

Lefroy Exploration Limited



5 December 2016

Wade Johnson
Managing Director

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Company Summary

- Lefroy Exploration Limited (LEX) formally US Masters Holdings (ASX:USH), has secured tenements in the Kalgoorlie Goldfields, Lake Johnston and Murchison districts in Western Australia, with more than 540km² in the Lefroy Project alone
- Exploration is targeting high-value gold and nickel deposits capable of being rapidly developed
- One of five advanced gold targets defined at the Lefroy Project has been recently drill tested, with four others been prepared for evaluation in early 2017.
- Lefroy Project is under explored – opportunity for LEX to recognise the significance of subtle gold anomalies in historical drill holes as illustrated by the discovery history of the Invincible Gold deposit at St Ives.
- Early gold and nickel targets generated for the Lake Johnston Project, airborne geophysics to commence in December
- The Board and Management Team have a successful track record of exploring and developing mining projects over an extended period of time at organisations including Newmont, Newcrest, Freeport, Eagle Mining and Aquila Resources

2016: A Transformational Year

The past year has resulted in a major transformation of the Company to become a WA focused gold and nickel explorer via:

- Acquisition of 100% of Hogans Resources Pty Ltd (HRPL) and 100% of E15/1447 from Montezuma Mining Company (MZM),
- These acquisitions has created a single contiguous tenement package in excess of 540km² prospective for gold and named the Lefroy Project
- Acquisition of 100% of the gold and nickel rights to E63/1777 from Lithium Australia (ASX:LIT) to amalgamate with LEX tenements at Lake Johnston
- Successful capital raising of \$4.0Million under a Public Offer and requotation as Lefroy Exploration Limited (ASX:LEX)
- Appointment of Wade Johnson, an experienced exploration geologist, as Managing Director
- Completion of first stage of drilling and geophysical surveys at Lefroy Gold project
- Enhanced the Lefroy Project portfolio with the acquisition of three adjoining tenements

Corporate Overview

Board

- **Gordon Galt** – Non Executive Chairman
- **Wade Johnson** – Managing Director
- **Michael Davies** – Non Executive Director
- **Geoff Pigott** – Non Executive Director
- **James Beecher** - Non Executive Director & Company Secretary

Corporate Details

Place of Incorporation: British Virgin Islands

Requoted on ASX: October 19 2016

Issued Capital : 64.5 million shares

ASX Restricted Securities: 24.4 million shares

Options on Issue: 1 million unlisted

Cash: ~\$3.5M

Debt: Nil

Investments: ~8M Lithium Australia (LIT) shares

Market Capitalisation @ \$0.18/share: \$11.6M

Top 20 Shareholders: ~73%

Major Shareholders	Shares* (M)	%
Michael Davies ¹	9.9	15.3
Other Directors ¹	6.6	10.2
Resource Capital Fund	6.75	10.5
US Masters Share Plan	5.5	8.5
Montezuma Mining Co (ASX:MZM)	4.2	6.5
Lithium Australia (ASX:LIT)	3.0	4.7

¹ Does not include share plan share allocations

LEX: First 48 days Since Requotation



Exploration was immediately initiated on the flagship Lefroy Gold Project

- Completion of a extensive ground gravity survey comprising 3898 stations to compliment the existing dataset. Initial processed imagery has revealed new geological trends beneath Lake Lefroy
- Completion of 41 holes totalling 2777m in an early stage air core drilling program testing 1100m of strike of prospective stratigraphy at the Lucky Strike Prospect.
- Strategic acquisition of three tenements adjacent to Lucky Strike to expand the Lefroy Project portfolio
- Preparation of Statutory land access process to undertake drilling activities at key Zanex and Coogee South prospects
- Planning well underway for airborne geophysical survey at Lake Johnston
- Recruited key personnel to establish a small Perth based exploration team

Exploration: Focus & Opportunity

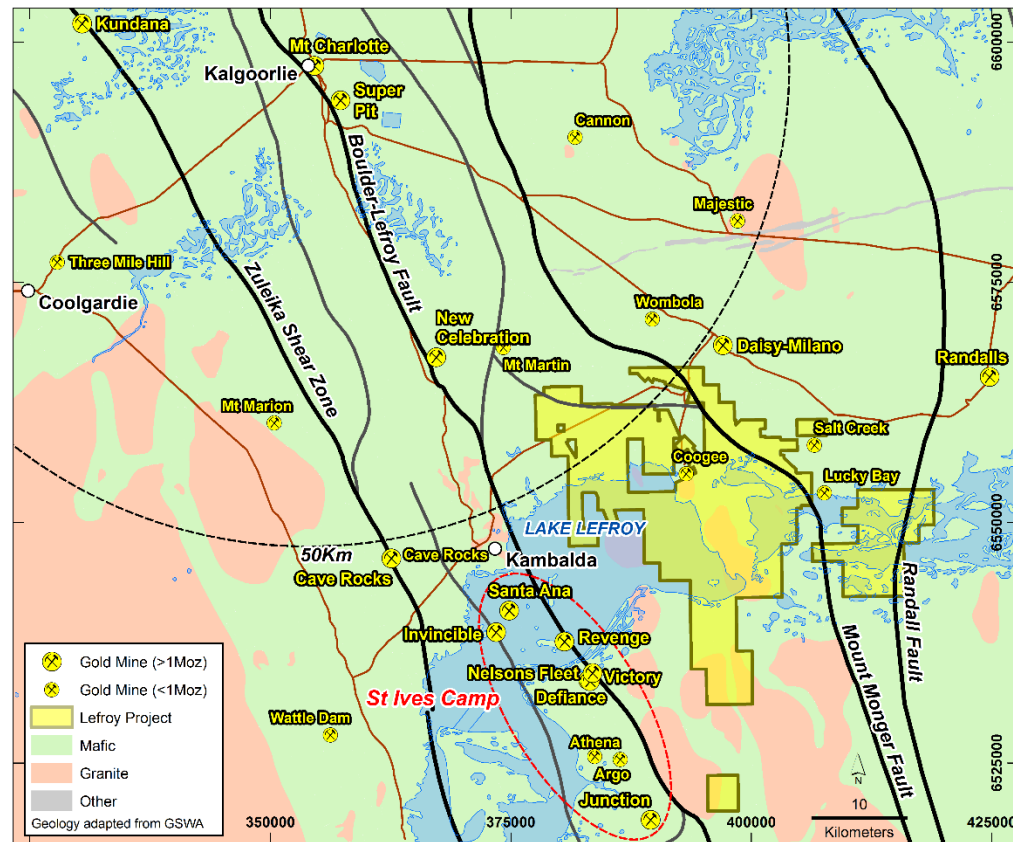
- **Focus:** undertake exploration for gold and nickel deposits in premier areas of the Yilgarn Craton of Western Australia
- **The Lefroy Project:** core gold project in excess of 546km² of contiguous tenements, within 50km of Kalgoorlie
- **Lake Johnston Project:** 300km² of tenure prospective for nickel and gold
- **Murchison Project:** portfolio of tenement applications between Cue and Big Bell prospective for gold
- **Opportunity:** to generate new exploration targets by reinterpreting previous explorers results and recognising anomalies that have been overlooked



