

14 October 2016

Ms Luxmy Wigneswaran
Principal Adviser
Listings Compliance (Sydney)
ASX Compliance Pty Limited
Sydney, NSW

Dear Lux

Confirmation statement

Lefroy Exploration Limited (formerly US Masters Limited) (**Company**) confirms the following:

1. That the conditions to the public offer under the Company's prospectus dated 6 September 2016 (**Prospectus**) have been satisfied. On 14 October 2016, the Company issued 20 million fully paid ordinary shares in the Company (**Shares**) pursuant to the public offer.
2. The conditions precedent under the Share Sale Agreement between the Company, Hogan Resources Pty Limited (**HRPL**) and the shareholders in that company have been satisfied with completion occurring on 14 October 2016, including the transfer of 7.6 million Treasury Shares (as defined in the Prospectus).
3. The conditions precedent under the Tenement Sale Agreement between the Company and Montezuma Mining Limited (**MZM**) have been satisfied with completion occurring on 14 October 2016, including the issue of 4.2 million Shares.
4. On 14 October 2016, the Company has:
 - (a) transferred 4.375 million Shares to Michael Davies in capitalisation of the loan from him to the Company; and
 - (b) issued 1 million options to the nominees of New Holland Capital Pty Limited namely Ionikos Pty Limited, Rachel Milton and Damien McLaughlan, in accordance with the disclosures contained in the Prospectus.
5. That there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.
6. There have been no material subsequent events to alter the Company's consolidated pro forma statement of financial position as detailed on page 53 of the Prospectus.
7. The Company is in compliance with the listing rules and in particular listing rule 3.1.

For personal use only



Lefroy Exploration

8. The conditions precedent under the Rights Acquisition Agreement between the Company and Lithium Australia NL (**LIT**) have been satisfied with completion occurring on 14 October 2016, including the issue of 3 million Shares.
9. As the Company is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act 2001 of the Commonwealth of Australia or by the Australian Securities and Investments Commission but instead are regulated by the BVI Business Companies Act (no.16 of 2004) and the British Virgin Islands Registry of Corporate Affairs.

Yours faithfully

Geoff Pigott
Non-Executive Director

For personal use only