

LEX Secures \$0.8million Farm-in and Joint Venture with SensOre at Marloo Dam

- LEX has entered into a binding farm-in and joint venture agreement with SensOre Ltd (“Agreement”) in relation to its 100% interest in the Marloo Dam tenement, which is south of LEX’s Lefroy Gold Project near Kalgoorlie (“Marloo Tenement”)
- SensOre is a minerals targeting company that combines advanced AI/ML exploration technology, Big Data and vast geoscientific expertise to generate and evaluate new targets across large areas in Australia
- The Marloo Tenement adjoins SensOre’s Maynards Dam project and both tenements are adjacent to and east of Gold Fields’ 10+ million-ounce St Ives Gold operations
- Under the Agreement, Sensore can earn up to a 70% joint venture interest in the Marloo Tenement by spending up to \$0.8 million on exploration activities within 4 years from the commencement of the agreement (“Farm-in Expenditure”).
 - The Farm-in Expenditure includes a minimum expenditure requirement of \$0.2 million within the first 12 months of the Agreement term before SensOre can elect to withdraw
 - After Farm-in Expenditure is met the Agreement establishes a joint venture
- SensOre will manage all exploration activities during the farm-in period and after the joint venture is created and has identified the Marloo Dam area as being prospective for gold mineralisation based on its multidisciplinary targeting approach using its large datasets and AI/ML technology
- The Agreement will allow LEX to continue to focus its exploration on its 100% owned Eastern Lefroy Project area which covers 239km² and which includes the promising Burns Cu Au discovery
- The directors of LEX believe the transaction is value enhancing for LEX shareholders:
 - the Marloo Tenement comprises ~1% of LEX’s total Australian tenement area
 - SensOre will potentially spend up to \$0.8 million to earn a 70% interest in the Marloo Tenement
 - LEX will continue to concentrate its activities at Eastern Lefroy, whilst maintaining a small position in the non-core Marloo tenement.

Farm-in and Joint Venture Agreement Overview

Lefroy Exploration Limited (ASX: LEX) (“LEX” or “the Company”) is pleased to advise that it has entered into an agreement with SensOre Yilgarn Ventures Pty Ltd, a subsidiary of SensOre Limited (“SensOre”) in the next phase of exploration of its Marloo Dam tenement (“Marloo Tenement”), through an up to \$0.8 million Farm-in and Joint Venture Agreement dated 7 February 2022 (“Agreement”). The Agreement has been executed by Monger Resources Pty Ltd, a 100% owned subsidiary of LEX and SensOre and is binding. SensOre is in the process of admission to the ASX (ASX: S3N),

The Marloo Tenement is the exploration Licence E15/1498, which is located approximately 12km south of the Company’s Lefroy Gold Project (see Figure 1) and will see a new systematic phase of exploration activity conducted on the Marloo Tenement. The exploration farm-in terms under the Agreement will enable the Company to maintain its focus at Eastern Lefroy, and principally Burns and its immediate surrounds.

The Marloo Tenement adjoins SensOre’s Maynards Dam JV project (Figure 2). That is a farm-in and joint venture between SensOre Yilgarn Ventures Pty Ltd a wholly owned subsidiary of SensOre, Jindalee Resources (ASX:JRL) and Torque Metals (ASX:TOR) where SensOre can acquire up to 70% of the project.