Lefroy Gold Project: Regional Setting

Our foundation asset and initial core focus for exploration

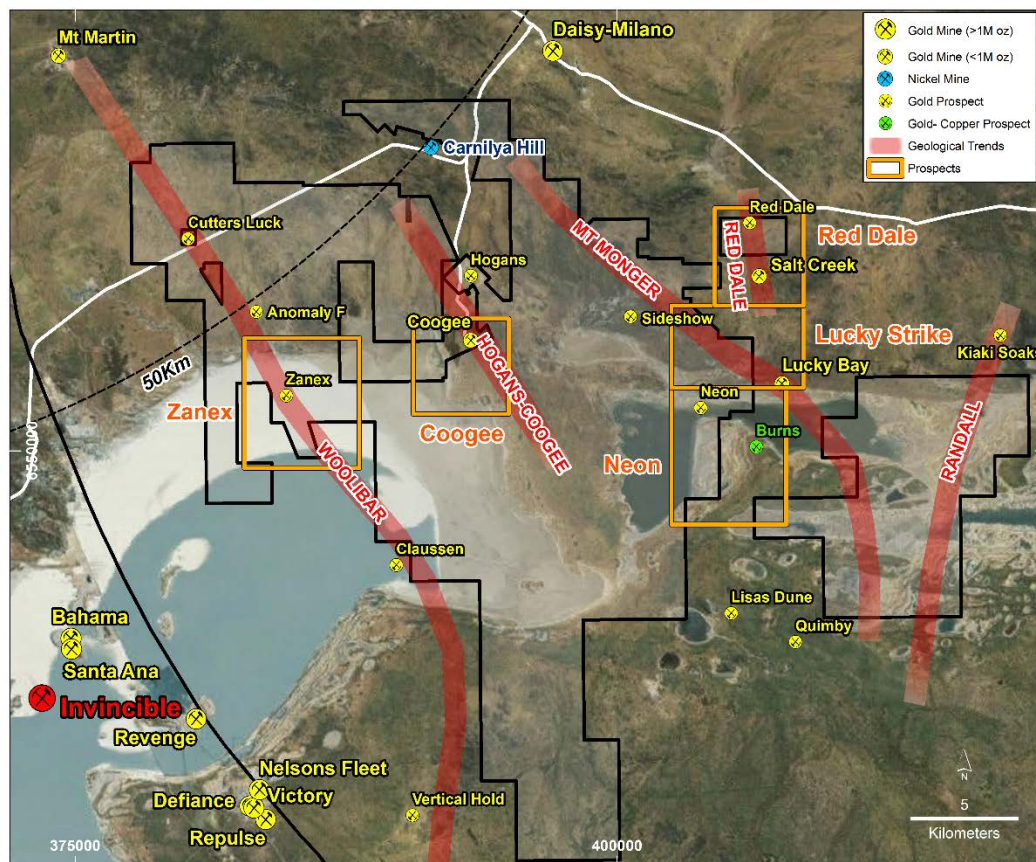
- Commanding land package within world-class gold district
- Project area bounded by major regional structures that control gold mineralisation in the district
- Compilation of an initial drilling, geophysical and geochemical regional database has provided LEX with the ability to commence early stage drilling
- Easily accessible and strategically located near four operating gold mills – potentially allows for the commercialisation of smaller scale discoveries
- Geophysical survey and aircore drilling recently completed, additional drilling planned.



