LEFROY EXPLORATION LIMITED

ANNUAL REPORT

30 June 2019

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)
Geoffrey Pigott	(Non - executive Director)
Wade Johnson	(Managing Director)

Company Secretary
Susan Hunter

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Hay Street
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Stock Exchange Listing
Lefroy Exploration Limited shares are listed on the Australian Securities Exchange (ASX code: LEX)

CHAIRMANS' LETTER

Dear Shareholders

The 2019 financial year has been the second full year of Lefroy's exploration activities.

Before moving onto LEX's plans it is clear that the current gold price, especially in Australian dollar terms, is very supportive of gold exploration. Gold continues to play its part as a stable value asset in uncertain times. The advent of negative interest rates should also support gold for many years into the future. In this environment even small gold discoveries are valuable, with every 10,000 ounces being worth over $20m in gross terms. We already have some of these and have moved to put them under ML's, but of course we are focused on finding more meaningful orebodies on our extremely prospective ground.

As promised last year we have delivered on our intentions to accelerate exploration compared to FY18 when we completed 131 holes for 8536m. In FY19 we did 177 holes for 13,874m on our own, and in addition at the Western Lefroy project Gold Fields completed extensive geophysical work and 602 holes for 33,141m. So, in total 779 holes for 47,015m were completed on Lefroy and Lefroy JV ground during the year.

This effort has continued to demonstrate the significant gold endowment of our ground. The current year is expected to show more of the fruits of all this "groundwork". Hopefully we will define some special zones where we can move towards resource definition and then onward to development.

At Western Lefroy Gold Fields has continued to explore and spend toward meeting their minimum expenditure commitment of $4million due by 7 June 2020. Their program will capitalise on the extensive foundation aircore drilling program completed on Lakes Lefroy and Randall to date, with a large RC drilling program currently underway at Zanex. The aircore drilling generated and enhanced numerous other gold anomalies such as LLT04 and LLT06 and will also likely also be followed up by RC drilling.

At Eastern Lefroy we have already completed more extension drilling at Lucky Strike in August and September 2019. We continue to find mineralisation at economic grades and thicknesses at shallow depths in oxides. Our expectation is that we will undertake numerous extra campaigns at Lucky Strike during the year, and as we understand more about the trend we should see a strike length of over 1km to the system.

We are planning additional drilling campaigns at Red Dale and Havelock and will commence a maiden drilling program at the priority Hang Glider Hill prospect this calendar year

During the year we added some extra granted ground along strike and contiguous with Hang Glider Hill and south of the former Carnilya Nickel mine, and more recently we have lodged an exploration licence application near to and south east of Lucky Strike. In addition to this new 100% owned ground we had the Lucky Strike Mining Lease granted in April 2019.

I would like to again this year thank our dedicated and committed exploration team, including our very supportive contractors and suppliers, for your hard work for your safe work through the past year. I also thank our board members for their guidance and personal work this past year.

We are especially grateful to all who supported our recent capital raise. We welcome both the old and new investors who contributed and will keep you well informed on progress as we can carry out our planned exploration over FY20 and beyond.

Yours Sincerely

Gordon Galt

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 2019.

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:

Finders Resources Ltd	Appointed 22 August 2013 - Resigned 6 May 2019

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 green-fields 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

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

James Beecher, (Non - Executive Director) – Appointed 1 July 2010, Resigned 3 August 2018

B Com; MBA; FCPA; FAICD

James has over 30 years' experience in senior finance, accounting and secretarial positions in resources, financial services and services companies. James has been Chief Financial Officer or Finance Director of NRMA Limited, Savage Resources Limited and Austen & Butta Limited. He held senior accounting positions with the Commonwealth Bank, including Group Financial Controller and Group Chief Accountant and has been Deputy Chair of the Australian Institute of Company Directors Reporting Committee.

<u>Other current directorships:</u>

CBG Capital Limited	Appointed 4 April 2014

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

NuCoal Resources Ltd	Appointed 17 February 2010, Resigned 3 August 2018
QMETCO Limited	Appointed 1 May 2017, Resigned 1 August 2018

Geoffrey Pigott, (Non-Executive Director) – Appointed 1 July 2010

M.A., B.A. (Hons); MAIG

Geoff has worked as a professional geologist in a career that encompasses mineral exploration, resource development and mining. His experience has been mainly in gold and base metals with major mining companies including Rio Tinto, Anglo-American, Freeport-McMoran and Newcrest. More recently as Head of Exploration with Aquila Resources, he played a lead role in assembling its extensive portfolio of iron ore, coal and manganese projects.

<u>Other current directorships:</u>

Nil

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

Nil

DIRECTORS' REPORT (CONTINUED)

COMPANY SECRETARY

Susan Hunter (appointed 6 December 2016)

BCom; ACA; F Fin; GAICD; AGIA

Susan has over 24 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 Hunter Corporate 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 Hunter 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 the shares and Share Plan Shares of Lefroy Exploration Limited were:

	Ordinary Shares	Share Plan shares
Gordon Galt	1,873,154	1,000,000
Michael Davies	11,982,654	1,000,000
Geoffrey Pigott	2,566,487	1,000,000
Wade Johnson	2,061,712	1,500,000

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were:

- Exploration and evaluation of the Lefroy Gold Project, 50km south east of Kalgoorlie
  - At Eastern Lefroy the Company completed focussed drill-based exploration at the Lucky Strike, with early stage reconnaissance drilling at the Capstan, Havelock and Hang Glider Hill prospects
  - At Western Lefroy, which is subject to a Farm In and Joint Venture Agreement ('JV') with Gold Fields Limited ('Gold Fields'), geophysical surveys were completed and foundation aircore drilling commenced on tenure covering Lake Lefroy
- Initiating field exploration at the Lake Johnston Project, 120km west of Norseman
- Executing a Sale Agreement with Golden State Mining Limited (ASX:GSM) in relation to a package of tenements that formed the Murchison Gold Project
- The general administration of the Group

OPERATING AND FINANCIAL REVIEW

The 12 months ended 30 June 2019, was a period of accelerated gold exploration activity on the Company's tenements. This was primarily at the Lefroy Gold Project, capitalising on the results of the early stage exploration completed the prior year and subsequent to the Farm in and Joint Venture Agreement executed with Gold Fields Limited in June 2018. The exploration was focussed on gold at it's flagship 100% owned Lefroy Gold Project to the south east of Kalgoorlie by both the Company and JV partner Gold Fields. The Company focussed RC and diamond drilling on the non JV Eastern Lefroy package at the priority Lucky Strike prospect, supported by early stage aircore drilling at Havelock and Capstan. At the Western Lefroy JV, Gold Fields undertook a large geophysical program and commenced foundation aircore drilling on tenements within Lake Lefroy.

The key results and achievements by the Company in the 12 months to 30 June 2019 were:

- Accelerated exploration at the Lefroy Gold Project, with the following outcomes: -
  - Completion of 177 holes for 13,874m of drilling by the Company
  - Further significant sulphide and oxide gold intersections from RC and diamond drilling at Lucky Strike, that extended the system to 460m of strike and is open
  - Delivering the Havelock gold trend 1200m to the south of Lucky Strike from early stage air core drilling
  - Defining an anomalous gold trend over a 2000m strike from auger drilling at Hang Glider Hill
  - Completion by Gold Fields of 33141m of aircore drilling in 602 holes within the Western Lefroy JV that has extended the strike of the Zanex and LLT06 gold prospects in Lake Lefroy
- Advancing the Lake Johnston Project by interpreting and identifying from geophysical data a large ovoid shaped gravity feature thought to represent a mafic intrusion that could be prospective for Ni-Cu mineralisation
- Completing the sale of the Company's 100% interest in the tenement package it held in the Murchison region of Western Australia to allow the Company to focus exploration at the Lefroy Gold Project

EXPLORATION OVERVIEW

Lefroy Gold Project

The Lefroy Gold Project ('LGP') is located some 50km to the South East of Kalgoorlie in the Eastern Goldfields Province of Western Australia and is the Company's flagship project.

The Lefroy Gold Project is wholly owned by the Company. The commanding, semi-contiguous, granted land package covers 598km2 immediately east of and adjoining the world class St Ives Gold camp, operated by Gold Fields Limited (NYSE: GFI) ("Gold Fields"), and is immediately south of the high-grade Mt Monger gold centre operated by Silver Lake Resources Limited (ASX:SLR). Four gold processing operations are strategically located within 50km of the project and provide commercial options for processing any gold discovered.

The LGP is referenced in two packages i.e.

- Eastern Lefroy covering 226km2 of wholly owned tenements including Lucky Strike, Red Dale, Hang Glider Hill, Havelock, and other sub-projects along the regional scale Mt Monger fault, and
- Western Lefroy JV tenements covering 372km2 adjoining the Gold Fields tenements that make up the St Ives mining operation. These tenements are included in the Joint Venture agreement with Gold Fields. Gold Fields can earn up to a 70% interest in the Lefroy tenements by spending up to a total of $25million on exploration activities within 6 years of the commencement date, 7June 2018.

The LGP covers a large belt of Archaean aged rocks that are transected by major structural trends (e.g. Mt Monger and Woolibar Faults) as interpreted by the Geological Survey of Western Australia ('GSWA'), previous explorers and researchers. The Company is the first to amalgamate these tenement areas under one ownership, compile historical exploration data and conduct methodical systematic gold exploration in the search for a new, large gold system.