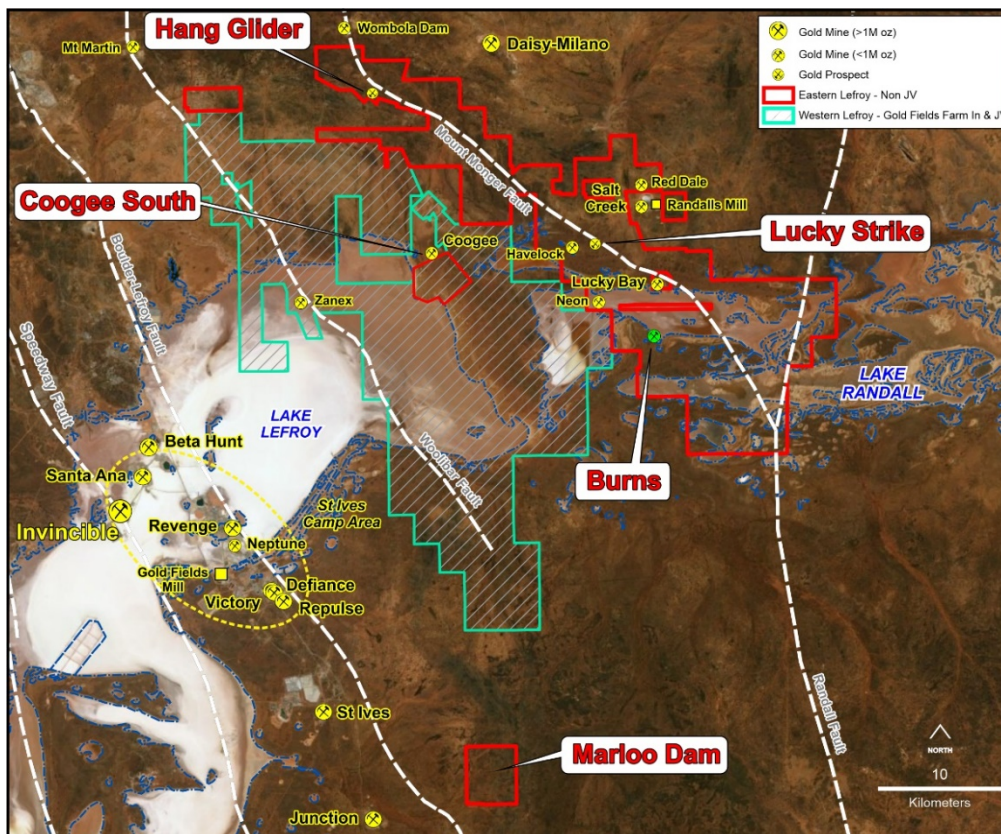


Figure 1 Location of Marloo Dam relative to the Lefroy Gold Project, highlighting Eastern and Western Lefroy packages and priority exploration areas, such as Burns.

Marloo Dam Tenement Background

The Marloo Tenement is the single exploration tenement, E15/1498, that is located approximately 12km south of the Company’s Lefroy Gold Project. The Marloo Tenement is 100% held by Monger Exploration Pty Ltd, a wholly owned subsidiary of the Company. The Marloo Tenement is located 25km southeast of the St Ives gold mining centre which is operated by Gold Fields Limited.

The regional geology of Marloo Dam area, within which the Marloo Tenement is located, consists of a northerly trending succession of mafic and ultramafic volcanics located approximately 4km east of the crustal scale Boulder-Lefroy Fault (Figure 2). A northerly striking structural trend known as the Paris Shear Zone is interpreted to lie on the eastern boundary of the Marloo Tenement. The earliest previous exploration that identified bedrock gold mineralisation adjacent to the tenement was conducted by Aztec Exploration Limited in the late 1980’s, with most of this drilling occurring external to the Marloo Tenement (Figure 2).

Initial exploration by the Company has included compilation of previous exploration, ground reconnaissance and drill hole truthing. The Company also completed prospecting for gold over anomalous areas based on drill data and located numerous gold nuggets along a north south corridor coincident with the Paris Shear Zone.

