

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that a General Meeting of Lefroy Exploration Limited, incorporated in the British Virgin Islands, IBC No.29457, Australian Registered Business Number 052 123 930 (“Company”) will be held at Quest Kings Park Road, 54 Kings Park Road, West Perth, Western Australia on Tuesday, 1 October 2019 at 9.00am (WST).

The purpose of the Meeting is to consider, and if thought fit, to pass the following resolutions:

RESOLUTION 1: RATIFICATION OF PLACEMENT OF 5,961,765 SHARES

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That pursuant to ASX Listing Rule 7.4, the issue on 23 August 2019 of 5,961,765 Shares at an issue price of \$0.20 per Share on the terms and conditions set out in the Explanatory Statement be ratified.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2: RATIFICATION OF PLACEMENT OF 11,638,235 SHARES

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That pursuant to ASX Listing Rule 7.4, the issue on 23 August 2019 of 11,638,235 Shares at an issue price of \$0.20 per Share on the terms and conditions set out in the Explanatory Statement be ratified.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 3: APPROVAL OF ISSUE OF SHARES VIA PLACEMENT TO MR GORDON GALT (OR HIS NOMINEE)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That pursuant to ASX Listing Rule 10.11 and for all other purposes, approval be given to issue 226,845 Shares to Mr Gordon Galt (or his nominee) at an issue price of \$0.20 per Share, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Galt or an Associate of Mr Galt. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 4: APPROVAL OF ISSUE OF SHARES VIA PLACEMENT TO MR WADE JOHNSON (OR HIS NOMINEE)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That pursuant to ASX Listing Rule 10.11 and for all other purposes, approval be given to issue 100,000 Shares to Mr Wade Johnson (or his nominee) at an issue price of \$0.20 per Share, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Johnson or an Associate of Mr Johnson. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 5: APPROVAL OF ISSUE OF SHARES VIA PLACEMENT TO MR MICHAEL DAVIES (OR HIS NOMINEE)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That pursuant to ASX Listing Rule 10.11 and for all other purposes, approval be given to issue 1,000,000 Shares to Mr Michael Davies (or his nominee) at an issue price of \$0.20 per Share, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Davies or an Associate of Mr Davies. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 6: APPROVAL OF ISSUE OF SHARES VIA PLACEMENT TO MR GEOFFREY PIGOTT (OR HIS NOMINEE)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That pursuant to ASX Listing Rule 10.11 and for all other purposes, approval be given to issue 100,000 Shares to Mr Geoffrey Pigott (or his nominee) at an issue price of \$0.20 per Share, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Pigott or an Associate of Mr Pigott. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 7: REAPPROVAL OF SHARE PLAN

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

“That for the purpose of Listing Rule 7.2 Exception 9(b) and for all other purposes, Shareholders reapprove the employee incentive scheme known as the Lefroy Exploration Limited “Directors and Executives Share Plan”, a summary of which is set out in the Explanatory Statement accompanying this Notice of General Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company or any Associate of the Directors of the Company. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 8: APPROVAL OF ISSUE OF ESP SHARES UNDER THE SHARE PLAN TO MR WADE JOHNSON (OR HIS NOMINEE)

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 500,000 Shares under the Share Plan to Mr Wade Johnson (or his nominee), on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Johnson or an Associate of Mr Johnson or any Director (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company). However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 9: APPROVAL OF ISSUE OF ESP SHARES UNDER THE SHARE PLAN TO MR GEOFFREY PIGOTT (OR HIS NOMINEE)

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 250,000 Shares under the Share Plan to Mr Geoffrey Pigott (or his nominee), on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Pigott or an Associate of Mr Pigott or any Director (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company). However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Members are referred to the Explanatory Statement accompanying this Notice of Meeting.

For the purpose of the Meeting, securities will be taken to be held by the persons who are registered holders at 9.00am (WST) on 29 September 2019. Transactions registered after that time will be disregarded in determining entitlements to attend and to vote at the meeting.

BY ORDER OF THE BOARD



Susan Hunter
Company Secretary
19 September 2019

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for Shareholders in connection with the business to be conducted at the General Meeting of the Company to be held at Quest Kings Park Road, 54 Kings Park Road, West Perth, Western Australia at 9.00am (WST) on Tuesday, 1 October 2019.