Exploration during the year by the Company progressed the initial exploration work completed at the Lucky Strike prospect in the previous year, and initiated aircore drilling at Havelock and Capstan with early stage auger drilling at Hang Glider Hill. This was complimented by detailed geophysical surveys and foundation aircore drilling by Gold Fields predominantly on Lake Lefroy within the Western Lefroy JV tenement package.

DIRECTORS' REPORT (CONTINUED)

Eastern Lefroy Gold Project (Lefroy 100%)

The Eastern Lefroy project is a semi contiguous package of wholly owned tenements that cover approximately 30km of strike along and straddling the regional scale Mt Monger Fault. The Mt Monger Fault is considered to be structurally analogous to other major regional faults in the Kalgoorlie terrain that are a likely a primary control to gold mineralisation. The Company considers the Mt Monger Fault to be similarly prospective for large gold deposits but the area lacks the same degree of exploration.

The Company has identified three priority centres or hubs along the Mt Monger Fault trend where exploration for gold is being focused. These hubs are ranked according to the level of prior exploration activity, gold anomalies identified and the structural setting.

P1- Lucky Strike Exploration Hub: - Advanced Exploration

P2-Hang Glider Hill Exploration Hub: -Reconnaissance Exploration

P3-Lake Randall Exploration Hub: -Generative Exploration

Lucky Strike Exploration Hub

The Lucky Strike Exploration Hub is centered on the high-grade Lucky Strike prospect and envelopes the nearby gold prospects identified by the Company at Red Dale, Havelock, Capstan and the Lucky Strike trend. The Hub is a continued priority target area for drill-based exploration on existing and generative gold prospects located within the Eastern Lefroy project.

Lucky Strike

Lucky Strike is located approximately 35km north east of Gold Fields St Ives processing plant and 5km south west of the Randalls Processing Plant operated by Silver Lake Resources (ASX: SLR). Gold mineralisation at Lucky Strike is hosted within multiple north west trending Banded Iron Formation (BIF) units interbedded with shale. Lucky Strike is within a gold mineralised trend defined by wide spaced AC drilling that has a 3000m strike length. Lucky Strike and its strike extensions are wholly within granted (12 April 2019) Mining Lease M25/366.

Reconnaissance, early stage (wide spaced) air core drilling initiated by the Company in November 2016 defined a new and emerging gold mineralised trend hosted within sedimentary rocks over a 3,000m strike length. In August 2017, a six-hole diamond drilling program was completed to determine the nature of the host rock and gold mineralisation along the trend. Discovery drill hole LSRD006 returned significant multiple, narrow, high grade oxide gold intersections including 1.7m at 63g/t Au from 44.7m (Inc. 0.9m at 107g/t Au) within a highly oxidised Banded Iron Formation (BIF) and siltstone. In 2018 multiple programs of reverse circulation (RC) drilling supported by focussed diamond drilling expanded the BIF hosted gold mineralisation to over a 300m strike length.

Exploration at Lucky Strike during the 12 months ending 30 June 2019 focussed on evaluating the strike and down dip extensions to both shallow oxide gold mineralisation and the deeper sulphide altered BIF hosted mineralisation. Multiple programs of RC drilling and one diamond drilling program were completed.

The results (ASX release 30 April 2019) continue to support and enhance the system. Gold mineralisation has been delineated in the BIF package over a 300m strike length and remains open along strike and at depth. New zones of both shallow oxide and primary sulphide altered BIF continue to extend the system and further develop the evolving geological model. Importantly, integrating results from earlier wide spaced air core drilling along strike now demonstrates the 300m zone is part of a larger gold system that extends over a 700m strike length.

The results of the additional drilling have assisted in developing the geological model now interpreted by the Company to be a series of sub-parallel south dipping BIF units of variable thickness separated by beds of black shale and siltstone. The footwall to this sequence is chlorite-biotite altered high Mg basalt. The Company interprets that the BIF package represents a tightly folded single BIF unit. The folding is interpreted to have a control on gold mineralisation and may assist to explain the variable continuity and distribution of gold intersections.

Significant shallow oxide results from the upper BIF unit from the drilling include;

- **8m @3.02g/t Au from 21m in LEFR107**
- **1m @10.5g/t Au from 12m in LEFR108**
- **4m @2.74g/t Au from 18m in LEFR108**
- **16m @0.90g/t Au from 38m in LEFR110**
- **13m @0.93g/t Au from 20m in LEFR111**
- **10m @1.46g/t Au from 19m in LEFR116**

During the June 2019 Quarter the Company completed two drilling programs at Lucky Strike that resulted in delivering a new exploration opportunity along strike to the south east.

The first was a dual drilling program of 14 holes comprising ten (10) reverse circulation (RC) drill holes and four (4) RC pre-collared diamond holes (extensions or tails to RC holes) (ASX release 13 May 2019). The holes were designed to evaluate the continuity of the mineralised BIF units at depth and along strike and in particular diamond drill holes to evaluate the down dip extent of the Lucky Strike system to a vertical depth of 200m from surface and over a 300m strike length.

A standout gold mineralised zone was intersected in RC hole LEFR132, i.e.

- **17m at 3.58g/t Au from 129m including 2m at 11.8g/t Au from 132m.**

This interval is hosted within highly oxidised and quartz veined BIF. The intersection is interpreted as being the 100m down plunge extension of the high-grade mineralisation intersected in hole LEFR120. Importantly, the intersection in LEFR132 is one of the strongest gold intercepts at Lucky Strike (+60gram metres) and potentially demonstrates a strengthening of the gold tenor to the south east and down plunge.

Subsequent to the RC drilling, a four (4) hole diamond drilling program was completed totalling 624m. Three of these holes were part funded through the Western Australian State Government's Exploration Incentive Scheme (EIS) (refer ASX release 2 June 2018).

The diamond holes (LSRD010 and LSRD012) were drilled to evaluate the down dip projection of the BIF hosted gold system in the central part of Lucky Strike. In addition, the holes were designed to penetrate the footwall basalt to provide a wider appreciation of the geology and explore for new mineralisation. Diamond tails (extensions) were completed on LEFR120 and LEFR132 to test the lower BIF position and penetrate the footwall basalt contact (refer ASX release 13 May 2019).

Three of the holes (LSRD012, LEFR120 and LEFR132) intersected the lower BIF unit and the footwall basalt contact on or about the expected positions and discovered a strongly sulphidic alteration zone within the basalt in contact with shale. No significant intersections being reported from either the lower BIF unit or the sulphide altered basalt.

A follow up RC drilling program comprising six (6) RC drill holes totalling 1182m at Lucky Strike as completed in June (refer ASX release 3 July 2019). The step out program was specifically aimed to evaluate the along strike and down plunge extent of the strong gold mineralisation hosted by Banded Iron Formation (BIF) intersected in hole LEFR 132. A single new 80m step out section comprising four (4) 40m spaced holes (LEFR133,134,135, & 136) was completed.

Each of the four holes on the step section intersected a deeply oxidised sequence of shale, black shale and strongly oxidised BIF beneath approximately 12m of transported cover. The deepest oxidation, to approximately 150m from surface, is confined to the BIF that creates a trough or depression in the profile of the top of fresh rock interpreted to represent an oxidation channel down a structure or alteration zone that is open along strike.

The results from the step out drilling further confirm the mineralised nature of the deeply oxidised BIF unit that the Company now interprets as a major structure that is open along strike. The main BIF intersected in the two 80m step out sections has a consistent width, geometry and geology, but variable tenor of gold mineralisation

Integration and assessment of the 2019 drilling with the Company's detailed gravity data revealed a strong correlation between the deep oxidation and a linear gravity low The deep oxidation along a linear trend is interpreted to represent weathering along a major fault or structure that has a 3000m strike length. The Company interprets Lucky Strike to be part of a larger gold mineralised structure, highlighted by the gravity feature, that has limited deeper effective RC drilling along its strike length and will be the focus for further drilling.

Havelock

The Havelock prospect is located approximately 1.2km south of Lucky Strike. The target was generated from the Company's assessment of regional aeromagnetics which highlight a linear magnetic unit interpreted as Banded Iron Formation (BIF) similar to the host rock at Lucky Strike. The unit has a strike length of approximately 7km and has been partially tested by wide spaced north south traverses by previous explorers.

Thirty-five (35) angled aircore holes totalling 1548m on four wide (320m) spaced east - west traverses were completed in October 2018, with holes spaced at 80m or 160m centres along the lines. The drilling evaluated approximately 1300m of strike centered on the magnetic unit. The drilling intersected a sequence of basalt, sediment and BIF.

The results from the drilling (ASX release 26 November 2018) combined with previous results have successfully defined a new gold mineralised trend coincident with the BIF that has a strike length of 3000m and is open. The Company considers these are very encouraging results from early stage drilling and are analogous to results returned from the early wide spaced drilling along the Lucky Strike trend.

Significant results from the Havelock program include:

- **2m at 0.26g/t Au from 32m in LEFA361**

  Including 1m at 0.53g/t Au from 33m

- **7m at 0.59g/t Au from 24m in LEFA370**

  Including 2m at 1.43g/t Au from 27m

Capstan

The Capstan prospect is located immediately north of Lucky Strike and consists of a large and robust surface gold anomaly (plus 20ppb Au) defined from auger drill sampling (refer to the ASX announcement 7 February 2018). The prospect straddles the interpreted position of the regional scale Mt Monger Fault.

