Exploration Update:
New Gold Prospect Identified

Lefroy Exploration Limited (ASX: LEX) (“Lefroy” or “the Company”) is pleased to advise that it has identified a new gold prospect known as Hang Glider Hill, within the Eastern Lefroy Gold Project, 50km south east of Kalgoorlie (Figure 1).

The prospect has been recognised through ground reconnaissance, research of open file WAMEX reports, and further enhanced by the recent discovery of gold nuggets (Figures 2 & 3) by a prospector in the immediate vicinity of the ridgeline that dominates the topography. The largest nugget found weighs 102.3g (Figure 3).

Recent ground reconnaissance and research by the Company has highlighted the gold prospectivity of the area by locating previous drill holes (Figure 2) targeting the ridgeline that were drilled in 1993 by Sovereign Resources Limited. Importantly, the prospect is located close to the interpreted position of the regional scale Mt Monger Fault, along which, and 17km’s along strike to south east the Company has identified the high grade Lucky Strike prospect and adjacent Capstan Surface anomaly. The prospects are all located within the Eastern Lefroy tenement package that is not part of the recent Farm-in and JV with Gold Fields (refer LEX:ASX announcement 7 June 2018).

The Company has further strengthened its land tenure along the Mt Monger Fault and close to Hang Glider Hill by the acquisition of one Exploration Licence and outright application for 3 Prospecting Licences to give Lefroy a commanding land package (Non Farm-in & JV) along the trend (Figure 2) and which to focus its exploration activity.

Immediate work will involve compilation of the previous drill data and incorporation into the Company’s database, supported by rock chip sampling and compilation of geological mapping.

Drilling at Capstan

The Capstan prospect is located immediately north of Lucky Strike and consists of a large and robust surface gold anomaly (plus 20ppb Au) that has not been evaluated by drilling. The Company considers the Capstan anomaly could be significant in the context of the gold mineralisation intersected nearby at Lucky Strike, and may represent the surface expression of another bedrock gold system. An air core drilling program is scheduled to commence in mid-July.

Reverse Circulation drilling at Lucky Strike

The Lucky Strike Prospect, along with the Capstan surface anomaly straddles the Mt Monger fault, and located 17km’s to the south east of Hang Glider Hill (Figure 1). Reverse circulation (RC) and diamond drilling by the Company has intersected high grade gold mineralisation hosted by multiple banded iron formation (BIF) units. Better intersections from the previously reported April 2018 RC program (refer LEX-ASX release 16 May 2018) include, 5m at 13.6g/t Au from 84m in LEFR070 and 14m at 2.81g/t Au from 78 in LEFR074. A program of deeper RC drilling to evaluate the system approximately 150m from surface is scheduled to commence in mid-August.
**Western Lefroy (Farm-In and JV: Gold Fields earning 70%)**

The Western Lefroy tenements being farmed into cover Lake Lefroy and the surrounding area, comprising 372km² of the total 577km² of the Lefroy Gold Project, and are adjacent to Gold Fields’ 10+ million ounce St Ives Gold operations. Gold Fields can earn up to a 70% interest in the tenements, via an unincorporated joint venture, by spending up to a total of $25 million on exploration activities within 6 years from commencement of the agreement.

The Company has provided Gold Fields with its extensive detailed ground gravity database, a key geophysical dataset considered integral to ongoing targeting and exploration in the JV area and used by the Company in its initial exploration campaign in Lake Lefroy during 2017. Gold Fields and Lefroy will meet shortly to establish an Exploration Committee to provide input on proposed exploration.

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**Figure 1** Lefroy Gold project, highlighting the key regional scale faults, the location of Hang Glider Hill and the location adjacent to the Mt Monger Fault relative to Lucky Strike.
Figure 2. Selection of gold nuggets sourced from Hang Glider Hill (16.2g)

Figure 3. Largest gold nugget sourced from Hang Glider Hill (102.3g)

Figure 4. Previous drill line and drill hole Collar at Hang Glider Hill (Wade Johnson)
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 577km², located 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. On 7 June 2018 the Company secured a Farm-In and Joint Venture Agreement with Gold Fields over the Western Lefroy tenement package.

