

Lefroy Exploration raises \$2.6 million to Accelerate Exploration

Highlights

- LEX has received firm commitments to raise \$2.59 million (before costs) in an oversubscribed share placement to institutional and sophisticated investors
- Gold Fields has supported the raising by exercising its full entitlement under its pre-existing option agreement to acquire approximately 8.01 million shares in the placement. Gold Fields will hold 9.9% of LEX after completion of the placement
- LEX is now well funded to accelerate exploration at the Eastern Lefroy Gold Project, in particular the Lucky Strike prospect

Placement

Lefroy Exploration Limited (**ASX: LEX**) (“**LEX**” or “**the Company**”) is pleased to advise that it has received firm commitments to raise \$2.59 million (before issue costs) through an oversubscribed placement to institutional and sophisticated investors (“**Placement**”). The Placement will result in the issue of a total of 16,190,980 fully paid ordinary shares at an issue price of \$0.16 per share. New shares issued under the Placement will rank equally with the Company’s existing ordinary shares.

The issue price for the Placement represents a 3.0% discount to the last closing price of \$0.165 and a 5.9% discount to the 30-day VWAP of \$0.17 per share. The proceeds of the Placement will be used to accelerate exploration at the Company’s 100%-owned Eastern Lefroy Gold Project and for general corporate purposes.

Leading global gold producer Gold Fields Limited (“Gold Fields”) has elected to exercise its full entitlement under its pre-existing option agreement to acquire 8,014,535 shares in the Placement. Gold Fields will hold 9.9% of LEX after completion of the Placement. The balance of the Placement was taken up by a number of new institutions and sophisticated investors as well as existing shareholders.

The Company advises that certain Directors of the Company have also committed to participate in the Placement for a total of \$160,000. This will be subject to shareholder approval at the Company’s next General Meeting.

LEX Managing Director, Mr Wade Johnson stated, “We are very pleased to welcome a number of new shareholders to our register, including Gold Fields, and grateful for the ongoing support of existing shareholders, including our Directors. Having our farm-in and joint venture partner, Gold Fields, as a 9.9% shareholder of LEX will only strengthen the relationship and cooperation between our two organisations. We are now in a strong financial position to accelerate exploration activities at the Eastern Lefroy Gold Project, including the highly prospective Lucky Strike prospect. This, together with commencement of exploration activity in the western portion of the Lefroy Gold Project through our JV with Gold Fields, will result in substantial activity at LEX over the next 18 months.”

The Placement is being undertaken under the Company's existing ASX Listing Rule 7.1 and 7.1A placement capacity (in the order of 8,714,588 shares are expected to be issued under Listing Rule 7.1 and 6,476,392 shares are expected to be issued under Listing Rule 7.1A). Settlement of the Placement is currently scheduled to take place on 12 July 2018, with quotation of the new shares expected to occur on 13 July 2018.

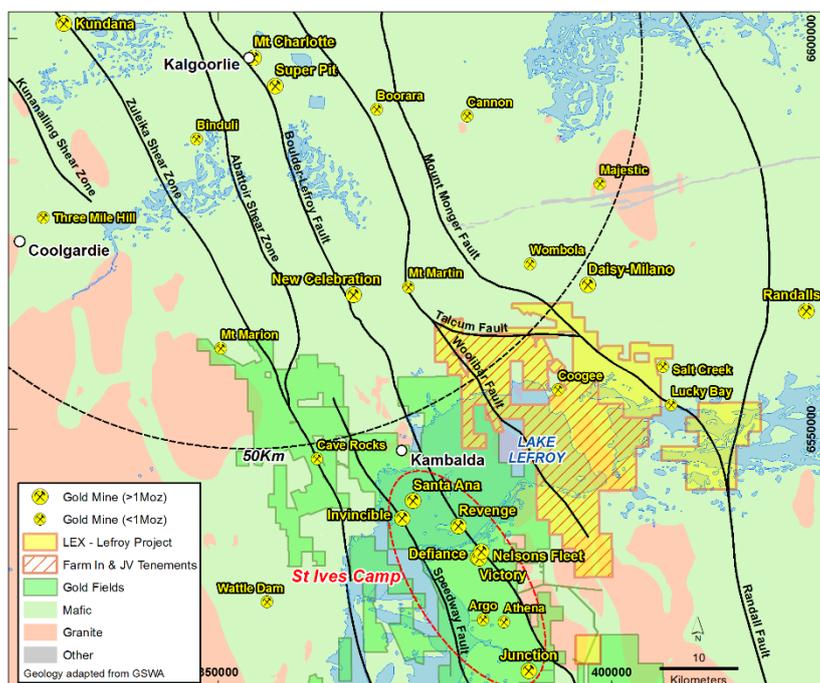
Bridge Street Capital Partners acted as Lead Manager and Bookrunner of the Placement and New Holland Capital acted as Joint Lead Manager.

About Lefroy Exploration

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 Lefroy Gold Project contains mainly granted tenure covering 547km², located in the heart of the world class gold production area between Kalgoorlie and Norseman, shown in Figure 1. 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.

In June 2018 Lefroy Exploration entered into a farm-in and joint venture agreement with Gold Fields for the western portion of the Lefroy Gold Project (for further detail refer to ASX announcement on the 7th June 2018), whereby Gold Fields can earn up to 70% interest by spending A\$25 million on exploration within 6 years. LEX retains 100% of the Eastern Lefroy Gold Project, which includes the Lucky Strike prospect, the Capstan prospect and the recently discovered Hang Glider Hill prospect.



ASX Announcement

9th July 2018



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