1. RESOLUTIONS 1 AND 2 - RATIFICATION OF SHARE ISSUES

On 15 August 2019, the Company announced a placement to raise \$3.8 million (before costs) at \$0.20 per Share to institutional and sophisticated investors. A total of 17,600,000 Shares were issued on 23 August 2019. 5,961,765 Shares were issued under the Company's available placement capacity pursuant to Listing Rule 7.1A and 11,638,235 Shares were issued under the Company's available placement capacity pursuant to Listing Rule 7.1.

1.1 Resolution 1 - Ratification of Placement of 5,961,765 Shares

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of a total of 5,961,765 Shares issued on 23 August 2019 pursuant to Listing Rule 7.1A under the placement as announced to ASX on 15 August 2019.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12 month period after the Annual General Meeting in addition to the Company's 15% placement capacity under Listing Rule 7.1. On 3 December 2019, the Company received shareholder approval by special resolution to have the ability to issue equity securities under the additional 10% placement capacity.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1A is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1A; and
- Shareholders subsequently approve it.

The placement of 5,961,765 Shares was within the Company's 10% placement capacity and subsequent approval under Listing Rule 7.4 is now being sought.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 1:

Number of Shares Issued: 5,961,765 Shares.

Issue Price: The Shares were issued at \$0.20 per Share. The issue price was greater than 75% of the VWAP of Shares calculated over the 15 Trading Days in which trades in that class were recorded immediately before the date on which the Shares were issued as required under Listing Rule 7.1A.3. 75% of the 15 Trading Day VWAP prior to 23 August 2019 was \$0.16.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Allottees: The Shares were issued to professional and sophisticated investors introduced by the Bridge Street Capital Partners who acted as Lead Manager and Bookrunner of the placement announced to ASX on 15 August 2019. The allottees were not Related Parties of the Company.

Use of Funds: \$1,192,353 (before costs) was raised from the issue. The funds raised from the issue will be used to accelerate exploration at the Company's 100% owned Eastern Lefroy Gold Project and for general working capital purposes.

Date of Issue: 23 August 2019.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

1.2 Resolution 2 - Ratification of Placement of 11,638,235 Shares

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 11,638,235 Shares issued on 23 August 2019 under the placement as announced to ASX on 15 August 2019 pursuant to Listing Rule 7.1.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This issue of Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 2:

Number of Shares Issued: 11,638,235 Shares.

Issue Price: The Shares were issued at \$0.20 per Share.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Allottees: The Shares were issued to professional and sophisticated investors introduced by the Bridge Street Capital Partners who acted as Lead Manager and Bookrunner of the placement announced to ASX on 15 August 2019. The allottees were not Related Parties of the Company.

Use of Funds: \$2,327,647 (before costs) was raised from the issue. The funds raised from the issue will be used to accelerate exploration at the Company's 100% owned Eastern Lefroy Gold Project and for general working capital purposes.

Date of Issue: 23 August 2019.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

2. RESOLUTIONS 3 TO 6 - APPROVAL FOR THE ISSUE OF SHARES VIA PLACEMENT TO MESSRS GORDON GALT (OR HIS NOMINEE), WADE JOHNSON (OR HIS NOMINEE), MICHAEL DAVIES (OR HIS NOMINEE) AND GEOFFREY PIGOTT (OR HIS NOMINEE)

On 15 August 2019, the Company announced a placement to raise \$3.8 million (before costs) at \$0.20 per Share to institutional and sophisticated investors including \$285,369 from certain Directors of the Company. The written undertaking by certain Directors to participate in the placement was subject to Shareholder approval pursuant to Resolutions 3 to 6.

Resolutions 3 to 6 seek Shareholder approval for the purposes of Listing Rule 10.11 to approve the issue of a total of 1,426,845 Shares to certain Directors (or their nominees) at \$0.20 per Share.

Listing Rule 10.11 provides that a company must not issue equity securities to a Related Party without the approval of shareholders. Pursuant to Listing Rule 7.2 exception 14, where approval under Listing Rule 10.11 is obtained, approval is not required under Listing Rule 7.1 and the issue of securities will not be included in the Company's 15% limit.

2.1 Resolution 3 - Approval of Issue of Shares via Placement to Mr Gordon Galt (or his nominee)

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 10.11 to approve the issue of 226,845 Shares to Mr Gordon Galt (or his nominee) at \$0.20 per Share.

In accordance with Listing Rule 10.13 the following information is provided in relation to Resolution 3:

Maximum Number of Shares to be Issued: 226,845 Shares.

Issue Price: \$0.20 per Share.

Allottee: Mr Gordon Galt (or his nominee).

