

Shortfall Cash Payment Strengthens Funding of Burns Exploration Programme

- Under the WLFI, St Ives Gold Mining Company Pty Ltd, a wholly owned subsidiary of Gold Fields Limited (Gold Fields) had the right to spend \$10million on exploration by 7 June 2021 to earn the right to 51% of the Western Lefroy Project.
- The WLFI allowed any shortfall in expenditure against the \$10million requirement (“shortfall”) to be made up by a cash payment. Gold Fields informed Lefroy that there of a shortfall of approximately \$2.76million to be satisfied as detailed below.
- Gold Fields and Lefroy executed a Side Deed to the WLFI and JV to confirm that the shortfall to be satisfied as follows:
 - a cash payment to LEX of 50% of the shortfall; and
 - excision of the Coogee South prospect from the WLFI with 100% ownership retained by Lefroy.
- Lefroy has received the cash payment of \$1.38million and Coogee South in accordance with the Side Deed.
- Following satisfaction of the shortfall, and in accordance with the WLFI Gold Fields must elect whether to proceed to the Stage 2 Farm-In. This gives Gold Fields the option to sole fund a further \$15 million of expenditure over the next three years to increase its interest in the WLFI to 70%.
- Lefroy is now well funded with approximately \$3.5million to advance exploration activities at Burns and commence early-stage work at Coogee South
- Diamond drilling continues at the Burns Cu Au prospect
- Lefroy intends to commence exploration at Coogee South in Q3 of 2021, with the program to include aeromagnetic and gravity surveys and a combined aircore, RC and diamond drilling program. Further details of this program will be released in the near future.

The Board of Lefroy Exploration Limited (ASX: LEX) (“**Lefroy**” or the “**Company**”) is pleased to provide a further update to the Western Lefroy farm-in (“**WLFI**”) with St Ives Gold Mining Company Pty Ltd, a wholly owned subsidiary of Gold Fields Limited (NYSE: GFI) (“**Gold Fields**”).

The Lefroy Gold Project (LGP) is wholly owned by the Company and is located approximately 50km to the southeast of Kalgoorlie in the Eastern Goldfields Province of Western Australia (Figure 1). The commanding, semi-contiguous, granted land package covers 637.6km² immediately east of and adjoining the world class +10Moz St Ives Gold camp, owned and operated by Gold Fields. The project is also immediately south of the high-grade Mt Monger gold centre operated by Silver Lake Resources Limited (ASX:SLR) (“**Silver Lake**”). Four gold processing operations are strategically located within 50km of the project and provide commercial options for processing any gold resources discovered.

LGP is referenced in two packages:

- **Eastern Lefroy** covering 265.6km² of wholly owned tenements (Figure 1) including Lucky Strike, Red Dale, Hang Glider Hill, Havelock, Burns and other sub-projects along or near the regional scale Mt Monger fault, and
- **Western Lefroy Farm-in (“WLFI”)** tenements (Figure 1) covering 372km² adjoining the Gold Fields tenements that make up the St Ives mining operation. Gold Fields can earn up to a 70% interest in the LEX tenements by spending up to a total of \$25million on exploration activities within 6 years of the commencement date, 7 June 2018.

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

In accordance with the Farm-in and Joint Venture Agreement dated 7 June 2018 (Principal Agreement) and as described in the Lefroy Exploration Limited ASX release dated 7 June 2018, Gold Fields had the right to fund \$10million of expenditure within 3 years of the commencement date to earn the right to a 51% joint venture interest.

Gold Fields has provided Lefroy with quarterly JV expenditure reports since commencement, and LEX has announced this expenditure since commencement in its Quarterly ASX reports. Gold Fields recently notified Lefroy that the full Stage 1 commitment would not be met due to operational delays and delays in accessing land-based exploration targets, and that it would rely on the Shortfall clause in the Principal Agreement to satisfy the Stage 1 Farm-in Requirement. The shortfall in expenditure was \$2.76million.

The parties executed a Side Deed on 18 June 2021 (refer LEX ASX release 21 June 2021) to allow the terms of the payment of the Shortfall to be satisfied in two parts as follows:

- Gold Fields must pay Lefroy 50% of the shortfall in cash (\$1.38million); and
- excise of a block of ground known as Coogee South (Figure 2) from the Farm In agreement, such that ownership and exclusive rights to the “Excluded Area” will be retained by Lefroy 100%.

