



Lefroy Exploration

ASX ANNOUNCEMENT | 23 FEBRUARY 2024

# STRATEGY TO FOCUS ON GOLD DEVELOPMENT AND EXPLORATION

ASX:LEX

## HIGHLIGHTS

- **LEX to focus on development of gold resources in the 635km<sup>2</sup> Lefroy Project area following strategic review.**
- **Future exploration will aim to expand and upgrade gold resources to mineable status.**
- **Corporate running costs significantly reduced following the recent restructure, reflecting the Company's near-term strategy.**

Lefroy Exploration is pleased to provide an update on the Company's activities in the context of significant and rapid changes in the junior exploration market since late 2023.

### LEFROY CEO GRAEME GRIBBIN COMMENTED:

*"We have moved rapidly to change the Company's focus since late 2023, including reducing corporate costs significantly.*

*"Lefroy is now working to realise the value of our gold resources across the Lefroy Project.*

*"We have a small, driven team intent on generating positive cash flow as soon as we can via contract open cut mining and toll milling of gold resources currently held by Lefroy.*

*"Our field work will seek to increase and upgrade mineable inventories, firstly at established resources held at Mt Martin and Lucky Strike, while we pursue the necessary contractual arrangements and development approvals."*

### 2023 STRATEGY AND ACTIVITIES REVIEW

In early 2023, LEX was undertaking exploration programs and analysing results from its Burns Central gold-copper prospect in the Eastern Lefroy Project.

At that time, LEX was also intending to demerge its various nickel assets into a separate ASX-listed company to concentrate on gold and copper.



Further Burns exploration and the demerger were put on hold in May 2023 when the Company acquired the mineral rights to Hampton East Location 45 (Location 45) from title holder Franco-Nevada Pty Ltd (refer [ASX release 23 May 2023](#)).

Location 45 is a freehold property, located within 25km of Kambalda and 35km southeast of Kalgoorlie.

The property hosts the historic Mt Martin Gold Mine, which has produced approximately 200,000 ounces of gold grading at 2.8g/t and contains an existing resource of 501,175 oz gold (8.7Mt @ 1.79g/t Au) (refer to [ASX release 5 September 2023](#)).

It also contains the Goodyear Nickel Deposit, which has a resource of 392,000 tonnes @ 3.78% Ni for 14,780 tonnes of contained nickel (refer to [ASX release 23 August 2023](#)).

Drilling programmes were subsequently planned for both Mt Martin and Goodyear, with fieldwork completed in the last quarter of 2023.

By the end of 2023, with a rapid and significant reduction in the price and outlook for nickel, the Company placed an immediate hold on all further nickel exploration and is now focused on the development of its Lefroy gold assets to generate cash flow.

The Company retains all nickel, REE and lithium mineral rights on Location 45, and the property remains highly prospective for nickel sulphides.

## **RESTRUCTURE AND NEW APPROACH IN 2024**

The Board of Lefroy began implementing the Company's updated strategy in January 2024. This involved the suspension of all field work and a review of corporate costs.

In February, the Company announced a change in leadership, staff reduction and additional cost cutting measures have subsequently occurred (refer to [ASX release 6 February 2024](#)).

In line with the Company's strategy of advancing towards generating cash flow from the development of its gold resources in the short-term, the following actions have been initiated:

- A review of all existing gold resources, with the aim of expanding and upgrading of mineable open pit opportunities.
- An assessment of the extent and cost of exploration programs required to achieve these outcomes.
- Engagement with regional operators of gold processing plants and prospective developers to determine the best path forward to commence mining operation.

The Company is committed to the above strategy and will keep shareholders and the market informed on a regular basis.