The Company completed two aircore drilling programs at Capstan in late 2018 to evaluate the bedrock in the core part of a surface anomaly. This was an early stage wide spaced (160m line spacing) program to test for bedrock gold mineralisation, and confirm the geology and regolith.

The initial program comprised 36 vertical aircore holes totalling 2050m on five east west traverses spaced 160m apart that successfully confirmed a broad zone of bedrock gold mineralisation beneath a variable thickness of transported cover. The results from the initial program delivered promising bedrock gold intersections within or close to the outline of the surface gold anomaly. In particular bedrock gold anomalism occurs in altered rocks including aircore hole LEFA343 which encountered 8m @ 0.19g/t Au from 24m in a leucoxene altered dolerite.

Significant results from the AC drill program include: -

- **4m at 0.54g/t Au from 52m in LEFA351**
- **4m at 0.47g/t Au from 56m in LEFA335**
- **3m at 0.50g/t Au from 56m in LEFA336**
- **8m at 0.25g/t Au from 52m in LEFA325**

A follow up program consisting of twenty-three holes for 906m was completed in September 2018. This early stage wide spaced drilling intersected an altered dolerite unit that has a strike length of 320m within a stripped regolith profile. Whilst the drilling intersected and further extended the altered dolerite unit, the best result from the program was 4m at 0.17g/t Au from 4m in LEFA 417. The Company is encouraged by the subtle gold anomalism and promising geology when placed in context of the stripped regolith profile, relatively wide spaced drilling program and the proximity to Lucky Strike. Further work may involve limited infill and extensional AC drilling.

Hang Glider Hill Exploration Hub

Hang Glider Hill

The Hang Glider Hill gold prospect is located close to the interpreted position of the regional scale Mt Monger Fault, along which (some 17km along strike to the south east) the Company has identified the high-grade Lucky Strike prospect Prospecting at Hang Glider Hill (using metal detectors over a period months) has yielded numerous gold nuggets that define a north westerly trend extending 2.3km from the original find at Hang Glider Hill.

In September 2018 the Company completed an early stage auger drilling program as an initial exploration search tool along the trend. A total of 266 samples were collected at 50m centres along 200m spaced east west lines that effectively cover approximately 2000m of strike.

The results of the sampling (ASX announcement 6 November 2018) defined northern and southern zones of gold anomalism (plus 20ppb Au) around the interpreted position of the Mt Monger Fault. The zones are coincident with the locations of the discovered gold nuggets.

The northern anomaly consists of three subparallel trends with a strike of up to 880m. Each of these trends is open to the north west into tenements granted in 2019 to the Company and which cover a further 2000m of the trend yet to be explored. The anomaly has a peak value of 97ppb Au. The southern anomaly is centered about Hang Glider hill (a linear topographical feature) and is a coherent anomaly over a 680m strike length. The anomaly has four sample points exceeding 50ppb Au, with a peak of 82ppb

Western Lefroy Gold Project (Farm-In and JV: Gold Fields right to earn 70%)

The Western Lefroy tenement package being farmed into by Gold Fields covers Lake Lefroy and the surrounding area. The package comprises 372km2 of the total 598km2 of the Lefroy Gold Project and is adjacent to Gold Fields' +10 million-ounce St Ives Gold operation. The package covers the Woolibar Trend, a 13km north westerly trending sequence of rocks within the eastern part of Lake Lefroy which are along, or subparallel to, the informally defined north westerly trending structure termed the Woolibar Fault.

Gold Fields initiated exploration on the package in July 2018 with a major program to capture additional detailed geophysical data (specifically gravity & magnetics) over tenements in Lake Lefroy to infill and compliment the work completed by Lefroy in 2017. Acquisition of ultra-detailed magnetic data commenced in late August using Gold Fields in house unmanned aerial system colloquially referred to as 'TRAMPE (Tethered Rotary Airborne Magnetic Platform for Exploration). The extensive and detailed final gravity and magnetic survey products provide a key foundation dataset for drill target generation.

DIRECTORS' REPORT (CONTINUED)

In the March 2019 Quarter Gold Fields commenced a major full field aircore (AC) drilling program (ASX release 31 January 2019) to cover most of the tenure in Lake Lefroy using a specialised lake drilling rig. At total of 602 vertical air core holes totaling 33,141m had been completed by 30 July 2019 . Assay results have been received, validated and reported for a total of 520 holes. Results for these holes were reported by the Company in ASX releases dated 15 April, 29 May, 11 June and 8 July 2019.

The results from this campaign of drilling have further extended the footprint and strike of the gold prospects (e.g. Zanex, LLT04, LLT06) identified by the Company during its 2017 lake drilling campaign and also continue to enhance new trends such as the Eastern Shoreline trend.

Significantly, multiple shallow strong gold intersections were recorded along strike of the Zanex gold prospect that reinforce this a key gold mineralised trend. Significant intersections from the program include:

•9m @ 2.73g/t Au from 32m in KD81399 (to end of hole)
Including 2m @ 8.78g/t Au from 36m
•8m @ 1.56g/t Au from 36m in KD81377
•8m @ 0.55g/t Au from 32m in KD81366
•2m @ 0.94g/t Au from 48m in KD81469

The combined Gold Fields and Company drill results define a 4000m long northerly gold mineralised trend at Zanex that is sub parallel and adjacent to the Woolibar Fault that is open. The drilling has quadrupled the strike extent of the Zanex trend last drill tested by the Company in early 2018. The higher tenor and broader intervals of gold mineralisation are from the northern most part of the trend that is open and strikes onto ground held under the Western Lefroy JV.
The results of the combined phases of air core drilling provide further support to the Zanex trend developing into a major gold mineralised corridor proximal and parallel to the interpreted position of the Woolibar Fault.

Additional to Zanex, wide spaced drilling near the LLT04 and LLT06 prospects has also extended the footprint of the gold in regolith signature at both localities with each having an approximate 500m lateral extent. Significantly, multiple gold intersections were recorded adjacent to the LLT06 gold prospect that reinforce this as another key gold mineralised regolith anomaly. Significant intersections from the drilling include:

•4m @ 2.72g/t Au from 84m in KD81533
•8m @ 1.95g/t Au from 94m in KD81533
Including 2m @ 7.29g/t Au from 100m
•7m @ 0.70g/t Au from 74m in SAL1467
•4m @ 0.57g/t Au from 90m in SAL1486

The combined Gold Fields and Company drill results at LLT06 define a broad regolith hosted gold anomaly that has dimensions of approximately 1200m by 1000m. The drill spacing is 400m between lines and 100m between vertical holes that is considered wide spaced early stage. The developing gold anomaly at LLT06, combined with the 4km long Zanex trend located approximately 10km to the north west , demonstrates the growing gold prospectivity of this large previously untested are under Lake Lefroy.

As at 29 August 2019 the foundation AC drilling program was complete and results are pending for 33 holes . Compilation and interrogation of recently acquired geophysical data (gravity, magnetics) with the foundation drill data is ongoing and will provide base for advancing the geological interpretation and target generation for deeper RC and or diamond drilling.

Lake Johnston Project (Gold and Nickel) Lefroy 100% of Gold and Nickel Rights

The Lake Johnston Project is located 120kms west of Norseman and comprises two exploration licences (E63/1722 & 1723) held under title by Lefroy and one exploration licence (E63/1777) held by Lithium Australia NL (ASX:LIT). These holdings form a cohesive package in excess of 300 sq. km over the Lake Johnston Greenstone Belt. Lefroy has acquired the gold and nickel rights to E63/1777 under a Tenement Rights Agreement.

DIRECTORS' REPORT (CONTINUED)

The Project is considered prospective for both gold and nickel, with the tenement package covering the northern strike extension to the Maggie Hayes and Emily Ann nickel mines held by Poseidon Nickel Limited ("Poseidon"). Lake Johnston was host to the Emily Ann Mine which averaged a resource grade of 4.1% Nickel and produced 46,000tonnes of nickel (refer Poseidon ASX release 26 September 2018).

The Company has interpreted and identified (ASX announcement 17 January 2019) from processed gravity data large ovoid shaped gravity high (the Anomaly) to the north of the Emily Ann mine and centered about Mt Day. The anomaly is interpreted to represent a large mafic intrusion that intrudes the older greenstone stratigraphy, but which is not exposed at surface. Mafic Intrusions can be large hosts for Ni-Cu sulphide mineralisation that occur as basal accumulations in embayments on or near the basal margins of the intrusion.

The Company commenced alternative options to advance and accelerate exploration on the large prospective tenement holding given the focus and exploration success at the LGP.

Corporate

The key corporate transaction for the year to 30 June 2019 were:

- A share placement to institutional and sophisticated investors for 16,190,980 fully paid ordinary shares at an issue price of $0.16 per share to raise $2.59 million before costs, issued 13 July 2018 (the "Share Placement");
- the execution and completion of the sale of the Company's 100% interest in the tenements it held in the Murchison region of Western Australia ("the Murchison Project") to Golden State Mining Limited (ASX:GSM).As consideration for the sale, completed on 23 January 2019, the Company received $25,000 cash, 1,700,000 ordinary fully paid GSM shares and 800,000 options in GSM at an exercise price fo $0.25 each and expiring 26 October 2022.

