

Completion of Sale of Murchison Project to Golden State Mining

Murchison Project Sale Overview

Lefroy Exploration Limited (ASX:LEX) (“**LEX**” or the “**Company**”) is pleased to announce that it has completed the sale of its 100% interest in the tenements it holds in the Murchison region of Western Australia (“**the Murchison Project**”) to Golden State Mining Ltd (ASX:GSM) (“**GSM**”). The sale was completed on 23 January 2019 on the terms outlined in the Company’s ASX release on 20 December 2018.

Having listed in the ASX in November 2018, GSM has already completed its first drilling campaign at its Cue Project, which is located near to the Murchison Project (refer to Figure 1).

The consideration mix provides exposure to exploration success by GSM at the Murchison Project (as well as GSM’s existing projects), while allowing LEX to continue to focus on its 100% owned Eastern Lefroy Project, where it continues to have exploration success at several prospects including Lucky Strike.

New Holland Capital was the corporate advisor and Hewett and Lovitt Pty Ltd was the legal advisor to LEX in relation to the transaction.

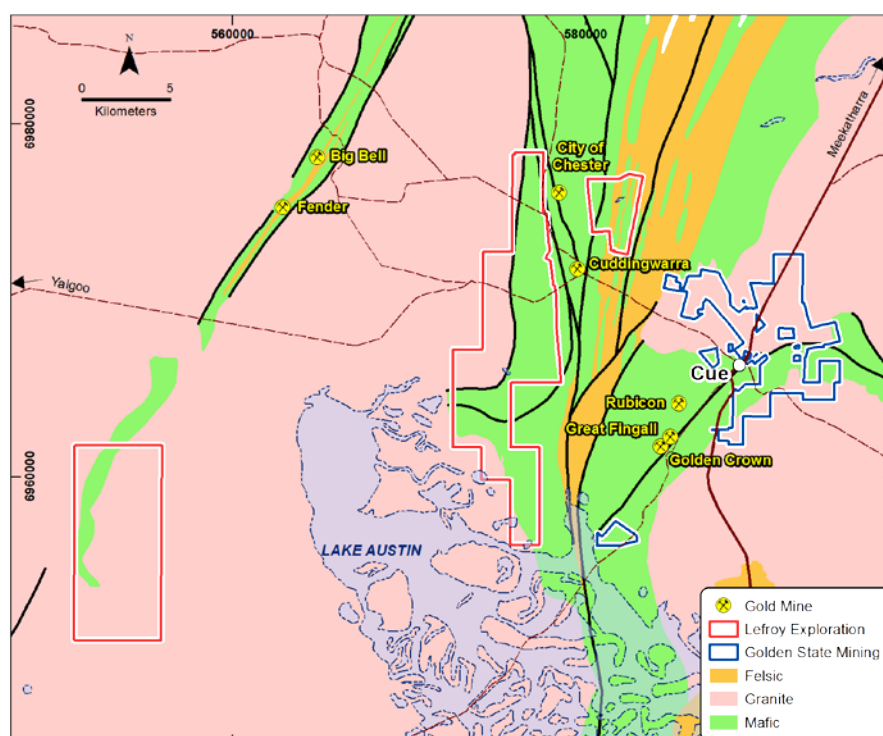


Figure 1: LEX Murchison Project and GSM Cue Project locations

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 south east of Kalgoorlie and the Lake Johnston Project 120km to the west of Norseman.

The 100% owned Lefroy Gold Project contains mainly granted tenure covering 598km² 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% LEX owned). The Farm-in Agreement with Gold Fields over the Western Lefroy 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 \$25 million on exploration activities within 6 years of commencement.

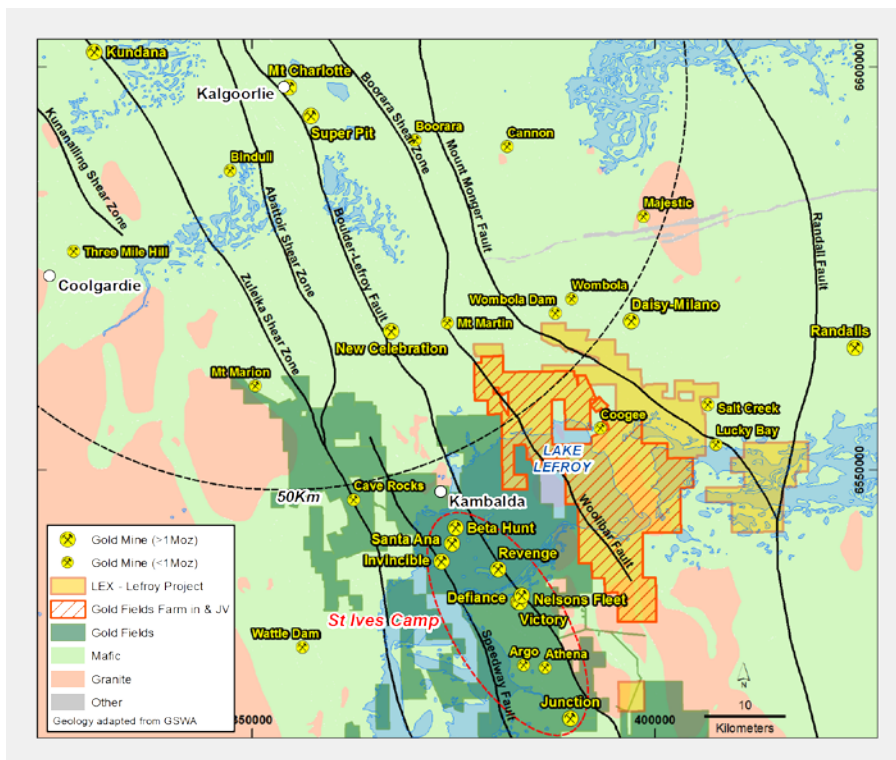


Figure 2: Location of the Lefroy Gold Project relative to Kalgoorlie, major gold deposits in the district and the land holdings of Gold Fields, Northern Star, and Silver Lake Resources.

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