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<th>Criteria</th>
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| **Sampling techniques** | • Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.  
• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.  
• Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | • No drilling or sampling conducted. The gold nuggets were located by metal detecting. |
| **Drilling techniques** | • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | • No drilling completed by LEX |
| **Drill sample recovery** | • Method of recording and assessing core and chip sample recoveries and results assessed.  
• Measures taken to maximise sample recovery and ensure representative nature of the samples.  
• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | • No drilling completed by LEX |
| **Logging** | • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.  
• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.  
• The total length and percentage of the relevant intersections logged. | • No drilling competed by LEX |
| **Sub-sampling techniques and sample preparation** | • If core, whether cut or sawn and whether quarter, half or all core taken.  
• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.  
• For all sample types, the nature, quality and appropriateness of the sample preparation technique.  
• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.  
• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.  
• Whether sample sizes are appropriate to the grain size of the material being sampled. | • No samples were collected for analysis |
| **Quality of assay data and laboratory tests** | • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.  
• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.  
• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | • No samples were collected for analysis |
| **Verification of sampling and assaying** | • The verification of significant intersections by either independent or alternative company personnel.  
• The use of twinned holes.  
• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.  
• Discuss any adjustment to assay data. | • No drilling was completed |
<p>| <strong>Location of data points</strong> | • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in | • No drilling was completed. Nuggets |</p>
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<td><strong>Mineral Resource estimation.</strong></td>
<td>• Specification of the grid system used.</td>
<td>located were surveyed with GPS control.</td>
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<td><strong>Data spacing and distribution</strong></td>
<td>• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.</td>
<td>• No Drilling completed</td>
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<td><strong>Orientation of data in relation to geological structure</strong></td>
<td>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</td>
<td>• No drilling or sampling undertaken. • The relationship of the location of the gold nuggets to a primary source is unknown.</td>
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<td><strong>Sample security</strong></td>
<td>• The measures taken to ensure sample security.</td>
<td>• No samples collected</td>
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<tr>
<td><strong>Audits or reviews</strong></td>
<td>• The results of any audits or reviews of sampling techniques and data.</td>
<td>• No drilling undertaken to audit sampling techniques</td>
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**Section 2: REPORTING OF EXPLORATION RESULTS – Lefroy Gold Project- Hang Glider Hill Prospect- June 2018-Metal Detecting**

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<td><strong>Mineral tenement and land tenure status</strong></td>
<td>• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td>
<td>• The Lefroy Project is located approximately 50 km in south east from Kalgoorlie, Western Australia and consists of a contiguous package of wholly owned tenements held under title by LEX or its wholly owned subsidiary’s Hogans Resources Pty Ltd. The work described in this report was completed on Exploration Licence E26/183 held 100% Hogans Resources Pty Ltd. • The tenement is current and in good standing with the Department of Mines and Petroleum (DMP) of Western Australia. • Prospecting for gold (metal detecting) is undertaken under agreement with the company.</td>
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<td><strong>Exploration done by other parties</strong></td>
<td>• Acknowledgment and appraisal of exploration by other parties.</td>
<td>• Some previous exploration work was completed at Hang Glider Hill by Sovereign Resources NL and documented in an Annual Report to the WA Mines Department for the period 1 October 1992 to 30 September 1993. The Annual report WAMEX file number is A39666. The report documents 6 RC holes being drilled at Hang Glider Hill. There has been no exploration at Hang Glider since then. • WAMEX-West Australian Mineral Exploration Reports</td>
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<td><strong>Geology</strong></td>
<td>• Deposit type, geological setting and style of mineralisation.</td>
<td>• The Lefroy Project is located in the southern part of the Norseman Wiluna Greenstone Belt and straddles the triple junction of three crustal units, the Parker, Boorara and Bulong Domain. The Lefroy project tenements are mostly covered by alluvial, colluvial and lacustrine material with very little</td>
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### Criteria | JORC Code Explanation | Commentary
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**Drill hole Information**<br>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<br>  • easting and northing of the drill hole collar<br>  • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>  • dip and azimuth of the hole<br>  • down hole length and interception depth<br>  • hole length.<br>  • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.<br>• No Drilling completed by LEX and as noted in the body of the announcement the company intends to compile the previous drilling by Sovereign Resources and field check hole location.<br>**Data aggregation methods**<br>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.<br>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.<br>• The assumptions used for any reporting of metal equivalent values should be clearly stated.<br>• No Drill results reported.<br>**Relationship between mineralisation widths and intercept lengths**<br>• These relationships are particularly important in the reporting of Exploration Results.<br>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.<br>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).<br>• No drill results reported.<br>**Diagrams**<br>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.<br>• Appropriate summary diagrams are included in the accompanying announcement.<br>**Balanced reporting**<br>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.<br>• No exploration results to report.<br>**Other substantive exploration data**<br>• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.<br>• All relevant data has been included within this report.<br>**Further work**<br>• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).<br>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.<br>• The appropriate next stage of exploration planning is currently underway and noted in the body of the report. Prospecting at Hang Glider Hill to determine the full extent of the gold nugget distribution in the landscape is ongoing.