale of the product; and
- The net profit (i.e the surplus achieved after deducting expenses from income for the Lucky Strike Area) will be split Lefroy 50%: BML 50%.

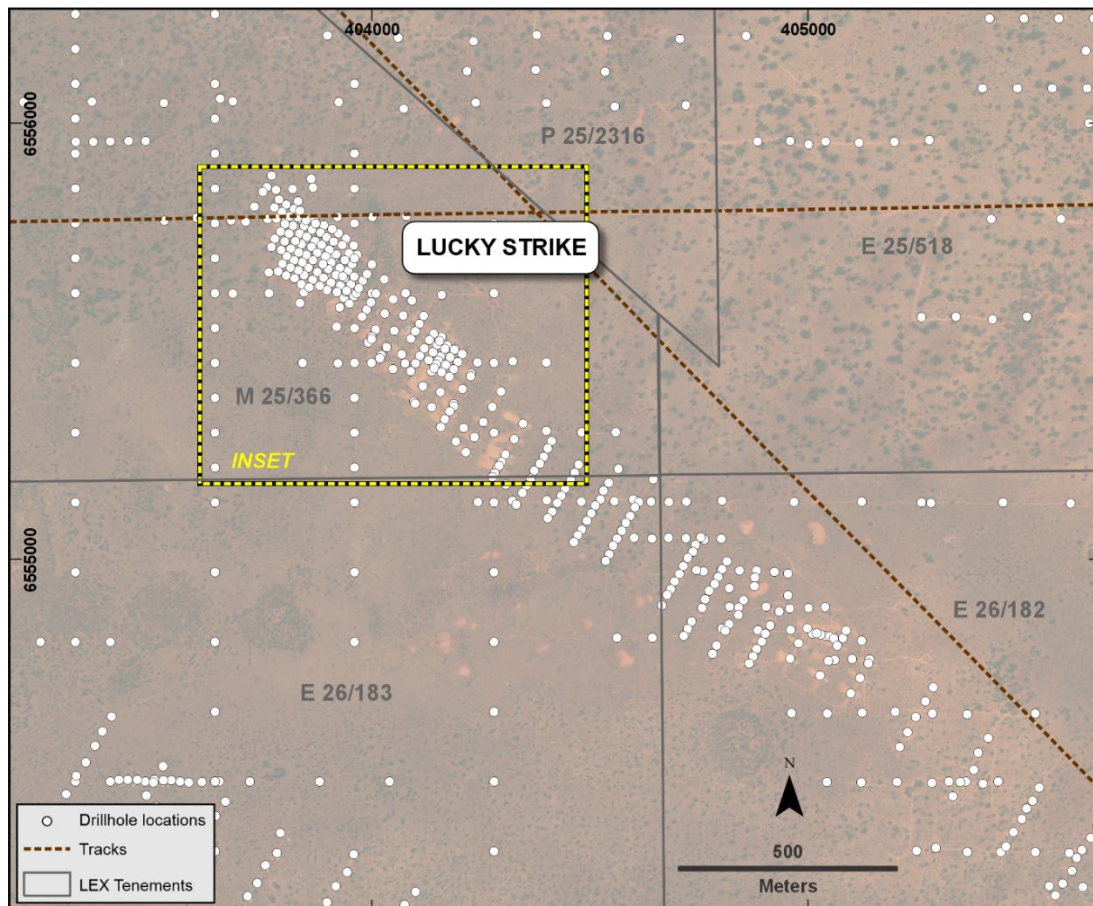


Figure 1: Lucky Strike Area Location Plan and historical drillhole locations (Insert Refer to Figure 2).