Subsequent to the year-end 2019, the Company announced (15 August 2019) that it had received firm commitments for $3.8million (before issue costs) through an oversubscribed placement to institutional and sophisticated investors. The Placement resulted in the issue of a total of 19,026,845 fully paid ordinary shares at an issue price of $0.20 per share on 23 August 2019. New shares issued under the Placement will rank equally with the Company's existing ordinary shares.

The Company's largest shareholder (18.12% holding), St Ives Gold Mining Company Pty Ltd, a wholly owned subsidiary of Gold Fields Ltd (NYSE/JSE: GFI), participated in the placement by taking a pro rata allocation, equal to 3.45 million shares to maintain its holding. Gold Fields will continue to hold 18.12% of Lefroy after completion of the Placement.

Directors of the Company have also committed to participate in the Placement for a total of $285,369. Issue of shares to the Directors will be subject to shareholder approval at the Company's next General Meeting of Shareholders.

Operating Results for the Year	**2019 $000**	**2018 $000**
Revenue & Other income	**327**	33
(Loss) / Profit	**(740)**	(1,226)

Shareholder Returns	**2019**	**2018**
Basic profit/(loss) per share (cents)	**(0.99)**	**(2.08)**
Diluted profit/(loss) per share (cents)	**(0.99)**	**(2.08)**

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

On 15 August 2019, the Group closed a share placement to institutional and sophisticated investors. 19,026,845 fully paid ordinary shares were subsequently issued at an issue price of $0.20 per share to raise $3.8 million before costs.

The Group's largest shareholder, Gold Fields Limited, elected to participate in the placement by taking a pro-rata allocation, equal to 3.45 million shares, in order to maintain its current 18.12% holding of the Company after completion of the share placement. The directors of the Company have also agreed to participate in the share placement, acquiring 1,426,845 additional shares for a total of $285,369.

Shares under the share placement to Gold Fields Limited and institutional and sophisticated investors were issued on 23 August 2019. The issue of shares to the Directors will be subject to shareholder approval at the Group's next General Meeting of Shareholders

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)
James Beecher	(Non - executive Director, Resigned 3 August 2018)
Geoffrey Pigott	(Non - executive Director)
Wade Johnson	(Managing Director)

Remuneration Policy

The remuneration policy of Lefroy Exploration Limited has been 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 to be appropriate and effective in its ability to attract and retain suitable key management personnel to run and manage the Group.

The remuneration policy, setting the terms and conditions for the Managing Director, was developed by the Board. The Managing Director receives a base salary (which is based on factors such as experience) and superannuation. 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 9.5% for the 2019 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. Where utilised, shares 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 2019.

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.

DIRECTORS' REPORT (CONTINUED)

Wade Johnson, Managing Director:

- Term of agreement – Commenced 19 October 2016
- Annual salary of $220,000 excluding superannuation
- 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.

James Beecher Non-Executive Director (Resigned 3 August 2018):

- Term of agreement – Commenced 1 July 2010, fee of $35,000 pa. No notice period of termination was required and no monies were payable on termination.

Geoffrey Pigott, Non-Executive Director:

- Term of agreement – Commenced 1 July 2010, fee of $35,000 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	
Directors	$	$	$	$	$	$
Gordon Galt *						
2019	**50,000**	-	-	-	**14,722**	**64,722**
2018	**50,000**	-	-	-	**14,722**	**64,722**
Wade Johnson						
2019	**220,000**	-	**20,900**	-	**78,333**	**319,233**
2018	**220,000**	-	**20,900**	-	**78,333**	**319,233**
Michael Davies						
2019	**35,000**	-	-	-	**14,722**	**49,722**
2018	**35,000**	-	-	-	**14,722**	**49,722**
James Beecher * (i)						
2019	**2,917**	-	-	-	**(25,008)**	**(22,091)**
2018	**35,000**	-	-	-	**14,722**	**49,722**
Geoffrey Pigott *						
2019	**35,000**	-	-	-	**14,722**	**49,722**
2018	**35,000**	-	-	-	**14,722**	**49,722**
Total key management personnel compensation						
2019	**342,917**	-	**20,900**	-	**97,491**	**461,308**
2018	**375,004**	-	**20,900**	-	**137,223**	**533,127**

(i) Resigned 3 August 2018

***** Fees were paid to the directors' respective related entity.

Share Plan Trust shares

As at 30 June 2019 there were 5.8 million ordinary shares (2018: 5.8 million ordinary shares) held by the Lefroy Exploration Share Plan (the 'Share Plan Trust'), previously named the U.S. Masters Executive Plan Trust, in conformity with the Share Plan rules.

During the year ended 30 June 2019:

- Share Plan Trust Shares previously assigned to Mr James Beecher were forfeited upon receipt of his resignation on 3 August 2018
- 250,000 fully paid ordinary shares of three equal tranches within the Share Plan Trust were assigned to an employee of the Group who is not a KMP. These additional shares are subject to the same terms and vesting conditions of existing ordinary shares within the plan.

A reconciliation of Share Plan ordinary shares is as follows:

Director	1 July 2018	Grants	Other	30 June 2019
Gordon Galt	1,000,000	-	-	1,000,000
Michael Davies	1,000,000	-	-	1,000,000
James Beecher (i)	1,000,000	-	(1,000,000)	-
Geoffrey Pigott	1,000,000	-	-	1,000,000
Wade Johnson	1,500,000	-	-	1,500,000
Other employees	300,000	250,000	-	550,000
Unassigned	-	-	750,000	750,000
Total	5,800,000	250,000	(250,000)	5,800,000

(i) Resigned 3 August 2018, at which point Mr Beecher was no longer entitled to Share Plan shares

Directors and employees are not entitled to the shares held by the Share Plan until the relevant vesting conditions are met.

All ordinary shares held by the Share Plan are issued at $Nil cost 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 $0.30 per share;

(ii) Tranche two (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.40 per share; and

(iii) Tranche three (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.50 per share

The Share Plan shares issued to the directors and employees were valued using an option pricing model with the following inputs:

	2019			2018		
Measurement date	20 June 2019			4 December 2017		
Volatility	131%			95%		
Expected term	3 years			3 years		
Expected vesting period	3 years			3 years		
Share price at grant date	$0.21			$0.145		
Expected dividends	$Nil			$Nil		
Risk-free rate	0.99%			2.16%		
Notional exercise price	$0.30	$0.40	$0.50	$0.30	$0.40	$0.50
Expected director exit rate per year	Nil%			Nil%		
Market based vesting conditions	As outlined above			As outlined above		
Fair value at grant date	**$0.147**	**$0.138**	**$0.131**	**$0.065**	**$0.056**	**$0.049**

DIRECTORS' REPORT (CONTINUED)

Share Plan Trust shares (continued)

The Share Plan shares orginally issued in December 2012 were fair valued when the vesting conditions were modified (12 September 2016). This valuation was conducted using the same inputs as those described above. The excess of the fair value of the modified Share Plan shares over the fair value of the original grant of $156,667 is being expensed over the estimated three year vesting period of the modified Share Plan shares.

The fair value of the 1.5 million Share Plan shares issued to Wade Johnson in 2017 was estimated at $235,000 at the measurement date. This amount is being expensed over the estimated three year vesting period.

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	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Gordon Galt	**1,000,000**	**-**	**-**	**-**	**1,000,000**	**-**	**1,000,000**
Michael Davies	**1,000,000**	**-**	**-**	**-**	**1,000,000**	**-**	**1,000,000**
James Beecher (i)	**1,000,000**	**-**	**-**	**(1,000,000)**	**-**	**-**	**-**
Geoffrey Pigott	**1,000,000**	**-**	**-**	**-**	**1,000,000**	**-**	**1,000,000**
Wade Johnson	**1,500,000**	**-**	**-**	**-**	**1,500,000**	**-**	**1,500,000**

(i) Resigned 3 August 2018, at which point Mr Beecher was no longer entitled to Share Plan Trust shares

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. There were no shares granted to KMP's during the year as compensation.

	Balance at start of the year	Shares Acquired (i)	Other changes during the year (ii)	Balance at end of the year
Directors of Lefroy Exploration Limited				
Ordinary shares				
Gordon Galt	1,673,154	200,000	-	1,873,154
Michael Davies	9,982,654	2,000,000	-	11,982,654
James Beecher (ii)	1,550,413	-	(1,550,413)	-
Geoffrey Pigott	2,316,487	250,000	-	2,566,487
Wade Johnson	1,711,712	350,000	-	2,061,712

(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 13 August 2018.

(ii) Resigned 3 August 2018

Loans to key management personnel

There were no loans to key management personnel during the year (2018 $Nil).

Other transactions with Key Management Personnel

Messrs 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 joint lead manager for a share placement which took place in July 2018. New Holland Capital were also engaged as Corporate Advisor to the Group in relation to its sale of the Murchison Project to GSM. New Holland Capital received $40,000 (exc. GST) in monthly retainer fees and $106,977 (exc. GST) upon successful completion of the share placement and the sale of the Murchison Project.

As at 30 June 2019, $5,500 (inc. GST) remains due and payable to New Holland Capital in respect of services rendered (2018: $178,500 inc. GST).

