

17 November 2016

Lefroy Commencing Drilling at Lucky Strike

Lefroy Exploration Limited (ASX: LEX) (“Lefroy” or “the Company”) is pleased to announce that the Company’s inaugural exploration drilling program is commencing at its flagship Lefroy Gold Project, approximately 50km to the south east of Kalgoorlie (Figure 1).

The Company today will commence an early stage air core drilling programme in one of its priority target areas known as Lucky Strike located 2km to the northwest of the Lucky Bay open pit gold mine operated by Silver Lake Resources (Figures 2&3).

The geological setting at Lucky Strike is that of an aeromagnetic high that is associated with a northwest-southeast trending sequence of carbonaceous shale, quartz porphyries and dolerite overlain by palaeochannel sediments. No bedrock had been identified in the previous drilling that could account for the magnetic anomaly. The setting is not dissimilar to that which is host to the Lucky Bay deposit, some 2 km to the southeast. (Gold production commenced at Lucky Bay in August 2015 based on a resource of 125,600t @ 5.4 g/t Au, for 21,600 oz). The initial drilling planned at Lucky Strike is to infill and extend air core drilling around the historical intersection of 22m at 2.97gpt in air core hole SCA 794 drilled in 2010 by Integra Mining Ltd (Figure 3).

Furthermore, 2km along strike to the northwest at the Sideshow Prospect within the Company’s E26/183, anomalous gold intercepts are recorded in aircore holes that intersected a structurally disrupted sequence of quartz veining, iron formation, argillite, and dolerite. A drill programme to evaluate this 2km corridor has been approved by the Department of Minerals and Petroleum (DMP) and will be undertaken after assessment of the results from the current initial phase.

The proposed initial drilling is expected to be completed by early December 2016 and results anticipated by the end of December.

The Company is also advancing exploration at other targets within the Lefroy Project, with generative and planning work underway to define targets for initial drill testing in Lake Lefroy. This drill programme is expected to commence in February 2017.

About Lefroy Exploration and the Lefroy Project

Lefroy Exploration is a new WA based and focused explorer. Key Projects include the Lefroy Project to the south east of Kalgoorlie and the Lake Johnston Project 110km to the west of Norseman.

The 100% owned Lefroy Project contains mainly granted tenure covering 540km², located in the heart of the world class gold production area between Kalgoorlie and Norseman. The Project is in close proximity to Gold Fields’ St Ives gold camp, which contains the newly discovered Invincible gold mine located in Lake Lefroy, and is also immediately south of Silver Lake Resources (ASX:SLR) Daisy Milano gold mining operation (Figure1).

ENDS

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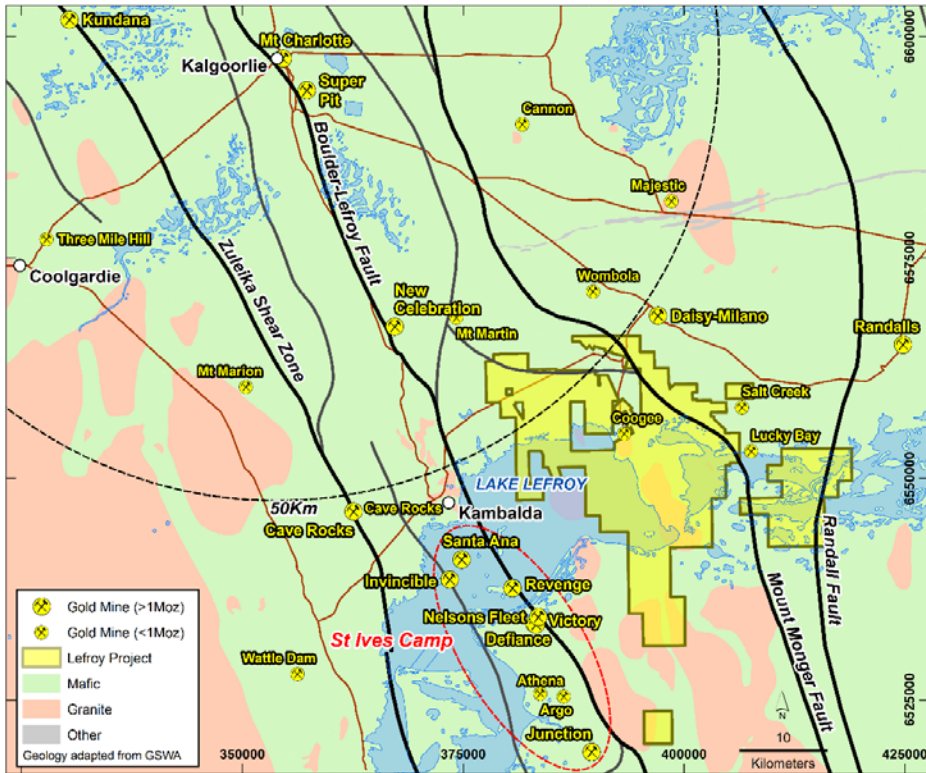


