Lefroy Exploration

LEFROY EXPLORATION LIMITED

ANNUAL REPORT

30 June 2023

Incorporated in the British Virgin Islands IBC No 29457

Australian Registered Body Number 052 123 930

Corporate Information

Directors

Gordon Galt	(Non – executive Chairman)
Michael Davies	(Non - executive Director)
Tara French	(Non - executive Director)
Wade Johnson	(Managing Director)

Company Secretary
Susan Hunter

Registered Offices
Level 3, 7 Rheola Street
WEST PERTH WA 6005
Telephone: +618 9321 0984

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Road Town,
Tortola, VG1110
British Virgin Islands

Principal Place of Business
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WEST PERTH WA 6005

Bankers
Australia & New Zealand Banking Corporation
West Perth Business Centre
Hay Street
West Perth WA 6005

Share Registries
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Auditors
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Stock Exchange Listing
Lefroy Exploration Limited shares are listed on the Australian Securities Exchange (ASX code: LEX)

CHAIRMAN'S LETTER

Dear Shareholders,

The 2023 financial year has again been a very active one for our company, with some highs and lows in the market for "junior" exploration companies and commodities, including gold.

Lefroy started the year well-funded and with our eyes firmly set on establishing the existence of significant mineralisation at our Burns Project. The majority of funding was once again spent in the ground through several safe extensive drilling campaigns. During the 2023 FY we completed a 67-hole RC resource drill program at Burns Central in the December Quarter. We concentrated our efforts on a JORC Code- compliant Mineral Resource and were successful in defining 43 million tonnes grading 0.36g/t gold and 0.14% copper with additional silver credits at 0.35g/t, and high value cobalt and molybdenum calculated in the metals mix. This achievement took our gold inventory above 600,000 ounces. In addition, we established that the corridor in which Burns Central exists likely holds over 2000m of mineralised strike length with a conservative Exploration Target of up to 175 million tonnes at 0.4g/t to 2.5g/t gold.

The efforts of our geological team weren't limited to Burns however, and towards the end of the year we were able to announce a real game changer for Lefroy with the acquisition of mineral rights over Location 45 that contains the Mt Martin gold and Goodyear nickel deposits. After validating the resource models, these have now contributed another 500,000 ounces of gold and 14,780 tonnes of high-grade nickel to our portfolio. Most importantly, both deposits are developable in the near term.

At Mt Martin we establish an open cut mine initially by a cutback of an existing pit and then followed up by underground operations. We have a number of pre-existing mining studies of these intentions and will commence drilling before the end of the next quarter.

At Goodyear we plan to access the underground resources via a decline and have several models from previous and current mines and developments available for reference. The first thing to do however, will be to investigate the true extent of the nickel mineralisation. This will occur in parallel with the gold exploration on Location 45.

We are fully funded to undertake these activities following a heavily oversubscribed placement in September 2023.

I would like to thank all shareholders for your support during the year and thank all staff for their safe and diligent work on our behalf.

We all look forward to a safe and successful year ahead which will put us on the brink of changing from an explorer to a miner in our own right.

Best Regards,

Gordon Galt

Chairman, Lefroy Exploration Limited

DIRECTORS' REPORT

Your directors submit their report on Lefroy Exploration Limited ('Lefroy' or the 'Company') and it's consolidated entities (referred to hereafter as the 'Group') for the year ended 30 June 2023.

DIRECTORS

The names and details of the Company's directors in office during the year and until the date of this report follow. Each director was in the office for this entire period unless otherwise stated.

Gordon Galt, (Non - Executive Chairman) - Appointed 1 July 2010

B.Eng (Hons) (Qld Uni); B.Comm (Qld Uni); Grad Dip Applied Finance (Finsia); MAusIMM; MAICD

Gordon is a mining engineer with extensive experience in operations, project development, senior management and directorship across a range of commodities, especially gold, copper and coal. Gordon was General Manager at Ulan Coal in NSW's Hunter Valley then Managing Director at Cumnock Coal in 1996. He then was Managing Director with Newcrest Mining where he oversaw development of the Cadia and Ridgeway Copper/Gold mines in NSW, the Gosowong Gold Mine in Indonesia and the redevelopment of the Telfer Copper/Gold mine in WA. Gordon entered investment banking in 1999 as Managing Director for Energy, Chemicals and Pharma at ABN AMRO and was a founding Principal at Taurus Funds Management Pty Ltd in 2007.

Other current directorships:

NuCoal Resources Ltd	Appointed 5 February 2010
QMETCO Ltd (unlisted)	Appointed 30 August 2016

Former directorships in the last 3 years:

Nil

Wade Johnson, (Managing Director) - Appointed 19 October 2016

BSc. (Hons) MAIG

Wade is a geologist with over 25 years' experience in mineral exploration with a focus on gold in Western Australia. He was most recently exploration manager for Kalnorth Gold Mines Limited, where he oversaw exploration of the company's gold tenements near Kalgoorlie over a period of five years. Prior to this, Wade was with Newmont for 10 years, where he held senior roles as Exploration Manager for Australia and then as Exploration Manager for Asia Pacific. During this time he was responsible for the management of greenfields exploration programs and project generation across the Yilgarn, Tanami, North Queensland and the Lachlan Belt (NSW) with a significant amount of activity in Western Australia. He has also had extensive exploration project management and field experience throughout the Northern Goldfields and Murchison with Wiluna Mines Limited, ASARCO, and St Barbara Mines Ltd. Wade has not had any other directorships in the past three years.

Other current directorships:

Nil

Former directorships in the last 3 years:

Nil

DIRECTORS' REPORT (CONTINUED)

Michael Davies, (Non - Executive Director) – Appointed 1 July 2010

BA (Hons); MBA

Michael is a specialist in resource financing, with over 20 years' experience in investment banking (Barclays, BZW and ABN AMRO), originating, structuring and arranging debt and providing corporate advice to natural resources companies internationally. Michael also has had extensive commercial experience more broadly in the mining industry, having been involved in the negotiation of joint venture agreements, participating on joint venture committees and negotiating the acquisition and sale of mining tenements. Michael is also a founding Principal and Director of Taurus Funds Management Pty Ltd.

<u>Other current directorships:</u>

NuCoal Resources Ltd	Appointed 5 February 2010
QMETCO Ltd (Unlisted)	Appointed 20 October 2011

<u>Former directorships in the last 3 years:</u>

Nil

Tara French, (Non-Executive Director) – Appointed 1 July 2022

BSc. (Hons) MAIG

Tara is a geologist with over 25 years mining and exploration experience and is currently the Managing Director of Cazaly Resources Limited. Previously she held the position of General Manager of Exploration for Regis Resources Limited, where she was employed for 14 years and played a key role in the transition and growth of Regis Resources Limited. Tara has multiple commodity experience including gold, nickel and copper, in project evaluation, resource estimation, open cut and underground mining. Tara is a member of the Australian Institute of Geoscientists and a Graduate Member of the Australian Institute of Company Directors.

<u>Other current directorships:</u>

Cazaly Resources Limited	Appointed 19 April 2021

<u>Former directorships in the last 3 years:</u>

Nil

COMPANY SECRETARY

Susan Park (appointed 6 December 2016)

BCom; ACA; F Fin; GAICD; AGIA

Susan has over 28 years' experience in the corporate finance industry and has held Company Secretarial and Non-Executive Director roles for ASX, AIM and TSX listed companies. Susan is founder and Managing Director of consulting firm Park Advisory Pty Ltd, specialising in corporate governance and company secretarial advice to ASX, AIM and TSX listed companies. Previously, Susan has held senior management roles at Ernst & Young, PricewaterhouseCoopers and Bankwest in Perth and Sydney. Ms Park holds a Bachelor of Commerce degree majoring in accounting and finance, is a Chartered Accountant, a Fellow of the Financial Services Institute of Australasia and the Institute of Chartered Secretaries and Administrators, and is a Graduate Member of the Australian Institute of Company Directors.

Interests in the shares and options of the Company and related bodies

As at the date of this report, the relevant interests of the directors and their related parties in shares, Share Plan Shares and options of Lefroy Exploration Limited were:

	Ordinary Shares	Share Plan shares	Options
Gordon Galt	3,676,191	1,200,000	1,200,000
Michael Davies	15,946,941	1,200,000	1,200,000
Tara French	125,000	-	1,200,000
Wade Johnson	4,245,047	2,400,000	2,000,000

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were:

- Exploration and evaluation of the Lefroy Project, approximately 50km southeast of Kalgoorlie:
  - A majority of the Group's focus was continued exploration at its 100% owned Burns gold-copper Project, which has been ongoing since its discovery by the Group in February 2021 when RC hole, LEFR260, intersected an outstanding 38m @ 7.63g/t gold & 0.56% copper from 134m to end of hole.
  - Exploration at Burns during FY2023 involved a combination of Reverse Circulation ('RC') and diamond drilling programmes which further evaluated and expanded the system outlined the prior year. A substantial grid based RC drilling program was completed in November and December 2022 at Burns Central that resulted in the delivery of a maiden Mineral Resource Estimate in May 2023.
  - At the Western Lefroy Project, which is subject to a Farm-In and Joint Venture Agreement with Gold Fields Limited ('Gold Fields'), significant ground was covered in an extensive land-based Full Field Aircore (FFAC) drill program, which has been ongoing since December 2021.
- Strategic acquisition of all mineral rights to freehold property East Location 45 ('Location 45'), located 25km north of Kambalda and 35km southeast of Kalgoorlie through a Mineral Rights Agreement with Franco Nevada Australia Pty Ltd.
- Exploration and evaluation of the Group's nickel portfolio, including the Goodyear, Lake Johnston, Glenayle and Carnilya South assets.
- The general administration of the Group.

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW

The 12 months ending 31 June 2023 were transformational for Lefroy Exploration with significant progress achieved at the Company's growing Lefroy Project between Kalgoorlie and Kambalda.

The Company secured a milestone acquisition with Franco Nevada Pty Ltd for all mineral rights to Location 45, expanding the Lefroy Project to 635km^2.

Location 45 is an underexplored freehold property considered highly prospective for gold and nickel, with two existing mineral resources. These include the Mt Martin Gold Mine ('Mt Martin'), containing over 500,000 ounces at 1.8g/t gold (Indicated/Inferred) and the Goodyear Nickel Deposit ('Goodyear') with 392,000 tonnes grading at 3.78% for 14,780 tonnes of contained nickel (Inferred). The Company prioritised converting Goodyear to 2012 JORC Code compliance and is pleased to report this was achieved subsequent to quarter's end.

At the Company's wholly-owned Burns Gold-Copper Porphyry Project ('Burns'), Lefroy successfully delivered a maiden Mineral Resource Estimate ('MRE') for the Burns Central deposit, following a resource definition RC drill program and two years of exploration, research and analysis.

Burns Central's total MRE was reported as 43 million tonnes, containing 497,000 ounces of gold, 58,000 tonnes of copper and 489,000 ounces of silver, plus an additional 928,000 pounds of molybdenum and 2,982 tonnes of cobalt (LEX ASX release 4 May 2023).

The Burns MRE with the addition of Mt Martin to Lefroy's portfolio has significantly increased the Company's gold resources from 105,000 ounces in November 2022 to over 1.1 million ounces of gold (ASX release 23 May 2023).

Earlier in the year, the results for two diamond holes drilled at Burns Central successfully confirmed the system's depth potential and the down-plunge continuity of a higher-grade gold zone. This program included a 1246m deep hole co-funded under the Exploration Incentive Scheme (EIS) and managed by the WA Department of Mines, Industry, Regulation and Safety (DMIRS).

Additional exploration completed at Burns included two diamond holes at the Lovejoy anomaly located 1.5km north of Burns Central, which successfully followed-up previously identified gold and copper anomalism in similarly altered diorite porphyry to Burns Central. A major 67-hole RC resource definition program was completed at Burns Central thereafter to support the maiden MRE and in addition to existing data obtained, has greatly assisted our understanding of the porphyry system playing host to significant gold and copper mineralisation.

Subsequent to the year's end, the Company announced that it had been appointed as Manager of the Western Lefroy Farm-In and Joint Venture Agreement with Gold Fields Limited (JSE:GFI) after receiving notice that Gold Fields would not satisfy the Stage 2 Farm-in requirement to attain a 70% interest (ASX release 23 August 2023). In July 2023 Lefroy also received a tax refund in July of $910,000 for research and development related work at Burns and raised $6.2 million in September 2023 through a heavily oversubscribed share placement to institutional and sophisticated investors.

The Company is now well funded to accelerate exploration at Location 45 with 70% of funding planned to advance the Mt Martin and Goodyear deposits toward development.

Initial exploration planned to focus on resource and extensional drilling at Mt Martin to facilitate mine optimisation studies and a pathway to resume open pit mining. This will be followed by resource infill and expansion drilling at Goodyear to explore its upside potential and in aim of increasing its resource confidence from Inferred to Indicated, under the expertise of Lefroy's wholly-owned nickel entity, Hampton Metals Ltd.

Lefroy Project

The Lefroy Project is the Company's commanding, contiguous and wholly-granted 635km^2 land package, located approximately 50km southeast of Kalgoorlie and 25km north of Kambalda in the Eastern Goldfields Province of Western Australia.

The Lefroy Project is surrounded by the infrastructure of multiple gold and nickel mining operations with commercial processing options, including Gold Fields' multi-million-ounce St Ives gold camp immediately west of the project, and BHP's Kambalda Nickel Concentrator.

During the 12-month period ending 30 June 2023, the Lefroy Project expanded considerably from 105,000 ounces of gold in resource to over 1.1 million ounces of gold with an additional 58,000 tonnes of contained copper and 14,780 tonnes of contained nickel (Inferred/Indicated).