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	7	7
Michael Davies	7	7
James Beecher (i)	1	1
Geoffrey Pigott	7	6
Wade Johnson	7	7

(i) Resigned 3 August 2018 and as such was only eligible to attend 1 meeting.

SHARES UNDER OPTION

Unissued ordinary shares of Lefroy Exploration Limited under option at the date of this report are as follows:

Date options issued	Expiry date	Exercise price (cents)	Number of options
14 October 2016	14 October 2021	$0.40	1,000,000
Total number of options outstanding at the date of this report			1,000,000

The above options were provided in the 2017 year to New Holland Capital Pty Ltd, a related party of Messrs Galt and Davies. These options were subsequently passed to nominees of New Holland Capital Pty Ltd.

No shares have been issued during or since the end of the year as a result of any person exercising any options referred to above.

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 $10,456.

DIRECTORS' REPORT (CONTINUED)

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:

	2019 $	2018 $
Taxation compliance services	**32,153**	33,986

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).

Wade Johnson

Wade Johnson
Managing Director
Perth, 27 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

		Consolidated	
		2019	2018
	Notes	$000	$000
INCOME			
Interest income		**25**	31
Profit on sale of Murchison Project	4	**297**	-
Other income		**5**	2
		327	33
EXPENDITURE			
Exploration expense		**(2)**	-
Accommodation expenses		**(27)**	(30)
Legal, professional and consulting expenses		**(287)**	(175)
Directors' fees		**(123)**	(155)
Travel expenses		**(20)**	(25)
Depreciation expense		**(29)**	(22)
Net loss on financial assets held at fair value through profit or loss	8	**(147)**	(2)
Salaries and wages expenses		**(196)**	(144)
Share based payment expense		**(103)**	(140)
Business development expenditure		**(3)**	(458)
Other expenses		**(130)**	(108)
(LOSS)/PROFIT FOR THE YEAR BEFORE INCOME TAX		**(740)**	(1,226)
Income tax benefit/(expense)		**-**	-
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF LEFROY EXPLORATION LIMITED		**(740)**	(1,226)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF LEFROY EXPLORATION LIMITED		**(740)**	(1,226)
Basic profit/(loss) per share attributable to the ordinary equity holders (cents per share)	21	(0.99)	(2.08)
Diluted profit/(loss) per share attributable to the ordinary equity holders (cents per share)(i)	21	(0.99)	(2.08)

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 2019

	Notes	Consolidated 2019 $000	2018 $000
CURRENT ASSETS			
Cash and cash equivalents	**7**	**372**	523
Financial assets at fair value through profit or loss	**8**	**150**	-
Other receivables	**9**	**53**	97
Other current assets		**12**	10
TOTAL CURRENT ASSETS		**587**	630
NON-CURRENT ASSETS			
Plant and equipment		**70**	86
Exploration and evaluation assets	**10**	**7,606**	5,928
TOTAL NON-CURRENT ASSSETS		**7,676**	6,014
TOTAL ASSETS		**8,263**	6,644
CURRENT LIABILITIES			
Trade and other payables	**11**	**196**	462
Provisions		**60**	46
TOTAL CURRENT LIABILITIES		**256**	508
TOTAL LIABILITIES		**256**	508
NET ASSETS		**8,007**	6,136
EQUITY			
Contributed equity	**12**	**28,603**	26,095
Foreign currency translation reserve	**13**	**(111)**	(111)
Share based payment reserve	**13**	**448**	345
Accumulated losses		**(20,933)**	(20,193)
TOTAL EQUITY		**8,007**	6,136

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 2019

	Notes	Contributed equity $000	Share Premium Reserve $000	Share Based Payments Reserve $000	Foreign Currency Translation Reserve $000	Accumulated Losses $000	Total $000
BALANCE AT 1 JULY 2017		18,980	7,115	205	(111)	(18,967)	7,222
Profit for the year		-	-	-	-	(1,226)	(1,226)
Other comprehensive loss, net of income tax		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	-	-	(1,226)	(1,226)
Share based payments	**13**	-	-	140	-	-	140
Transfer of historic share premium account to contirbuted equity	**12**	7,115	(7,115)	-	-	-	-
BALANCE AT 30 JUNE 2018		**26,095**	**-**	**345**	**(111)**	**(20,193)**	**6,136**
Loss for the year		-	-	-	-	(740)	(740)
Other comprehensive loss, net of income tax		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	-	-	(740)	(740)
Issue of ordinary shares (net of costs)	**12**	2,508	-	-	-	-	2,508
Share based payments	**13**	-	-	103	-	-	103
BALANCE AT 30 JUNE 2019		**28,603**	**-**	**448**	**(111)**	**(20,933)**	**8,007**

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 2019

	Notes	Consolidated 2019 $000	Consolidated 2018 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(974)**	(761)
Interest received		**25**	31
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**20**	**(949)**	(730)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation	**10**	**(1,621)**	(1,753)
Proceeds received from sale of exploration and evaluation assets		**25**	-
Payments for plant and equipment		**(13)**	(66)
Proceeds from disposal of financial assets		**-**	1
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(1,609)**	(1,818)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares	**12**	**2,591**	-
Payments of share issue costs	**12**	**(184)**	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		**2,407**	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(151)**	(2,548)
Cash and cash equivalents at the beginning of the financial year		**523**	3,071
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**7**	**372**	523

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 International Business Act (Cap. 291). The Company maintains registered offices in Western Australian and the British Virgin Islands. The financial statements were authorised for issue by the directors on 27 September 2019. 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

<u>IFRS 15 Revenue from Contracts with Customers</u>

IFRS 15 and its related amendments supersede IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations. It applies to all revenue arising from contracts with its customers and became effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. It requires revenue to be recognised when (or as) control of a good or service transfers to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires enhanced and extensive disclosures about revenue to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group adopted IFRS 15 using the full retrospective method of adoption. The change did not have a material impact on the statement of profit or loss and other comprehensive income for the year as the Group does not generate revenue from contracts with customers. There was no net impact on the statement of cash flows. There was no impact on EPS.

<u>IFRS 9 Financial Instruments</u>

Measurement and classification

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria, the Group's business model for managing the assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI' criterion).

The Group has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018. There was no material impacts on the comparative balances as the Group and the Group elected not to restate comparative information as allowed under IFRS 9. On transition, although there were changes to the measurement categories of certain financial instruments presented in the statement of financial position, this did not result in a material change to their basis of measurement as previously applied under IAS 39. The Group has determined that the adoption of AASB 9 has impacted the classification of financial instruments at 1 July 2018 as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CLASS OF FINANCIAL INSTRUMENT PRESENTED IN THE STATEMENT OF FINANCIAL POSITION	ORIGINAL MEASUREMENT CATEGORY UNDER AASB 139 (I.E. PRIOR TO 1 JULY 2018)	NEW MEASUREMENT CATEGORY UNDER AASB 9 (I.E. FROM 1 JULY 2018)
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Financial asset at fair value through profit and loss	Financial asset at fair value through profit and loss	Financial asset at fair value through profit and loss
Other current assets (deposits)	Loans and receivables	Financial assets at amortised cost
Other receivables	Loans and receivables	Financial assets at amortised cost
Derivative financial instruments	Financial asset/liability at fair value through profit and loss	Financial asset/liability at fair value through profit and loss
Trade and other payables	Financial liability at amortised cost	Financial liability at amortised cost

(i) New and amended standards adopted by the Group (continued)

Impairment of assets

In relation to financial assets carried at amortised cost, IFRS 9 requires a forward-looking expected credit loss ('ECL') model to be applied as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect the changes in credit risk since initial recognition of the financial asset.

As at 1 July 2018, the Group has reviewed and assessed the existing financial assets for impairment using reasonable and supportable information as to their associated credit risk. The Group concluded that the relevant financial assets measured at amortised cost, as noted in the table above, are of low credit risk, or the lifetime ECL associated with the financial asset would be negligible. The Group has credit rating and risk management policies in place, the change to a forward-looking expected credit loss approach did not have a material impact on the amounts recognised in the financial statements as the cash is deposited with investment grade AA- financial institutions . Accordingly, there was no financial impact recognised upon application of IFRS 9 by 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 2018.

(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.

Subsequent to year end, the Group raised $3.8 million before costs through a share placement to sophisticated and institutional investors. Refer to Note 23 for further details. The Group's cash flow forecasts through to 30 September 2020, inclusive of the above capital raising, reflect that the Group has sufficient working capital to enable it to meet its committed administration, exploration and operational expenditure over this period.

Accordingly, the directors consider it appropriate to prepare the financial statements on a going concern basis.

(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 2019 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 Gorup 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 ciscumstances 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.

The acquisition method of accounting is used to account for business combinations by the Group.

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 changed 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, jointly controlled entity or financial asset. 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 or revenue 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 and associated 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 in full, 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 substantially 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

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(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 instruments

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.

Trade Receivables

Trade receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with the Group's accounting policy for revenue recognition.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead 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.

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" Financial assets are classified at "fair value through profit or loss" include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. The group hold derivative instruments, which are not held for trading, and equity investments which are both mandatorily classified as "fair value through profit or loss". Such assets are measured at fair value with changes in carrying amount being included in profit or loss. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly transaction between independent, knowledgeable and willing market participants at the measurement date.