The cash payment of the shortfall of \$1.38million exclusive of GST has been received by Lefroy and Coogee South has been excised.

Gold Fields now has the option to elect to proceed to the Stage 2 earn-in, which allows Gold Fields to sole fund a further \$15 million of expenditure over 3 years to earn an additional 19% interest to a total interest of 70%. If Gold Fields makes such election, then its sole funding obligations, and exclusive rights for exploration on the WLFJ Tenements (but not including the Excluded Area) will continue in accordance with the Principal Agreement.

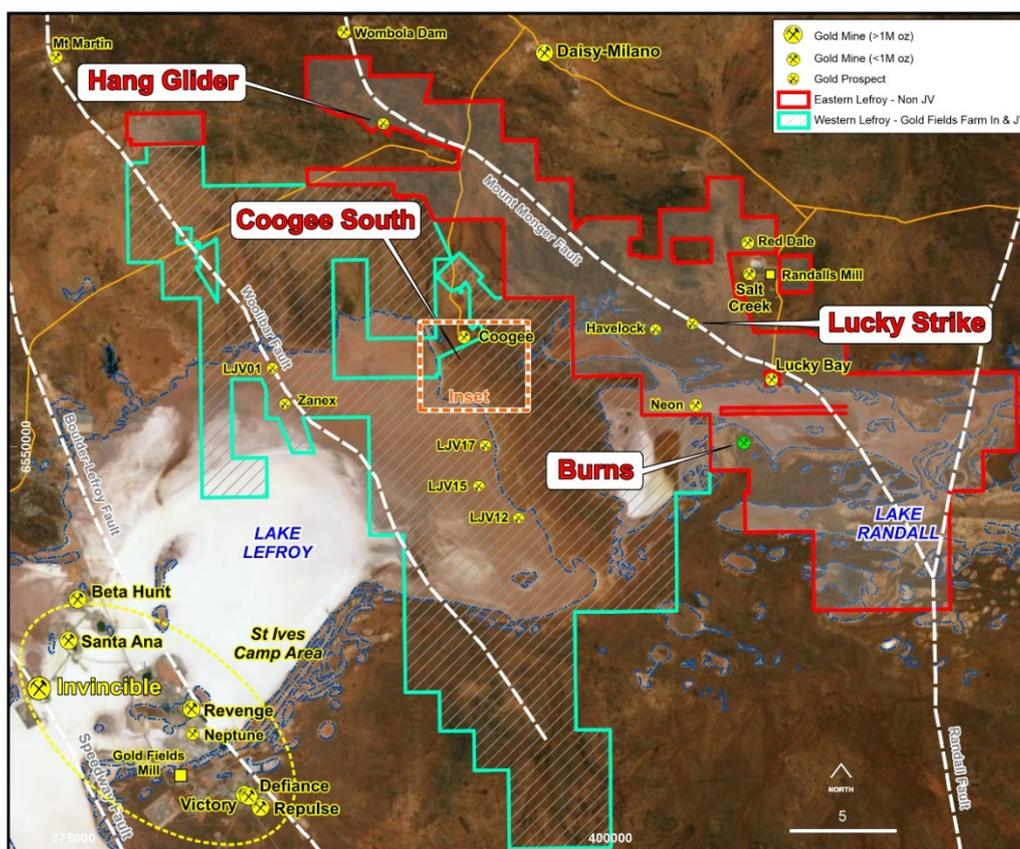


Figure 1 Lefroy Gold Project, highlighting Eastern and Western Lefroy, the location of the Burns prospect and proximity to Lucky Strike. Refer to Figure 2 for Coogee South excision.

With the receipt of the shortfall funds (\$1.38million) the Company now has approximately \$3.5million in closing cash. The Company is now well funded to advance exploration at the Burns Cu Au prospect where diamond drilling is underway, and commence early stage exploration involving geophysical surveys at Coogee South.

Coogee South Prospect

The Coogee South Prospect is located immediately along strike to the south of the high grade Coogee open pit (Figure 2), which was successfully mined by Ramelius Resources Limited (“Ramelius” and ASX: RMS) during 2014. Ramelius trucked the ore over 100km to the Burbank’s mill at Coolgardie, demonstrating that small high-grade deposits can be commercially developed.