This transformation and achievement can be attributed to two key events, including the Company's May 2023 announcements of its Burns maiden MRE and its strategic acquisition of mineral rights to the highly prospective freehold property Location 45, which contributed three additional mineral resources to the Company's portfolio.

Additional exploration at the Lefroy Project during the year included two diamond holes at Burns Central to test the system's depth potential and the down-plunge continuity of a higher-grade gold zone, including a deep EIS co-funded 1246m deep hole EIS co-funded under the Exploration Incentive Scheme (EIS) managed by the WA Department of Mines, Industry, Regulation and Safety (DMIRS).

Two subsequent diamond holes were completed approximately 1.5km north of Burns at the Lovejoy anomaly, to follow-up previous RC intercepts of anomalous gold and copper in similarly altered diorite porphyry to Burns Central. A major RC Resource program was completed thereafter to support the Burns Central MRE.

East Location 45

In the June 2023 Quarter, Lefroy acquired all mineral rights to freehold property East Location 45 (Location 45 or Loc45), located 35km southeast of Kalgoorlie and 25km north of Kambalda (ASX announcement 23 May 2023).

This acquisition grew the Company's Lefroy Project by 76km^2 to 635km^2 of contiguous tenure and expanded the Company's mineral resources to encompass the Mt Martin Gold Mine and Goodyear Nickel Deposit.

The acquisition was achieved through a Mineral Rights Agreement with the property's title holder, Franco Nevada Pty Ltd (Franco Nevada). In this agreement, Lefroy and its wholly-owned subsidiaries have the right to explore for all minerals on Location 45 within an initial 21-year term with the option to negotiate a 10-year extension.

Nickel, lithium and REE rights are held by Lefroy's nickel dedicated subsidiary Hampton Metals Ltd (HMT), while gold and other mineral rights are held by the Company's gold-focused subsidiary Monger Exploration Pty Ltd (MEX).

A 4% royalty fee of Net Smelter Returns is payable to Franco Nevada. No additional State Government royalty is applicable to the asset or companies operating on it, given its status as a freehold property.

Goodyear Nickel Deposit

Goodyear lies within the eastern boundary of Location 45 and is held by the Company's wholly owned nickel focused subsidiary Hampton Metals Ltd (HMT) (ASX release 23 August 2023).

In August 2023 Lefroy confirmed a total Inferred Mineral Resource for Goodyear as 392,000 tonnes @ 3.78% for 14,780 tonnes of contained nickel sulphide (at a cut-off grade of 1% nickel). The Company engaged independent global consultancy, CSA Global, to complete a review of the Goodyear MRE in accordance with the JORC Code 2012 (ASX release 23 August 2023).

Goodyear is a Kambalda-type komatiitic nickel mineral system which shares the same highly prospective basal contact as the high-grade Carnilya Hill Mine (Wyloo Metals) situated 6km the east and along strike of Goodyear.

Mineralisation at Goodyear occurs within three defined resource domains (Contact 1,3,4) positioned along its basal ultramafic komatiite contact. Goodyear shares the same highly prospective basal contact as the high-grade Carnilya Hill mine, (Wyloo Metals), situated 6km to the east and along strike of Goodyear. Carnilya Hill historically produced 1.7Mt @ 3.3% for 57,400 tonnes of nickel until 2012.

The Company's geological interpretation extends the prospective basal contact by 6km west of Carnilya Hill to the Dunlop nickel deposit (Wyloo Metals), which is the up-dip extension of Goodyear. Importantly, at least 30km of the highly prospective basal ultramafic contact has been subject to very limited nickel sulphide exploration for the last 15 years.

Significant exploration upside has been identified within the immediate vicinity of the Goodyear deposit. Nickel sulphide mineralisation at Goodyear remains open along strike and down-plunge. Importantly, the grade and thickness of mineralisation strengthens down-plunge where the deepest drillhole, returned 3.8m @ 7.31% nickel (GYD027) in Contact 3 along the basal contact at the edge of the defined resource envelope. As similar nickel mineral systems in the broader Carnilya district have a gentle plunge (e.g. Carnilya Hill and Zone 29), Lefroy interprets significant upside potential to extend west beyond the Proterozoic dyke (ASX release 23 August 2023).

The Company is prioritizing resource infill and expansion drilling at Goodyear, scheduled to commence in Q4/2023. This program will test the upside potential identified along strike and down plunge of the deposit and aims to increase resource confidence from Inferred to Indicated (ASX release 22 September 2023).

Mt Martin Gold Mine

The Mt Martin mine, located towards the northwestern boundary of Location 45, is a site that has endured more than 100 years' history of gold production, totalling approximately 200,000 ounces of gold.

Gold mineralisation is associated with a series of stacked west-dipping chlorite schists sandwiched between talc-carbonate ultramafic lithologies. Gold is strongly associated with arsenopyrite and mill reconciliation data from the Jubilee Mill and metallurgical test work indicates that good recoveries were achieved through a conventional carbon in leach (CIL) circuit.

In September 2023, Lefroy reported it had completed a comprehensive technical review of the Mt Martin drilling database and resource model retrieved from previous rights holders. Lefroy confirmed the data validated an Indicated and Inferred Mineral Resource of 501,175 ounces gold (8.7 Mt @ 1.79g/t Au), originally estimated by Alacer Gold Group in 2013.

The Company also confirmed Mt Martin's potential for considerable resource growth and exploration upside. Numerous high-grade gold intercepts have been identified in drillholes below the existing open pit, highlighting significant potential for resource growth. Notable results include:

- 12m @ 6.65g/t Au from 318.6m (AUZD003)
- 33.15m @ 3.82g/t Au from 0m (MUG 33), including
  - 10.35m @ 5.12g/t Au from 0m, and
  - 3.95m @ 6.38g/t Au from 28.4m
- 52.9m @ 2.4g/t Au from 78.2m (MUG 33), including
  - 7.66m @ 5.16g/t Au from 79.18m
- 5.49m @ 4.44g/t Au from 129.88m (MM85)

These results highlight high-grade mineralisation close to the existing pit shell including within the East Lode up to an approximate depth of 350m from surface. These results have not been followed up for a decade owing to changes in ownership of the project over that time.

The two shallow Adelaide and Swift resources also offer strong potential for additional mineralised structures in proximity to the Mt Martin resource, while the East Shear and several high-grade shoots associated with the Main Shear and North Shaft Shear present priority targets for the Company to assess the potential for expanded open pit and underground resources (ASX release 5 September 2023).

A high-level review of the existing resource wireframes and estimation methodology has identified that the mineral wireframes are cut tightly to high grade intercepts and exclude any assays below 0.5g/t Au. The estimation methodology subsequently allocates zero grade to all resource blocks outside of the mineralized wireframes, underscoring an opportunity to significantly re-optimise the estimate to account for mineralisation outside the existing interpretation.

Beyond the immediate vicinity of the Mt Martin open pit, little or no significant drilling has been completed since 2011, leaving the greater part of Location 45 largely unexplored and open to additional discoveries. The Company sees strong potential for additional discoveries on the Location 45 tenure through the application of modern geochemical and geophysical methods, combined with detailed structural interpretation to aid in defining priority targets. A 3D geological and structural model for Mt Martin will be developed as a priority to aid in exploration targeting.

Resource validation and expansion drilling is currently being planned in Lefroy's next phase of activity at Location 45. An initial phase of targeted infill drilling aims to deliver additional shallow resources for open-pit mining. Further, focused deeper drilling will follow to materially increase the mineable resources, both at an open-cut and underground level.

Burns Gold-Copper Project

Burns is an alkalic gold-copper-molybdenum-silver-cobalt (Au-Cu-Mo-Ag-Co) porphyry mineral system, located on the western edge of Lake Randall in the south of the Lefroy Project and about 70km southeast of Kalgoorlie.

The system is hosted by Archaean age diorite-porphyry intrusives and basalt with a distinct aeromagnetic signature and strong molybdenum-silver-cobalt metal association. Methodical and targeted aircore, RC and diamond drilling at Burns since January 2021 has established a broad footprint to the intrusive porphyry system that extends beneath Lake Randall, with the limits of mineralisation still to be fully defined.

The Burns system is considered by the Company to extend over a mineralised strike of at least 2.5km, which parallels a linear aeromagnetic trend known as the Burns Corridor. This interpretation is founded on early-stage exploration results from a series of aeromagnetic anomalies along the Burns Corridor, including 'Lovejoy', 'Smithers', 'Flanders', 'Skinner', 'Millhouse', and 'Ralph', all of which remain largely untested.

Burns Resource Definition Program

In February 2023, Lefroy received final assay results for a 67-hole RC resource definition drilling program Burns Central, which is the most advanced of seven potentially interconnected porphyry-related prospects along a the 2.5km-long Burns Corridor.

This program totalled 16,635 metres and provided sufficient drill density data on a 40 metre by 40 metre grid to support the Burns Central MRE. Mineralisation was tested to a vertical depth of 200m from surface over an area stretching 500 metres in a north-south direction and 450 metres east-west.

Burns MRE

In May 2023, the Company reported its maiden MRE for Burns Central as 43 million tonnes, containing 497,000 ounces of gold grading at 0.36g/t Au, 58,000 tonnes of copper at 0.14% Cu and 489,000 ounces of silver at 0.35g/t Ag, plus an additional 928,000 pounds of molybdenum and 2,982 tonnes of cobalt, in accordance with the JORC Code 2012.
The MRE was independently prepared by resource consultants, Measured Group Pty Ltd (Measured Group), and calculated using cutoff grades of 0.1g/t gold and 0.1% copper.

Mineralisation at Burns Central is hosted within multiple alkalic porphyry units and basalt, dated to 2.6 billion years (Archaean age). This type of mineralisation is atypical for the Eastern Goldfields, making this discovery the first-of-its-kind in Western Australia and has formed the basis of an ongoing geological research program with the Centre of Exploration Targeting(CET) with the University of Western Australia.

The Company considers Burns Central to have strong potential for substantial resource growth, with consistent gold and copper mineralisation open at depth and in multiple directions (refer ASX release 4 May 2023). Continued work at Burns by the Company's will aim resource growth and expansion, including metallurgical drilling to support a preliminary scoping study and further extensional drilling at Burns Central to grow the current resource.

Burns Exploration Target

Alongside the maiden MRE for Burns Central, a substantial Exploration Target was estimated by Measured Group for multiple additional gold-copper targets.

The Exploration Target encompasses 6 individual targets: Lovejoy, Skinner, Flanders, Smithers, Burns Central (SW) and Burns Deep. These targets are located immediately along strike of Burns Central within a linear magnetic structure known as the Burns Corridor. The Company considers these targets have outstanding mineralisation growth potential based on the results of early-stage drilling to date.

The exploration targets for Lovejoy, Skinner and Flanders were identified by their annual magnetic features that coincide with encouraging drill data from existing drill holes. Smithers, Burns Central (SW) and Burns Deep were interpreted based on gaps observed in the block model.

The combined total of these targets had an estimated tonnage range from 16Mt to 175Mt and gold grades ranging from 0.4g/t to 2.5g/t respectively (refer to Table 3 of ASX release 4 May 2023).

The Company regards the current estimate as conservative, considering the scale of other alkalic porphyry mineral systems such as those found in the Cadia district of New South Wales and the 'Golden Triangle' in British Columbia, Canada. Anticipating substantial growth, the Company envisions that this target will expand significantly as a result of further extensional drilling.

A multi-hole EIS program was approved at Burns subsequent to the year's end that will test the anomalies immediately north and along strike of the resource (Smithers, Flanders, Lovejoy) followed by large, underexplored Burns Intrusion to the west.

Burns Diamond Drill Program

Earlier in the March Quarter, the Company received final assay results for a diamond program completed at Burns in September 2022. This program Included two deep holes, LEFD006 and LEFD007a, at Burns Central and two holes, LEFD008 and LEFD009, at the Lovejoy anomaly located 1.5km to the north and along strike of Burns Central.

LEFD006

Incentive Scheme to evaluate the continuity of mineralisation at Burns Central at depth.
Final assay results successfully confirmed multiple new zones of gold and copper and cobalt mineralisation extending below 400 metres and existing drilling, including:

- 19.6m @ 0.75% Cu and 0.33g/t Au, 2.57g/t Ag, 126ppm Mo, from 428m, including
  - 3.5m @ 0.86g/t Au, 0.72% Cu, 2.92g/t Ag, 0.09% Co and 319ppm Mo from 430m
- 20.4m at 0.18g/t Au from 748.5m, including
  - 1.5m @ 0.88g/t Au, 0.15% Co, and 66ppm Mo from 759.5m
- 61.14m at 0.20g/t Au, from 781m, including
  - 3m @ 4.03g/t Au from 835m
- 36.63m at 0.17g/t Au from 850m

These mineralised zones remain open, demonstrating significant potential for mineralisation to extend at depth below the existing model.

LEFD007a

LEFD007a was competed to 706 metres deep and strategically collared to target the down-plunge continuity of a higher-grade gold zone that parallels a north-south trending structure. Assay results returned numerous gold and copper-mineralised intercepts plus narrow intervals of anomalous cobalt within sulphide-bearing breccia structures and veining. Significant results included:

- 17m @ 0.47% Cu, 0.23g/t Au and 2.21g/t Ag from 80m
- 14m @ 1.30g/t Au, 0.11% Cu from 317m, including
  - 0.54m @ 15.10g/t Au, 0.82% Cu, 2.50g/t Ag, 0.12% Co and 223ppm Mo from 320.85m
- 19.2m @ 1.15g/t Au, 0.20% Cu from 368.8m, including
  - 6.9m @ 2.71g/t Au, 0.28% Cu from 380.4m
- 6.5m at 2.09g/t Au, 0.11% Cu from 435.5m, including
  - 0.96m @ 12.10g/t Au, 0.48% Cu, 1.50g/t Ag, 0.09% Co from 438.2m
- 17m @ 0.57g/t Au, 0.07% Cu from 474m

Mineralisation within this higher-grade gold zone remains open down-plunge to the south, providing an additional area of focus for follow-up targeting work.