(i) Plant and equipment

All plant and equipment is stated at historical cost less accumulated depreciation. 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 or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. 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.

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 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 annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave 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 shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions in the case of employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined in accordance with International Accounting Standards by an internal valuation using a Black-Scholes (or other industry accepted) option pricing model for options and Share Plan shares and by reference to market price for ordinary shares. The Black-Scholes European Option Pricing Model is an industry accepted method of valuing equity instruments.

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 expired and (ii) the number of rights 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 a right is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the right is recognised immediately. However, if a new option is substituted for the cancelled right, and designated as a replacement right on the date that it is granted, the cancelled and new right 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 attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(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) Comparative figures

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

(q) New accounting standards and interpretations

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 2019 that are relevant to the Group are listed below. Relevant Standards and Interpretations are outlined in the table below. Except for IFRS 16 as disclosed 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
IFRS 16 Leases	IFRS 16 requires lessees to account for all leases under a single on balance sheet model in a similar way to finance leases under IAS 17 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS 17. **Impact on Lefroy Exploration Limited** The Group's operating leases are usually short term and less than 12 months in duration. The Group intends to apply the transition practical expedients to apply the standard to contracts that were previous identified as leases under IAS 17 and IFRS 4. Further, the Group intends to apply the exemptions of low value items and short term leases. The Group has assessed that there is no expected material impact of the above standard.	1 January 2019	1 July 2019
IFRIC 23 Uncertainty over Income Tax Treatments	IFRIC 23 clarifies how an entity should apply the recognition and measurement requirements in IAS 12: Income Taxes when there is uncertainty over income tax treatments. IFRIC 23 requires an entity to consider any uncertain tax treatments and whether the taxation authority is likely to accept the uncertain treatment. The Group will need to take into account the 'most likely' amount or the 'probability weighted average' amount of current and deferred tax the Group expects to incur. The Group will be required to reassess judgements or estimates should facts or circumstance change from information which arises however there is no material impact expected as a result of the application of IFRIC 23.	1 January 2019	1 July 2019

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
Conceptual Framework For Financial Reporting January 2020	The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows: • Chapter 1 – The objective of financial reporting • Chapter 2 – Qualitative characteristics of useful financial information • Chapter 3 – Financial statements and the reporting entity • Chapter 4 – The elements of financial statements • Chapter 5 – Recognition and derecognition • Chapter 6 – Measurement • Chapter 7 – Presentation and disclosure • Chapter 8 – Concepts of capital and capital maintenance AASB 2019-1 has also been issued, which sets out the amendments to Australian Accounting Standards, Interpretations and other pronouncements in order to update references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of accounting standards in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying IFRS 3 and developing accounting policies for regulatory account balances using IAS 8, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the Framework for the Preparation and Presentation of Financial Statements (July 2004), and not the definitions in the revised Conceptual Framework.	1 January 2020	1 July 2020
Amendments to IFRS 3 – Definition of a Business	The Standard amends the definition of a business in IFRS 3 Business Combinations. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.	1 January 2020	1 July 2020
Amendments to IAS 1 and IAS 8 – Definition of Material	This Standard amends IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.	1 January 2020	1 July 2020

(r) 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:

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.

This policy requires management to make certain estimates as to future events and circumstances, in particular 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.

Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Share-based payments

Share-based payment transactions, in the form of options to acquire ordinary shares and Share Plan shares, are valued using option pricing models. This model uses assumptions and estimates as inputs.

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 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).

(s) 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 and price 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 2019 are not exposed to commodity price risk.

(iii) Securities price risk

The Group is exposed to securities price risk on equity instruments it holds in other companies. These equity instruments (shares and options) were received as part consideration for the sale of its Murchison Project. The Board reviews and approves all investment decisions made by the Group. As at 30 June 2019, the Group's exposure to securities price risk was $150,000 (2018: $Nil)

(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 $372,000 (2018: $523,000) is subject to interest rate risk. The weighted average interest rate received on cash and cash equivalents by the Group was 1% (2018: 1.95%).

Sensitivity analysis

If interest rates were to increase/decrease by 100 basis points from rates used to determine fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on profit for the year and equity is as follows:

	Consolidated	
	2019	2018
+/- 100 basis points	$000	$000
Impact on profit/(loss) after tax	**1**	3
Impact on equity	**(1)**	(3)

A sensitivity of 100 basis points has been selected as this is considered reasonable given the current level of short-term and long-term Australian dollar interest rates. The movements in profit are due to possible higher or lower interest income from variable rate cash balances.

(b) Credit risk

Credit risk is the risk of financial loss to the Group, if the customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk exposure arises principally from the Group's cash and cash equivalents. The maximum exposure to credit risk at balance date is the carrying amount (net of the impairment allowance account) of those assets as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group by holding surplus cash holdings with reputable financial institutions which maintain high credit ratings. All surplus cash holdings within the Group are currently invested with AA- rated financial institutions.

The Group has assessed the credit risk and determines the probability of default to be insignificant. Accordingly, no impairment allowance has been recognised for expected credit losses.

2: FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

The tables below represents the undiscounted contractual settlement terms for financial liabilities.

	< 6 Months	6-12 Months	1-5 years	Total contractual cash flows	Carrying amount
Year ended 30 June 2019	**$000**	**$000**	**$000**	**$000**	**$000**
Payables	(196)	-	-	(196)	(196)
Year ended 30 June 2018					
Payables	(462)	-	-	(462)	(462)

(d) Fair value estimation

All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their fair value 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: PROFIT SALE OF THE MURCHISON PROJECT

On 20 December 2018, the Group entered into a binding Asset Sale Agreement ("ASA") with Golden State Mining Limited ("GSM"). The Company agreed to sell its 100% interest in the Murchison Project.

As consideration for the sale, the Group received:

- $25,000 cash consideration
- 1,700,000 fully paid ordinary shares in GSM; and
- 800,000 options in GSM, at an exercise price of $0.25 each and expiring 26 October 2022.

Shares and options issued to the Company are subject to a one year escrow period. The sale of the Murchison Project was completed on 23 January 2019.

The profit on the sale of the Murchison project has been calculated as follows:

		2019 $000
Carrying amount of Murchison Project sold	(Note 10)	**25**
Consideration received		
- Cash consideration		25
- Shares in GSM	(Note 8)	247
- Options in GSM	(Note 8)	50
		322
Profit on sale of Murchison Project		**297**

5: LOSS FROM CONTINUING OPERATIONS

	Consolidated	
	2019	2018
	$000	$000
Loss before income tax includes the following specific expenses:		
Defined contribution superannuation expense	**33**	13
Minimum lease payments relating to operating leases	**27**	30

6: 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	**(740)**	(1,226)
Prima facie tax benefit at the Australian tax rate of 27.5% (2018: 27.5%)	**(204)**	(337)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
• Entertainment	1	-
• Share-based payments	**28**	39
Deferred tax assets not recognised	**175**	298
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:	2019	2018
Deferred tax assets:	$000	$000
Investments	**47**	14
Trade and other payables	**17**	39
Business related costs	**106**	187
Revenue tax losses	**2,095**	1,257
Deferred tax liability:		
Investments		
Capitalised exploration expenditures	**(1,370)**	(927)
Deferred tax assets not brought to account as realisation is not probable	**(895)**	(570)
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.

7: CASH AND CASH EQUIVALENTS

	2019 $000	2018 $000
Cash at bank and in hand	**259**	221
Short-term deposits	**113**	302
	372	523

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.
Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

8: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated	
	2019 $000	2018 $000
Beginning of the financial year	**-**	3
Acquisition of GSM shares (Note 4)	**247**	-
Acquisition of GSM options (Note 4)	**50**	-
Fair value of shares sold during the year	**-**	(1)
Net loss of financial assets at fair value through profit or loss	**(147)**	(2)
End of the financial year	**150**	**-**

The Group has available to it various methods in estimating the fair value of listed investments. The methods comprised:

Level 1: The fair value is calculated using quoted prices in active markets for identical assets or liabilities.

Level 2: The fair value is estimated using inputs other than quotes prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: The fair value is estimated using valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of financial assets at fair value through profit or loss listed above were calculated as follows:

- Level 1 for listed shares in GSM based on the quoted share price
- Level 2 for unlisted options in GSM, valued using a Black-Scholes-Merton option pricing model with the following inputs

Volatility	49%
Expected term	3.84 years
Expected vesting period	3.84 years
Share price at acquisition date	$0.1350
Expected dividends	$Nil
Risk-free rate	1.78%
Exercise price	$0.2500

9: OTHER RECEIVABLES

	Consolidated	
	2019 $000	2018 $000
Current		
Other debtors	**-**	33
GST receivable	**53**	64
	53	97

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

10: EXPLORATION AND EVALUATION ASSETS

	Consolidated 2019 $000	Consolidated 2018 $000
Beginning of the financial year – at cost	**5,928**	4,386
Less carrying amount of Murchison Project disposed of (Note 4)	**(25)**	-
Other exploration costs incurred during the year	**1,703**	1,542
End of the financial year	**7,606**	5,928

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

11: TRADE AND OTHER PAYABLES

	Consolidated 2019 $000	Consolidated 2018 $000
Current		
Trade payables	**139**	**346**
Other payables and accruals	**57**	**116**
	196	**462**

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. Included within trade and other payables are balances to related parties totalling $5,500 inc. GST (2018: $178,500)

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.