Related Party/Relationship: Mr Gordon Galt is a Related Party of the Company as Mr Gordon Galt is a Director of Lefroy.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Date of Issue: The issue will occur on a single date no later than one (1) month after the date of the General Meeting or such later date to the extent permitted by an ASX waiver of the Listing Rules.

Intended Use of Funds: The funds raised from the issue will be used to accelerate exploration at the Company's 100% owned Eastern Lefroy Gold Project and for general working capital purposes.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Directors (other than Mr Gordon Galt who has an interest in the Resolution) recommend that the Shareholders vote in favour of this Resolution.

2.2 Resolution 4 - Approval of Issue of Shares via Placement to Mr Wade Johnson (or his nominee)

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 10.11 to approve the issue of 100,000 Shares to Mr Wade Johnson (or his nominee) at \$0.20 per Share.

In accordance with Listing Rule 10.13 the following information is provided in relation to Resolution 4:

Maximum Number of Shares to be Issued: 100,000 Shares.

Issue Price: \$0.20 per Share.

Allottee: Mr Wade Johnson (or his nominee).

Related Party/Relationship: Mr Wade Johnson is a Related Party of the Company as Mr Wade Johnson is a Director of Lefroy.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Date of Issue: The issue will occur on a single date no later than one (1) month after the date of the

General Meeting or such later date to the extent permitted by an ASX waiver of the Listing Rules.

Intended Use of Funds: The funds raised from the issue will be used to accelerate exploration at the Company's 100% owned Eastern Lefroy Gold Project and for general working capital purposes.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Directors (other than Mr Wade Johnson who has an interest in the Resolution) recommend that the Shareholders vote in favour of this Resolution.

2.3 Resolution 5 - Approval of Issue of Shares via Placement to Mr Michael Davies (or his nominee)

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 10.11 to approve the issue of 1,000,000 Shares to Mr Michael Davies (or his nominee) at \$0.20 per Share.

In accordance with Listing Rule 10.13 the following information is provided in relation to Resolution 5:

Maximum Number of Shares to be Issued: 1,000,000 Shares.

Issue Price: \$0.20 per Share.

Allottee: Mr Michael Davies (or his nominee).

Related Party/Relationship: Mr Michael Davies is a Related Party of the Company as Mr Michael Davies is a Director of Lefroy.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Date of Issue: The issue will occur on a single date no later than one (1) month after the date of the General Meeting or such later date to the extent permitted by an ASX waiver of the Listing Rules.

Intended Use of Funds: The funds raised from the issue will be used to accelerate exploration at the Company's 100% owned Eastern Lefroy Gold Project and for general working capital purposes.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Directors (other than Mr Michael Davies who has an interest in the Resolution) recommend that the Shareholders vote in favour of this Resolution.

2.4 Resolution 6 - Approval of Issue of Shares via Placement to Mr Geoffrey Pigott (or his nominee)

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 10.11 to approve the issue of 100,000 Shares to Mr Geoffrey Pigott (or his nominee) at \$0.20 per Share.

In accordance with Listing Rule 10.13 the following information is provided in relation to Resolution 6:

Maximum Number of Shares to be Issued: 100,000 Shares.

Issue Price: \$0.20 per Share.

Allottee: Mr Geoffrey Pigott (or his nominee).

Related Party/Relationship: Mr Geoffrey Pigott is a Related Party of the Company as Mr Geoffrey Pigott is a Director of Lefroy.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Date of Issue: The issue will occur on a single date no later than one (1) month after the date of the General Meeting or such later date to the extent permitted by an ASX waiver of the Listing Rules.

Intended Use of Funds: The funds raised from the issue will be used to accelerate exploration at the Company's 100% owned Eastern Lefroy Gold Project and for general working capital purposes.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Directors (other than Mr Geoffrey Pigott who has an interest in the Resolution) recommend that the Shareholders vote in favour of this Resolution.

3. RESOLUTION 7 – REAPPROVAL OF SHARE PLAN

3.1 Background

Listing Rule 7.2 (Exception 9(b)) provides an exemption from the Listing Rule 7.1 15% annual limit on securities issued under an employee share incentive scheme provided that, within three years before the date of issue, Shareholders have approved the issue of ESP Shares under the Share Plan.

In September 2016, Shareholders approved the terms of the Directors and Executives Share Plan (**Share Plan**) and the offer of ESP Shares under the Share Plan. The purpose of the Share Plan was to:

- (a) reward employees of the Company;
- (b) assist in the retention and motivation of employees and consultants of the Company; and
- (c) provide an incentive to employees and consultants of the Company to grow Shareholder value by providing them with an opportunity to receive an ownership interest in the Company.