LEFD008 & LEFD009

Two diamond holes, LEFD008 and LEFD009, were completed in September 2022 at Lovejoy, which is one of seven magnetic anomalies considered to be additional porphyry-related mineralised centres along strike of Burns Central.

The holes were strategically collared to follow up previous gold and copper mineralisation intersected in a previous RC hole (LEFR297) drilled in January 2022. This hole returned 10m @ 0.21 g/t Au & 0.60% Cu from 218m and 8m @ 0.22 g/t Au from 0.51% Cu from 250m to the end of hole.

Both LEFD008 and LEFD009 returned multiple, broad gold-copper intercepts within hydrothermal breccia and basaltic wall rock (ASX release 29 November 2022), substantiating Lovejoy as a new discovery.

LEFD008 returned a best intercept of 34m of copper and gold, comprising:

- 15m @ 0.40% Cu from 223.1m, and
- 19m @ 0.57% Cu & 0.11g/t Au from 255.5m, including
- 2m@ 2.12% Cu & 0.18g/t Au from 272m

LEFD009 returned a best intercept of 96m of copper and gold, comprising:

- 11m @ 0.68% Cu & 0.4g/t Au from 50m, and
- 40m @ 0.20% Cu from 208m, and
- 45m @ 0.33% Cu & 0.3g/t Au from 258m.

The Company considers the hydrothermal breccia at Lovejoy to be an important development for the Burns system, which is a distinctive feature of intrusion-related mineral deposits. The grade and downhole thickness of mineralisation at Lovejoy has potential to increase with depth, based on unidirectional solidification textures ('UST') observed in the breccia. UST typically occur within the carapace zone (top) of a porphyry system, which indicate that Lovejoy offers significant down-dip potential, and that Lovejoy and Burns may be part of a much larger higher grade alkalic-porphyry mineral system.

The Company also considers the extent of the copper-gold mineralisation at Lovejoy could be far greater than initially interpreted, which is a key area for follow- up drilling in 2023 (refer to ASX release 31 January 2023).

Western Lefroy Joint Venture

The Western Lefroy tenement package covers the eastern part of Lake Lefroy and the immediate surrounding area and forms the Farm In (WLFI) and Joint Venture (JV) with Gold Fields, which commenced in June 2018. The package comprises 246km2 of the total 635km2 Lefroy Gold Project and is adjacent to Gold Fields' +10 million-ounce St Ives Gold operation.

During FY23 Gold Fields progressed exploration in its second year of the Stage 2 Western Lefroy Earn In, which Gold Fields entered in July 2021 after providing Lefroy with the Stage 1 Satisfaction Notice to earn an additional participating interest (ASX release 2 August 2021). The Stage 2 Earn-In allowed Gold Fields to sole fund a further $15 million of expenditure over three years (by 30 July 2024) to earn an additional 19% interest in the Joint Venture to bring its total interest to 70% (ASX release 7 June 2018).

Throughout the year Gold Fields completed a total of 645 holes over 22,710 metres, resulting in almost the entire Western Lefroy package being covered by wide spaced 400 metre by 400 drilling.

Assay results highlighted two gold anomalies (0.5g/t Au) in lower saprolite at the Anomaly F prospect. The anomalies are open along strike to the northwest, which Lefroy is investigating for follow-up drilling.

Subsequent to the FY23 year's end, the Company announced that it had been appointed as Manager of the Western Lefroy Farm-In and Joint Venture Agreement (JVA) with Gold Fields Limited (JSE:GFI), after receiving notice that GFI would not satisfy the Stage 2 Farm-in requirement to attain a 70% interest.

The next phase of the operation will include the establishment of a Management Committee between the JVA parties to guide future priority activities (ASX release 20 September 2023).

Nickel Portfolio

Lefroy holds a large portfolio of prospective nickel assets located in WA. These are held by the Company's wholly-owned and nickel-focussed subsidiary. This subsidiary was renamed from Johnston Lakes Nickel Ltd to Hampton Metals Ltd (HMT) in the December Quarter to reflect its focus on Location 45 and the Hampton Plains Estate, a historical name for the area in which the Goodyear Nickel Deposit is located (ASX release 13 October 2022).

Lefroy's nickel portfolio includes the Goodyear Nickel Deposit within Location 45, Carnilya South 6km east of Goodyear, the Lake Johnston Project 120km west of Norseman, and the large 2872km^2 Glenayle Project 210km north of Wiluna.

Since December 2021, the Company has been prompted by positive investor sentiment within the nickel sector to review strategies to generation value recognition for its nickel assets. The Company announced in the September Quarter its intention to progress a demerger/Initial Public Offering (IPO) of its nickel assets with subsequent events including the onboarding of a highly experienced board of directors and Managing Director (ASX release 13 October 2022).

Subsequent to the year's end, Lefroy announced the deferral of these plans to allow the Company to thoroughly evaluate its nickel portfolio including Goodyear and to enhance its value through exploration. IPO preparations are well advanced, should the Company opt to resume the process at an optimum time.

Corporate

The key corporate activities for the year to 30 June 2023 were:

- The Company held its 2022 Annual General Meeting (AGM) on 6 December 2022 with all resolutions carried by a poll.
- On 13 December 2022, the Company advised that it had completed an oversubscribed placement ('Placement') of 14.6 million fully paid ordinary shares at $0.24 per share to raise A$3.5 million to institutional and sophisticated investors and certain Directors (LEX ASX release 13 December 2022).
- The Company released its 2022 Annual Report on 30 September 2022.
- The Lefroy Board approved renaming of its wholly owned subsidiary Johnston Lakes Nickel Ltd to Hampton Metals Ltd (HMT or Hampton), reflecting its focus on Loc45 and the Hampton Plains Estate, a historical name for the area in which the Goodyear Nickel Deposit is located (ASX release 23 May 2023).
- In March 2023 Lefroy received approval for co-funding under the Exploration Incentive Scheme, managed by the Department of Mines, Industry Regulation and Safety (DMIRS) for a diamond drill program at Burns.

This program is required to be completed before May 2024 with a grant of up to $180,000. The Company plans to undertake 4 diamond holes along the 2.5km Burns Corridor, including the prospective Lovejoy anomaly.

- Subsequent to the year's end in July 2023, Lefroy received a tax refund of AU$0.91 million, granted through the ATO's research and development (R&D) program in recognition of the technical progress achieved by the Company at its Burns Project in FY2022 (ASX release 10 July 2023).

Operating Results for the Year	2023 $000	2022 $000
Revenue & Other income	**39**	**11**
(Loss) / Profit	**(3,002)**	**(2,385)**

Shareholder Returns	2023	2022
Basic profit/(loss) per share (cents)	**(2.02)**	**(1.82)**
Diluted profit/(loss) per share (cents)	**(2.02)**	**(1.82)**

DIVIDENDS

No dividends were paid or declared during the year. No recommendation for payment of dividends was made.

RISK MANAGEMENT

The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that activities are aligned with the stated intentions of the Group. Risk Management is a recurring item on the agenda of Board meetings. The Board is also responsible for

- Monitoring and assessing the risk exposure of the Group;
- Conducting comprehensive reviews and making recommendations on the risk of fraud and the Groups internal controls; and
- Reviewing the adequacy of the Groups insurance programs.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in the Operating and Financial Review above, no significant changes in the state of affairs of the Group occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

As announced on 10 July 2023, Group received a $910,000 tax refund from the Australian Taxation Office ("ATO") through the research and development ("R&D") tax incentive program for the year ended 30 June 2022.

On 20 September 2023, the Company advised the market that it has been appointed as the Manager of the Western Lefroy Farm-In and Joint Venture Agreement (JV). The Joint Venture is between Lefroy's 100%-owned subsidiary, Hogans Pty Ltd (49%), and St Ives Gold Mining Company Pty Ltd (51%), a wholly-owned subsidiary of Gold Fields Limited (JSE:GFI). GFI provided notice to the Company, that they would not satisfy Stage 2 requirements of the Western Lefroy Farm-In and Joint Venture Agreement to attain a 70% interest. As such, Lefroy Exploration Limited has been appointed as the Manager with effect from this date.

On 22 September 2023 the Company announced it had received firm commitments to raise A$6,200,000 (before costs) via a share placement with institutional and sophisticated investors. A total of 38,750,000 fully paid ordinary shares will be issued at an issue price of $0.16 per share.

No other matters or circumstances have arisen since the end of the financial year which have significantly affected or in the opinion of directors may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Comments on expected likely developments and expected results are disclosed in the Operating and Financial review above.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under audit.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The names and position of key management personnel ('KMP') for the year were as follows:

Gordon Galt	(Non - executive Chairman)
Michael Davies	(Non - executive Director)
Tara French	(Non - executive Director) - Appointed 1 July 2022
Wade Johnson	(Managing Director)

Remuneration Policy

The remuneration policy of Lefroy Exploration Limited is designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives when considered appropriate. The Board of Lefroy Exploration Limited believes the remuneration policy is effective in its ability to attract and retain suitable key management personnel to manage the Company's activities.

The Board will review executive packages as and when it considers it appropriate to do so in accordance with its remuneration policy and by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. The Board may exercise discretion in relation to approving incentives, bonuses and shares under the Company's Share Plan Trust from time to time. The policy is designed to reward executives for performance that results in long-term growth in shareholder wealth.

The Managing Director receives the superannuation guarantee contribution required by the government of Australia, which was 10.5% for the 2023 financial year, but is not entitled to receive any other retirement benefits.

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought as and when required. To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the Share Plan when considered appropriate by the Board.

Performance based remuneration

The Group utilises performance based remuneration to attract and motivate directors and employees and has the Lefroy Exploration Ltd Share Plan which was approved by shareholders on 12 September 2016 and Lefroy Exploration Limited Incentive Rewards Plan, as approved by shareholders on 6 December 2022.

Shares and other equity instruments issued under the Plan do not vest until certain hurdles have been met. The hurdles are based around future events that will advance the Company towards its objectives.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2023.

DIRECTORS' REPORT (CONTINUED)

Service agreements

Gordon Galt, Non-Executive Chairman

- Term of agreement – Commenced on 1 July 2010, fee of $50,000 pa, no notice period of termination is required, and no monies are payable on termination.
- Remuneration was increased to $70,000 pa effective 1 November 2020.

Wade Johnson, Managing Director:

- Term of agreement – Commenced 19 October 2016
- Annual salary of $220,000 excluding superannuation. Annual salary was increased to $250,000 (excluding superannuation) effective 1 November 2020.
- The agreement may be terminated by the Company giving 3 months' notice in writing, or by Mr Johnson giving 3 month's written notice, or applicable shorter periods upon breach of contract by either party. No benefits are payable on termination other than entitlements accrued to the date of termination.

Michael Davies, Non-Executive Director:

- Term of agreement – Commenced on 1 July 2010, fee of $35,000 pa, no notice period for termination, and no monies are payable on termination.
- Remuneration was increased to $50,000 pa effective 1 November 2020

Tara French, Non-Executive Director:

- Term of agreement – Commenced 1 July 2022, fee of $50,000 pa, no notice period of termination is required, and no monies are payable on termination.

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table.

	Short-Term		Post-Employment		Share-based Payments	Total
	Salary & Fees	Non-Monetary	Superannuation	Retirement benefits	Share Plan shares & Incentive Plan options	
Directors	**$**	**$**	**$**	**$**	**$**	**$**
Gordon Galt [1]						
2023	**70,000**	**-**	**-**	**-**	**111,282**	**181,282**
2022	70,000	-	-	-	51,167	121,167
Wade Johnson						
2023	**251,150**	**-**	**26,350**	**-**	**215,115**	**492,615**
2022	251,150^	-	25,099	-	102,334	378,583
Michael Davies						
2023	**50,000**	**-**	**-**	**-**	**111,282**	**161,282**
2022	50,004				51,167	101,171
Tara French [3]						
2023	**50,000**	**-**	**-**	**-**	**22,349**	**72,349**
2022		-	-	-	-	-
Geoffrey Pigott [1, 2]						
2023	**-**	**-**	**-**	**-**	**-**	**-**
2022	26,517	-	-	-	424,000	450,517
Total key management personnel compensation						
2023	**421,150**		**26,350**		**460,028**	**907,528**
2022	397,671	-	25,099	-	628,668	1,051,438

[1] Fees were paid to the directors' respective related entity.
[2] Mr Pigott retired from the position of Non-Executive Director on 31 January 2022. The directors exercised discretion for Mr Pigott to remain entitled to shares granted to him under the Share Plan Trust. His entitlement under the Share Plan Trust has been expensed in full in the 30 June 2022 year.
[3] Ms French was appointed to the position of Non-Executive Director on 1 July 2022.

Share Plan Trust shares

As of 30 June 2023, there were 7,657,500 ordinary shares (2022: 7,765,000 ordinary shares) held by the Lefroy Exploration Share Plan (the 'Share Plan Trust'), previously named the U.S. Masters Executive Plan Trust, on behalf of Directors, employees and consultants, held in conformity with the Share Plan Trust rules.