**-Ends-**



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

Graeme Gribbin  
CEO

For further information please contact:

## INVESTORS

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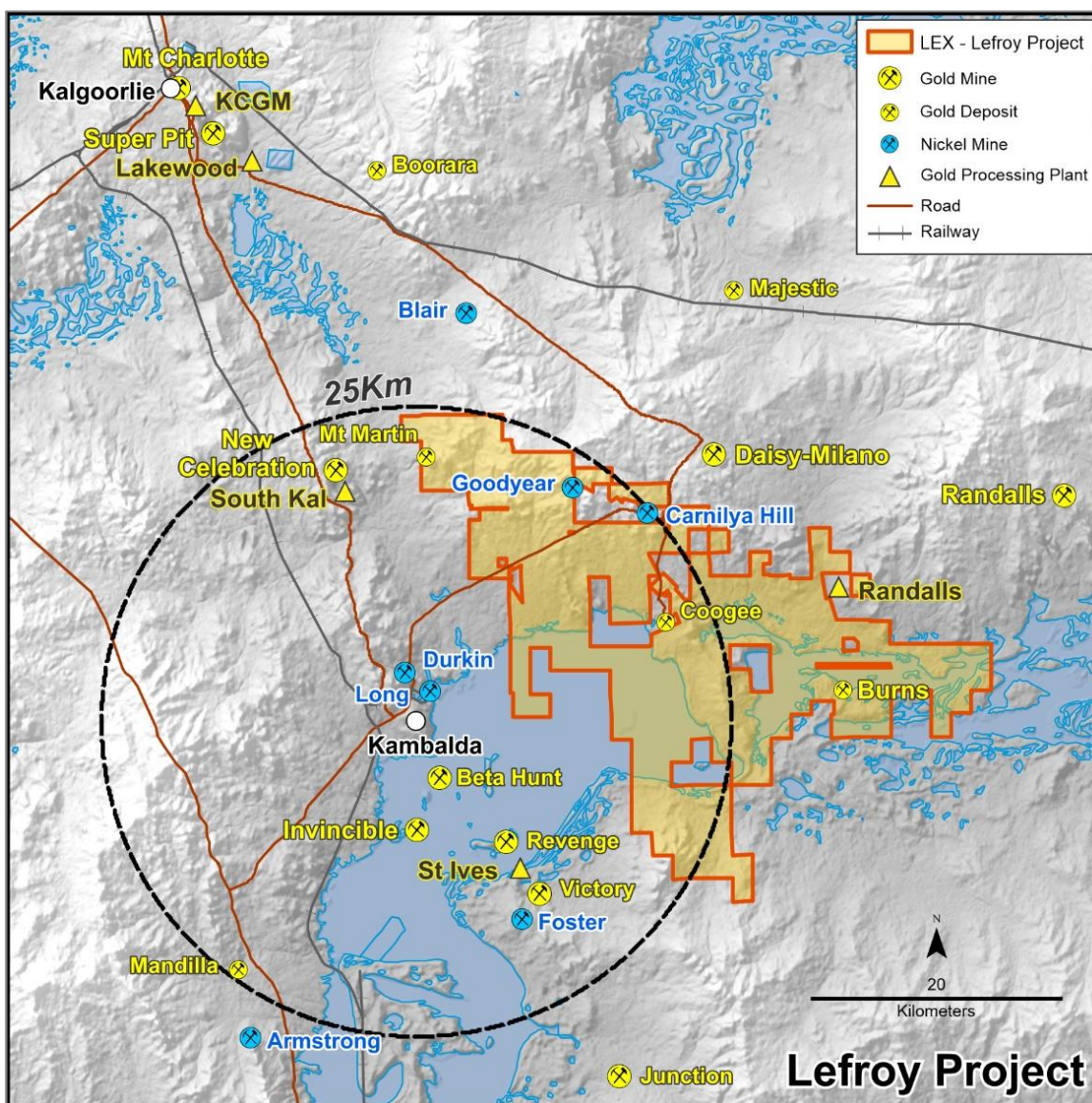
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## ABOUT LEFROY EXPLORATION LIMITED