The Company believes that the Coogee deposit is part of a larger gold system that surrounds a buried felsic intrusion (Figure 2). Further evidence of this is the discovery of a new occurrence of gold and copper mineralisation by Victory Mines Limited (“Victory” and ASX:VIC) in recent reverse circulation (RC) drill holes north and south of the Coogee open pit (VIC ASX release 11 May 2021).

Victory have commenced (refer VIC ASX release 11 June 2021) of a 6000m reverse circulation (RC) drilling program at Coogee North, located approximately 400m north of the north of the Coogee Pit. That program is following up earlier copper and gold intersections within altered porphyry intrusive and mafic host rocks.

The priority target at Coogee South is the area immediately along strike to the south of the Coogee Open pit, where RC drilling in 2006 recorded a best intersection of 17m at 1.67g/t Au from 99m in CSRC03 (Figure 2). The area remains open down dip and along strike. The RC drilling results are supported by a gold-copper anomaly defined by rotary air blast (RAB) drilling completed in the mid 1990’s that extends for approximately 500m to the south of the VIC- LEX tenement boundary.

The Company considers Coogee South to be a high priority, drill ready gold target and was the priority target in the Company’s 2016 Prospectus. The occurrences in earlier drilling of gold and copper mineralisation rimming a granitic intrusion (Figure 2), with associated magnetite alteration, are encouraging indicators with similarities with to the nearby Burns prospect.

This announcement has been authorised for release by the Board



Wade Johnson
Managing Director

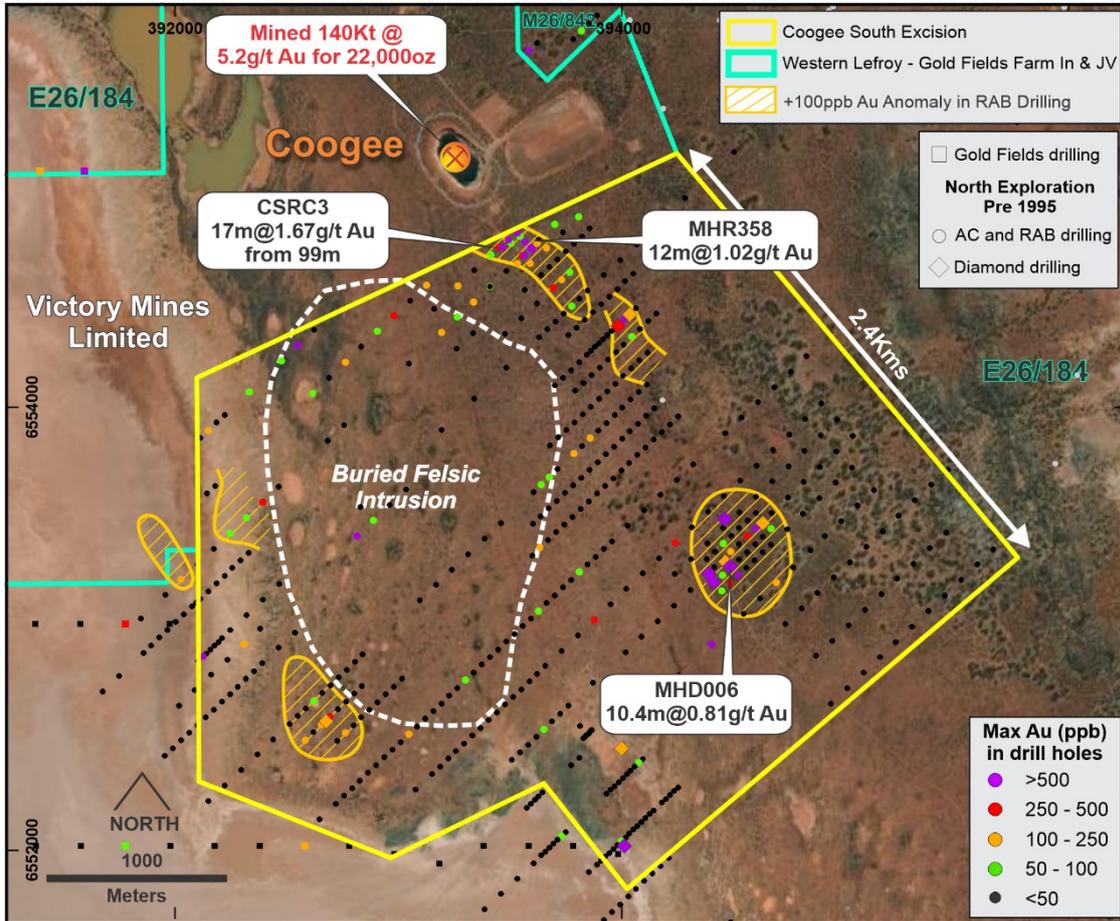
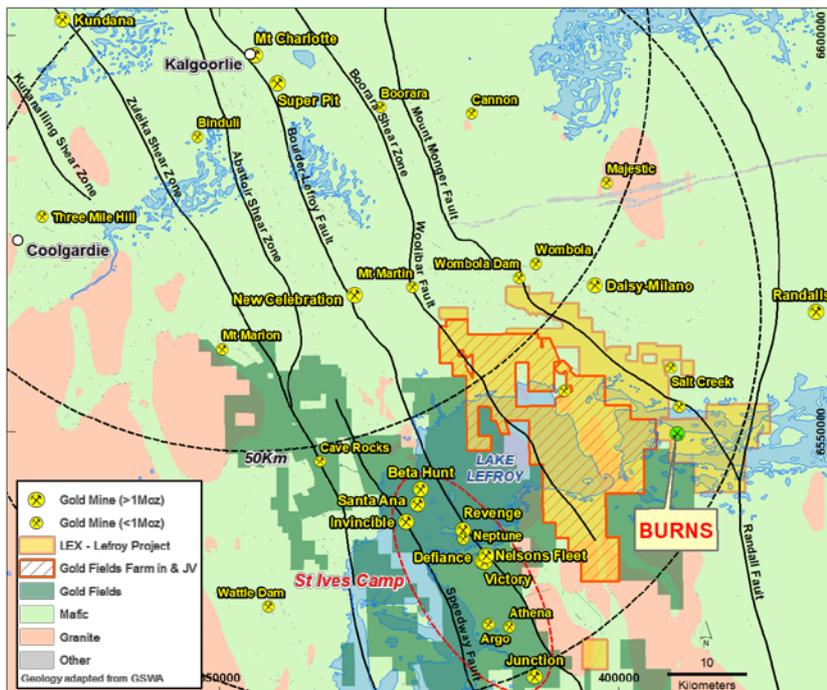