A reconciliation of Share Plan Trust ordinary shares held by Directors is as follow. No Share Plan ordinary shares held by Directors had vested as at 30 June 2023:

Director	1 July 2022	Grants	Exercised and Vested	Forfeited	Other	30 June 2023
Gordon Galt	1,200,000	-	-	-	-	1,200,000
Michael Davies	1,200,000	-	-	-	-	1,200,000
Wade Johnson	2,400,000	-	-	-	-	2,400,000
Total	4,800,000	-	-	-	-	4,800,000

Share Plan Trust shares issued have no set expiry date and a $NIL exercise price. Directors, employees and consultants are not entitled to the shares held by the Share Plan Trust until the relevant vesting conditions are met.

Ordinary shares held by the Share Plan Trust by the Directors were granted in three equal tranches and subject to the same vesting conditions, outlined below and as approved by the Company's shareholders on 12 September 2016:

(i) Tranche one (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.60 per share for 5 consecutive ASX trading days;

(ii) Tranche two (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.70 per share for 5 consecutive ASX trading days; and

(iii) Tranche three (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.80 per share for 5 consecutive ASX trading days.

During the year, ended 30 June 2023, a total of $355,733 (30 June 2022: $628,668) has been fully expensed during the current year in relation to Share Plan Trust shares issued to Directors.

Share Plan share holdings

The number of rights over ordinary shares in the Company held during the financial year by each director of Lefroy Exploration Limited and other key management personnel of the Group, including their personally related parties, is set out below:

	Balance at start of the year or date of appointment	Granted as compensation	Vested and Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Gordon Galt	1,200,000	-	-	-	1,200,000	-	1,200,000
Michael Davies	1,200,000	-	-	-	1,200,000	-	1,200,000
Tara French	-	-	-	-	-	-	-
Wade Johnson	2,400,000	-	-	-	2,400,000	-	2,400,000

DIRECTORS' REPORT (CONTINUED)

Incentive Plan options

As at 30 June 2023 there were 5.6 million incentive options (30 June 2022: Nil options) held by the Lefroy Exploration Incentive Awards Plan (the 'Incentive Plan'), on behalf of Directors and employees. \

During the year ended 30 June 2023:

On 6 December 2022, 5,600,000 incentive options with an exercise price of $0.45 per option, was approved for issue to the Directors under the Incentive Plan.

A reconciliation of Incentive Plan options is as follows:

Director	1 July 2022	Grants	Vested	Forfeited	Other	30 June 2023	Unvested
Gordon Galt	-	1,200,000	-	-	-	1,200,000	1,200,000
Michael Davies	-	1,200,000	-	-	-	1,200,000	1,200,000
Tara French	-	1,200,000	-	-	-	1,200,000	1,200,000
Wade Johnson	-	2,000,000	-	-	-	2,000,000	2,000,000
Total	-	5,600,000	-	-	-	5,600,000	5,600,000

Directors and employees are not entitled to the options held by the Incentive Plan Trust until the relevant vesting conditions are met.

All incentive Plan options are issued in three equal tranches and subject to the same vesting conditions, outlined below and as approved by the Company's shareholders on 6 December 2022:

(i) Tranche one (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.50 per share for five consecutive ASX trading days;

(ii) Tranche two (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.60 per share for five consecutive ASX trading days; and

(iii) Tranche three (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.70 per share for five consecutive ASX trading days.

The Incentive Plan options issued to the Directors were valued using an option pricing model with the following inputs:

Measurement date	6-Dec-22
Volatility	67% 132% 128%
Expected term	3 years
Expected vesting period	3 years
Share price at grant date	$0.28
Expected dividends	$Nil
Risk-free rate	3.07%
Exercise price	$0.45
Barrier prices	$0.50 $0.60 $0.70
Expected director exit rate per year	Nil%
Market based vesting conditions	As outlined above
Fair value at grant date	**$0.0987** **$0.0977** **$0.0952**

The total amount expensed during the year ended 30 June 2023 in relation to the Incentive Plan Trust shares was $104,295 (30 June 2022: $Nil)

Shareholdings

The number of shares in the Company held during the financial year by each director of Lefroy Exploration Limited and other key management personnel of the Group, including their personally related parties, are set out below.

	Balance at start of the year	Shares Acquired [1]	Other changes during the year	Balance at end of the year
Directors of Lefroy Exploration Limited				
Ordinary shares				
Gordon Galt	3,467,857	208,334	-	3,676,191
Michael Davies	15,530,274	416,667	-	15,946,941
Tara French [2]	-	125,000	-	125,000
Wade Johnson	4,203,380	41,667	-	4,245,047

[1] 791,668 Shares issued to Directors and their related parties who participated in the Share Placement, as approved at the General Meeting of Shareholders held on 30 January 2023.

[2] Ms French was appointed to the position of Non-Executive Director on 1 July 2022.

Option holdings

	Balance at start of the year	Granted as remuneration	Other changes during the year	Balance at end of the year
Directors of Lefroy Exploration Limited				
Options				
Gordon Galt	-	1,200,000	-	1,200,000
Michael Davies	-	1,200,000	-	1,200,000
Tara French (ii)	-	1,200,000	-	1,200,000
Wade Johnson	-	2,000,000	-	2,000,000

Loans to key management personnel

There were no loans to key management personnel during the year (2022 $Nil).

Other transactions with Key Management Personnel

Gordon Galt and Michael Davies are directors of New Holland Capital Pty Ltd ('New Holland Capital'), a subsidiary of Taurus Funds Management Pty ltd. During the year, the Group engaged New Holland Capital to act as Corporate

Advisor in relation the IPO of the Group's wholly owned subsidiary, Hampton Metals Ltd. New Holland Capital was paid a total of $134,250 (exc. GST) in relation to these services.

In 30 June 2022, New Holland Capital was engaged as Corporate Advisor in relation to a farm-in or vend-in over the Lefroy Project. Pursuant to this engagement, New Holland Capital received $166,962 (exc. GST) in success fees in relation to the Agreement signed for the Group's Western Lefroy Joint Venture area of interest. $129,322 in retainer fees were also paid to New Holland Capital as corporate advisor for the sale/commercialisation of the Groups Lake Johnston assets and Lucky Strike-Red Dale gold resources in the Lefroy Gold Project.

On 1 January 2022, the Group also entered into a deed of sub-lease for leasehold premises occupied in West Perth. $82,737 (exc. GST) (30 June 2022: $38,396 exc. GST) has been paid to Taurus Funds Management Pty Ltd in relation to rent and variable outgoings in accordance with the terms and conditions of the deed of sub-lease.

DIRECTORS' REPORT (CONTINUED)

As at 30 June 2023 and 30 June 2022, No amounts were due and payable to New Holland Capital or Taurus Funds Management Pty Ltd in respect of the above arrangements.

Transactions with other related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

DIRECTORS' MEETINGS

The number of Directors' Meetings held and attended by each of the Directors for the year were as follows:

	Directors Meetings	
	Eligible to Attend	Attended
Gordon Galt	9	9
Michael Davies	9	6
Tara French	9	9
Wade Johnson	9	9

SHARES UNDER OPTION

There are 5,600,000 unissued ordinary shares of Lefroy Exploration Limited under option at the date of this report with a weighted average exercise price of $0.56 per share and expiry date of 20 January 2026 (30 June 2022: NIL)

No options were exercised during the year ended 30 June 2023 (30 June 2022: Nil).

INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, in accordance with each director's Deed of Indemnity, Insurance and Access with Lefroy Exploration Limited, the Group has paid premiums insuring all the directors of Lefroy Exploration Limited against all liabilities incurred by the director acting directly or indirectly as a director of the Company to the extent permitted by law, including legal costs incurred by the director in defending proceedings, provided that the liabilities for which the director is to be insured do not arise out of conduct involving a wilful breach of the director's duty to the Company.

The total amount of insurance contract premiums paid is $18,016.

NON-AUDIT SERVICES

The following details any non-audit services provided by the entity's auditor, Ernst & Young or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of professional pronouncements and standards for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermines the general standard of independence for auditors.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	2023 $	2022 $
Taxation compliance services	**107,974**	77,764

DIRECTORS' REPORT (CONTINUED)

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for unspecified amounts). No payment has been made to indemnify Ernst & Young during or since the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court.

ROUNDING OF AMOUNTS

All amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

CORPORATE GOVERNANCE STATEMENT

The Company's corporate governance statement can be viewed at: https://www.lefroyex.com/corporate-governance.

Wade Johnson
Managing Director
Perth, 29 September 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Consolidated 2023 $000	Consolidated 2022 $000
INCOME			
Interest Income		**39**	1
Other income		**-**	10
		39	11
EXPENDITURE			
Accommodation expenses		**(34)**	(15)
Legal, professional and consulting expenses		**(765)**	(825)
Directors fees		**(285)**	(147)
Travel expenses		**(51)**	(18)
Interest Expense		**(9)**	(5)
Depreciation expense		**(81)**	(67)
Salaries and wages expenses		**(658)**	(342)
Share based payment expense		**(808)**	(718)
Other expenses		**(350)**	(259)
		3,041	(2,396)
LOSS FOR THE YEAR BEFORE INCOME TAX		**(3,002)**	(2,385)
Income tax benefit/(expense)	**5**	**-**	-
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF LEFROY EXPLORATION LIMITED		**(3,002)**	(2,385)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF LEFROY EXPLORATION LIMITED		**(3,002)**	**(2,385)**
Basic loss per share attributable to the ordinary equity holders (cents per share)	**21**	**(2.06)**	**(1.82)**
Diluted loss per share attributable to the ordinary equity holders (cents per share)	**21**	**(2.06)**	**(1.82)**

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Consolidated	
		2023	2022
	Notes	$000	$000
CURRENT ASSETS			
Cash and cash equivalents	6	**442**	4,248
Other receivables	7	**1,026**	98
Other current assets		**133**	133
TOTAL CURRENT ASSETS		**1,601**	4,479
NON-CURRENT ASSETS			
Plant and equipment		**56**	48
Right of use assets	8	**226**	291
Exploration and evaluation assets	9	**19,491**	15,619
TOTAL NON-CURRENT ASSSETS		**19,773**	15,958
TOTAL ASSETS		**21,374**	20,437
CURRENT LIABILITIES			
Trade and other payables	10	**608**	339
Lease liabilities	8	**62**	54
Provisions	11	**180**	85
TOTAL CURRENT LIABILITIES		**850**	478
NON-CURRENT LIABILITIES			
Lease liabilities	8	**174**	241
Provisions	11	**223**	720
TOTAL NON-CURRENT LIABILITIES		**397**	961
TOTAL LIABILITIES		**1,247**	1,439
NET ASSETS		**20,127**	18,998
EQUITY			
Contributed equity	12	**45,913**	42,590
Foreign currency translation reserve	13	**(111)**	(111)
Share-based payment reserve	13	**2,157**	1,349
Accumulated losses		**(27,832)**	(24,830)
TOTAL EQUITY		**20,127**	18,998

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2023

	Notes	Contributed equity $000	Share-Based Payments Reserve $000	Foreign Currency Translation Reserve $000	Accumulated Losses $000	Total $000
BALANCE AT 1 JULY 2021		**36,609**	**631**	**(111)**	**(22,445)**	**14,684**
Loss for the year		-	-	-	(2,385)	(2,385)
Other comprehensive loss, net of income tax		-	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		-	-	-	(2,385)	(2,385)
Share-based payments	**13**	-	718	-	-	718
Issue of ordinary shares	**12**	6,300	-	-	-	6,300
Share issuance costs	**12**	(319)	-	-	-	(319)
BALANCE AT 30 JUNE 2022		**42,590**	**1,349**	**(111)**	**(24,830)**	**18,998**
Loss for the year		-	-	-	(3,002)	(3,002)
Other comprehensive loss, net of income tax		-	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		-	-	-	(3,002)	(3,002)
Share-based payments	**13**	-	808	-	-	808
Issue of ordinary shares	**12**	3,488	-	-	-	3,488
Share issuance costs	**12**	(165)	-	-	-	(165)
BALANCE AT 30 JUNE 2023		**45,913**	**2,157**	**(111)**	**(27,832)**	**20,127**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2023

	Notes	Consolidated 2023 $000	Consolidated 2022 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(1,863)**	(1,667)
Interest paid		**(9)**	(5)
Interest received		**39**	1
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**20**	**(1,833)**	(1,671)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation activities		**(5,213)**	(3,930)
Research and development tax incentive received		**-**	563
Payments for plant and equipment		**(24)**	(21)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(5,237)**	(3,388)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares	**12**	**3,488**	6,300
Payments of share issue costs	**12**	**(165)**	(319)
Principal payment for lease liabilities		**(59)**	(28)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**3,264**	5,953
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(3,806)**	894
Cash and cash equivalents at the beginning of the financial year		**4,248**	3,354
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**6**	**442**	4,248

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements are for the consolidated entity consisting of Lefroy Exploration Limited and its subsidiaries ("the Group" or "consolidated entity"). The financial statements are presented in Australian dollars. Lefroy Exploration Limited is a company limited by shares, incorporated in and under the laws of the British Virgin Islands on 14 May 1990 under the BVI Business Companies Act. The Company maintains registered offices in Western Australian and the British Virgin Islands. The financial statements were authorised for issue by the directors on 30 September 2022. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Lefroy Exploration Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) New and amended standards adopted by the Group

There were no new and amended Accounting Standards and Interpretations that were effective 1 July 2022 which had a material impact on the Group.

(ii) Early adoption of standards

The Group did not elect to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2022.

(iii) Historical cost convention

Except for certain financial assets which have been measured at fair value these financial statements have been prepared under the historical cost convention.

(iv) Going concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the year ended 30 June 2023 of $3,002,000 (30 June 2022: $2,385,000) and had a net cash outflow from operating and investing activities of $7,070,000 (30 June 2022: $5,059,000). The net assets of the Group as at 30 June 2023 were $20,127,000 (30 June 2022: $18,998,000).