	Notes	2019 Number of shares	2019 Consolidated $000	2018 Number of shares	2018 Consolidated $000
Ordinary shares fully paid - total issued capital		**75,659,900**	**28,603**	58,963,920	26,095
Beginning of the financial year		**58,963,920**	**26,095**	58,963,920	18,980
13 July 2018 – Share Placement		15,190,980	**2,430**	-	-
24 August 2018 – Share Placement (i)		1,000,000	**160**	-	-
Share issue costs		-	**(183)**	-	-
15 May 2019 – Shares issued in lieu of drilling services received (ii)		505,000	**101**	-	-
Transfer of historic share premium account to contirbuted equity (iiI)		-	**-**	-	7,115
End of the financial year		**75,659,900**	**28,603**	58,963,920	26,095

(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 13 August 2018.

(ii) The issue of 505,000 shares to contractors engaged by the Company for drilling services at $0.20 per share in lieu of services provided, determined with reference to the fair value of services received.

12: ISSUED CAPITAL (CONTINUED)

(iii) In accordance with a resolution passed by the directors in August 2016, the Memorandum of Association of the Company was amended to convert the authorised and issued share capital of the Company from ordinary shares with a par value of US$0.50 to ordinary shares with no par value. Accordingly, the historical share premium account has been transferred to contributed equity.

(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. Its objective 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 2019 and 30 June 2018 are as follows:

	Consolidated	
	2019 $000	2018 $000
Cash and cash equivalents	**372**	523
Trade and other receivables	**53**	97
Trade and other payables	**(196)**	(462)
Working capital position	**229**	158

Subsequent to year end, the Group raised $3.8 million before costs through a share placement to institutional and sophisticated investors in order to fund its operations. Refer to Note 23 for further information.

13: RESERVES

	Consolidated	
	2019 $000	2018 $000
(a) Reserves		
Foreign currency translation reserve	**(111)**	(111)
Share based payments reserve	**448**	345
	337	234

(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.

(c) Movements in options on issue	Number of options	
	2019	2018
Beginning of the financial year	**1,000,000**	1,000,000
End of the financial year	**1,000,000**	1,000,000

13: RESERVES (CONTINUED)

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights. Set out below are summaries of the options granted:

	2019		2018	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the financial year	**1,000,000**	**40**	1,000,000	40
Outstanding at year-end	**1,000,000**	**40**	1,000,000	40
Exercisable at year-end	**1,000,000**	**40**	1,000,000	40

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 3.25 years, and the exercise price 40 cents.

(d) Share Plan Shares

As at 30 June 2019 there were 5.8 million ordinary shares (2018: 5.8 million ordinary shares) held by the Lefroy Exploration Share Plan (the 'Share Plan Trust'), previously named the U.S. Masters Executive Plan Trust, held in conformity with the Share Plan Trust rules.

During the year ended 30 June 2019:

- Share Plan Trust Shares previously assigned to Mr James Beecher were forfeited upon receipt of his resignation on 3 August 2018.
- 250,000 fully paid ordinary shares of three equal tranches within the Share Plan Trust were assigned to an employee of the Group who is not a KMP. These additional shares are subject to the same terms and vesting conditions of existing ordinary shares within the plan.

A reconciliation of Share Plan ordinary shares is as follows:

Director	1 July 2018	Grants	Other	30 June 2019
Gordon Galt	1,000,000	-	-	1,000,000
Michael Davies	1,000,000	-	-	1,000,000
James Beecher (i)	1,000,000	-	(1,000,000)	-
Geoffrey Pigott	1,000,000	-	-	1,000,000
Wade Johnson	1,500,000	-	-	1,500,000
Other employees	300,000	250,000	-	550,000
Unassigned	-	-	750,000	750,000
Total	5,800,000	250,000	(250,000)	5,800,000

(i) Resigned 3 August 2018, at which point Mr Beecher was no longer entitled to Share Plan shares

Directors and employees are not entitled to the shares held by the Share Plan Trust until the relevant vesting conditions are met. All Share Plan shares are 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 $0.30 per share;
(ii) Tranche two (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.40 per share; and
(iii) Tranche three (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.50 per share

13: RESERVES (CONTINUED)

The Share Plan shares issued to the directors and employees were valued using an option pricing model with the following inputs:

	2019			2018		
Measurement date	20 June 2019			4 December 2017		
Volatility	131%			95%		
Expected term	3 years			3 years		
Expected vesting period	3 years			3 years		
Share price at grant date	$0.21			$0.145		
Expected dividends	$NIL			$Nil		
Risk-free rate	0.99%			2.16%		
Notional exercise price	$0.30	$0.40	$0.50	$0.30	$0.40	$0.50
Expected director exit rate per year	Nil%			Nil%		
Market based vesting conditions	As outlined above			As outlined above		
Fair value at grant date	**$0.147**	**$0.138**	**$0.131**	**$0.065**	**$0.056**	**$0.049**

The Share Plan shares orginally issued in December 2012 were fair valued as at the date the vesting conditions were modified (12 September 2016). This valuation was done using the same inputs as those described above. The excess of the fair value of the modified share plan shares over the fair value of the original grant of $156,667, is being expensed over the estimated three year vesting period of the modified share plan shares.

The fair value of the 1.5 million share plan shares issued to Wade Johnson in 2017 was estimated at $235,000 at the measurement date. This amount is being expensed over the estimated three year vesting period.

The total amount expensed during the year ended 30 June 2019 in relation to the Share Plan Trust shares was $103,477 (2018: $139,584)

14: DIVIDENDS

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	
	2019	2018
(a) Audit services	$000	$000
Ernst & Young Australia – audit and review of financial reports	**44**	**43**
Total remuneration for audit services	**44**	**43**
(b) Non-audit services		
Ernst & Young Australia – taxation compliance services	**32**	**34**
Total remuneration for other services	**32**	**34**

16: CONTINGENCIES

There are no 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	
	2019	2018
	$000	$000
within one year	**465**	897
later than one year but not later than five years	**670**	1,821
	1,135	2,719

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 $294,000 of required minimum expenditure commitment within the next year. A further $427,000 of exploration expenditure required for the Western Lefroy Project's exploration commitments later than one year but not later than five years is also expected to be met by Gold Fields.

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.

(b) Lease commitments:

Group as lessee

	Consolidated	
Operating leases (non-cancellable):	2019	2018
Minimum lease payments	$000	$000
within one year	**32**	18
later than one year but not later than five years	**4**	-
Aggregate lease expenditure contracted for at reporting date but not recognised as liabilities	**36**	18

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 21.

(c) Key management personnel compensation

	Consolidated	
	2019	2018
	$0	$0
Short-term benefits	**342,917**	375,004
Post-employment benefits	**20,900**	20,900
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share-based payments	**97,491**	137,223
	461,308	533,127

18: RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Transactions and balances with other related parties

Other than the related party transactions described in Notes 18, 19, the following related party transactions occurred during the year ended 30 June 2019:

Messrs 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 joint lead manager for a share placement which took place in July 2018. New Holland Capital were also engaged as Corporate Advisor to the Group in relation to its sale of the Murchison Project to GSM. New Holland Capital received $40,000 (exc. GST) in monthly retainer fees and $106,977 (exc. GST) upon successful completion of the Share Placement and the sale of the Murchison Project.

As at 30 June 2019, $5,500 (inc. GST) remains due and payable to New Holland Capital in respect of services rendered (2018: $178,500 inc. GST).

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	
			2019 %	2018 %
Hogans Resources Pty Limited	Australia	Ord	**100**	**100**
Monger Exploration Pty Ltd			**100**	**-**
Lefroy Exploration Share Plan Pty Ltd (previously known as the U.S. Masters Share Plan Pty Ltd)	Australia	Ord	**100**	100

20: STATEMENT OF CASH FLOWS

	Consolidated 2019 $000	Consolidated 2018 $000
Reconciliation of (loss) / profit after income tax to net cash outflow from operating activities		
Net (loss) / profit for the year	**(750)**	(1,226)
Non-cash, non-operating activities		
Depreciation expense	**29**	22
Share based payment expenses	**103**	140
Gain on sale of Murchison Project	**(297)**	-
Net loss on financial assets held at fair value through profit and loss	**147**	2
Change in operating assets and liabilities		
Increase in trade and other receivables	**44**	(42)
(Increase)/decrease in other current assets	**(2)**	(12)
Increase in trade and other payables	**(247)**	336
Increase in provisions	**14**	26
Net cash outflow from operating activities	**(959)**	(730)

21: (LOSS) / PROFIT 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	**(740)**	(1,226)
	Number of shares	
	2019	**2018**
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic (loss) / profit per share	**74,569,565**	58,963,920
Weighted average number of ordinary shares used as the denominator in calculating diluted (loss) / profit per share	**74,569,565**	58,963,920
Basic (loss) / profit per share attributable to ordinary equity holders in cents	**(0.99)**	(2.08)
Diluted (loss) / profit per share attributable to ordinary equity holders in cents	**(0.99)**	(2.08)

(c) Information on dilutive options

For the year ended 30 June 2019, the 1 million options and 5.8 million 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 2019. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2019 $000	2018 $000
Current assets	**587**	629
Investment in Hogans Resources Pty Limited	**1,520**	1,520
Other non-current assets	**6,156**	4,496
Total assets	**8,263**	6,645
Current liabilities	**(256)**	(508)
Non-current liabilities	**-**	-
Total liabilities	**(256)**	(508)
Net Assets	**8,007**	6,136
Issued capital	**28,603**	26,095
Foreign currency translation reserve	**(111)**	(111)
Share-based payments reserve	**448**	344
Accumulated losses	**(20,933)**	(20,192)
Total equity	**8,007**	6,136
Profit/(loss) for the year	**(741)**	(1,226)
Total comprehensive loss for the year	**(741)**	(1,226)

23: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 15 August 2019, the Group closed a share placement to institutional and sophisticated investors. 19,026,845 fully paid ordinary shares were subsequently issued at an issue price of $0.20 per share to raise $3.8 million before costs.

