

17 September 2018

Company Announcements Office
ASX Limited
By Electronic Lodgment

ASX Listing Rule 6.18 Waiver

Lefroy Exploration Limited (**LEX** or the **Company**) refers to the Farm-In and Joint Venture Agreement (**FIJVA**) with St Ives Gold Mining Company (**St Ives**), announced 7 June 2018 (refer to ASX announcement “LEX secures \$25 million Farm-in and Joint Venture Agreement with Gold Fields”). The FIJVA is the beginning of a close strategic working relationship between LEX and St Ives in relation to the exploration and potential development of a number of tenements owned by LEX around Lake Lefroy and the surrounding area.

The Company is pleased to advise that due to the strategic relationship between St Ives and LEX, the Company has obtained a waiver from ASX from ASX Listing Rule 6.18, allowing the Company to grant to St Ives the anti-dilution right contained in clause 5.3 of the agreement between the Company and St Ives dated 7 June 2018, a copy of which was released as an annexure to St Ives’ substantial shareholder notice on 16 July 2018.

A summary of the terms of the waiver is provided in the Annexure to this announcement.

- END -

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ANNEXURE

Based solely on the information provided, and pursuant to the subscription agreement (“Subscription Agreement”) between Lefroy Exploration Limited (the “Company”) and St Ives Gold Mining Pty Ltd (“St Ives”), ASX Limited (“ASX”) grants the Company a waiver from listing rule 6.18 to the extent necessary to permit St Ives to maintain, by way of a right to participate in any issue of securities or to subscribe for securities, its percentage interest in the issued share capital of the Company (the “Anti-Dilution Right”) in respect of a diluting event which occurs, on the following conditions.

- 1.1. The Anti-Dilution Right lapses on the earlier of:
 - 1.1.1. the date on which St Ives ceases to hold in aggregate at least 5% voting power in the Company (other than as a result of shares (or equity securities) to which the Anti-Dilution Right applies and in respect of which St Ives is still entitled to exercise, or has exercised, the Anti-Dilution Right);
 - 1.1.2. the date on which St Ives’ voting power in the Company exceeds 25%; or
 - 1.1.3. the strategic relationship between the Company and St Ives ceasing or changing in such a way that it effectively ceases.
- 1.2. The Anti-Dilution Right may only be transferred to a related body corporate of St Ives.
- 1.3. Any securities issued under the Anti-Dilution Right are offered to St Ives must be issued to St Ives for cash consideration that is:
 - 1.3.1. no more favourable than cash consideration paid by third parties (in the case of issues of securities to third parties for cash consideration); or
 - 1.3.2. equivalent in value to non-cash consideration offered by third parties (in the case of issues of securities to third parties for non-cash consideration).
- 1.4. The number of securities that may be issued to St Ives under the Anti-Dilution Right in the case of any diluting event must not be greater than the number required in order for St Ives to maintain its percentage holding in the issued share capital of the Company immediately before that diluting event.
- 1.5. The Company discloses a summary of the Anti-Dilution Right to persons who may subscribe for securities under a prospectus, and undertakes to include in each annual report a summary of the Anti- Dilution Right.
- 1.6. The Company immediately releases the terms of the waiver to the market.