The Group's cash flow forecasts through to 30 September 2024 reflect that the Group will be required to raise additional working capital during this period to enable it to meet its committed administration, exploration and operational expenditure over this period.

Subsequent to year end, on 22 September 2023 the Group raised $6,200,000 (before costs) via a placement to institutional and sophisticated investors. Refer to Note 23 for further information.

The Directors are satisfied that the Group will be able to secure additional working capital as required via one or a combination of, a placement of shares, option conversions, rights issues, or joint venture arrangements or sale of certain assets. Accordingly, the directors consider it appropriate to prepare the financial statements on a going concern basis.

In the event the Group is unable to raise additional working capital to meet the Group's ongoing operational and exploration commitments as and when required, there is significant uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Lefroy Exploration Limited ("Company" or "parent entity") as at 30 June 2023 and the results of all subsidiaries for the year then ended.

Lefroy Exploration Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls a investee if, and only if, the Group has:

- Power over the investee (ie. Existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its return

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one of more of the three elements of control. Subsidiaries are fully consolidated from the date on which the Group obtains control over the subsidiary and ceases when the Group loses control.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been aligned where necessary to ensure consistency with the policies adopted by the Group.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of

the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Lefroy Exploration Limited.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or other financial asset accounted for in accordance with IFRS 9. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Segment reporting

An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(d) Income tax

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or a deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, when the deferred tax balances relate to the same taxation authority and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office rental and accommodation rental (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group also applies the low value assets recognition exemption to its low value assets.

Lease payments made in relation to leases of 12months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straightline basis over the lease term.

(f) Impairment of non-current assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and not subject to significant risk of changes in value, and bank overdrafts.

(h) Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit and loss.

The classification of financial instruments at initial recognition depends on the financial asset's contractual cashflow characteristics and the Group's business model for managing them. With the exception of the Groups trade receivables that do not contain a significant financing component, the Group initially measures the financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, less transaction costs.

Receivables at amortised cost

In order for a receivable to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. For financial assets measured at amortised cost, these assets are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. For short term receivables, the Group recognises a loss allowance based on lifetime ECLs at each reporting date. In determining the provision required, the Group utilises its historical credit loss experience, adjusted only where appropriate for forward-looking factors specific to the debtors and economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

There are no material trade receivable for the Group as it does not generate revenues.

(i) Plant and equipment

All plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives and, in the case of leasehold improvements, the shorter of lease term and asset's useful life. The rates vary between 25% and 40% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

(j) Exploration and evaluation costs

Exploration and evaluation costs incurred are accumulated in respect of each identifiable area of interest. Exploration and evaluation costs include acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource. Exploration and evaluation costs related to each identifiable area of interest are recognised as exploration and evaluation assets in the year in which they are incurred and carried forward to the extent that the following conditions are satisfied:

- rights to tenure of the identifiable area of interest are current; and
- at least one of the following conditions is also met:
    - the expenditure is expected to be recouped through the successful development of the identifiable are of interest, or alternatively, by its sale; or
    - where activities in the identifiable area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and activities in, or in relation to, the area of interest.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an abandoned area are written off in full in the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

Restoration costs arising from exploration activities are provided for at the time of the activities which give rise to the need for restoration.

Exploration and evaluation assets are reviewed at each reporting date for indicators of impairment and tested for impairment where such indicators exist. If the test indicates that the carrying value might not be recoverable, the asset is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Any such impairment arising is recognised in the statement of profit or loss and other comprehensive income for the year.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Employee benefits

Wages and salaries and short term benefits

Liabilities for wages and salaries, including non-monetary benefits, and other short term benefits expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Superannuation

Contributions made by the Group to employee superannuation funds, which are defined benefit plans, are charged as an expense when incurred.

(m) Share-based payments

The Group may provide benefits to employees (including directors) of the Group, and to vendors and suppliers, in the form of share-based payment transactions, whereby employees render services, or where vendors sell assets to the Group, in exchange for equity instruments ('equity-settled transactions').

The cost of these equity-settled transactions in the case of employees and others providing similar services are measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the option is determined by using a Black-Scholes (or other industry accepted) option pricing model. The fair value of Share Plan shares is determined by reference to market price for Lefroy's ordinary shares.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has transpired and (ii) the number of equity instruments that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for rights that do not ultimately vest, except for rights where vesting is conditional upon a market condition.

Where an equity instrument is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the equity instrument is recognised immediately. However, if a new option is substituted for the cancelled equity instrument, and designated as a replacement equity instrument on the date that it is granted, the cancelled and new equity instrument are treated as a modification of the original award.

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holder of the company, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis.

(p) Non-current assets held for sale and distribution

Non-current assets and disposal groups are classified as held for sale and generally measured at the lower of carrying amount and value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as 'held for sale' occurs when management has committed to a plan for immediate sale, the sale is expected to occur within one year and active marketing of the asset has commenced. Such assets are current assets.

(q) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants received in relation to exploration activities are recognised as a reduction in the carrying amount of exploration and evaluation assets.

(r) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(s) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(y) New and amended accounting standards and interpretations issued but not yet effective

International accounting standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2023 that are relevant to the Group are listed below. Relevant Standards and Interpretations are outlined in the table below. The potential effect of these standards is not expected to have a material impact to the Group's financial statements.

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.	1 January 2023	1 July 2023

Amendments to IAS 1 Presentation of Financial Statements to clarify requirements for classifying liabilities as current or non-current	The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant. The amendments clarify the situations that are considered settlement of a liability	1 January 2024	1 July 2024
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.	1 January 2023	1 July 2023

(t) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Rehabilitation provision

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes and cost increases. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Rehabilitation of areas disturbed by exploration is progressive, ongoing, and compliant with statutory regulations but dependent on the stage of exploration at an individual prospects. Final closure is dependent on the stage of exploration at individual prospects.

Exploration and evaluation costs

The application of the accounting policy for exploration expenditure requires judgement to determine whether an area of interest is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Management is required to make certain judgements in determining what constitutes an area of interest. Area of interest relates to geological and geographical areas that have characteristics conducive to containing a mineral reserve. Management determines areas of interest with reference to a number of factors, including: -

- Geographical location
- Geological structure and similarities in mineral composition

Management makes certain estimates and assumptions as to future events and circumstances, in particular when making quantitative assessment of whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that the recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed only when a trigger is identified using the directors' best estimate of the asset's fair value, which can incorporate various key assumptions.

Any amounts in excess of the fair value are impaired, in line with accounting policy disclosures in parts 1(f).

(u) Rounding of amounts

All amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

2: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, credit risk and liquidity risk.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process.

(a) Market risk

(i) Foreign exchange risk

The Group operates entirely in Australia and is not significantly exposed to foreign exchange risk.

(ii) Commodity price risk

Given the current level of operations, the Group's financial statements for the year ended 30 June 2023 are not exposed to commodity price risk.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Group of $422,000 (2022: $4,248,000) is subject to interest rate risk. The weighted average interest rate received on cash and cash equivalents by the Group was 0.50% (2022: 0.26%).

(b) Credit risk

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings.

(d) Maturity analysis

The tables below represent the undiscounted contractual settlement terms for financial liabilities and management's expectation for settlement of undiscounted maturities

	< 6 Months	6-12 Months	1-5 years	Total contractual cash flows	Carrying amount
Year ended 30 June 2023	**$000**	**$000**	**$000**	**$000**	**$000**
Payables	(608)	-	-	(608)	(608)
Lease liabilities	(34)	(35)	(181)	(250)	(236)
	(642)	**(35)**	**(181)**	**(858)**	**(844)**
Year ended 30 June 2022					
Payables	(339)			(339)	(339)
Lease liabilities	(33)	(33)	(250)	(317)	(295)
	(372)	**(33)**	**(250)**	**(656)**	**(634)**

(d) Fair value estimation

The fair value of financial assets and financial liabilities at the balance date approximate their carrying amount due to their short-term nature.

3: SEGMENT INFORMATION

For management purposes, the Group has identified only one reportable segment, being exploration activities undertaken in Western Australia. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in this geographic location.

4: LOSS FROM CONTINUING OPERATIONS

	Consolidated	
	2023	2022
	$000	$000
Loss before income tax includes the following specific expenses:		
Defined contribution superannuation expense	**51**	21
Short term lease expense	**34**	15
Depreciation expense – property, plant and equipment	**16**	35
Depreciation expense – right-of-use lease assets	**65**	32

5: INCOME TAX

(a) Income tax expense

Current tax	-	-
Deferred tax	-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit/(loss) from continuing operations before income tax expense	(3,002)	(2,385)
Prima facie tax benefit at the Australian tax rate of 30% (2022: 30%)	(901)	(716)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
• Entertainment	2	1
• Share-based payments	164	215
• Non-assessable income	-	-
Tax assets not recognised	735	500
Income tax expense	-	-

Tax consolidation

The company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Consolidated Entity have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entities on a pro-rate basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Lefroy Exploration Limited.

(c) Deferred taxes

	Consolidated	
Deferred tax assets/(liabilities) have been recognised in respect of the following items:	2023	2022
Deferred tax assets:	$000	$000
Leases	3	1
Provisions	54	36
Capital raising costs	149	173
Trade and other payables	27	37
Business related costs	13	17
Tax losses	6,630	5,446
Deferred tax liability:		
Capitalised exploration expenditures	(5,145)	(3,963)
Net deferred tax asset	1,731	1,747
Deferred tax assets not recognised	(1,731)	(1,747)
Net deferred tax asset / (liability)	-	-

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.
The Group's ability to use losses in the future is subject to the Group satisfying the relevant tax authority's criteria for using these losses.

6: CASH AND CASH EQUIVALENTS

	Consolidated 2023 $000	Consolidated 2022 $000
Cash at bank and in hand	**442**	4,248
	442	4,248

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

7: OTHER RECEIVABLES

	Consolidated 2023 $000	Consolidated 2022 $000
Current		
Research and Development tax incentive	**941**	-
GST receivable	**85**	98
	1,026	98

All amounts are short-term. The net carrying value of other receivables is considered a reasonable approximation of fair value.

8: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has a lease for leasehold premises occupied in West Perth. The lease is for a fixed period of 60 months. The statement of financial position shows the following amounts relating to this lease:

Right-of-use assets	Consolidated 2023	Consolidated 2022
Leasehold premises	$000	$000
Beginning of the financial year	**291**	-
Additions	**-**	323
Depreciation expense	**(65)**	(32)
End of the financial year	**226**	291

Lease liabilities	2023	2022
Leasehold premises	$000	$000
Beginning of the financial year	**295**	-
Additions	**-**	323
Accretion of interest	**9**	5
Payments	**(68)**	(33)
End of the financial year	**236**	295
Represented as follows:		
Current	**62**	54
Non-current	**174**	241
End of the financial year	**236**	295

Lease expenses and cashflows		
Interest expense on lease liabilities	**9**	5
Expenses relating to leases of 12 months or less	**34**	33
Depreciation expense on lease assets	**65**	32
Total cash outflow in relation to leases	**68**	48

The Group also has the ability to execute an extension of term over leasehold premises for a further 3 years. The undiscounted potential future rental payments of $236,000 are not included in the lease term reflected above.

9: EXPLORATION AND EVALUATION ASSETS

	Consolidated 2023 $000	2022 $000
Beginning of the financial year	**15,619**	11,784
Other exploration costs incurred during the year	**5,398**	3,930
Acquisition of assets – LOC 45 (i)	**-**	-
Change in rehabilitation provision	**(461)**	468
Research and development tax incentive recognised/received	**(941)**	(563)
Exploration Incentive Scheme received	**(124)**	-
End of the financial year	**19,491**	15,619

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent upon successful development and commercial exploitation.

(i) On 22 May 2023, the Group acquired 100% of the mineral rights freehold property "East Location 45" ("LOC 45"). Under the terms of the acquisition the Group has granted the vendor a perpetual net-smelter return ("NSR") royalty of 4% per annum. Commencing 1 July 2026 the Group is required to pay an aggregate royalty of at least $100,000 per annum from gold production. Should the NSR royalty be less than $100,000, the Group is required to pay an amount equal to $100,000 to the vendor, less any NSR royalty already paid.

The Group is also required to incur a minimum of $100,000 per annum in exploration expenditure on LOC 45. Should the Group spend less than $100,000 per annum in exploration expenditure on LOC 45, it is required to pay an amount equal to $100,000 to the vendor, less any exploration expenditure incurred in the year. Exploration expenditure in excess of $100,000 per annum may be carried forward and applied against the exploration expenditure commitment in the year following The Group can terminate the arrangement at any time by giving notice to the vendor and will only be required to remove all the fixtures from the land and make good any damage cause by such removal and complete all remediation and rehabilitation required as a result of exploration, development, mining operations and any other activities that it has undertaken..

As at 30 June 2023, management has determined that any payments greater than 100,000 per annum under the NSR arrangement is contingent on successful exploration and development (i.e., when reserves have been proven to exists or production commence).

10: TRADE AND OTHER PAYABLES

	Consolidated 2023 $000	2022 $000
Current		
Trade Payables	**51**	-
Other payables and accruals	**557**	339
	608	339

Trade payables and accruals are non-interest bearing and generally settled within 30-60 day terms. The carrying amount of trade payables approximate their fair values. There are no amounts owing to related parties included within trade and other payables as at 30 June 2023 (30 June 2022: $Nil).

11: PROVISIONS

	Consolidated 2023 $000	2022 $000
Current		
Provision for annual leave	**117**	85
Provision for long service leave	**63**	-
	180	85
Non- Current		
Provision for long service leave	**-**	36
Provision for rehabilitation^	**223**	684
	223	805

The Group makes full provision for the future cost of rehabilitating sites on a discounted basis at the time of developing the mines. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites. The discount rate used in the calculation of the provision as at 30 June 2023 was 3.92%. (30 June 2022: 3.77%).