The three year limit on the Share Plan has now expired. Directors consider that it is desirable to renew Shareholder approval of the Share Plan so that Directors may be offered the opportunity to be allocated ESP Shares.

Accordingly, the Directors propose to readopt the Share Plan.

3.2 Unallocated Shares available under the Share Plan

The following ESP Shares were offered under the Share Plan following its approval by Shareholders in September 2016:

- (a) 550,000 ESP Shares to an employee, Wayne Carter – Lefroy Exploration Manager; and
- (b) 1,500,000 ESP Shares to Wade Johnson, Managing Director.

In addition, the following ESP Shares were offered under the Share Plan prior to the September 2016 approval:

- (a) 1,000,000 ESP Shares to Gordon Galt, Director and Chairman;
- (b) 1,000,000 ESP Shares to Michael Davies, Non-executive Director;
- (c) 1,000,000 ESP Shares to Geoffrey Pigott, Non-executive Director; and

- (d) 1,000,000 ESP Shares to James Beecher, former Non-executive Director.

Since their allocation, James Beecher has since left the Company. In accordance with the terms of the Share Plan, these 1,000,000 Shares were classified as Forfeited Shares and returned to the Share Plan as unallocated Shares. Of these Shares, 250,000 shares were allocated to Wayne Carter, an employee of the Company, and 750,000 Shares remain as Forfeited Shares and have returned to the Share Plan as unallocated Shares.

None of the ESP Shares allocated have vested.

3.3 Approvals sought

The Board is seeking Shareholder approval for the adoption of to the Share Plan, in accordance with the ASX Corporate Governance Council's Principles and Recommendations (3rd Edition).

In addition, approval is sought under Listing Rule 7.2 (Exception 9(b)) which provides an exemption from the Listing Rule 7.1 15% annual limit on securities issued under an employee share incentive scheme provided that, within three years before the date of issue, Shareholders have approved the issue of ESP Shares under the Share Plan. In the absence of such approval, the issue of ESP Shares can still occur under the Share Plan, but each issue will be counted as part of the Listing Rule 7.1 15% limit which would otherwise apply during a 12 month period.

3.4 Regulatory Requirements – Listing Rules

The following information is provided to Shareholders for the purpose of Listing Rule 7.2, Exception 9(b):

- (a) a summary of the terms of the Share Plan is set out in Schedule 1;
- (b) 2,050,000 ESP Shares have previously been allocated under the Share Plan since its last approval; and
- (c) a voting exclusion statement for Resolution 7 is included in the Notice of General Meeting preceding this Explanatory Statement.

4. RESOLUTIONS 8 AND 9 – APPROVAL OF ISSUE OF ESP SHARES UNDER THE SHARE PLAN TO WADE JOHNSON AND GEOFFREY PIGOTT

4.1 Background

Shareholders are being asked to approve Resolutions 8 and 9 to allow ESP Shares that may vest under the Share Plan to be offered to Mr Wade Johnson, Managing Director, and Mr Geoffrey Pigott, Non-executive Director, as set out below.

The Board has determined that the grant of ESP Shares under the Share Plan to these Directors is an appropriate form of long term incentive for the Company's Managing Director, Mr Wade Johnson, and Mr Geoffrey Pigott, a Non-executive Director. The Board considers that Messrs Johnson and Pigott are essential to the operation of Company's ongoing business.

Accordingly, the Company is proposing, subject to obtaining Shareholder approval, to offer 500,000 ESP Shares under the Share Plan to Wade Johnson, Managing Director, (or his nominee) under the Share Plan and 250,000 ESP Shares under the Share Plan to Geoffrey Pigott, Non-executive Director, (or his nominee) under the Share Plan. The Vesting Conditions for ESP Shares issued to Wade Johnson and Geoffrey Pigott will be that each tranche of ESP Shares will not be able to be released from the Share Plan unless and until the following performance hurdles have been achieved:

- (a) tranche one (one third) = when Lefroy's Share price (as traded on the ASX) has exceeded \$0.30 per Share;

- (b) tranche two (one third) = when Lefroy's Share price (as traded on the ASX) has exceeded \$0.40 per Share; and
- (c) tranche three (one third) = when Lefroy's Share price (as traded on the ASX) has exceeded \$0.50 per Share.