The term of the Profit-Sharing Agreement will continue until the earlier of:

- a) completion of the mining at Lucky Strike; or
- b) final distribution of net profit generated from the sale of product; or
- c) BML has not started mining and is not actively preparing for mining or actively investigating the merits of mining the tenements for a period of 18 months from the last activity or expenditure incurred by BML in relation to the tenements; or
- d) BML or Lefroy terminates the Profit-Sharing Agreement in accordance with its terms;

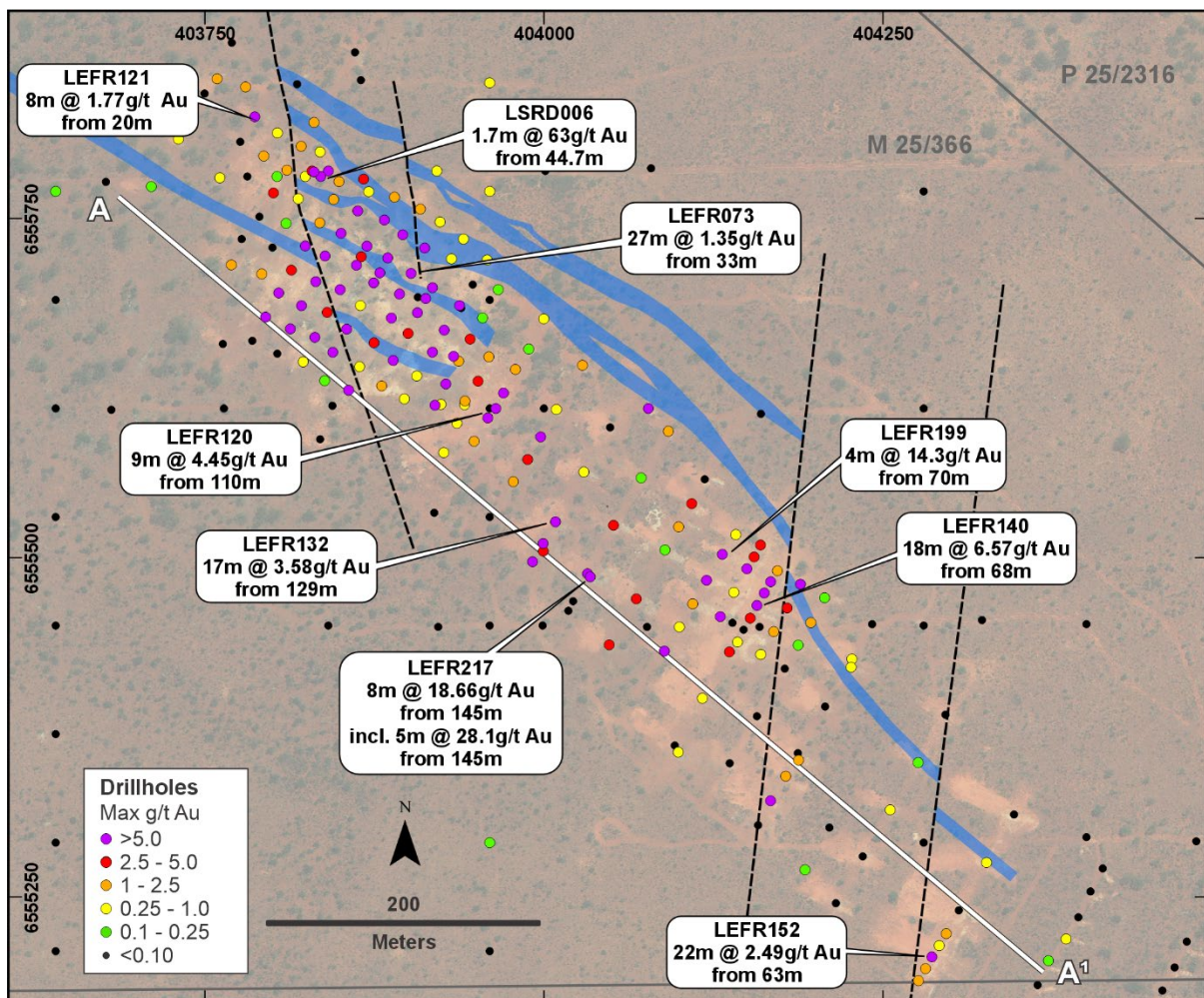


Figure 2: Lucky Strike Au results including significant intersections

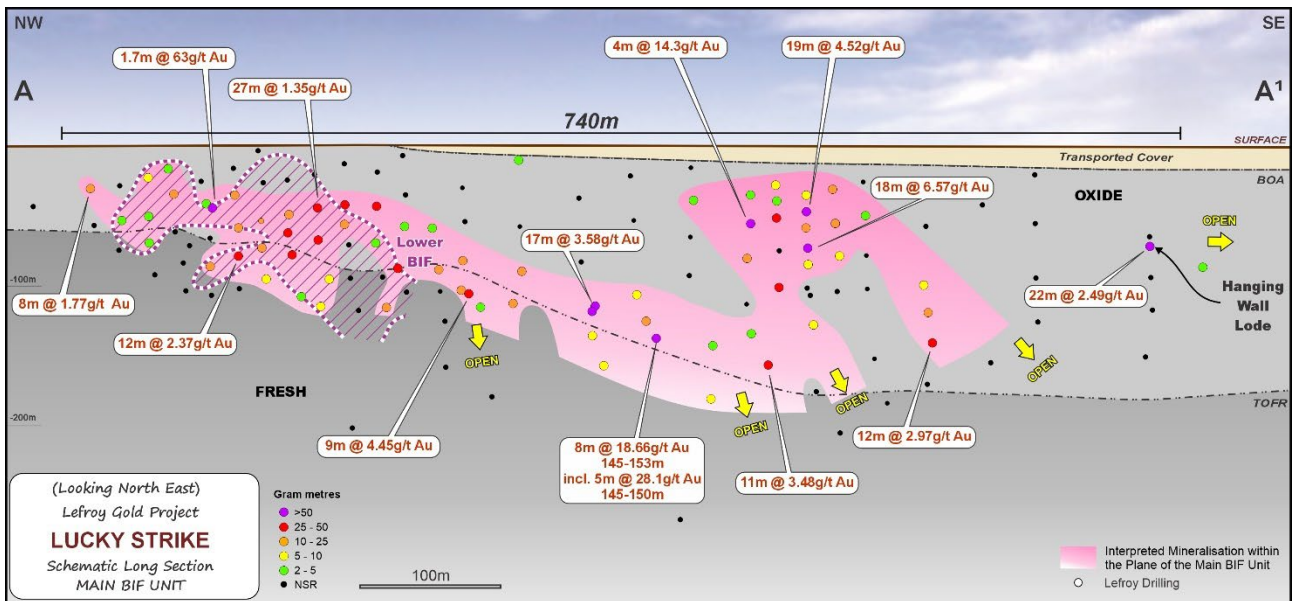


Figure 3: Lucky Strike Long Section (Looking northeast)

NEXT STEPS TOWARDS MINING

The Company is actively working with BML on several toll milling production arrangements and is in the final stages towards securing a processing agreement to secure toll milling capacity. The Company will provide a further update on these negotiations before the end of the March quarter period.

Prior to the execution of this Profit-Sharing Agreement, the Company also commenced coordinating environmental permitting and approvals at Lucky Strike. Following the execution of this agreement, BML will take the lead on funding and finalising these approvals, with both parties working towards approvals.

As part of pre-mining activities, Lefroy has agreed to fund a small, shallow, resource infill and extensional RC drilling program (3000m), targeting the top 50m of the proposed mining area at Lucky Strike.

This drilling program (scheduled to commence later this month), supported by a recently completed detailed geological model of the mineralisation host rocks at Lucky Strike, will strengthen the resource model and facilitate further pit shell optimisation work and to support finalisation of mine planning.