12: ISSUED CAPITAL

(a) Share capital

Lefroy Exploration Limited is a company limited by shares, incorporated in and under the laws of the British Virgin Islands. The Company has authorised share capital of 1,000,000,000 ordinary no par value shares.

	2023		2022	
	Number of shares	Consolidated $000	Number of shares	Consolidated $000
Issued share capital - Ordinary shares fully paid	**152,800,501**	**45,913**	138,109,667	42,590

(b) Movements in issued capital

Fully Paid Ordinary Share

	Number of shares	$000
Balance at 1 July 2021	**119,908,000**	**36,609**
20 August 2021 - Share plan shares granted to employees and vested during the period (Note 13(d))	61,875	-
17 November 2021 - Share Placement at $0.35 per share	17,142,857	6,000
14 December 2021 - Director participation in Share Placement at $0.35 per share (i)	857,144	300
4 January 2022 - Share plan shares granted to employees and vested during the period (Note 13(d))	8,125	-
18 February 2022 - Share plan shares granted to employees and vested during the period (Note 13(d))	83,125	-
24 May 2022 - Share plan shares granted to employees and vested during the period (Note 13(d))	48,541	-
Share issue costs		(319)
Balance at 30 June 2022	**138,109,667**	**42,590**
13 December 2022 - Share Placement at $0.24 per share	13,166,666	3,149
3 February 2023 - vesting of employee shares under the Lefroy Exploration Share Plan	107,500	-
8 February 2023 - Director participation in Share Placement at $0.24 per share (ii)	1,416,668	339
Share issue costs	-	(165)
Balance at 30 June 2023	**152,800,501**	**45,913**

(i) Shares issued to Directors and their related parties who participated in the Share Placement, as approved at the General Meeting of Shareholders held on 2 December 2021.

(ii) Shares issued to Directors and their related parties who participated in the Share Placement, as approved at the General Meeting of Shareholders held on 30 January 2023.

(b) Ordinary shares

Ordinary fully paid shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of the shares held.

On a show of hands every holder of ordinary fully paid shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll is entitled to one vote for each share held.

(c) Capital risk management

The Group defines capital as issued share capital. The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it may strive to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2023 and 30 June 2022 are as follows:

	Consolidated	
	2023	2022
	$000	$000
Cash and cash equivalents	**442**	4,248
Trade and other receivables	**1,026**	98
Trade and other payables	**(608)**	(339)
Working capital position	**860**	4,007

13: RESERVES

	Consolidated	
	2023	2022
(a) Reserves	$000	$000
Foreign currency translation reserve	**(111)**	(111)
Share-based payments reserve (d)	**2,157**	1,349
	2,046	1,238

(b) Nature and purpose of reserves

(i) Foreign currency translation reserve

The foreign currency translation reserve is used to record historical exchange differences arising from the translation of the financial statements in the functional currency to the reporting currency for the periods when the functional and presentation currencies were different.

(iii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and shares issued under employee Share Plan and Lefroy Incentive Plan.

(c) Movements in options on issue	Number of options	
	2023	2022
Beginning of the financial year	**-**	785,000
14 October 2021 - Options lapsed unexercised	**-**	(785,000)
6 December 2022 - Options granted to Directors under the Lefroy Incentive Plan (e)	**5,600,000**	-
End of financial year	**5,600,000**	-

(d) Share Plan Shares

As at 30 June 2023, there were 7,657,000 ordinary shares (2022: 7,765,000 ordinary shares) held by the Lefroy Exploration Share Plan (the 'Share Plan Trust'), previously named the U.S. Masters Executive Plan Trust, on behalf of Directors, employees and consultants, held in conformity with the Share Plan Trust rules.

During the year ended 30 June 2023:

- 107,500 shares met the required conditions for their vesting at 30 June 2023 and were exercised by the recipients.

A reconciliation of Share Plan ordinary shares during the year ended 30 June 2023 is as follows:

Holder	1 July 2022	Grants	Vested and Exercised	Forfeited	Other	30 June 2023
Gordon Galt	1,200,000	-	-	-	-	1,200,000
Michael Davies	1,200,000	-	-	-	-	1,200,000
Wade Johnson	2,400,000	-	-	-	-	2,400,000
Other participants	2,965,000	-	(107,500)	-		2,857,500
Total	7,765,000	-	(107,500)	-	-	7,657,500

A reconciliation of Share Plan ordinary shares during the year ended 30 June 2022 is as follows:

Director	1 July 2021	Grants	Vested and Exercised	Forfeited	Other	30 June 2022
Gordon Galt	-	1,200,000	-	-		1,200,000
Michael Davies	-	1,200,000	-	-		1,200,000
Geoffrey Pigott	-	1,500,000	-	-		1,500,000
Wade Johnson	-	2,400,000	-	-		2,400,000
Other employees and consultants	175,000	1,491,667	(201,667)	-		1,465,000
Unassigned	141,667	(141,667)	-	-		-
Total	316,667	7,650,000	(201,667)	-		7,765,000

[1] Mr Pigott retired from the position of Non-Executive Director on 31 January 2022. Mr Pigott remains entitled to shares granted to him under the Share Plan Trust. His entitlement under the Share Plan Trust has been expensed in full in the 30 June 2022 year.

Directors and employees are not entitled to the shares held by the Share Plan Trust until the relevant vesting conditions are met. Share Plan Trust shares issued have no set expiry date.

The Lefroy Exploration Share Plan (the "Share Plan Trust"), previously named the U.S. Masters Executive Plan Trust, holds on behalf of Directors, employees and consultants, held in conformity with the Share Plan Trust rules.

7.650 million shares held on behalf of Directors, Employees and Consultants by the Share Plan Trust, were issued in three equal tranches and subject to the same vesting conditions, outlined below and as approved by the Group's shareholders on 2 December 2021:

(i) Tranche one (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.60 per share for 5 consecutive ASX trading days;

(ii) Tranche two (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.70 per share for 5 consecutive ASX trading days; and

(iii) Tranche three (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.80 per share for 5 consecutive ASX trading days.

6,300,000 shares in the Share Plan Trust were issued/assigned to the Directors on 2 December 2021. A further 1,350,000 shares were issued to an employee and consultant on 6 January 2022. These shares were valued using an option pricing model with the following inputs

Measurement date	2-Dec-21	6-Jan-22
Volatility*	109%	109%
Expected term	5 years	5 years
Expected vesting period	5 years	5 years
Share price at grant date	$0.36	$0.31
Expected dividends	$Nil	$Nil
Risk-free rate	1.32%	1.32%
Notional exercise price	$0.60 $0.70 $0.80	$0.60 $0.70 $0.80
Expected director exit rate per year	NIL%	NIL%
Market based vesting conditions	As outlined above	As outlined above
Fair value at grant date	**$0.291 $0.282 $0.275**	**$0.229 $0.220 $0.214**

*Volatility is calculated based on historical volatility of the similar expected term share price movement prior to the measurement date

The total amount expensed during the year ended 30 June 2022 in relation to the 7.650 million Share Plan Trust shares outlined above was $433,393 (30 June 2022: $668,669).

In February 2023, 107,500 (30 June 2022: 201,667) ordinary shares issued under the Share Plan Trust to eligible employees vested and were exercised by the recipients upon completion of their relevant service conditions. A total of $7,825 was expensed during the year ended 30 June 2023 in relation to shares held on behalf of eligible employee in the Share Plant Trust (30 June 2022: $49,409).

In total $441,218 has been expensed in relation to the Share Plant Trust for the year end 30 June 2023 (30 June 2022: $718,078).

(e) Incentive Plan Options

As at 30 June 2023 there were 5.6 million incentive options (30 June 2022: Nil options) held by the Lefroy Exploration Incentive Awards Plan (the 'Incentive Plan'), on behalf of Directors and employees.

During the year ended 30 June 2023:

- On 6 December 2022, 5,600,000 incentive options was approved for issue to the Directors under the Incentive Plan, exercisable at $0.45 per option.

A reconciliation of Incentive Plan options is as follows:

Director	1-Jul-22	Grants	Other	30-Jun-23
Gordon Galt	-	1,200,000	-	1,200,000
Michael Davies	-	1,200,000	-	1,200,000
Tara French	-	1,200,000	-	1,200,000
Wade Johnson	-	2,000,000	-	2,000,000
Total	-	5,600,000	-	5,600,000

Directors and employees are not entitled to the options held by the Incentive Plan Trust until the relevant vesting conditions are met.

All incentive Plan options are issued in three equal tranches and subject to the same vesting conditions, outlined below and as approved by the Company's shareholders on 6 December 2022:

(i) Tranche one (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.50 per share for five consecutive ASX trading days;

(ii) Tranche two (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.60 per share for five consecutive ASX trading days; and

(iii) Tranche three (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.70 per share for five consecutive ASX trading days.

The Incentive Plan shares issued to the Directors were valued using an option pricing model with the following inputs:

Measurement date	6-Dec-22
Volatility	67% 132% 128%
Expected term	3 years
Expected vesting period	3 years
Share price at grant date	$0.28
Expected dividends	$Nil
Risk-free rate	3.07%
Exercise price	$0.45
Barrier price	$0.50 $0.60 $0.70
Expected director exit rate per year	Nil%
Market based vesting conditions	As outlined above
Fair value at grant date	**$0.0987** **$0.0977** **$0.0952**

The total amount expensed during the year ended 30 June 2023 in relation to the Incentive Plan Trust shares was $104,295 (30 June 2022: $Nil)

(f) Sign-on options

During the year, the following individuals were appointed as Directors of the Group's subsidiary, Hampton Metals Limited, ahead of it's initial public offering ("IPO")

- Graeme Gribbin - Managing Director (Appointed 31 October 2022)
- David Kelly - Non-Executive Director (Appointed 22 July 2022)
- Timothy Netscher - Non-Executive Director (Appointed 1 August 2022

As part of their appointment, Messrs Gribbin, Kelly and Netscher were granted the following equity instruments, subject to the planned IPO and shareholder approval:

- Mr Gribbin will be granted, upon completion of the IPO, 3,500,000 Options with an exercise price of $0.30 per Option, a 50% premium to the expected IPO price, expiring 48 months after listing of the Company's fully paid ordinary shares on the Australian Securities Exchange ("ASX").
  50% of the Options ("Tranche 1") issued to Mr Gribbin will vest after 12 months, with the remaining 50% ("Tranche 2") vesting 24 months after being granted (collectively, the "Vesting Periods").
- Mr Kelly will be offered 1,750,000 Options with an exercise price of $0.30 per Option, a 50% premium to the expected IPO price, expiring 36 months from the date of Mr Kelly's appointment.
- Mr Netscher will be offered 1,250,000 Options with an exercise price of $0.30 per Option, a 50% premium to the expected IPO price, expiring 36 months from the date of Mr Netscher's appointment.

The Options issued to the above individuals were valued using a Black-Scholes Option Pricing Model, utilising the following inputs:

	Graeme Gribbin		David	Timothy
	Tranche 1	Tranche 2	Kelly	Netscher
Measurement date	30/06/2023	30/06/2023	30/06/2023	30/06/2023
Expected Share price at IPO	0.2	0.2	0.2	0.2
Exercise (strike) price	0.3	0.3	0.3	0.3
Expected term	4 years	4 years	3 years	3 years
Volatility	70%	70%	70%	70%
Expected annual dividend yield	0%	0%	0%	0%
Risk-free rate	3.50%	3.50%	3.16%	3.16%
Fair value at grant date	**0.0898**	**0.0898**	**0.0806**	**0.08**

Mr Gribbin's Tranche 1 and Tranche 2 Options are expensed over the Vesting Periods as noted above.

Options issued to Mr Kelly and Mr Netscher are subject to the Hampton Metals Limited's completion of an IPO. As such, they are expensed over the period from the commencement of their employment, to the anticipated date of the Hampton Metals Limited's admission to the official list of the Australian Securities Exchange ("ASX").

In total, $262,142 has been expensed in relation to the above outlined Options for the year ended 30 June 2023.

14: DIVIDEND

No dividends were paid during the financial year. No recommendation for payment of dividends was made.

15: REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	Consolidated	
	2023	2022
Amounts received or due and receivable by Ernst & Young Australia for:	$000	$000
(a) Audit services		
An audit and review of financial reports of the entity and any other entity in the consolidated group	**111**	65
(b) Non-audit services		
Ernst & Young Australia – taxation compliance services	**108**	78
	219	143

16: CONTINGENCIES

Other than disclosed in these financial statement there are no other material contingent liabilities or contingent assets of the Group at the reporting date.

17: COMMITMENTS

(a) Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mining exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	Consolidated	
	2023	2022
	$000	$000
- within one year	**587**	625
- later than one year but not later than five years	**1,209**	1,428
	1,796	2,053

The expenditure commitment of the Group for later than 1 year but not later than 5 years is uncertain. It is not possible to accurately forecast the nature or amount of future tenement expenditure commitments required to maintain areas of interest, although it will be necessary to incur expenditure.

In addition to the above, the Group will also need to meet certain minimum expenditure requirements associated with the Western Lefroy Project which is subject to a Farm in and Joint Venture agreement with Gold Fields. Gold Fields is expected to cover the $475,000 of required minimum expenditure commitment within the next year. A further $1,155,000 of exploration expenditure is required for the Western Lefroy Project's exploration commitments later than one year but not later than five years.

The amount included is considered by management to be a conservative estimate of future costs in order to maintain the Group's interest in present tenement areas. If the Group decides to relinquish, farm out, vary, convert or otherwise change its areas of interests that are in good standing with the Department of Mines & Petroleum (subject to receipt of approval), such amounts that are committed will also change.

