Drilling Extends Gold Anomalies along the Woolibar Trend

Key Points

- Aircore drilling extends the footprint of gold anomalism at the Zanex and LLT04 prospects located along the Woolibar Trend within Lake Lefroy.

- Encouraging gold intersections from composite samples include 12m at 0.60g/t Au from 44m in LEFA 193, 4m at 1.73g/t Au from 48m in LEFA 204 and 4m at 0.91g/t Au from 28m in LEFA 212.

- At Zanex, the gold anomaly is now defined over a 1000m strike length within altered basalt and remains open along strike.

- At the LLT04 target, step out drilling has extended the gold anomaly a further 350m to the north, to a total 1500m and coincident with a geophysical anomaly.

- The definition of the two anomalies confirms the Company’s strategy to generate new exploration targets by assessing historical data and recognising anomalies that have been overlooked.

- Planning is underway to test for the primary source of the gold anomalism at Zanex and for further aircore drilling to better define and extend the LLT04 target setting.

The Board of Lefroy Exploration Limited (ASX: LEX) (“Lefroy” or “the Company”) is pleased to announce the receipt of final assay results for composite samples from a follow up early stage aircore drilling program along the Woolibar Trend within Lake Lefroy at its flagship Lefroy Gold Project (“LGP or Project”), located approximately 50km to the south east of Kalgoorlie, and 12km north west of the St Ives gold camp.
PROGRAM.

The recent program consisting of 42 vertical aircore drill holes totaling 2225m evaluated the Zanex and LLT04 target areas that were defined from an initial drilling program in February 2017. The program utilised specialised lake drilling rig, with both targets being located some 5km from the Lake Lefroy shoreline (Figure 1).

At Zanex 23 holes (LEFA182-203) were drilled to both infill around the existing holes to 40m or 80m centres and 80m-160m line spacing and to evaluate the northern strike extent of the system a further 160m. The results (Table 1) from composite samples have defined a trend over a 1000m strike length, and open along strike based upon maximum gold value in hole. The best result from the program was 12m at 0.60g/t Au from 44m in LEFA193 within an infill drill line with holes spaced at 80m centres (Figure 2).

The results are considered significant given the early stage wide spaced nature of the program and when placed in the context of stripped regolith profile where the magnitude of an anomaly can be subdued, and the discovery history of the Invincible Gold Deposit 13km to the south west in Lake Lefroy. The Invincible and Invincible South gold discoveries at St Ives were generated from subtle gold anomalies from aircore drilling that lay dormant in the database for many years, because of the low tenor gold results and small geochemical footprint, and when considered with respect to a classical supergene model (Woodcock, et al, 2015).

Figure 1 Location of the Zanex and LLT04 targets on Lake Lefroy relative to St Ives, and right image shows inset to Zanex showing extent of drilling over detailed ground magnetic image. (Refer to figure 2 for Zanex and figure 3 for LLT04 detailed inset maps)
The Zanex gold anomaly is coincident with a northwest trending sequence of altered and deformed high Mg Basalt and basalt that is intruded by porphyry and remains open along strike. Subparallel and adjacent to the anomalous trend is a palaeochannel (Figure 2) that reaches a maximum depth from surface of 45m. The palaeochannel mimics the trend of the highly altered and gold mineralised basalt unit and supports the Company’s view that it follows a preexisting structural corridor in the altered bedrock and can be used as a proxy in this area to focus additional drilling.

At the LLT04 gold anomaly, 18 vertical air core holes (LEFA204-221) were drilled to follow up the broad subtle gold anomaly (plus 40ppb Au) generated from the February drill program but also to focus evaluation along the contact of a northwest trending magnetic-gravity unit (Figure 3). The area also had been previously explored for gold by North Limited in the mid 1990’s by wide spaced air core drilling that had intersected subtle, but unexplained gold anomalism. Four 320m spaced east west lines were completed with holes at either an 80m or 160m centres.

The results from the composite samples from the drilling program have reinforced and enhanced the existing gold anomaly, extending it a further 320m to the north with a best intersection of 4m at 1.73g/t Au from 48m in hole LEFA 204. Importantly the anomaly is adjacent to the interpreted contact between magnetite basalt and intermediate volcanic rocks, which appears to be defined from both aeromagnetic and gravity imagery. The coincidence of geological and geophysical features with gold anomalism further strengthens and elevates the priority of the target and now provides a target corridor to focus further exploration.
Commenting on the results of the drilling program Lefroy Exploration Limited Managing Director, Wade Johnson said “these are encouraging results from a wide spaced and relatively shallow geochemical focused drilling program that support and extend the Zanex and LLT04 targets. The tenor and extent of the subtle gold anomalism when considered against the discovery history of the Invincible gold deposit where the average end of hole air core grade was less than 0.1g/t gold from the early holes cannot be ignored and diamond drilling at Zanex is a priority to gain a further appreciation of the system”

BACKGROUND.