Lefroy Project: Overview

Hosts major gold-bearing structures

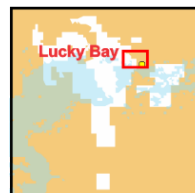
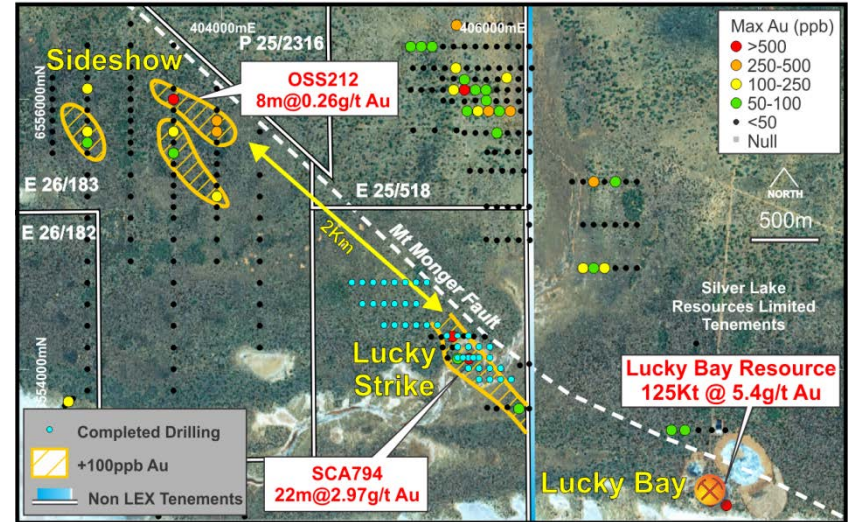
- Five major gold-mineralised trends recognised that are core focus for target evaluation and generation
- Traditional surface geochemical sampling ineffective due to the extensive salt lake systems and transported cover
- Five high priority prospects have been identified for early drill testing
 - Zanex, Coogee South, Lucky Strike, Red Dale and Neon
- Since reevaluation exploration completed at Lucky Strike and along newly defined Woollibar trend.
- Continue to generate a pipeline of targets utilising recently processed geophysical data



Lefroy Project: Lucky Strike Prospect

LEX's Inaugural drill program

- Interpretation of previous exploration results indicated a mineralised trend of gold anomalism to the northwest of the Lucky Bay Open Pit
- Integration with detailed gravity and aeromagnetic data has enhanced the prospectivity of the mineralised corridor
- A reported drill intercept of **22m@2.97g/t Au** (drilled 2009)* is the focus at Lucky Strike
- Geochemical drilling program comprising 41 holes for 2777m completed in November evaluating 1100m of strike .
- Proximity to the Randalls Processing Plant/Lucky Bay infrastructure.