Mineral Rights Agreement
On 22 May 2023, the Group acquired 100% of the mineral rights freehold property "East Location 45" ("LOC 45"). Under the terms of the acquisition the Group has granted the vendor a perpetual net-smelter return ("NSR") royalty of 4% per annum. Commencing 1 July 2026 the Group is required to pay an aggregate royalty of at least $100,000 per annum from gold production. Should the NSR royalty be less than $100,000, the Group is required to pay an amount equal to $100,000 to the vendor, less any NSR royalty already paid. The Group can terminate the arrangement at any time by giving notice to the vendor and will only be required to remove all the fixtures from the land and make good any damage cause by such removal and complete all remediation and rehabilitation required as a result of exploration, development, mining operations and any other activities that it has undertaken.

As at 30 June 2023, management has determined that any payments greater than 100,000 per annum under the NSR arrangement is contingent on successful exploration and development (i.e., when reserves have been proven to exists or production commence).

18: RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is Lefroy Exploration Limited

(b) Subsidiaries

Interests in subsidiaries are set out in Note 19.

(c) Key management personnel compensation

	Consolidated	
	2023	2022
Short-term benefits	**421,150**	397,671
Post-employment benefits	**26,350**	25,099
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share-based payments	**460,028**	628,668
	907,528	1,051,438

(d) Transactions and balances with other related parties

Other than the related party transactions described in Note 13, the following related party transactions occurred during the year ended 30 June 2023:

Gordon Galt and Michael Davies are directors of New Holland Capital Pty Ltd ('New Holland Capital'), a subsidiary of Taurus Funds Management Pty ltd. During the year, the Group engaged New Holland Capital to act as

Corporate Advisor in relation the IPO of the Group's wholly owned subsidiary, Hampton Metals Ltd. New Holland Capital was paid a total of $134,250 (exc. GST) in relation to these services.

In 30 June 2022, New Holland Capital was engaged as Corporate Advisor in relation to a farm-in or vend-in over the Lefroy Project. Pursuant to this engagement, New Holland Capital received $166,962 (exc. GST) in success fees in relation to the farm-in and joint venture agreement signed for the Group's Western Lefroy Joint Venture area of interest. $129,322 in retainer fees were also paid to New Holland Capital as corporate advisor for the sale/commercialisation of the Groups Lake Johnston assets and Lucky Strike-Red Dale gold resources in the Lefroy Gold Project.

On 1 January 2022, the Group also entered into a deed of sub-lease for leasehold premises occupied in West Perth. $82,737 (exc. GST) (30 June 2022: $38,396 exc. GST) has been paid to Taurus Funds Management Pty Ltd in relation to rent and variable outgoings in accordance with the terms and conditions of the deed of sub-lease.

As at 30 June 2023 and 30 June 2022, No amounts were due and payable to New Holland Capital or Taurus Funds Management Pty Ltd in respect of services rendered.

Transactions with related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

19: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

Name	Country of Incorporation	Class of Shares	Equity Holding	
			2023	2022
			%	%
Hogans Resources Pty Limited	Australia	Ord	**100**	100
Monger Exploration Pty Ltd	Australia	Ord	**100**	100
Lefroy Exploration Share Plan Pty Ltd	Australia	Ord	**100**	100
Hampton Metals Limited (formerly known as Johnston Lakes Nickel Limited) (incorporated 7 September 2021)	Australia	Ord	**100**	100

20: STATEMENT OF CASH FLOWS

	Consolidated	
	2023	2022
	$000	$000
Reconciliation of (loss) / profit after income tax to net cash outflow from operating activities		
Net (loss) / profit for the year	**(3,002)**	(2,385)
Non-cash, non-operating activities		
Depreciation expense	**81**	67
Share-based payment expenses	**808**	718
Change in operating assets and liabilities	**-**	
(Increase)/decrease in trade and other receivables	**13**	(17)
(Increase)/decrease in other current assets	**-**	(129)
Increase/(decrease) in trade and other payables	**195**	(1)
Increase/(decrease) in provisions	**72**	76
Net cash outflow from operating activities	**(1,833)**	(1,671)

Non-cash investing and financing activities:
Non-cash investing and financing activities are listed in Notes 9 and 13.

21: EARNINGS PER SHARE

(a) Reconciliation of earnings used in calculating loss per share

Profit/(loss) attributable to the owners of the Company used in calculating basic and diluted loss per share	**(3,002)**	(2,385)

(b) Weighted average number of shares used as the denominator

	Number of shares	
	2023	**2022**
Weighted average number of ordinary shares used as the denominator in calculating basic (loss) / profit per share	**145,940,169**	131,024,171
Weighted average number of ordinary shares used as the denominator in calculating diluted (loss) / profit per share	**145,940,169**	131,024,171
Basic (loss) / profit per share attributable to ordinary equity holders in cents	**(2.06)**	(1.82)
Diluted (loss) / profit per share attributable to ordinary equity holders in cents	**(2.06)**	(1.82)

(c) Information on dilutive options

For the year ended 30 June 2023 and 30 June 2022, the Incentive Plan options and Share Plan shares (Note 13) were anti-dilutive and have not been included in the calculation of diluted earnings per share.

22: PARENT ENTITY INFORMATION

The following information relates to the parent entity, Lefroy Exploration Limited, at 30 June 2023. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2023 $000	2022 $000
Current assets	**1,401**	4,325
Other non-current assets	**20,413**	16,104
Total assets	**21,814**	20,429
Current liabilities	**(593)**	(532)
Non-current liabilities	**(223)**	(720)
Total liabilities	**(816)**	(1,252)
Net Assets	**20,998**	19,177
Issued capital	**45,913**	42,590
Foreign currency translation reserve	**(111)**	(111)
Share-based payments reserve	**1,894**	1,348
Accumulated losses	**(26,698)**	(24,650)
Total equity	**20,998**	19,177
(Loss)/profit for the year	**(2,048)**	(2,216)
Total comprehensive loss for the year	**(2,048)**	(2,216)

23: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

As announced on 10 July 2023, Group received a $910,000 tax refund from the Australian Taxation Office (“ATO”) through the research and development (“R&D”) tax incentive program for the year ended 30 June 2022. The claim is recognised as a receivable at 30 June 2023.

On 20 September 2023 the Group announced that it has been appointed as the Manager of the Western Lefroy Farm-In and Joint Venture Agreement (JV). The JV is held between Lefroy’s 100%-owned subsidiary, Hogans Pty Ltd (49%), and St Ives Gold Mining Company Pty Ltd (51%), a wholly-owned subsidiary of Gold Fields Limited (JSE:GFI).that it has received notice from St Ives Gold Mining Company Pty Ltd, a wholly owned subsidiary of Gold Fields Limited, that they would not satisfy Stage 2 requirements of the Western Lefroy Farm-In and Joint Venture Agreement executed between the two parties. Under the terms of the agreement Lefroy Exploration Limited has been appointed as the Manager with effect from this date.

On 22 September 2023 the Company announced it had received firm commitments to raise A$6,200,000 (before costs) via a share placement with institutional and sophisticated investors. 38,750,000 fully paid ordinary shares will be issued at an issue price of $0.16 per share.

No other matters or circumstances have arisen since the end of the financial year which have significantly affected or in the opinion of directors may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Lefroy Exploration Limited (the Company), I state that::

In the opinion of the directors:

a) The financial statements and notes of the Group are in accordance with the International Financial Reporting Standards, including:

(i) Giving a true and fair view of the financial position of the Group as at 30 June 2023 and its performance, for the year ended on that date; and

(ii) Complying with International Financial Reporting Standards.

c) Subject to the matters set out in note 1(a)(iv) to the financial report there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This statement has been made in accordance with a resolution of directors.

Wade Johnson
Managing Director
Perth, 29 September 2023

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Independent auditor's report to the members of Lefroy Exploration Limited

Opinion

We have audited the financial report of Lefroy Exploration Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(a)(iv) of the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying amount of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 9 as at 30 June 2023, the Group held capitalised exploration and evaluation assets of $19.4 million. International Financial Reporting Standards requires that the carrying amount of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure may exceed its recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including assessing the intention of the Group to carry out significant exploration and evaluation activities in the near future, and, whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The Group's significant accounting judgments are detailed in Note 1 (t) to the financial report. Due to the size of the exploration and evaluation asset relative to the Group's total assets and the judgment involved in assessing whether an indicator of impairment exists as at 30 June 2023, we consider this a key audit matter.	We evaluated the Group's assessment as to whether there were any indicators of impairment to require the carrying amount of exploration and evaluation assets to be tested for impairment. In performing our audit procedures, we: ► Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements and correspondence with relevant government agencies. ► Considered the Group's intention to carry out significant exploration and evaluation activities in the relevant exploration area which included assessing whether the Group's cash-flow forecasts provided for expenditure for planned exploration and evaluation activities and enquiring with senior management and Directors as to the intentions and strategy of the Group. ► Considered the Group's assessment of whether the commercial viability of extracting mineral resources had been demonstrated and whether it was appropriate to continue to classify the capitalised expenditure for the area of interest as an exploration and evaluation asset. ► Considered whether there was any other data or information that indicated the carrying amount of the capitalised exploration and evaluation expenditure asset would not be recovered in full from successful development or by sale. ► Assessed the adequacy of the disclosure in the financial report.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the directors' report accompanying the financial report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young

Ernst & Young

Jared Jaworski
Partner
Perth
29 September 2023

ASX ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange. The information is current as at 27 September 2023.

(a) Distribution schedule and number of holders of equity securities as at 27 September 2023

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 – and over	Total
Fully Paid Ordinary Shares	213	426	282	393	123	1,437
	0.06%	0.79%	1.43%	8.92%	88.8%	100.00%
Unlisted Options Exercisable at $0.45 each, Expiring 20/1/2026	0	0	0	0	4	4
	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 27 September 2023 is 402 holding a total of 448,603 fully paid ordinary shares.

(b) 20 Largest holders of quoted equity securities as at 27 September 2023

The names of the twenty largest holders of fully paid ordinary shares (ASX code: LEX) as at 27 September 2023 are:

Rank	Name	Fully Paid Ordinary Shares	% of Total Shares
1	J P Morgan Nominees Australia Pty Limited	23,718,538	14.78
2	St Ives Gold Mining Company Pty Ltd	21,613,910	13.47
3	Mr Michael Davies	15,518,370	9.67
4	HSBC Custody Nominees (Australia) Ltd	10,583,701	6.60
5	Lefroy Exploration Share Plan Pty Ltd	7,650,000	4.77
6	Equity Trustees Limited <Lowell Resources Fund A/C>	4,303,963	2.68
7	Citicorp Nominees Pty Limited	3,132,774	1.95
8	HSBC Custody Nominees (Australia) Limited <GSCO Customers A/C>	3,000,000	1.87
9	Clarkson's Boathouse Pty Ltd <Clarkson Super Fund A/C>	2,804,421	1.75
10	Mr Simon Catt	2,600,000	1.62
11	Mr Wade Johnson + Ms Jennifer Johnson <Injigold Family A/C>	2,533,334	1.58
12	Noontide Securities Pty Ltd	2,058,831	1.28
13	Noontide Investments Limited	1,900,306	1.18
14	Mr Gordon Thomas Galt + Mrs Maria Veronica Galt <The Galt Super Fund A/C>	1,779,999	1.11
15	Mr James David Beecher + Mrs Carol Beecher <The Beecher Super Fund A/C>	1,750,413	1.09
16	Wade Steven Johnson	1,711,712	1.07
17	Mr Geoffrey Francis Pigott	1,656,666	1.03
18	Craig Andrew Nelmes	1,346,159	0.84

Rank	Name	Fully Paid Ordinary Shares	% of Total Shares
19	Olgen Pty Ltd	1,247,382	0.78
20	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	1,096,584	0.68
	TOTAL	112,009,063	69.80

Stock Exchange Listing – Listing has been granted for 160,458,002 fully paid ordinary shares of the Company on issue on the Australian Securities Exchange.

There were 5,600,000 unlisted options exercisable at $0.45 each, expiring on 20 January 2026 on issue as at 27 September 2023.

(c) Substantial shareholders

Substantial shareholders in Lefroy Exploration Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

Name	Shares	% of Total Shares	Date lodged with ASX
Noontide investments Ltd	25,375,432	15.81%	15 May 2023
St Ives Gold Mining Company Pty Ltd	21,613,910	15.73%	29 November 2021
Michael Davies & Associates	13,982,654	11.8%	17 Nov 2020

(d) Restricted Securities as at 27 September 2023

The Company had no restricted securities on issue as at 27 September 2023.

(e) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Unquoted options have no voting rights. Voting rights will be attached to the issued fully paid ordinary shares when options have been exercised.

(f) Corporate Governance

The Board of Lefroy Exploration Limited is committed to Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate with Shareholders. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at https://www.lefroyex.com/corporate-governance.

(g) Schedule of Mining Tenements

The schedule of interest in mining tenements both as at 30 June 2023 and as at 27 September 2023 is as follows:

Notes to accompany tenement listing:

(1) Hogans Resources Pty Ltd, Monger Exploration Pty Ltd and Hampton Metals Ltd are wholly owned subsidiaries of Lefroy Exploration Ltd.

(2) E63/1722, E63/1723 and E63/1777 - Held under title by HMT. Charger Metals NL (ASX CHR) and Lithium Australia NL (ASX:LIT) have the rights to Lithium.