Figure 1 Location of the Lefroy Gold Project relative to Kalgoorlie, Gold Fields St Ives Gold Camp near Lake Lefroy, and major gold deposits.

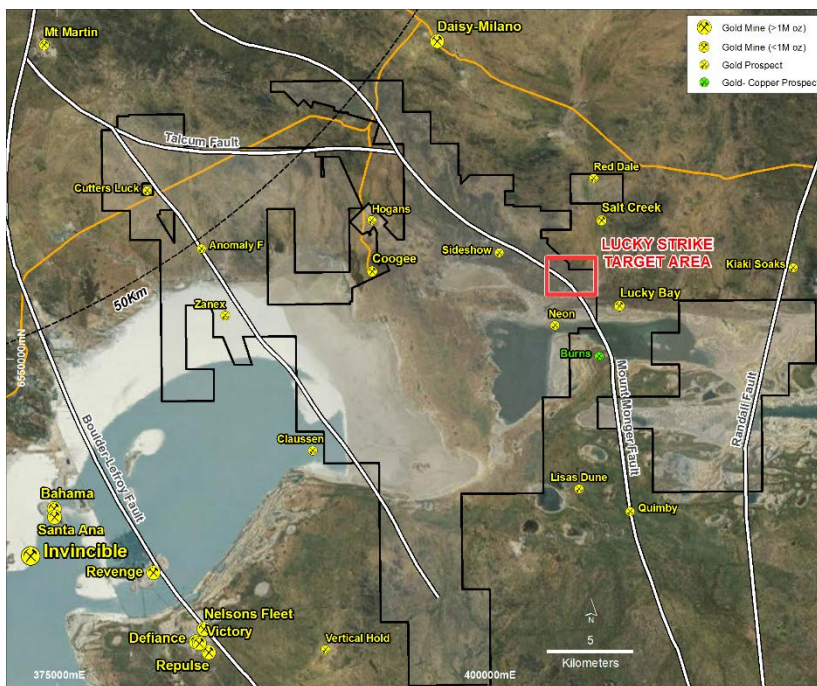


Figure 2 Lefroy Project tenement package and location of Lucky Strike

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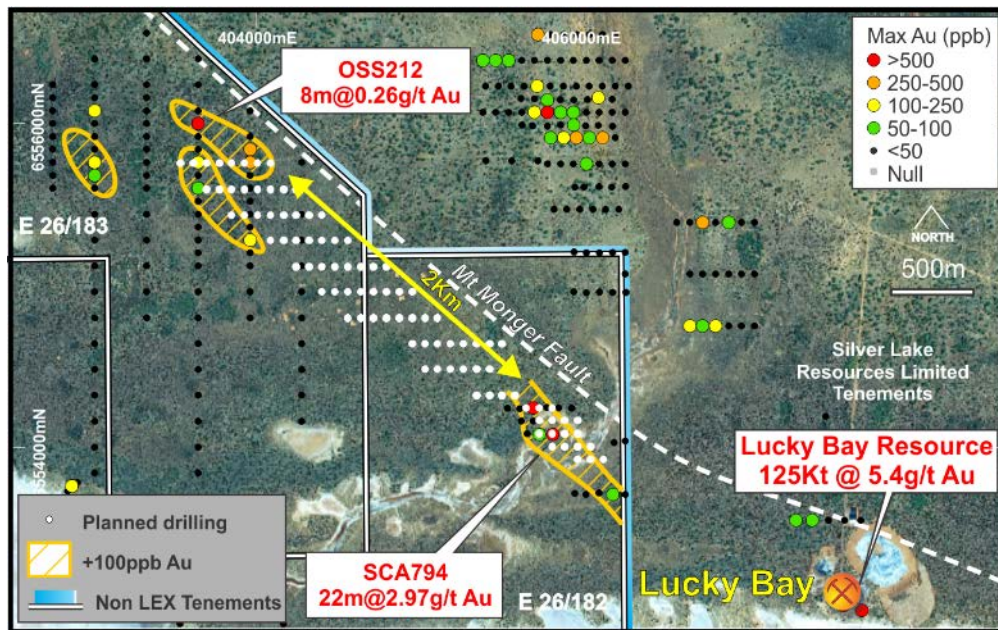


Figure 3 Inset map of Lucky Strike prospect located in E26/182 and E26/183 and proposed drill programme show as white points.

Managing Director

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The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Wade Johnson and Geoff Pigott, both competent persons who are members of the Australasian 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. Geoff Pigott is a Non-Executive Director of Lefroy Exploration and 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. Geoff Pigott consents to the inclusion in this report of the matters based on his work in the form and context in which it appears.

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JORC CODE, 2012 Edition-Table 1 Report – LEFROY PROJECT-Lucky Strike and Side Show Prospects –as at 17 November 2016

SECTION 1: SAMPLING TECHNIQUES AND DATA (Commentary on Historical Exploration information described below has been derived from WAMEX Open File reports sourced from the Department of Minerals and Petroleum)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Aircore(AC) drilling One metre AC samples were collected from the cyclone and laid out in rows on the ground. Composite 2m or 4m samples were then collected by spear or scoop sampling the 1m piles to produce a bulk 2-3kg sample which were sent to the Laboratory.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> AC drilling-refer to WAMEX reports A64617, A93607, A104013 and A104565 All holes drilled vertically to blade refusal at the Side Show Prospect All holes drilled at -60 degrees due east to bedrock at the Lucky Strike Prospect
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> AC Sample recovery Insufficiently recorded in the reports
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All drill holes reported were geologically logged for the entire length of the hole. Geological logs in code form and lack any structural data