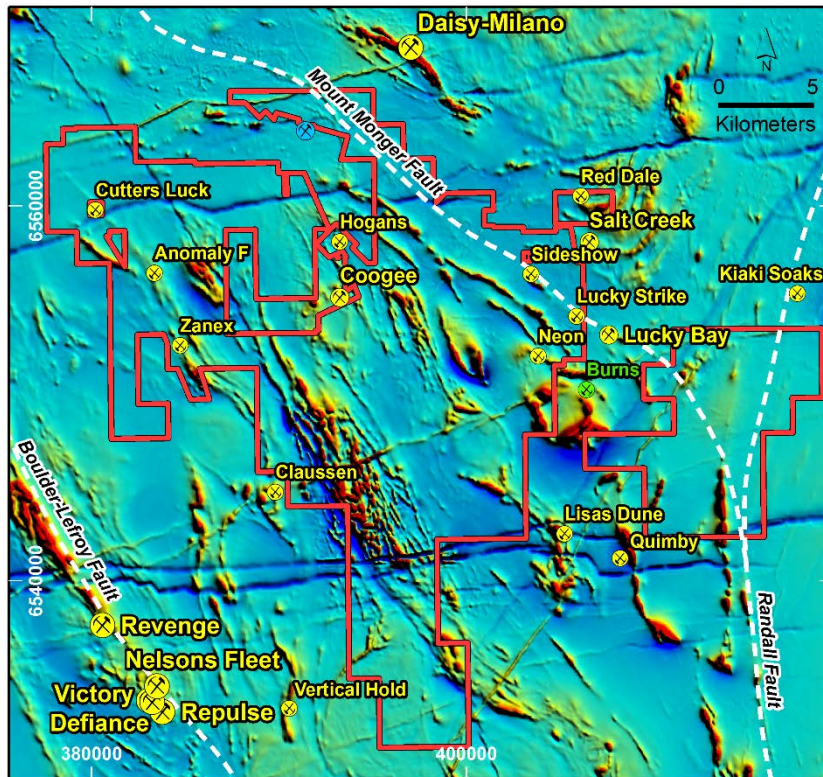


* Source reference LEX Prospectus dated 8 September 2016

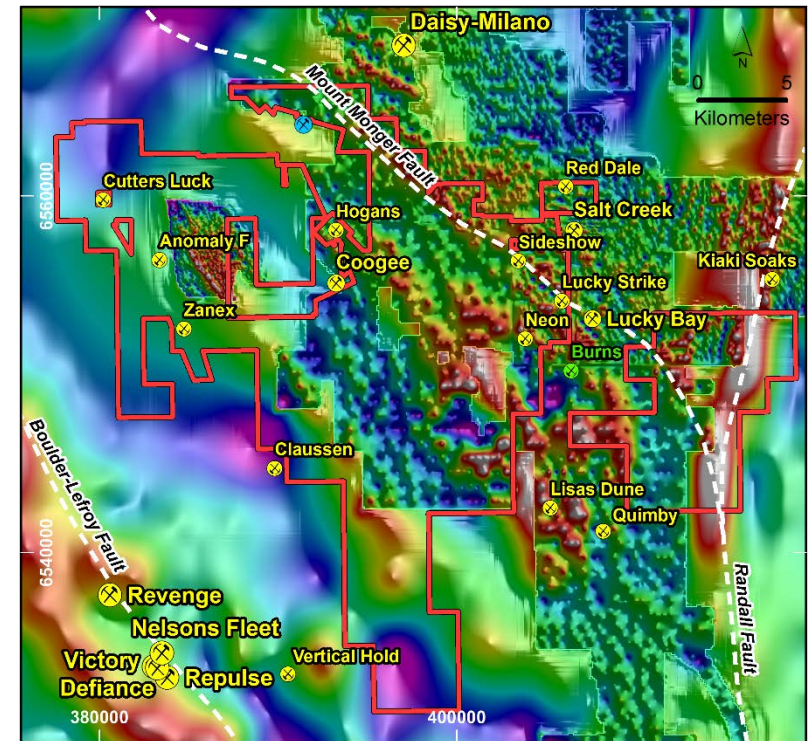
Lefroy Project: Innovative Techniques

Compiled geophysical data – major competitive advantage

Aeromagnetics RTP (40m)



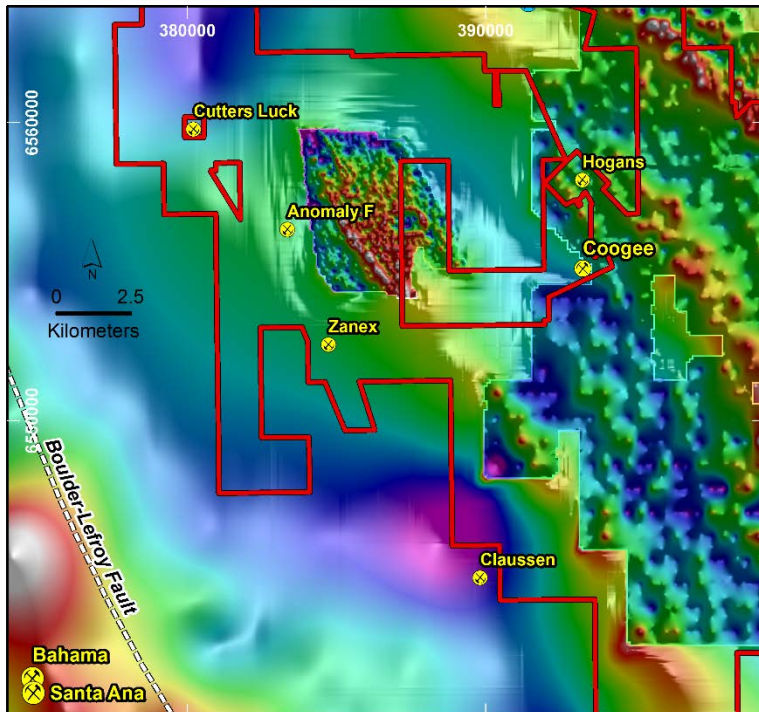
Gravity Bouguer 1VD



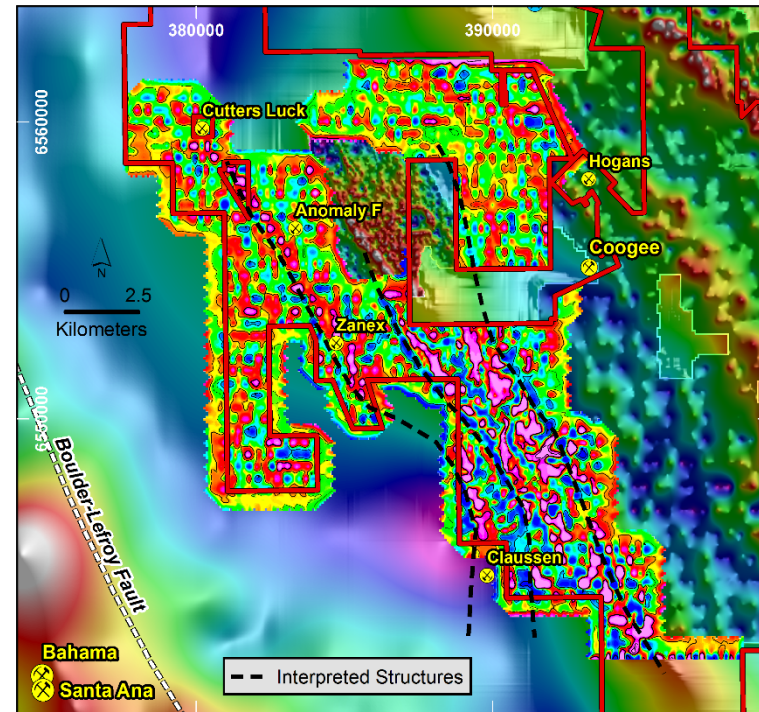
- Acquisition and merging of multiple ground gravity surveys has added another layer to advance the geological model and improve ranking of future targets
- First time this has been consolidated as one major dataset, recently enhanced with new detailed survey that adds a new layer of geological information.

Lefroy Project: Gravity Survey Old v New

Entire Lefroy Project now covered by detailed gravity data*



Gravity Bouguer 1VD



Gravity Bouguer 1VD-Stitched with Preliminary image from November survey*.