The Group's largest shareholder, Gold Fields Limited, elected to participate in the placement by taking a pro-rata allocation, equal to 3.45 million shares, in order to maintain its current 18.12% holding of the Company after completion of the share placement. The directors of the Company have also agreed to participate in the share placement, acquiring 1,426,845 additional shares for a total of $285,369

Shares under the share placement to Gold Fields Limited and institutional and sophisticated investors were issued on 23 August 2019. The issue of shares to the Directors will be subject to shareholder approval at the Group's next General Meeting of Shareholders

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:

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 2019 and its performance, for the year ended on that date; and

   (ii) Complying with Australian Accounting Standards.

b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1(a); and

c) 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.

Wade Johnson
Managing Director
Perth, 27 September 2019

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

Report on the audit of the financial report

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 2019, 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 financial report presents fairly, in all material respects, the financial position of Lefroy Exploration Limited as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International 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* (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.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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 value of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 10 as at 30 June 2019, the Group held capitalised exploration and evaluation expenditure assets of $7.61 million. The carrying value 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 whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year the Group determined that there had been no indicators of impairment.	We evaluated the Group's assessment as to whether there were any indicators of impairment to require the carrying value 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. ► We also assessed the adequacy of the disclosure in financial report.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual 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 International 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 International 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.

- 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, related safeguards.

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

Gavin Buckingham

Gavin Buckingham
Partner
Perth
27 September 2019

ASX ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange. The information is current as at 19 September 2019.

(a) Distribution schedule and number of holders of equity securities as at 19 September 2019

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 – and over	Total
Fully Paid Ordinary Shares	66	141	172	180	92	651
Unlisted Options – 40c 14.10.2021	-	-	-	-	3	3

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 19 September 2019 is 100.

(b) 20 Largest holders of quoted equity securities as at 19 September 2019

The names of the twenty largest holders of fully paid ordinary shares (ASX code: LEX) as at 19 September 2019 are:

Rank	Name	Shares	% of Total Shares
1	St Ives Gold Mining Company Pty Ltd	18,214,535	18.39
2	Mr Michael Davies	11,982,654	12.10
3	HSBC Custody Nominees (Australia) Ltd	7,096,903	7.16
4	Lefroy Exploration Share Plan Pty Ltd	5,800,000	5.86
5	J P Morgan Nominees Australia Pty Limited	5,283,538	5.33
6	HSBC Custody Nominees (Australia) Limited-Gsco Eca	4,500,000	4.54
7	Equity Trustees Limited <Lowell Resources Fund A/C>	2,267,727	2.29
8	Mr James David Beecher + Mrs Carol Beecher <The Beecher Super Fund A/C>	1,750,413	1.77
9	Wade Steven Johnson	1,711,712	1.73
10	Mr Geoffrey Francis Pigott	1,656,666	1.67
11	Corporate & Resource Consultants Pty Ltd	1,647,523	1.66
12	Clarkson's Boathouse Pty Ltd <Clarkson Super Fund A/C>	1,626,090	1.64
13	BNP Paribas Nominees Pty Ltd <Jarvis A/C Non Treaty DRP>	1,610,972	1.63
14	Mr Frederick Charles Saunders	1,600,000	1.62
15	Craig Andrew Nelmes	1,573,458	1.59
16	Sacrosanct Pty Ltd <Sacrosanct Super Fund A/C>	1,500,000	1.51
17	Alcardo Investments Ltd	680,000	0.69
18	Mrs Michele Pigott	659,821	0.67
19	Beamond Holdings Pty Ltd <BB Family Super Fund A/C>	655,299	0.66
20	Mr Ian Michael Paterson Parker + Mrs Catriona Sylvia Parker <Impp A/C>	652,500	0.66
	TOTAL	72,469,811	73.17

Stock Exchange Listing – Listing has been granted for 99,059,900 fully paid ordinary shares of the Company on issue on the Australian Securities Exchange.

The unquoted securities on issue as at 19 September 2019 are detailed below in part (d).

(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
St Ives Gold Mining Company Pty Ltd	14,764,535	18.24%	30 Aug 2018
Michael Davies & Associates	10,882,654	16.88%	24 Oct 2016

(d) Unquoted Securities

The number of unquoted securities on issue as at 19 September 2019:

Unquoted Security	Number on Issue
Unlisted Options – exercisable at 40c on or before 14.10.2021	1,000,000

(e) Holder Details of Unquoted Securities

Optionholders that hold more than 20% of a given class of unquoted securities as at 19 September 2019 other than options issued under an employee incentive scheme:

Security	Name	Number of Securities
Unlisted Options – exercisable at 40c on or before 14.10.2021	IONIKOS PTY LTD <WELD A/C>	425,000
Unlisted Options – exercisable at 40c on or before 14.10.2021	MRS RACHEL READER MILTON	425,000

(f) Restricted Securities as at 19 September 2019

The Company had the following restricted securities on issue as at 19 September 2019 –

Security	Escrow Period
505,000 Fully Paid Ordinary Shares	Under voluntary escrow until 14 November 2019.

(g) Voting Rights

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

Unquoted options have no voting rights.

(h) On-Market Buy-Back

The Company is not currently undertaking an on-market buy-back.

(i) 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 http://lefroyex.com/corporate-governance/ .

(j) Schedule of Mining Tenements

The schedule of interest in mining tenements both as at 30 June 2019 and as at 16 September 2019 is as follows:

1. Hogans Resources Pty Ltd and Monger Exlporation are wholly owned subsidiary of Lefroy Exploration Limited
2. E63/1722 and E63/1723- Held under title by LEX, Lithium Australia NL (ASX:LIT) have the rights to Lithium

NOTE E63/1777-LEX has the gold and nickel rights.

LEFROY EXPLORATION LTD TENEMENT SCHEDULE 16 SEPTEMBER 2019				
Project	**Tenement ID**	**Ten status**	**Holder**	**Interest %**
Lake Johnston	E63/1722	Live	LEFROY EXPLORATION LTD	100[2]
Lake Johnston	E63/1723	Live	LEFROY EXPLORATION LTD	100[2]
Lake Johnston	E63/1777	Live	LITHIUM AUSTRALIA NL	NOTE
Lefroy	M25/366	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E26/176	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E26/195	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	M26/850	Pending	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	M26/851	Pending	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E15/1715	Pending	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E25/587	Pending	MONGER EXPLORATION PTY LTD	100[1]

LEFROY EXPLORATION LTD TENEMENT SCHEDULE 16 SEPTEMBER 2019 cont.				
Project	Tenement ID	Ten status	Holder	Interest %
Lefroy	E26/0183	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E26/0184	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E 26/0131	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E 26/0134	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E 26/0150	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P 26/3764	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P 26/3765	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P26/3889	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P26/3890	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P26/3891	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E 25/0517	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E26/0182	Live	MONGER EXPLORATION PTY LTD	100
Lefroy	E15/1447	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P25/2316	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P25/2317	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E25/0518	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E15/1497	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E15/1498	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E26/0193	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P25/2421	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P25/2451	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P25/2488	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4287	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	M25/362	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	M25/363	Live	MONGER EXPLORATION PTY LTD	100
Lefroy	M26/842	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E15/1615	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P26/4391	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4392	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4393	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4394	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4423	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4424	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4425	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4437	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4438	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4443	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4444	Live	MONGER EXPLORATION PTY LTD	100[1]

(k) Mineral Resources

As required by ASX Listing Rule 5.20, Lefroy provides in the table below the Company's Mineral Resources as at 30 June 2019.

Table 1 Lefroy Exploration Limited -Summary of Gold Mineral Resources (as at 0.5g/t Au cut-off grade)

Deposit	Measured			Indicated			Inferred			Total Resource		
	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
Red Dale	n/a	n/a	n/a	0.48	1.26	19,600	n/a	n/a	n/a	0.48	1.26	19,600
TOTAL	n/a	n/a	n/a	0.48	1.26	19,600	n/a	n/a	n/a	0.48	1.26	19,600

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 enagaged Resource Evaluation Services in 2018 to complete the Mineral Resource estimate. The Company announced the Resource to the ASX in its March 2018 Quarterly report dated 27 April 2018 and reported in accordance with JORC 2012. The Company confirms there has been no exploration activity, including resource compilation at the Red Dale Deposit during 2019 that would alter the Resource Statement.

The Mineral Resources estimate was completed 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 suitably qualified LEX personnel and completed by a consultant who has sufficient experience to qualify as a Competant Person.

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

RED DALE-Mineral Resource Estimate

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, 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 Red Dale 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.