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> AC Drilling Collection of 2m or 4m composite samples and, if considered anomalous, 1m intervals resampled. The sample preparation of the AC samples followed industry best practice at the time, involving oven drying, pulverising, to produce a homogenous sub sample for analysis.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF 	<ul style="list-style-type: none"> Side Show AC samples: nature of analytical technique for the 2m scoop samples not documented in WAMEX report A64617. Side Show AC samples: 4m scoop samples

Criteria	JORC Code Explanation	Commentary
	<p><i>instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<p>analysed at KalAssay in Kalgoorlie for Au using 40 gram fire assay digest and determination using atomic absorption spectroscopy as documented in WAMEX reports A93607 and A104565.</p> <ul style="list-style-type: none"> • Lucky Strike AC samples: 4m composite samples submitted to Genalysis Laboratories and analysed for Au, As, Cu, Ni, Pb and Zn. The Au was analysed by aqua-regia digest with solvent extraction and graphite furnace atomic absorption spectrometry finish, as documented in A104013 • No geophysical tools, spectrometers or hand held XRF instruments used. • Previous explorers did not document detailed QAQC procedures.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Not documented in the historical reports.
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Drill holes at Side Show were located on surveyed local grids. Drill holes at Lucky strike surveyed using GPS. • Drill Holes initially reported using AMG 84 and later MGA 94 Zone 51. coordinates • Topographic elevation if captured is by using reading from hand held GPS with an accuracy of +/-10m and considered suitable for the flat terrain.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • AC drilling: Hole spacing at Side Show at 160 or 80m on reconnaissance north-south orientated drill lines with line spacing's varying from 160m to 320m. • AC drilling: Hole spacing at Lucky Strike at a nominal 80m on reconnaissance east-west orientated drill lines spaced 160m apart • AC samples composite range 2-4m but generally 4m. No assay compositing has been applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The AC drilling is reconnaissance in nature, being relatively wide spaced and the orientation of the gold mineralised structures intersected is yet to be confirmed.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	Not documented in WAMEX reports
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	Not documented in WAMEX reports LEX has verified location of drill holes in the field