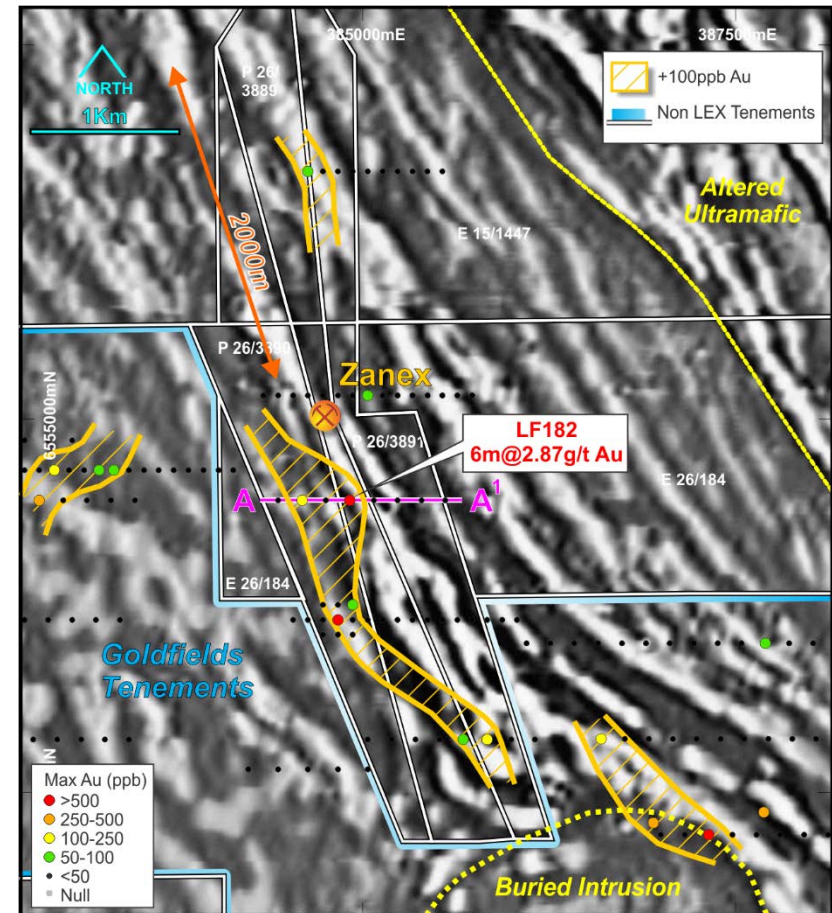
- Initial image from the newly acquired data* vastly improves understanding of geology and structural trends beneath Lake Lefroy over old regional data
- Early interpretation highlights three subparallel regional structures, with Zanex Prospect lying on westernmost trend
- Interpretation of geophysical datasets underway to provide targets for drill testing.

* Refer LEX ASX announcement 22November 2016

Lefroy Project-Zanex Prospect

Initial drill test to commence in early 2017

- Air core drill intersection of significant gold mineralisation (**6m@2.87g/t Au**) under Lake Lefroy reported in 1996*.
- Previous drilling is widespaced (160m x 800m)
- A subtle gold anomaly has been recognized from interpreting results of the previous drilling
- Target zone falls within the prospective Woolibar Fault corridor and supported by initial interpretation from gravity survey
- Statutory Heritage and Mines Department Approval process underway
- Subject to statutory approvals first pass air core drilling planned for March quarter 2017



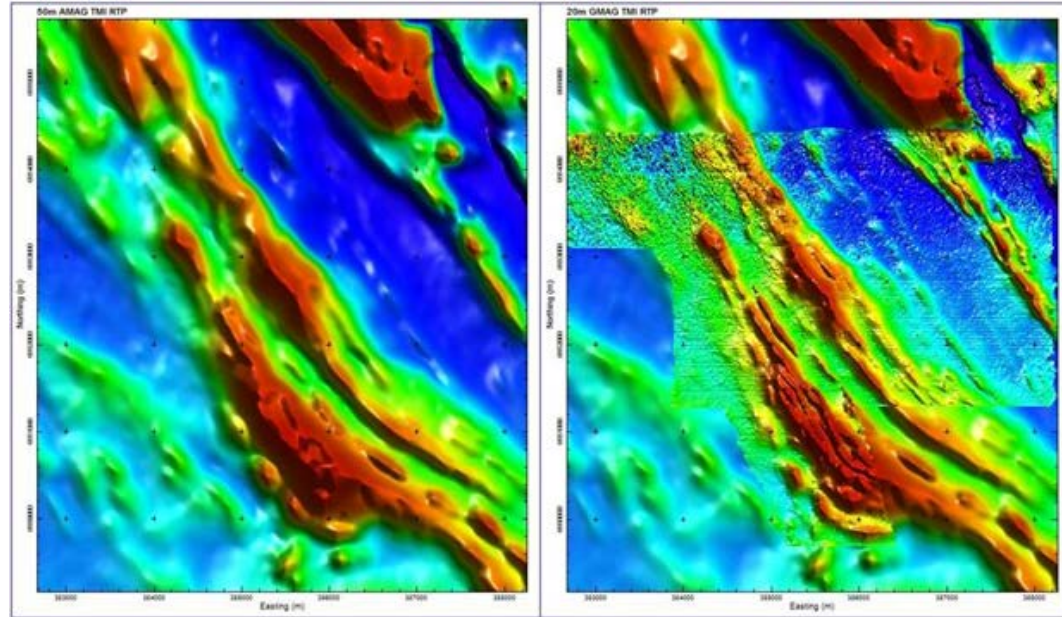
* Source reference LEX Prospectus dated 8 September 2016