(3) DMIRS-- Department of Mines Industry Regulation and Safety

LEFROY EXPLORATION LIMITED TENEMENT SCHEDULE 27 September 2023				
Tenement Id	**Project**	**Status**	**Holder**	**Interest %**
P26/3765	Goldfields JV	Live	HOGANS RESOURCES PTY LTD	100[1]
P26/3764	Goldfields JV	Live	HOGANS RESOURCES PTY LTD	100[1]
E26/0134	Goldfields JV	Live	HOGANS RESOURCES PTY LTD	100[1]
E26/0193	Goldfields JV	Live	HOGANS RESOURCES PTY LTD	100[1]
E26/0150	Goldfields JV	Live	HOGANS RESOURCES PTY LTD	100[1]
E15/1615	Goldfields JV	Live	HOGANS RESOURCES PTY LTD	100[1]
E26/0131	Goldfields JV	Live	HOGANS RESOURCES PTY LTD	100[1]
E26/0184	Goldfields JV	Live	HOGANS RESOURCES PTY LTD	100[1]
E15/1447	Goldfields JV	Live	HOGANS RESOURCES PTY LTD	100[1]
M26/0842	Goldfields JV	Live	HOGANS RESOURCES PTY LTD	100[1]
M26/0850	Goldfields JV	Pending	HOGANS RESOURCES PTY LTD	100[1]
M26/0851	Goldfields JV	Pending	HOGANS RESOURCES PTY LTD	100[1]
E15/1498	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
E26/0195	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[2]
E15/1497	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
P25/2488	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
P26/4423	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
P26/4437	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
P26/4438	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
P25/2317	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
P25/2316	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
E25/0517	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
E25/0518	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
P25/2421	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
E15/1715	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
E26/0182	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
E25/0587	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
E26/0183	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
E25/524	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
M25/0362	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
M25/0363	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
M25/0366	Lefroy	Live	MONGER EXPLORATION PTY LTD	100[1]
E25/0606	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100[1]
P26/4392	Lefroy - JLN (Ni rights)	Live	MONGER EXPLORATION PTY LTD	100[1]
P26/4393	Lefroy - JLN (Ni rights)	Live	MONGER EXPLORATION PTY LTD	100[1]
P26/4394	Lefroy - JLN (Ni rights)	Live	MONGER EXPLORATION PTY LTD	100[1]
P26/4391	Lefroy - JLN (Ni rights)	Live	MONGER EXPLORATION PTY LTD	100[1]
E26/0176	Lefroy - JLN (Ni rights)	Live	MONGER EXPLORATION PTY LTD	100[1]
L25/0061	Lucky Haul Road	Pending	MONGER EXPLORATION PTY LTD	100[1]
L25/0063	Mulga Haul Road	Pending	MONGER EXPLORATION PTY LTD	100[1]
E63/2073	Lake Johnson	Live	Hampton Metals Ltd	100[1]
E63/1723	Lake Johnston – CHR (Li rights)	Live	Hampton Metals Ltd	100[2]
E63/1722	Lake Johnston – CHR (Li rights)	Live	Hampton Metals Ltd	100[2]
E63/1777	Lake Johnston – CHR (Li rights)	Live	Hampton Metals Ltd	100[2]
E69/3945	Glenayle	Pending	Hampton Metals Ltd	100[1]

LEFROY EXPLORATION LIMITED TENEMENT SCHEDULE 27 September 2023 - Continued				
Tenement ID	**Project**	**Status**	**Holder**	**Interest %**
E69/3946	Glenayle	Pending	Hampton Metals Ltd	100(1)
E69/3947	Glenayle	Pending	Hampton Metals Ltd	100(1)
E69/3948	Glenayle	Pending	Hampton Metals Ltd	100(1)
E69/3949	Glenayle	Pending	Hampton Metals Ltd	100(1)
E69/4045	Glenayle	Live	Hampton Metals Ltd	100(1)
E26/240	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100(1)
E26/241	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100(1)
E15/1954	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100(1)
E15/1955	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100(1)
E26/260	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100(1)
E26/261	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100(1)
M15/1907	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100(1)
M25/379	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100(1)

(k) Mineral Resources

As required by ASX Listing Rule 5.21, Lefroy provides the Company's Mineral Resources as at 30 June 2023 below:

Deposit	Indicated					Inferred					Total Resource				
	Mt	Au (g/t)	Cu (%)	Oz	Cu (t)	Mt	Au (g/t)	Cu (%)	Oz	Cu (t)	Mt	Au (g/t)	Mt*Au	Oz	Cu (t)
Burns Central	32.31	0.38	0.16	394,308	50,253	10.65	0.30	0.08	103,165	8,047	42.96	0.36	15.47	497,472	58,300
Red Dale	0.64	1.21	-	24,660	-	0.03	0.60	-	570	-	0.67	1.18	0.79	25,230	-
Lucky Strike	0.70	1.93	-	43,400	-	0.57	1.97	-	36,200	-	1.27	1.95	2.48	79,600	-
Mt Martin	5.31	1.82	-	311,048	-	3.41	1.73	-	190,127	-	8.72	1.79	15.61	501,175	-
TOTAL	39.0	0.62	0.16	773,416	50,253	14.66	0.70	0.08	330,062	8,047	53.62	0.64	34.34	1,103,477	58,300

Table 1 Total Indicated & Inferred (JORC 2012) LEX Mineral Resources (small discrepancies may occur due to rounding)

***Cautionary Statement:** The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement. In the case of estimates of the Mineral Resources (Table 1), the Company confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.*

- The Lucky Strike and Red Dale Mineral Resource Estimates are reported using a 0.5g/t Au cut off, and have not changed since the May 2020 resource statement (ASX Announcement 20 May 2020).
- The Mt Martin Mineral Resource Estimate is reported using a 0.5g/t Au cut off, and has not changed since the May 2023 resource reporting statement (ASX Announcement 23 May 2023).

As required by ASX Listing Rule 5.21.4, Lefroy provides in the table below the Company's Mineral Resources reported as at 30 June 2022:

Mineral Resource Estimate by class - 0.5g/t Au reporting cut-off									
Deposit	**Indicated**			**Inferred**			**Total Resource**		
	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
TOTAL	1.34	1.58	68,060	0.6	1.90	36,770	1.94	1.71	104,830

Table 2 Total Indicated & Inferred (JORC 2012) LEX Mineral Resources, 2022 (small discrepancies may occur due to rounding)

Red Dale - Mineral Resource Estimate

The Red Dale deposit is situated within the Company's Lefroy Gold Project located approximately 60km to the south east of Kalgoorlie, Western Australia. The resource is situated wholly within the Company's granted Mining lease M25/362. The Company engaged Resource Evaluation Services in 2020 to compile the Resource. The Company announced the Resource to the ASX on 3 June 2020 and reported in accordance with JORC 2012. The Company confirms there has been no exploration activity, including resource compilation at the Red Dale Deposit since 3 June 2020 that would alter the Resource Statement.

The Mineral Resources estimate was compiled using standard industry methodology using geological interpretation, assay results from reverse circulation and diamond drilling, downhole and surface surveys collected by employee's of the Company. The Mineral Resource estimate was overseen by a suitably qualified LEX personnel and completed by a consultant who has sufficient experience to qualify as a Competent Person.

The Mineral Resources Statement included in each Company document is reviewed and approved by a suitably qualified Competent Person prior to its announcement.

Competent Persons Statement

The information in this report that relates to the Sampling Techniques and Data and Reporting of Exploration Results for the Red Dale deposit is based on, and fairly represents, information which has been compiled by employees of Lefroy Exploration under the supervision and guidance of Mr. Wayne Carter, former Senior Exploration Geologist at Lefroy Exploration and Member of the Australasian Institute of Geoscientists. Mr. Carter has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Carter consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The Red Dale resource estimate was compiled in accordance with the guidelines of the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2012). The resource estimate has been undertaken by Stephen Godfrey, Principal Resource Geologist with Resource Evaluation Services, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Godfrey has sufficient relevant experience to be considered a "Competent Person" as defined the JORC Code (2012).of Exploration Results, Mineral Resources and Ore Reserves. Mr. Godfrey consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Lucky Strike - Mineral Resource Estimate

The Lucky Strike deposit is situated within the Company's Lefroy Gold Project located approximately 50km to the southeast of Kalgoorlie, Western Australia. The resource is situated wholly within the Company's granted Mining lease M25/366. The Company engaged Resource Evaluation Services in 2020 to complete the Mineral Resource estimate. The Company announced the Resource to the ASX on 20 May 2020 and reported in accordance with JORC 2012. The Company confirms there has been no exploration activity, including resource compilation at the Lucky Strike Deposit since 20 May 2020 that would alter the Resource Statement.

The Mineral Resources estimate was compiled using standard industry methodology using geological interpretation, assay results from reverse circulation and diamond drilling, downhole and surface surveys collected by employees of the Company. The Mineral Resource estimate was overseen by a suitably qualified LEX personnel and completed by a consultant who has sufficient experience to qualify as a Competent Person.

The Mineral Resources Statement included in each Company document is reviewed and approved by a suitably qualified Competent Person prior to its announcement.

Competent Persons Statement

The information in this report that relates to the Sampling Techniques and Data and Reporting of Exploration Results for the Lucky Strike deposit is based on, and fairly represents, information which has been compiled by employees of Lefroy Exploration under the supervision and guidance of Mr. Wayne Carter, former Senior Exploration Geologist at Lefroy Exploration and Member of the Australasian Institute of Geoscientists. Mr. Carter has sufficient experience that is *relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Carter consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.*

The information in this report that relates to the Mineral Resource estimate at the Lucky Strike deposit is based on, and fairly represents, information which has been compiled by Mr Stephen Godfrey. Mr. Godfrey is Principal Resource Geologist at Resource Evaluation Services, a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Godfrey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Godfrey consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Burns Central - Mineral Resource Estimate

The Burns Central mineral resource is situated within the Company's Lefroy Gold Project located approximately 50km to the southeast of Kalgoorlie, Western Australia. The resource is situated wholly within the Company's granted Exploration Licence E15/1715. The Company engaged resource consultants the Measured Group Pty Ltd in 2023 to complete the Mineral Resource Estimate. The Company announced the Resource to the ASX on 4 May 2023 and reported in accordance with JORC 2012. The Company confirms there has been no exploration activity, including resource compilation at the Burns Central deposit since 4 May 2023 that would alter the Resource Statement.

The Mineral Resources estimate was compiled using standard industry methodology using geological interpretation, assay results from reverse circulation and diamond drilling, downhole and surface surveys collected by employees of the Company. The Mineral Resource estimate was overseen by a suitably qualified LEX personnel and completed by a consultant who has sufficient experience to qualify as a Competent Person.

Competent Persons Statement

T*he Mineral Resource estimate and the Exploration Targets for the Burns Au-Cu-Ag-Mo-Co deposit were prepared by Mr Chris Grove of Measured Group Pty Ltd, who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Grove consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Mt Martin - Mineral Resource Estimate

The Mt Martin mineral resource is situated within the Company's Lefroy Gold Project located approximately 50km to the southeast of Kalgoorlie and 25km north of Kambalda, Western Australia. The resource is situated wholly within freehold title East Location 45 where the Company has a Mineral Rights Agreement (MRA) with the title holder Franco Nevada Australia Pty Ltd. The Company announced the MRA and reported the existing Resource to the ASX on 23 May 2023 and reported in accordance with JORC 2012. The Company confirms there has been no exploration activity, including resource compilation at the Mt Martin deposit since 23 May 2023 that would alter the Resource Statement.

Competent Persons Statement

The information in the announcement dated 23 May 2023 that relates to exploration results and tabulation of mineral resource that includes Mt Martin is based on information compiled by Wade Johnson a competent person who is a member of the Australian Institute of Geoscientists (AIG). Wade Johnson is employed by Lefroy Exploration Limited. Wade 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. Wade Johnson consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears.

Goodyear Mineral Resource Estimate

The Goodyear mineral resource is situated within the Company's Lefroy Gold Project located approximately 50km to the southeast of Kalgoorlie and 25km north of Kambalda, Western Australia. The resource is situated wholly within freehold title East Location 45 where the Company has a Mineral Rights Agreement (MRA) with the title holder Franco Nevada Australia Pty Ltd. The Company announced the MRA and reported the existing Resource to the ASX on 23 May 2023 and reported in accordance with JORC 2004. The Company engaged resource consultants CSA Global Pty Ltd to complete a review of the Goodyear Mineral Resource Estimate and on 23 August 2023 the Company reported the Goodyear Nickel Deposit confirmed at 392,000 t @ 3.78% Ni, reported and classified in accordance with JORC Code 2012 (refer LEX ASX release 23 August 2023).

The Company confirms there has been no exploration activity, including resource compilation at the Mt Martin deposit since 23 May 2023 that would alter the Resource Statement.

Table 2: Goodyear Mineral Resource Estimate			
Zone	Tonnes	Grade Ni %	Contained Ni Tonnes
1	148,000	3.06	4520
3	224,000	4.13	9230
4	20,000	5.13	1030
Total Inferred	**392,000**	**3.78**	**14,780**

Table 3 Total Inferred (JORC 2012) Lefroy Nickel Mineral Resources at 1% Ni cutoff, as reported at a 30 June 2023 (small discrepancies may occur due to rounding)

Competent Persons Statement

The information that relates to the Goodyear Mineral Resource Estimate is based on information compiled by Mr Lindsay Farley. Mr Lindsay Farley is a full-time employee of CSA Global and is a Member of the Australian Institute of Geoscientists (AIG) and a Member of The Australasian Institute of Mining and Metallurgy (The AusIMM). Mr Lindsay Farley has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Lindsay Farley consents to the disclosure of the information in this report in the form and context in which it appears. Mr Lindsay Farley assumes responsibility for matters related to Section 3 of Appendix A JORC Table 1.