The Company completed an early stage aircore drill program in February 2017 to evaluate seven priority target areas located within the eastern part of Lake Lefroy in its wholly owned tenement package (Figure1). The seven targets evaluated comprised six conceptual targets defined from geophysical datasets and one geochemical target known as the Zanex Prospect, where previous drilling by Cyprus Gold Australia Limited in 1997 intersected 6m at 2.97gpt Au from wide spaced aircore drilling (refer to LEX Prospectus dated 8 September 2016).

The six conceptual targets were generated following interpretation of airborne magnetic and detailed ground gravity geophysical datasets that has provided an improved geological and structural framework for the area (refer LEX: ASX announcement 23 December 2016).
All targets evaluated in the February program lie along or adjacent to a corridor termed the Woolibar Trend (Figure 1). Within Lake Lefroy, the targets extend over a 10km northwest strike length. To the north of Zanex, this trend encompasses the historical Cutters Luck gold workings and a series of small but nevertheless important alluvial gold workings. These occurrences supported the hypothesis that the trend could be gold mineralised structure that is subparallel to the major Boulder Lefroy Fault which controls mineralisation at the highly endowed St Ives Gold camp to the west (Figure 1).

The results from the February early stage drill program reaffirmed the tenor of gold at the Zanex Prospect and highlighted two new and emerging targets at LTT04 and LTT06 that are based upon a subtle geochemical gold (plus 40ppb Au) signature, a favourable geological environment and trends defined from ground magnetic data (Figure 1&2).

The Zanex Prospect consists of a north west trending sequence of strongly altered high Mg basalt over a 500m strike length intruded by altered porphyry. An encouraging intersection of 17m at 2.14g/t Au from 40m to the end of hole returned from hole LEFA 47 was returned from the February drilling program. The hole intersected some 20m of transported cover above saprolite and terminated in an interpreted altered mafic lithology.

At the LLT04 and LLT06 targets, contouring maximum gold value in each hole resulted in the definition of cohesive anomalies (+40ppb Au) that are located 3.5km apart along strike on the same magnetic unit, which from bottom of hole drill chips is recognised to be a magnetite altered mafic unit. Importantly, the best intersections returned from each anomaly were 4m at 1.71g/t Au from 44m in LEFA 086 at LTT04, and 4m at 2.39g/t from 88m in LEFA 113 at anomaly LTT06.

FUTURE WORK PROGRAM

The Company is very encouraged by the recent results and the advancing geological model at the Zanex and LLT04 targets within Lake Lefroy. The short focused program has not only extended the anomalies but placed them in geological-geophysical context that will assist in planning and focussing further exploration.

Advancing the geological model is integral to the ongoing work program and will involve incorporating the new geological knowledge from drilling to further interrogate the geophysical data, to deliver an updated geological interpretation of the Woolibar Trend and generate new drill targets. Follow up evaluation is being planned for both targets with a combination of diamond and aircore drilling at Zanex, and aircore drilling at LLT04 to extend and infill the existing anomaly.
Table 1 May 2017 AirCore Drilling-Lefroy Gold Project-Woolibar Trend

Drill hole intersections tabulated below are calculated with a 0.10g/t Au lower cut for the entire drill program. Samples are routinely collected as 4m composite intervals. The last sample of each hole is dedicated 1m interval, and the prior sample can vary from 1-4m depending on final depth. **Only significant (>0.10g/t Au) intersections are shown.**

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<tr>
<th>Hole Id</th>
<th>Collar N (MGA)</th>
<th>Collar E (MGA)</th>
<th>Collar RL</th>
<th>Dip °</th>
<th>Azimuth °</th>
<th>Hole Depth (m)</th>
<th>Depth From (m)</th>
<th>Depth To (m)</th>
<th>Gold Intersection (downhole width)</th>
<th>Au Value (g/t)</th>
<th>Area</th>
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**including**

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<th>Collar RL</th>
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<th>Azimuth °</th>
<th>Hole Depth (m)</th>
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About Lefroy Exploration Limited and the Lefroy Gold Project

Lefroy Exploration Limited is a new WA based and focused explorer taking a disciplined methodical approach in the search for high value gold and nickel deposits. Key Projects include the Lefroy Gold Project to the south east of Kalgoorlie and the Lake Johnston Project 120km to the west of Norseman.