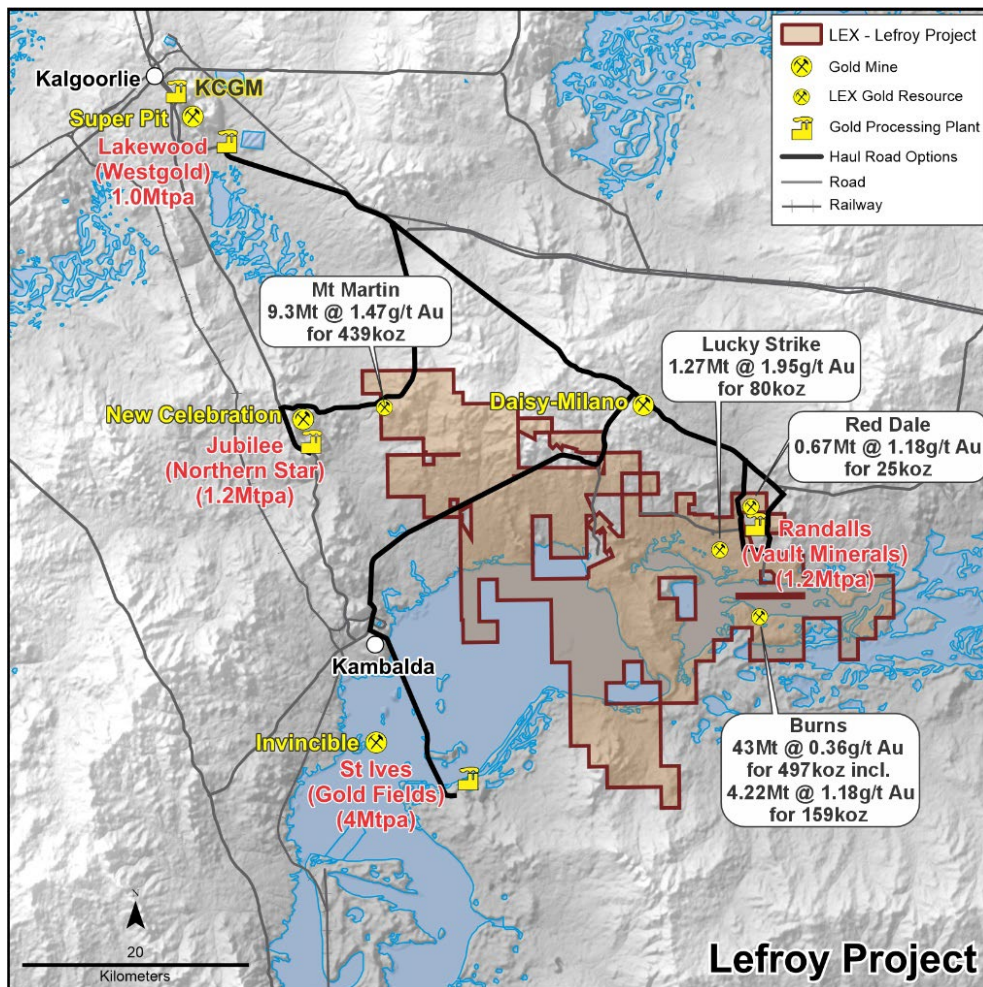


Figure 4: Lefroy Gold Project and location of Lucky Strike.

ABOUT THE LUCKY STRIKE GOLD PROJECT

Lefroy first commenced drilling at Lucky Strike in 2016 with several air core and reverse circulation drilling programs between 2016 to 2019 defining a gold mineralised trend spanning a 3km strike length. Subsequent RC drilling led to Lefroy delivering a maiden Mineral Resource Estimate (MRE) of 1.27Mt @ 1.95 g/t Au for 79,600oz of gold (refer ASX announcement 20 May 2020).

Several significant high grade gold intersections within 150m vertical depth from surface have been intersected at the Lucky Strike Project (refer ASX announcement 26 February 2020) with notable significant intersections including:

- 8m @ 18.66 g/t Au from 145m, including 5m @ 28.1g/t Au from 145m (LEFR217)
- 22m @ 2.49 g/t Au from 63m (LEFR152)
- 3m @ 7.79 g/t Au from 130m (LEFR190)
- 11m @ 3.48 g/t Au from 170m (LEFR216)

High grade mineralisation at the Lucky Strike Project is concentrated around the hinge of a tight fold within the host banded iron formation unit (BIF) and demonstrates a shallow plunge to the south.

The mineral resource at the Lucky Strike Project is located on a granted mining lease (M25/366) and is located just 5km west of the Mt Monger Road and haulage corridor.

