

LEFROY EXPLORATION LTD

LEX:AU, \$0.39. Market cap A\$46m

Magnetic survey identifies numerous Burns-style drill targets over a 3000m strike

LEX's Burns discovery was one of the most discussed at this year's Diggers and Dealers. We received plenty of feedback (COVID prevented us from attending) with the common question: "What is it?" and the usual comment: "Never seen anything like this before." Exploration at Burns has ranged between the euphoria (with the discovery hole of 38m at 7.6g/t gold and 0.56% copper) and exasperation.

Encouragement has emerged from a recent 25m line spaced magnetic survey over the entire Burns complex. As well LEX has announced >200m intercepts of low grade copper and gold in the Western Basalts. See over for the mag image.

As well, recent releases have shown that LEX is not a 'one trick pony'. Recall that JV partner Gold Fields is to spend an additional \$15m to earn a 70% interest in the Western Lefroy farm-in, to be spent over the next 3 years. GFI's targets are multi-million ounce gold deposits of the ilk of Invincible, the latest major discovery at the St Ives project. Persistence is a key attribute of successful exploration. MD Wade Johnson is certainly persistent, and remains encouraged by what he sees at Burns. We are too.

Key points from Burns magnetics survey and recent drill results:

- LEX has identified multiple Burns look-alike magnetic anomalies that define a 3000m trend, potentially extending from SE of the Burns discovery itself and some 3000m to the Neon anomaly to the NW. Burns, as we know, is inferred to be 'porphyry-style' gold-copper mineralisation typically localised in magnetite-bearing brecciated units adjacent to diorites intruding Archaean basalts.
- These mag anomalies are interpreted to represent magnetite alteration surrounding diorite intrusions, marginal to the large Burns intrusive to the west - as at Burns. As this stage the large Burns intrusive is inferred to be the source of the mineralising fluids, but it is still early days.
- Coincident with these anomalies is a +200ppm Cu anomaly defined from bottom-of-hole samples from recent air core drilling. A geochemical review has also identified anomalous molybdenum, a common associate of younger porphyry copper/gold systems.
- Lovejoy, to the NW, is the number one target, with coincident magnetic and gravity anomalies and the best bottom-of hole copper anomaly. And drilling is about to start here. As shown on the plan of the following page there are several other magnetic anomalies to be drilled. A single RC hole has already been drilled into Smithers and assay results are awaited.
- As well, LEX is proposing to drill into the core of the Burns intrusive and as well to identify the causes of the inner, somewhat circular magnetic anomaly, west of the Burns system.
- It is also worth noting recent drill results into basalt sequences to the west of Burns. Here hole 289 has delivered 244m at 0.14% Cu and 0.1g/t Au, not economic, but indicative of very widespread mineralisation. Six holes into the Western Basalts have ranged from 68m to 282m at grades ranging from 0.20 to 0.86g gold equivalent per tonne. More work is to be undertaken.

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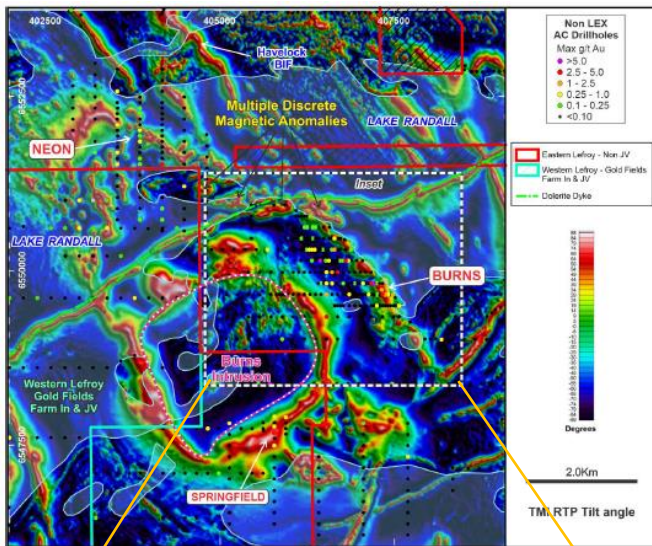
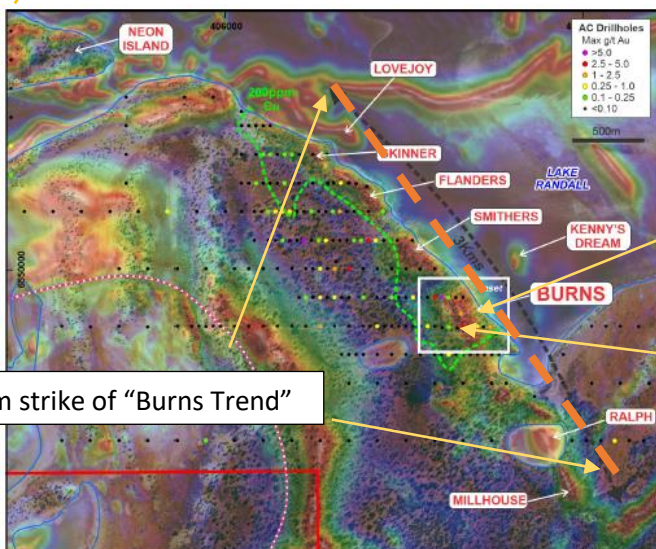


Figure 1 TMI RTP aeromagnetic image showing the full extent of the new aeromagnetic survey and the pronounced annular magnetic anomaly around the Burns Intrusion. Refer Figure 3 for the detail over the Burns prospect magnetic trend (warm colours represent rocks with stronger magnetic character)



3000m strike of "Burns Trend"

Discovery hole LEFR260
38m at 7.63g/t gold and
0.56% copper

Western Basalt:
244m at 0.23g/t Au equiv
282m at 0.20g/t Au equiv
110m at 0.86g/t Au equiv
203m at 0.31g/t Au equiv
36m at 0.81g/t Au equiv

Source: Modified from LEX release, 29 September 2021

Plenty of news flow is expected from LEX over the next few weeks. This includes:

- Assay results from 6 holes (RC and DDH) from around the Burns anomaly.
- Assay results from an RC hole into the Smithers mag anomaly.
- Commencement of a 15-20 hole RC programme into key magnetic anomalies along the 3000m "Burns Trend" discussed above. This is due to commence shortly and could be complete within a few weeks. Given delays at local laboratories, assay results could be out in late November/early December.

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