The 100% owned Lefroy Gold Project contains granted tenure covering 547km², located 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 newly discovered Invincible gold mine located in Lake Lefroy, and is also immediately south of Silver Lake Resources (ASX: SLR) Daisy Milano gold mining operation.

Location of the Lefroy Gold Project relative to Kalgoorlie, Gold Fields St Ives Gold Camp near Lake Lefroy, and major gold deposits.

For Further Information please contact:

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Managing Director
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Email: wjohnson@lefroyex.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 on the Woolibar Trend in the Lefroy Gold Project.

- Lefroy Exploration Limited-Prospectus 8 September 2016
- Lefroy Commences Exploration 24 October 2016
- Gravity Survey Completed at Lefroy Project 22 November 2016
- Managing Directors AGM Presentation 5 December 2016
- Exploration Update 23 December 2016
- Drilling Campaign Commences on Lake Lefroy 8 February 2017
- Initial Drilling at Lake Lefroy Completed 9 March 2017
- Exploration Update: New Gold Anomalies Defined in Lake Lefroy 3 April 2017
- Quarterly Activity Report ending 31 March 2017, 28 April 2017
- Investor Presentation 9 May 2017

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.

Reference
**Criteria** | **JORC Code Explanation** | **Commentary**
--- | --- | ---
**Sampling techniques** | • Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | • The sampling noted in this release has been carried out using AirCore (AC) drilling at two targets located in Lake Lefroy, along a corridor termed the Woolibar Trend. The AC program comprised 42 vertical holes for 2225m, holes varying in depth from 13-81m with an average depth of 53m. At each target hole spacing was primarily at 80m centres on traverses located 160m to 320m apart. At Zanex the line spacing was bought down to a regular 80m grid • Sampling and QAQC protocols as per industry best practice with further details below. • AC samples were collected from the cyclone at 1m intervals and laid out in rows of 10 or 20m (10-20 samples) on the ground (salt lake) or contained in green plastic bags. If laid out on the ground 1m library samples were collected in calico sample bags for future detailed sampling if required. Composite 4m samples were then collected by scoop or grab sampling the 1m piles with a flour scoop to produce a bulk 2-3kg sample which was sent to the Laboratory in Kalgoorlie for analysis. Samples were dried, pulverised, split to produce a 40g sample for analysis by fire assay with Au determination by Atomic Absorption Spectrometry.

**Drilling techniques** | • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | • The AirCore (AC) drilling was completed by Raglan Drilling (Kalgoorlie). The AC drill bit has a diameter of 78mm and collects samples through an inner tube to reduce contamination, but also allows better penetration through any palaeochannel puggy clays and fine sands. Aircore drilling is blade refusal and hence terminates in fresh rock or hard material such as quartz.

**Drill sample recovery** | • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | • The majority of the samples collected from the AC drill program were moist. Given all the drilling was in Lake Lefroy the initial 0-20m of drilling was wet with muddy samples, some with poor recovery. Minor AC samples were wet at the base of the holes. Sample recovery below the base of alluvium (BOA) was considered appropriate with some samples dry with good sample recovery. • Sample recovery size and sample condition (dry, wet, moist) recorded. Recovery of samples estimated to be 10-100%, with limited recovery particularly drilling through the surficial lake clays and puggy moist transported clays. • Drilling with care (eg. clearing hole at start of rod, regular cyclone cleaning) if water encountered to reduce incidence of wet – sticky sample and cross contamination. • Insufficient sample population to determine whether relationship exists between sample recovery and grade. The quality of the sample (wet, dry, low recovery) was recorded during logging.