Additionally, Lucky Strike is within close trucking distance to numerous gold milling facilities (Figure 1) with particular close proximity to the Randalls Mill owned by Vault Minerals Ltd (ASX:VAU) and the Lakewood Mill owned by Westgold Resources Ltd (ASX:WGX).

- ENDS -

This announcement has been authorised for release by the Board of Directors.



Graeme Gribbin
CEO

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ABOUT LEFROY EXPLORATION LIMITED

Lefroy Exploration Limited (ASX:LEX) is an active West Australian exploration company focused on developing its growing gold and critical minerals projects. The Company's portfolio of high-quality projects includes the Lefroy Project (Figure 4), located in the heart of the world-class Kalgoorlie and Kambalda gold and nickel mining districts and the Lake Johnston Project 120km west of Norseman.

The Lefroy Project is a contiguous land package of 635km² with a growing mineral resource inventory of greater than 1 million ounces of gold, 58,000 tonnes of contained copper and 14,780 tonnes of contained nickel, (refer to Table 1).

In May 2023, Lefroy signed a Mineral Rights Agreement with title holder Franco-Nevada Pty Ltd, to acquire the mineral rights to Hampton East Location 45 (Location 45) (Refer ASX release 23 May 2023). Location 45 is a freehold property, located within 25km of Kambalda and 35km southeast of Kalgoorlie. The property hosts the historic Mt Martin gold mine, which has historically produced approximately 200,000 ounces of gold grading at 2.8g/t and which includes an existing resource of 439,000 oz gold (9.29Mt @ 1.47g/t Au) (refer to ASX release 10 October 2024).

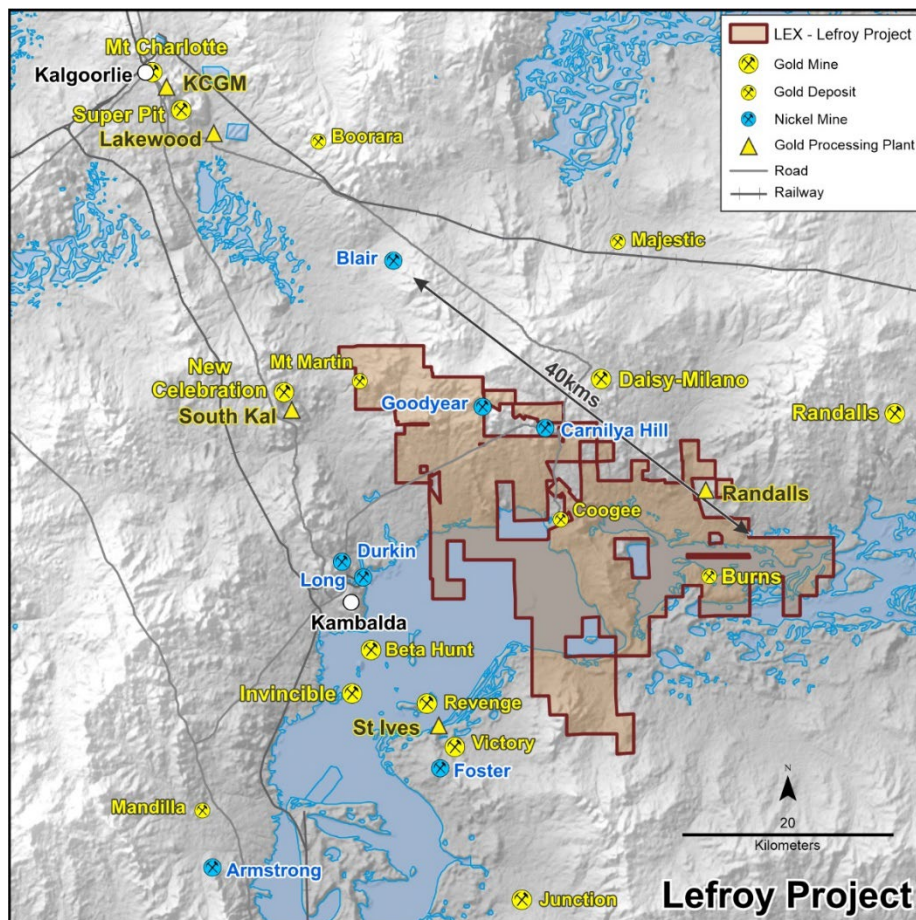


Figure 4: Regional location map of the Lefroy Project

ASX Announcement

ASX: LEX



SUPPORTING ASX ANNOUNCEMENTS

The following announcements were lodged with the ASX and further details (including supporting JORC Tables) for each of the sections noted in this announcement can be found in the following releases. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. In the case of all Mineral Resource Estimate's (MRE), the Company confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