Lefroy Project-Zanex Prospect

Utilising innovative techniques to improve target generation



SKIMPI* at Zanex-Core Geophysics



50m line spaced airmag data-TMI RTP

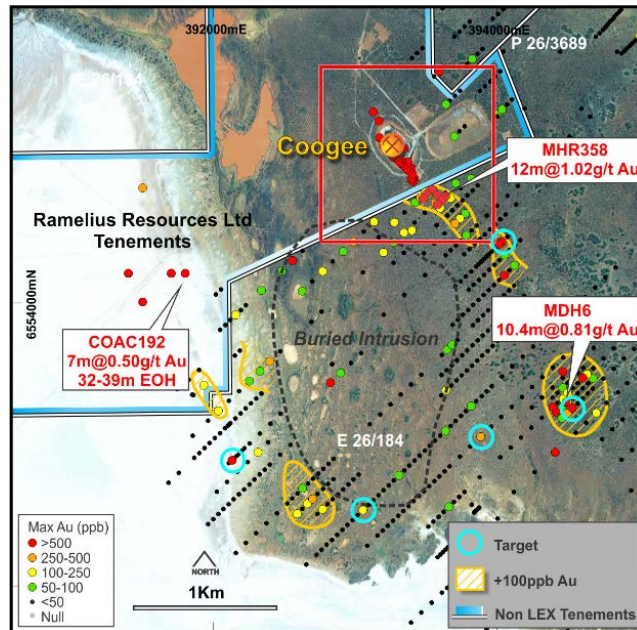
20m line spaced groundmag data-TMI RTP

- Employed new geophysical technique known as the SKIMPI* as a trial to better define and reveal the geology beneath the lake sediments.
- SKIMPI* designed and employed by Gold Fields Australia contributed to the discovery of Invincible on Lake Lefroy
- Improvement in the accurate location of breaks in magnetic patterns and contacts, refines target areas for focussed drill assessment

* Sled Kart Instrument for Magnetic Prospectivity Imaging-Gold Fields Australia, NewGenGold presentation 2015

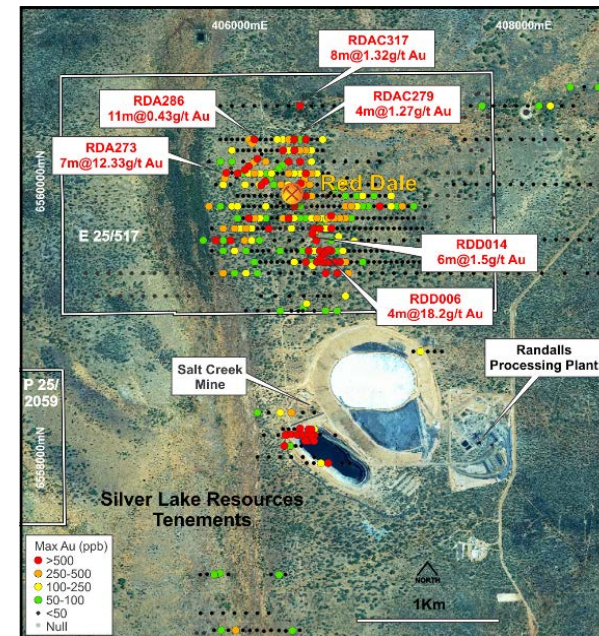
Lefroy Project: Next Targets for drilling

Coogee South*



- Immediately south of the Coogee open pit where 140Kt mined @5.2g/t for 22,000oz*
- Most drilling is mid 1990s vintage and is shallow RAB/Air core
- There has been no follow up exploration along strike of Coogee, the last phase being 2006
- Analogous setting to the Coogee Open Pit with added potential setting for multiple stacked lodes

Red Dale*

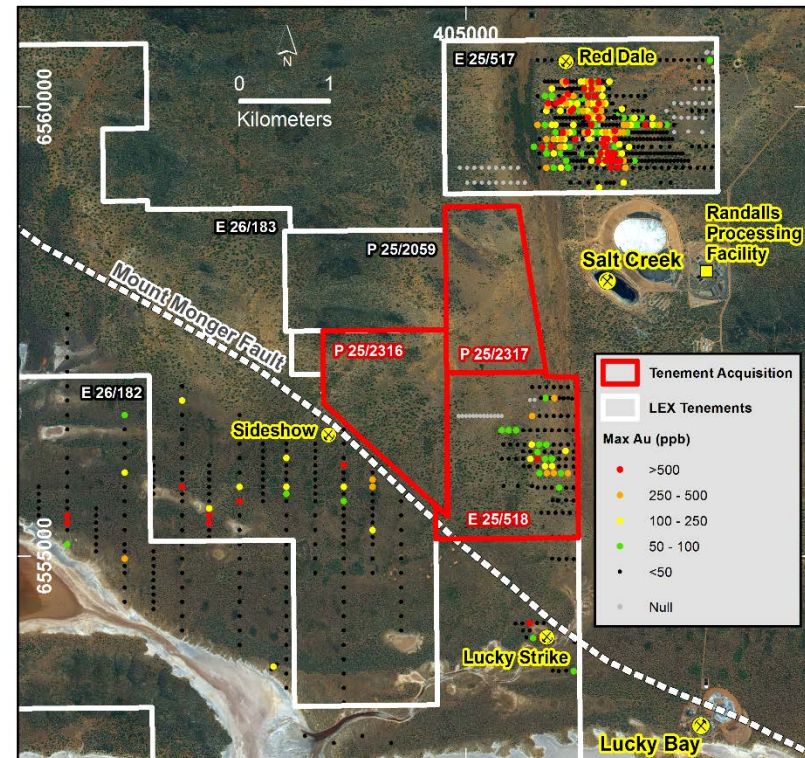


- Adjoins Silver Lake Resources Salt Creek Mine site and Randalls Processing Facility
- Gold mineralisation already discovered in bedrock and overburden by previous explorers
- Stratigraphic package similar to that at Salt Creek mine.
- There has been limited follow up drilling since 2011.