Lefroy Exploration Limited (ASX:LEX) is an active West Australian exploration company. The Company's portfolio of high-quality projects includes the Lefroy Project, located in the heart of the world-class Kalgoorlie and Kambalda gold and nickel mining districts, the Lake Johnston Project 120km west of Norseman and the large 2,872km<sup>2</sup> Glenayle Project, 210km north of Wiluna. The Lefroy Project is a contiguous land package of 635km<sup>2</sup> with a mineral resource inventory of approximately 1.1 million ounces of gold, plus 58,000 tonnes of contained copper and 14,780 tonnes of contained nickel, as at August 2023 (refer to LEX 2023 Annual Report).



Regional locality map of the Company's Lefroy Project.



## SUPPORTING ASX ANNOUNCEMENTS

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

- Maiden Gold Resource at Lucky Strike – 20 May 2020
- Red Dale Resource Increase by 28% to 25,230oz – 3 June 2020
- Half a Million Ounces of Gold in Burns Central maiden Resource – 4 May 2023
- Lefroy Increases Gold Resources to 602,000oz – 15 May 2023
- Acquisition of Mineral Rights Transforms Lefroy – 23 May 2023
- Lefroy Confirms High-Grade 15KT Resource at Goodyear – 23 August 2023
- Growth Potential for Mt Martin Gold Mine Confirmed – 5 September 2023
- Lefroy Exploration Investor Update Presentation – 6 September 2023
- \$6.2M Raised to Advance Nickel and Gold Projects at Location 45 – 22 September 2023
- LEX 2023 Annual Report – 2 October 2023
- Resource Extension Drilling Underway at Mt Martin – 24 November 2023
- Drilling Commences at High-Grade Goodyear Nickel Deposit – 30 November 2023
- First Drillhole hits massive nickel sulphides at Goodyear – 12 December 2023
- Assay Results confirm High Grade Nickel Sulphides at Goodyear – 10 January 2024
- Drilling Extends Gold Mineralisation at Mt Martin Gold Mine – 18 January 2024
- Executive Update – Leadership Changes – 6 February 2024

## COMPETENT PERSON STATEMENT

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

**Table 1: Total Indicated and Inferred Lefroy Gold Project Mineral Resource Estimate**

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)	Oz	Cu (t)
Burns Central <sup>1</sup>	32.31	0.38	0.16	394,308	50,253	10.65	0.30	0.08	103,165	8,047	42.96	0.36	497,472	58,300
Red Dale <sup>2</sup>	0.64	1.21	-	24,660	-	0.03	0.60	-	570	-	0.67	1.18	25,230	-
Lucky Strike <sup>3</sup>	0.70	1.93	-	43,400	-	0.57	1.97	-	36,200	-	1.27	1.95	79,600	-
Mt Martin <sup>4</sup>	5.31	1.82	-	311,048	-	3.41	1.73	-	190,127	-	8.72	1.79	501,175	-
<b>TOTAL</b>	<b>39.0</b>	<b>0.62</b>	<b>0.16</b>	<b>773,416</b>	<b>50,253</b>	<b>14.66</b>	<b>0.70</b>	<b>0.08</b>	<b>330,062</b>	<b>8,047</b>	<b>53.62</b>	<b>0.64</b>	<b>1,103,477</b>	<b>58,300</b>

**Total Indicated and Inferred Lefroy Gold Project Mineral Resource Estimate as at 30 June 2023.**

<sup>1</sup> The Burns Central MRE was announced to the ASX on 4 May 2023

<sup>2</sup> The Red Dale MRE was announced to the ASX on 3 June 2020

<sup>3</sup> The Lucky Strike MRE was announced to the ASX on 20 May 2020

<sup>4</sup> The Mt Martin MRE was announced to the ASX on 23 May 2023

**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
<b>TOTAL INFERRED</b>	<b>392,000</b>	<b>3.78</b>	<b>14,780</b>

The Goodyear MRE was announced to the ASX on 23 August 2023