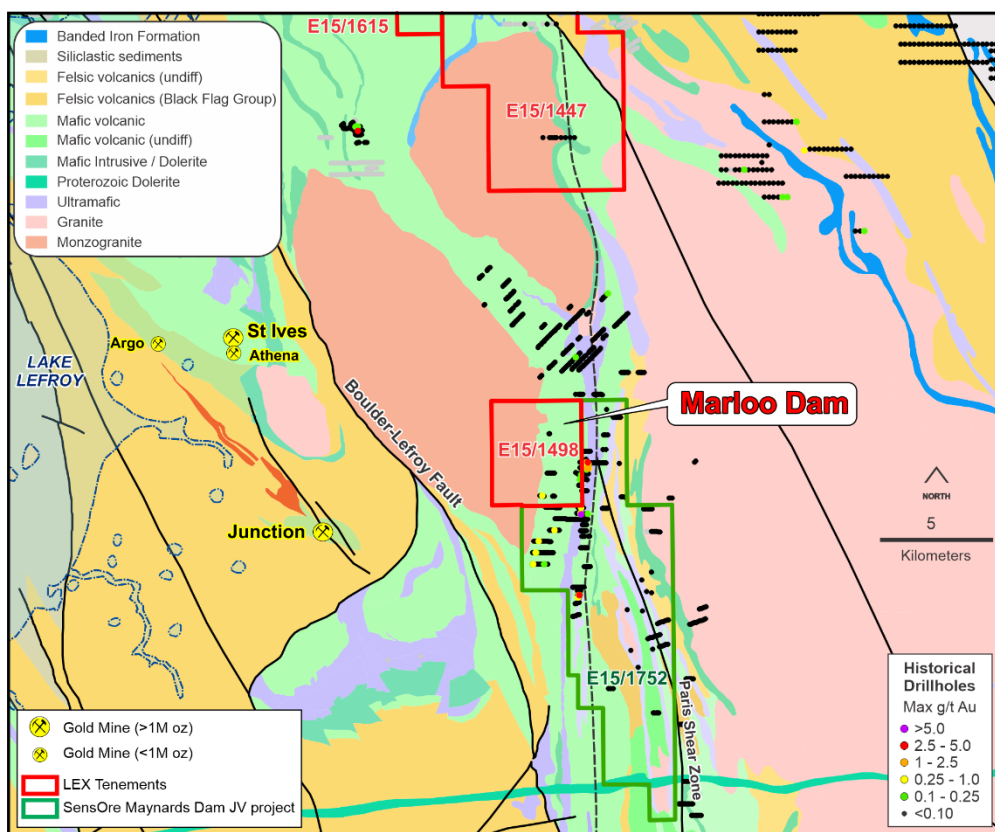


Figure 2 Prospect geology of Marloo Dam highlighting proximity to the Boulder Lefroy Fault and extent of previous drilling in the immediate area

Key Terms of Farm-in and Joint Venture Agreement

The key commercial terms of the Agreement are as follows:

- SensOre, through its wholly owned subsidiary SensOre Yilgarn Ventures Pty Ltd, has the right to earn up to a 70% joint venture interest in the Marloo Tenement (E15/1498) by spending a total of \$0.8 million on exploration activities within 4 years from commencement of the Agreement (“Farm-in Expenditure”). After meeting the Farm-in Expenditure the Agreement establishes a joint venture.
 - The Farm-in Expenditure includes a minimum expenditure commitment of \$0.2 million within 12 months the Agreement before SensOre can elect to withdraw from the Agreement.
- SensOre will manage all exploration activities during the farm-in period and after the joint venture is created. SensOre, as the joint venture manager, will perform environmental reclamation and rehabilitation concurrently with ongoing exploration and joint venture activities.
- If SensOre satisfies the farm-in requirements, it will hold a 70% joint venture interest (with LEX retaining a 30% interest) and the joint venture will then be formed and operated on a pro rata contributing basis and subject to dilution provisions, with SensOre as manager of the joint venture.
- Once the joint venture is formed, a management committee will be established comprising two representatives from each party. Committee members will have voting rights that correspond with the joint venture participating interest of the appointing party.
- SensOre, as the joint venture manager, will be responsible for preparing all programmes and budgets which must be approved by the Operating Committee. SensOre will conduct exploration programmes as are approved.
- If the participating interest of a party in the joint venture is diluted to 10% or less the participating interest of that Participant is deemed to be zero and that participant shall be deemed to have converted its interest to a 1% net smelter return (NSR) on all metals under a formal NSR royalty deed.
- The formal joint venture agreement and NSR royalty deed will be based on AMPLA model documents.