- Outstanding Results Reinforce Lucky Strike Potential: 26 February 2020
- Maiden Lucky Strike Resource Estimate: 20 May 2020
- Half a million ounces of gold in Burns Central maiden resource: 4 May 2023
- Strategy to focus on Gold Development and Exploration: 23 February 2024
- High Grade Shallow Resource to Unlock Value at Burns Central: 3 October 2024
- Lefroy builds near-surface gold resources at Mt Martin: 10 October 2024
- South-West Connect – Investor Presentation October 2024: 16 October 2024
- Commercialising resources to advance exploration targets: 23 Oct 2024
- \$3.3M raised in oversubscribed placement to commercialise resources and target new discoveries: 28 October 2024
- Lefroy signs Agreement with BML Ventures to advance development of the Lucky Strike gold deposit: 18 December 2024

COMPETENT PERSON STATEMENT

The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Graeme Gribbin, a competent person who is a member of the Australian Institute of Geoscientists (AIG). Mr Gribbin is employed by Lefroy Exploration Limited. Mr Gribbin has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr Gribbin consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This announcement contains “forward-looking statements”. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “expect”, “predict”, “forecast”, “estimate”, “target” and “intend” and statements that an event or result “should”, “could”, “may”, “will” or “might” occur or be achieved and other similar expressions. Forward-looking statements are subject to business, legal and economic risks and uncertainties and other factors that could cause actual results to differ materially from those contained in forward-looking statements. Forward-looking statements including estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may or may not occur. The statements involve known and unknown risks, uncertainties and other factors associated with LEX and the mining exploration industry such as resource risk, environmental and regulatory risks, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates and operational risks. Many of risks these are beyond the control of LEX. It is believed that expectations reflected in the statements are reasonable but they may be affected by market conditions and a range of other variables which could cause actual results or trends to differ materially from those stated.

Table 1: Total Indicated and Inferred Mineral Resources (small discrepancies may occur due to the effect of rounding)

Orogenic Gold Style									
	Indicated			Inferred			Total Resource		
Deposit	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
Red Dale	0.64	1.21	24,660	0.03	0.60	570	0.67	1.18	25,230
Lucky Strike	0.70	1.93	43,400	0.57	1.97	36,200	1.27	1.95	79,600
Mt Martin	5.60	1.40	2,47,500	3.69	1.61	191,500	9.29	1.47	439,000
TOTAL	6.94	1.41	315,560	4.29	1.66	228,270	11.23	1.51	543,830

Porphyry Gold-Copper Style														
	Indicated					Inferred					Total Resource			
Deposit	Mt	Au (g/t)	Cu (%)	Au (Oz)	Cu (t)	Mt	Au (g/t)	Cu (%)	Au (Oz)	Cu (t)	Mt	Au (g/t)	Au (Oz)	Cu (t)
Burns Central	32.31	0.38	0.16	394,308	50,253	10.65	0.3	0.08	103,165	8,047	42.96	0.36	497,472	58,300
Total	32.31	0.38	0.16	394,308	50,253	10.65	0.3	0.08	103,165	8,047	42.96	0.36	497,472	58,300

Nickel									
	Indicated			Inferred			Total Resource		
Deposit	tonnes	Ni (%)	Ni metal	tonnes	Ni (%)	Ni metal	tonnes	Ni (%)	Ni metal
Goodyear	-	-	-	392,000	3.78	14,780	392,000	3.78	14,780
TOTAL	-	-	-	392,000	3.78	14,780	392,000	3.78	14,780