* Source reference LEX Prospectus dated 8 September 2016

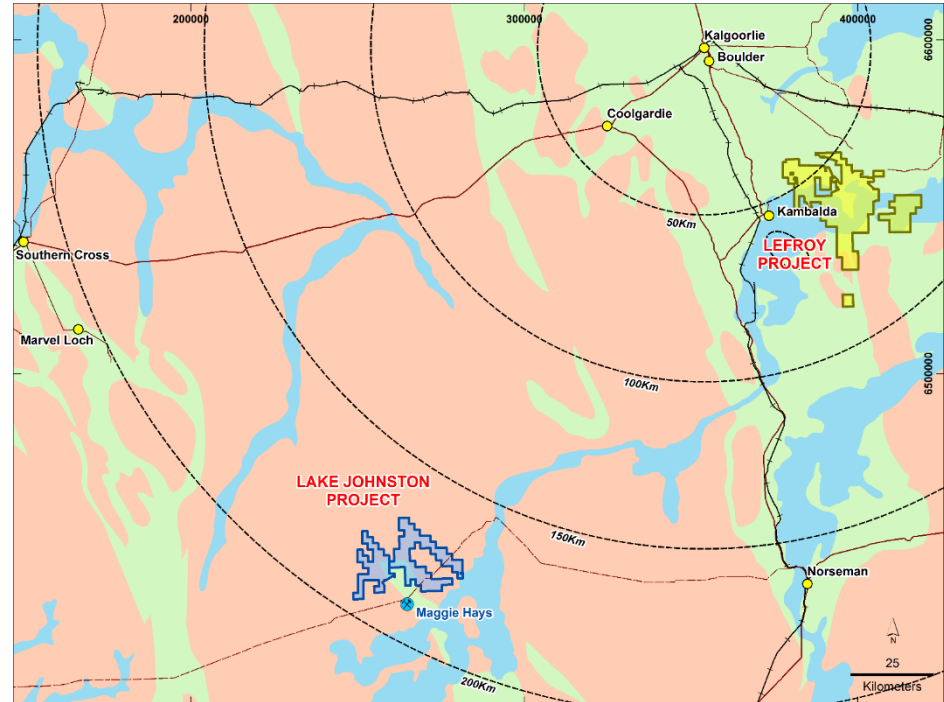
Lefroy Project: Enhancing the Portfolio

- Acquisition* of three granted contiguous tenements in November that adjoin the Lucky Strike and Red Dale Prospects.
- Tenements located adjacent to the interpreted position of the regional Mt Monger Fault
- Purchased from prospector, modest cash payment with no retained royalties.
- Strategically located, adjoining Silver Lake Resources Randalls Processing Facility
- Limited previous exploration undertaken along the Mt Monger fault corridor
- Targeting structural zones similar to that hosting the Lucky Bay open pit.



Lake Johnston Project: Overview

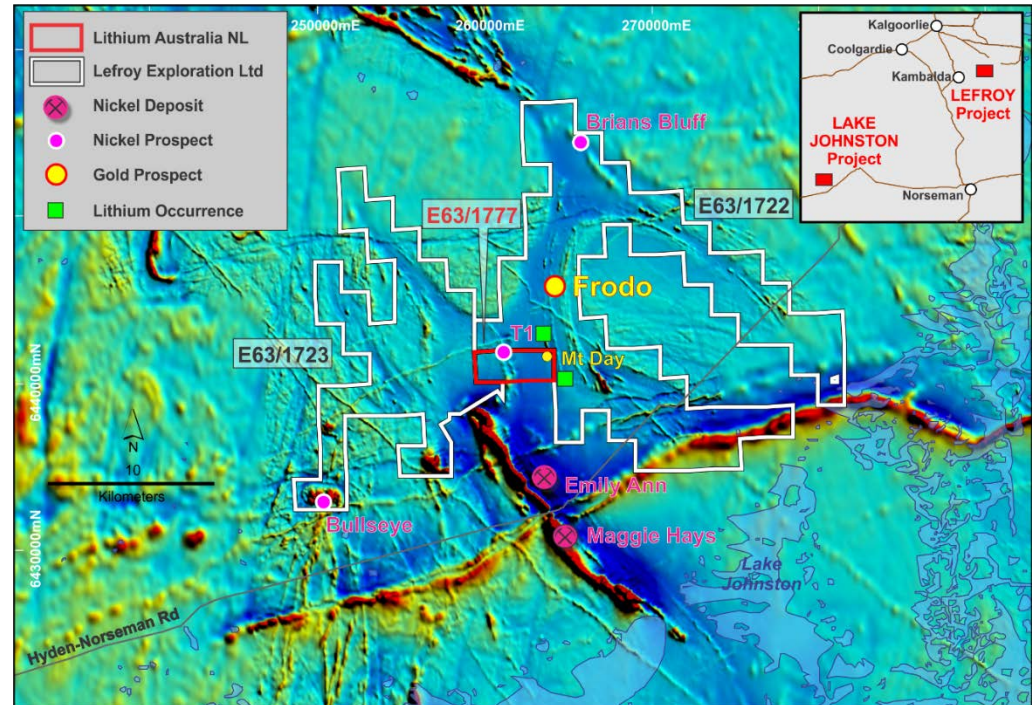
- The Lake Johnston Project is located to the west of Norseman and is north of the Maggie Hays and Emily Ann nickel deposits
- LEX considers the area prospective for gold and nickel
- All tenements are 100% owned and granted
- LEX secured the gold and nickel exploration rights for a Lithium Australia (ASX:LIT) tenement adjacent to the project's southern boundary
- LIT acquired from LEX the Lithium exploration rights to LEX's Lake Johnston tenements