This announcement has been authorised for release by the Board

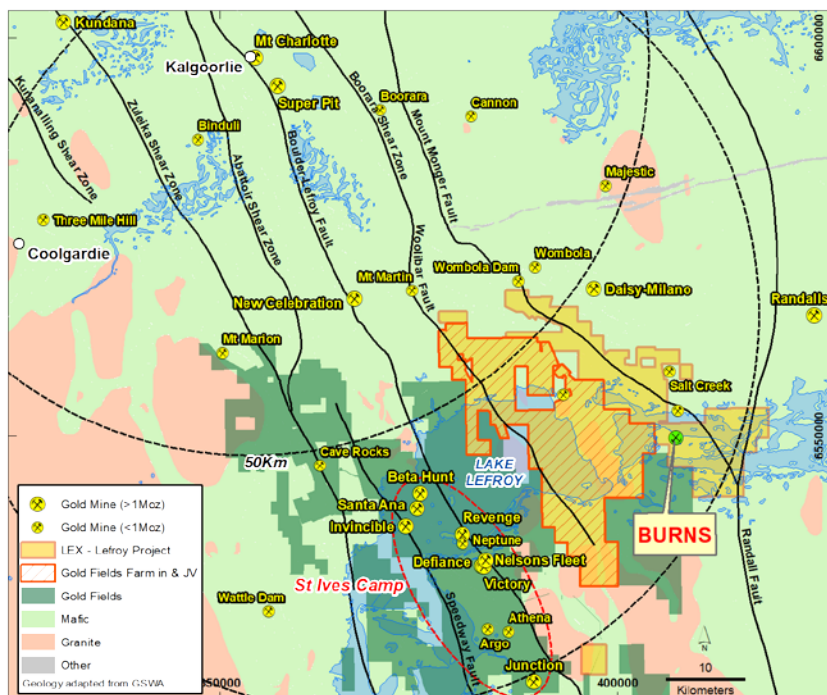


Wade Johnson
Managing Director

About Lefroy Exploration Limited and the Lefroy Gold Project

Lefroy Exploration Limited is a WA based and focused explorer taking a disciplined methodical and conceptual approach in the search for high value gold deposits in the Yilgarn Block of Western Australia. Key projects include the Lefroy Gold Project to the southeast of Kalgoorlie and the Lake Johnston Project 120km to the west of Norseman.

The 100% owned Lefroy Gold Project contains mainly granted tenure and covers 611km² in the heart of the world class gold production area between Kalgoorlie and Norseman. The Project is near Gold Fields' St Ives gold camp, which contains the Invincible gold mine located in Lake Lefroy and is also immediately south of Silver Lake Resources' (ASX:SLR) Daisy Milano gold mining operation. The Project is divided into the Western Lefroy package, subject to a Farm-In Agreement with Gold Fields and the Eastern Lefroy package (100% Lefroy owned). The Farm-In Agreement with Gold Fields over the Western Lefroy tenement package commenced on 7 June 2018. Gold Fields can earn up to a 70% interest in the package by spending up to a total of \$25million on exploration activities within 6 years of the commencement date.



Location of the Lefroy Gold Project relative to Kalgoorlie. The Western Lefroy tenement package subject to the Gold Fields Farm In and Joint Venture, and Gold Fields tenure are also highlighted

For Further Information please contact:

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Notes Specific-ASX Announcements

The following announcements were lodged with the ASX and further details (including supporting JORC Reporting Tables) for each of the sections noted in this Announcement can be found in the following releases. Note that these announcements are not the only announcements released to the ASX but specific to exploration reporting by the Company of previous exploration at Marloo Dam. Exploration results by the previous explorer that refers to Marloo Dam prospect are prepared and disclosed by the Company in accordance with the JORC 2004 code. The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement.

- Lefroy Exploration Limited-Prospectus: 8 September 2016

The information in this announcement that relates to exploration targets and exploration results 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