Section 2: REPORTING OF EXPLORATION RESULTS – LEFROY PROJECT-Lucky Strike and Side Show Prospects
(Commentary on Historical Exploration Results described below has been derived from WAMEX Open File reports sourced from the Department of Minerals and Petroleum (DMP) and detailed in the Independent Geologists Report contained in the Lefroy Exploration Limited Prospectus dated September 2016)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Lefroy Project is located approximately 50km in a south easterly direction from Kalgoorlie, Western Australia and consists of a contiguous package of tenements. The tenements are current and in good standing with the Department of Mines and Petroleum (DMP) of Western Australia. The Lucky Strike prospect is located on tenement E26/182 wholly owned by Lefroy Exploration Limited. Full tenement details are listed in the Independent Solicitors Report attached to the Lefroy Exploration Limited Prospectus dated September 2016
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> For Full details of exploration done by other parties at the Lucky Strike and Side Show prospects refer to the WAMEX reports A64617, A93607, A104013 and A104565 as well as the Independent Geologists Report attached to the LEX prospectus.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>The Lucky Strike prospect is located in E26/182 some 2km northwest of the Lucky Bay gold deposit. The geological setting appears to be that of a palaeochannel cutting across a northwest trending sequence of carbonaceous shale and quartz porphyries bracketed by dolerite. The setting appears not dissimilar to that which is host to the Lucky Bay deposit, where mineralisation occurs within a sequence of BIF and carbonaceous shales, sandwiched by dolerites. There is a potential 2km strike trend of favourable structure and lithologies traversing E26/182 that presents a target for drill testing. That trend appears to continue along the northern edge of E26/183 for at least a further 2km to the northwest of Lucky Strike where anomalous gold intercepts are recorded in historic aircore holes hosted by BIF, argillite and dolerite</p> <p>The Sideshow Prospect was initially delineated by WMC with more recent work undertaken by Octagonal Resources (refer Wamex reports A64617 and A104565). LEX draws similarities between Sideshow and Lucky Strike.</p>
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth 	<ul style="list-style-type: none"> Lucky Strike Prospect- Intersection of 22m from 112m at 2.97g/t Au in angled AC hole SCAC794 drilled in 2009. EOH 134m Located 65540898N 405833E (GDA94 Zone 51) .RL 305m Hole declined 60 degrees to 90 degrees. Intercept based on weighted average of 4m and 2m composite samples. No 1m resampling reported. Details in WAMEX report A104013 Side Show Prospect- Drill Intersections sourced from WAMEX reports A64617,

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Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> • hole length. • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	A93607 and A104565 . Intersection of 8m from 17m in vertical AC hole OSS212 is at the base of the Tertiary cover with bedrock. EOH 32m. Located 6556010N 403640E RL 400m
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • Weighted averages are based on the sum of length multiply by assay divided by total length. • Intercepts based on 1m, 2m or 4m sampling • No grade cutting has been undertaken.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • All results are based on down-hole metres. • Given the wide spaced reconnaissance nature of the drilling the geometry of the mineralisation reported is not known and the true width is not known
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Diagrams are included in the release and are also in the LEX prospectus within the Independent Geologist's Report
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Significant assay results are reported in the text of the release. Drill holes with no significant results are not reported but are shown on the plans.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Supporting exploration data are included within the announcement and are detailed in the prospectus within the Independent Geologist's Report.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The nature and scale of further work will be determined by the success or otherwise of the drilling that is planned as described in this announcement. A programme of work (POW) has been approved by the DMP for additional drilling if warranted.