Lake Johnston Project

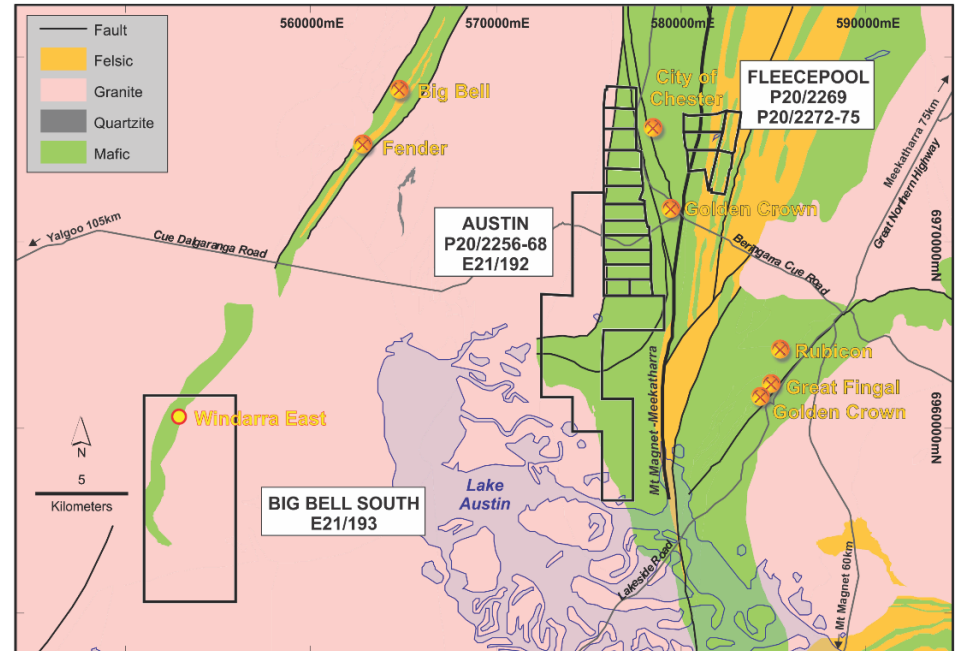
Large land holding prospective for gold and nickel

- Study by geophysical consultants Newexco has highlighted 3 targets with nickel sulphide (NiS) potential
- At the priority T1 nickel target, previous drilling of geophysical anomalies has intersected NiS
- Exploration will require modern deep-penetrating electro-magnetic (EM) surveys to define conductors that may indicate sulphides
- In addition the Frodo gold anomaly has been identified as a priority RC drill target
- Aeromagnetic survey planned for December 2016 to refine areas for follow up airborne EM survey.



Murchison Project: Overview

- LEX has portfolio of tenement applications in the Murchison between Cue and Big Bell considered prospective for gold.
- These tenements are The Austin and Fleece Pool tenements lie adjacent to the Cuddingwarra Gold Mining Centre
- The Big Bell South tenement covers the projected extension of the Big Bell shear, southwest of the Big Bell gold deposit
- Work is progressing through the statutory process to negotiate a Heritage agreement with the Native Title Claimants.
- Field work comprising surface sampling will commence upon grant of title expected in early 2017.



2017 – The Year Ahead

▪ Lake Lefroy

- **Coogee South:** Evaluation of mineralised trend with air core hammer drilling and follow up RC drilling
- **Lucky Strike:** Extension air core drilling planned to follow up anomalous intersections
- **Zanex:** To be evaluated by specialised lake air core drilling
- **Woolibar Corridor:** Early stage drill evaluation of targets generated from the geophysical surveys
- **Red Dale:** Work plan will consist of methodical and analytical review of previous drilling to define areas for follow up RC and diamond drilling
- **Neon:** A program of angled air core drilling on east-west traverses is planned

▪ Lake Johnston

- **T1:** Plan to conduct a deep penetrating TEM survey to better define the conductors identified from previous surveys
- **Frodo:** RAB hammer drilling is planned to close up drill spacing

▪ Murchison

- **Tenement Package:** Upon grant, a programme of geological reconnaissance mapping and rock chip sampling is planned
-

LEX Investor Highlights

- The Company has consolidated a highly prospective gold tenement package near Kalgoorlie, which complements its other tenement packages at Lake Johnston and in the Murchison District in Western Australia
- Six gold prospects identified (five at Lefroy and one at Lake Johnston) across all projects
- Inaugural drill program completed, next phase to commence March Quarter 2017
- The proximity of the Lefroy Project to nearby gold processing facilities potentially allows for the commercialisation of smaller gold discoveries
- The Company is well funded to undertake exploration with cash, liquid investments and no debt.
- Tight capital structure means that the share price is leveraged to exploration success
- The Board and Management Team have a strong track record of successful discovery, financing, development and management of mining projects

Thank You



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Competent Person Statement

The information in this presentation that relates to exploration results is based on, and fairly represents, information and supporting documentation compiled by Wade Johnson and Geoff Pigott, both competent persons who are members of the Australasian Institute of Geoscientists. Wade Johnson is employed by Lefroy Exploration Limited. Wade has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Wade Johnson consents to the inclusion in this report of the matters based on his work in the form and context in which it appears. Geoff Pigott is a Non-Executive Director of Lefroy Exploration Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Geoff Pigott consents to the inclusion in this report of the matters based on his work in the form and context in which it appears.