**Logging** | • Whether core and chip samples have been geologically logged. | • Detailed logging of drill chips to record,
<table>
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<th>Criteria</th>
<th>JORC Code Explanation</th>
<th>Commentary</th>
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<tr>
<td>and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</td>
<td></td>
<td>logging carried out by sieving 2m composite sample cuttings, washing in water and the entire hole collected in plastic chip trays for future reference. Every hole was logged for the entire length.</td>
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<tr>
<td>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</td>
<td></td>
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<tr>
<td>• The total length and percentage of the relevant intersections logged.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-sampling techniques and sample preparation</td>
<td>• If core, whether cut or sawn and whether quarter, half or all core taken.</td>
<td>No core drilling completed</td>
</tr>
<tr>
<td>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</td>
<td></td>
<td>Composite samples of 4m were collected by scoop or grab (sticky clays) sampling 1m intervals into pre-numbered calico bags. Sample weight 2 - 3 kg. Sample intervals: 1m. Collected 4m Samples placed in plastic and/or polyweave bags for despatch to both assaying laboratories.</td>
</tr>
<tr>
<td>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</td>
<td></td>
<td>The sample preparation of the AC follows industry best practice, involving oven drying, pulverising, to produce a homogenous sub sample for analysis.</td>
</tr>
<tr>
<td>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</td>
<td></td>
<td>Along with composite samples, standards and blanks were randomly inserted (approximately every 40 samples) and were included in the laboratory analysis. Standards were certified reference material prepared by Geostats Pty Ltd. Duplicate samples were collected at zones of interest and at irregular intervals of about 1 in every three holes.</td>
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<td>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</td>
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<td>• Whether sample sizes are appropriate to the grain size of the material being sampled.</td>
<td></td>
<td></td>
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<tr>
<td>Quality of assay data and laboratory tests</td>
<td>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</td>
<td>Samples routinely analysed for gold using the 40gram Fire Assay digest method with an AAS finish at Bureau Veritas’s Kalgoorlie Laboratory. A Bottom of Hole (BOH) sample was also collected but is yet to be analysed. This sample was carefully selected and collected by the geologist to represent near fresh (Saprock) rock at the base of the hole and will be analysed for a suite of elements.</td>
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<tr>
<td>• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</td>
<td></td>
<td>No geophysical tools, spectrometers or hand held XRF instruments used.</td>
</tr>
<tr>
<td>• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</td>
<td></td>
<td>Quality control process and internal laboratory checks demonstrate acceptable levels of accuracy. At the laboratory, regular assay repeats, lab standards, checks and blanks are analysed.</td>
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</table>
| Verification of sampling and assaying        | • The verification of significant intersections by either independent or alternative company personnel.  
  • The use of twinned holes.  
  • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.  
  • Discuss any adjustment to assay data.                                                                 | • The results have been reviewed and checked by alternative company personnel.  
  • No holes were twinned  
  • Capture of field logging is electronic using Toughbook hardware and Logchief software. Logged data is then exported as an excel spreadsheet to the Company's external database managers which will be loaded to the Company's DATASHED database and validation checks completed to ensure data accuracy. Assay files are received electronically from the laboratory by the Managing Director and filed to the company's server, and provided to the external database manager.  
  • All chip trays photographed and catalogued for future reference  
  • There has been no adjustment to the assay data. The primary Au field reported by the laboratory is the value used for plotting, interrogating and reporting. |
| Location of data points                      | • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.  
  • Specification of the grid system used.  
  • Quality and adequacy of topographic control.                                                                 | • Drill hole positions were surveyed using a hand-held Garmin GPS with a horizontal (Easting Northing) accuracy of +−5m. Drill location is set up by the supervising geologist. No downhole surveys completed.  
  • Grid System – MGA94 Zone 51.  
  • Topographic elevation captured by using reading from Garmin hand held GPS with an accuracy of+−10m and considered suitable for the flat terrain. |
| Data spacing and distribution                | • Data spacing for reporting of Exploration Results.  
  • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.  
  • Whether sample compositing has been applied.                                                                 | • Hole spacing at nominal 80m or 160m centres on new east west orientated drill lines with line spacing's varying from 160m to 320m. Infill drilling (4 holes) to 80m line spacing at the Zanex Prospect.  
  • AC samples composite range 2-4m but generally 4m. No assay compositing has been applied. |
| Orientation of data in relation to geological structure | • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.  
  • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.                                                                 | • The East West orientated drill traverses considered effective to evaluate the northerly-north westerly trending geology and interpreted regional Woolbar Fault which has been interpreted from aeromagnetic and gravity data. Drill holes are reconnaissance and are orientated appropriately to ensure unbiased sampling of the geological trends  
  • The AC drilling is reconnaissance in nature, being wide spaced and the orientation of the deformed rocks intersected is yet to be confirmed. |
| Sample security                              | • The measures taken to ensure sample security.                                                                 | • Individual composite samples were bagged in polyweave bags, collected and personally delivered to the Bureau Veritas Laboratory in Kalgoorlie by the Field Supervisor. Samples were sorted and checked for inconsistencies against submission sheet by Bureau Veritas staff at the Kalgoorlie laboratory.  
  • Bureau Veritas check the samples received against the LEX submission form to notify of any missing or extra samples. Following |
### Section 2: REPORTING OF EXPLORATION RESULTS – LEFROY PROJECT-Woolibar Trend as at 19 June 2017