Figure 2 Inset Map showing the extent of the Coogee South excision from granted exploration licence 26/184 and proximity to the Coogee Open pit (Figure adapted from Figure 8 Independent Geologists Report in Lefroy Exploration Limited-Prospectus: 8 September 2016)

About Lefroy Exploration Limited and the Lefroy Gold Project

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

The 100% owned Lefroy Gold Project contains mainly granted tenure and covers 621km² in the heart of the world class gold production area between Kalgoorlie and Norseman. The Project is in close proximity to Gold Fields' St Ives gold camp, which contains the Invincible gold mine located in Lake Lefroy and is also immediately south of Silver Lake Resources' (ASX:SLR) Daisy Milano gold mining operation. The Project is divided into the Western Lefroy package, subject to a Farm-In Agreement with Gold Fields and the Eastern Lefroy package (100% Lefroy owned). The Farm-In Agreement with Gold Fields over the Western Lefroy tenement package commenced on 7 June 2018. Gold Fields can earn up to a 70% interest in the package by spending up to a total of \$25million on exploration activities within 6 years of the commencement date.



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

For Further Information please contact:

Wade Johnson

Managing Director

Telephone: +61 8 93210984

Email: wjohnson@lestroyex.com

Notes Specific-ASX Announcements

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

- Lefroy Exploration Limited-Prospectus: 8 September 2016
- Managing Directors AGM Presentation: 5 December 2016
- Western Lefroy Farm-In (WLFIn) and JV Update-Stage 1 Commitment to include Shortfall Payment: 21 June 2021

The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Wade Johnson a competent person who is a member of the Australian Institute of Geoscientists (AIG). Wade Johnson is employed by Lefroy Exploration Limited. Wade has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Wade Johnson consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears