Exploration Update-Drilling Underway Evaluating Geophysical Target

- A focused aircore drilling program is underway at a newly defined geophysical target known as Mulga 3, located 1km west of the Salt Creek gold deposit in the Eastern Lefroy tenement package and proximate to both Lucky Strike and Red Dale.

- The target was identified from a detailed gravity survey which highlighted three linear, parallel features interpreted to represent structures immediately west of the Salt Creek.

- One of the linear trends, named Mulga 3, is interpreted to represent a faulted extension of a similar linear gravity feature along which the Salt Creek mine is located.

- The Mulga 3 target has not been previously evaluated by drilling and an early stage 40-hole air core drill program is underway to evaluate the trend.

- The program is expected to be completed in December 2019 with results anticipated in January 2020.

*Figure 1* Air core drill rig sited on first hole at the Mulga 3 target with the waste dumps from the Salt Creek mine site in the background.
Lefroy Exploration Limited (ASX: LEX) (“Lefroy” or “the Company”) is pleased to advise that a focused air core (AC) drilling program is underway at a target known as Mulga 3, recently generated from interpretation of geophysical data. Mulga 3 is located within the Eastern Lefroy tenement package, that is part of the wholly owned greater Lefroy Gold Project (LGP) located 50km south east of Kalgoorlie.

The target is located approximately 3km north east of the Company’s priority Lucky Strike prospect and is 1km west of Silver Lake Resources (ASX: SLR) Randalls Processing Operation that includes the now closed Salt Creek mine (Figure 2). The Company’s Red Dale prospect adjoins and is immediately north of the Randalls Processing plant.

Salt Creek was a virgin gold discovery made by Integra Mining Limited (“Integra”) in 2007, and merged with Silver Lake Resources (ASX:SLR) in 2013. Gold mineralisation at Salt Creek is hosted within a quartz stockworked differentiated dolerite. An open pit mine was developed in 2012 with a resource of 4.63 Mt at 2.71 g/t yielding 403 800 ounces (Reference: Integra Roadshow Presentation 2009).

*Figure 2* Map of the Lucky Strike priority exploration hub highlighting the location of the Mulga 3 target relative to other gold prospects identified by LEX and their proximity to the Randalls Processing Plant and the Salt Creek open pit (refer to Figure 3 for inset map).
The Mulga 3 target was generated by the Company from interpretation of imagery derived from processing of geophysical data sets, in particular detailed gravity data. Three linear north west trending features have been recognised from the gravity imagery (Figure 3) and are interpreted to be structures located immediately to the west of the Salt creek deposit.

One of these trends, known as Mulga 3, is adjacent to the southern edge of a gravity high (dense body of rock) that has a similar response to that observed at Salt Creek. Importantly these three trends approximate the orientation of the Salt Creek open pit and are also consistent with the strike orientation of Lucky Strike located 3km to the south west. The Company considers this north west trend as a key structural trend with potential to host mineralisation in the immediate area.

The Company interprets that the Mulga 3 gravity anomaly and trend is a fault displaced extension of the dolerite that hosts the Salt Creek deposit.

The Mulga 3 linear trend has not been subject to previous drilling. The area to the immediate east, most of which is external to the LEX tenements has been subject to prior exploration drilling but was drilled into a palaeochannel and not the linear trend.

To evaluate the Mulga 3 target a program of air core drilling within tenement P25/2317 has commenced. The program will involve the drilling of approximately 40 angle air core holes totalling 2000m on six 160m spaced drill sections or fences. The program is expected to be completed by mid-December 2019, with results anticipated in January 2020.

![Figure 3](image_url) Image of processed gravity data with open file drill holes highlighting the signature of the Mulga 3 target and interpreted structures relative to the position of the Salt Creek open pit. Warm colours reflect dense rocks, cold colours reflect less dense rocks and also deeper transported cover that includes palaeochannels (refer to Figure 4 for satellite image backdrop).
Figure 4 Location of the Mulga 3 target and interpreted structures relative to the position of the Randalls Processing plant that includes the former Salt Creek open pit. Tenements held under title by Lefroy Exploration Limited are highlighted.

Reference: Integra Mining Limited Roadshow Presentation 9 February 2009

This announcement has been authorised for release by the Board

Wade Johnson
Managing Director

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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 and covers 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% 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 and the Western Lefroy tenement package subject to the Gold Fields joint venture.

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