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<tr>
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| **Mineral tenement and land tenure status** | • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.  
• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | • The Lefroy Project is located approximately 50 km in south east from Kalgoorlie, Western Australia and consists of a contiguous package of wholly owned tenements held under title by LEX or its wholly owned subsidiary’s Hogans Resources Pty Ltd. The work described in this report was undertaken on Prospecting leases P26/3889, P26/3890 and Exploration Licences 15/1447 & E26/184 held 100% by Lefroy Exploration Limited.  
• The tenements are current and in good standing with the Department of Mines and Petroleum (DMP) of Western Australia. |
| **Exploration done by other parties** | • Acknowledgment and appraisal of exploration by other parties. | • Within Lake Lefroy and along the interpreted Woolibar Trend the key exploration in the area now known as Zanex was completed Cyprus Gold Australia Corporation in 1997 and this drill program is well documented in a report to the Department of Mines and Petroleum WAMEX report A52840. This report clearly documents the air core drill program that resulted in the intersection in hole LFA182 drilled by Cyprus Gold Australia Limited. At the LLT 04 target prior drilling was completed by North Limited in 1996 and is documented in WAMEX report a48593. These holes are depicted on Figures 2&3. |
| **Geology** | • Deposit type, geological setting and style of mineralisation. | • The Lefroy Project is located in the southern part of the Norseman Wiluna Greenstone Belt and straddles the triple junction of three crustal units, the Parker, Boorara and Bulong Domain. The Lefroy project tenements are mostly covered by alluvial, colluvial and lacustrine material with very little outcrop. The project is underlain by a folded and fault bounded sequence of Archaean rocks, and in the Woolibar trend within Lake Lefroy area being predominantly metasediments, High Mg basalt and basalt. The key structural element is the interpreted North West trending Woolibar Fault. |
| **Drill hole Information** | • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:  
  • easting and northing of the drill hole collar  
  • elevation or RL (Reduced Level – elevation above) | • Table containing drill hole collar, survey, and intersection data for material (gold intersections >0.10g/t Au) drill holes are included in the Table in the body of the announcement.  
• No Information has been excluded.  
• There are historical drill holes within the analysis, the sample pulps and residues are retained by the laboratory in a secure storage yard.  
• All results of this drill program were reviewed by the Senior Exploration Geologist and Managing Director. Anomalous gold intersections checked against library chip trays to correlate with geology. No specific site audits or reviews have been conducted. |
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<th>JORC Code Explanation</th>
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| sea level in metres) of the drill hole collar | • dip and azimuth of the hole  
• down hole length and interception depth  
• hole length.  
• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | Zanex and LLT 04 prospects and these are depicted on the drill hole plan and section in the announcement. These holes were drilled by Cyprus Gold Australia Corporation in the mid 1990’s.  
• There are historical holes at the LLT04 target drilled by North Limited in 1996, the location depicted on Figure 3 in the body of the announcement. |
| Data aggregation methods | • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.  
• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.  
• The assumptions used for any reporting of metal equivalent values should be clearly stated. | • There is no weighting or averaging of the reported grades. High grades have not been cut. A lower cut off of 0.10g/t Au has been used to identify significant results in Table 1. These are considered significant given the first pass reconnaissance nature of the drilling.  
• Where present, higher grade values are included in the intercepts table and assay values equal to or > 1.0 g/t Au.  
• No metal equivalent values or formulas used. |
| Relationship between mineralisation widths and intercept lengths | • These relationships are particularly important in the reporting of Exploration Results.  
• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.  
• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’). | All results are based on down-hole metres.  
• Given the wide spaced reconnaissance nature of the drilling the geometry of the mineralisation reported is not sufficiently known and the true width is not known |
| Diagrams | • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. | Appropriate summary diagrams (section & plan) are included in the accompanying announcement. |
| Balanced reporting | • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | Significant assay results are provided in Table 1 for the entire LEX drill program.  
• Drill holes with no significant results are not reported.  
• Significant assay results from historical drilling are noted in the body of the report (Zanex) and depicted on Figure 3. |
| Other substantive exploration data | • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | All relevant data has been included within this report. |
| Further work | • The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).  
• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | The next stage of exploration will involve collection of 1m re samples from drill holes, updating the geological model and planning further air core and diamond drilling. |