The Share Plan currently has a total of 750,000 ESP Shares that are available to be allocated under the Share Plan. Subject to obtaining Shareholder approval, Wade Johnson (or his nominee) will be allocated 500,000 ESP Shares under the Share Plan and Geoffrey Pigott (or his nominee) will be allocated 250,000 ESP Shares under the Share Plan, a total of 750,000 ESP Shares. Following the allocation of these ESP Shares, there will be no further ESP Shares available for allocation under the Share Plan.

In determining Directors' remuneration packages, including this proposed offer of ESP Shares under the Share Plan, the Directors (other than Mr Wade Johnson and Mr Geoffrey Pigott) have considered the scope of Wade Johnson's and Geoffrey's Pigott's roles, the business challenges facing the Company and market practice for the remuneration of executive officers in positions of similar responsibility. Accordingly, they determined that this proposed grant of ESP Shares is appropriate.

Resolutions 8 and 9 seek Shareholder approval in order to comply with the requirements of Listing Rule 10.14.

4.2 Regulatory Requirements – Listing Rules

Listing Rule 10.11 provides a general restriction against issuing securities to related parties without shareholder approval.

Listing Rule 10.14 provides that a company must not issue Equity Securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. If approval is given by Shareholders under Listing Rule 10.14, separate Shareholder approval is not required under Listing Rule 10.11.

Under Resolutions 8 and 9, the Company seeks approval from Shareholders to offer ESP Shares to Wade Johnson and Geoffrey Pigott who, by virtue of their positions as Directors of the Company, will be a related party of the Company.

In compliance with the information requirements of Listing Rule 10.15, Shareholders are advised of the following information in relation to Resolution 8:

(a) **Nature of relationship between person to receive securities and the Company**

The ESP Shares are proposed to be offered under the Share Plan to Wade Johnson who is a Director of the Company and is, as such, a related party of the Company.

(b) **Maximum number of securities that may be acquired under Resolution 8**

The maximum number of securities that may be acquired by Wade Johnson under the Share Plan under Resolution 8 is 500,000 ESP Shares.

(c) **Issue price**

The price per ESP Share acquired under the Share Plan is nil.

(d) **Previous issues under the Share Plan**

The following persons referred to in Listing Rule 10.14 were offered ESP Shares under the Share Plan since its last approval:

Name	Number of Shares Offered	Issue Price	ESP Shares Vested	Forfeited
Wade Johnson	1,500,000	\$0.00	0	0
Wayne Carter	550,000	\$0.00	0	0

(d) **Eligible participants under the Share Plan**

Each of the following persons referred to in Listing Rule 10.14 are entitled to participate in the Share Plan:

- Gordon Galt;
- Michael Davies;
- Geoffrey Pigott; and
- Wade Johnson.

(e) **Voting exclusion statement**

A voting exclusion statement for Resolution 8 is included in the Notice of Meeting.

(f) **Terms of any loan**

There is no loan associated with the acquisition of the ESP Shares by Wade Johnson under the Share Plan.

(g) **Transfer date**

The latest date that the Company will transfer ESP Shares under Resolution 8 will be no later than 12 months after the date of the Meeting.

In compliance with the information requirements of Listing Rule 10.15, Shareholders are advised of the following information in relation to Resolution 9:

(a) **Nature of relationship between person to receive securities and the Company**

The ESP Shares are proposed to be offered under the Share Plan to Geoffrey Pigott who is a Director of the Company and is, as such, a related party of the Company.

(b) **Maximum number of securities that may be acquired under Resolution 9**

The maximum number of securities that may be acquired by Geoffrey Pigott under the Share Plan under Resolution 9 is 250,000 ESP Shares.

(c) **Issue price**

The price per ESP Share acquired under the Share Plan is nil.

(d) **Previous issues under the Share Plan**

The following persons referred to in Listing Rule 10.14 were offered ESP Shares under the Share Plan since its last approval:

Name	Number of Shares Offered	Issue Price	ESP Shares Vested	Forfeited
Wade Johnson	1,500,000	\$0.00	0	0
Wayne Carter	550,000	\$0.00	0	0

(h) **Eligible participants under the Share Plan**

Each of the following persons referred to in Listing Rule 10.14 are entitled to participate in the Share Plan:

- Gordon Galt;
- Michael Davies;
- Geoffrey Pigott; and
- Wade Johnson.

(i) **Voting exclusion statement**

A voting exclusion statement for Resolution 9 is included in the Notice of Meeting.

(j) **Terms of any loan**

There is no loan associated with the acquisition of the ESP Shares by Geoffrey Pigott under the Share Plan.

(k) **Transfer date**

The latest date that the Company will transfer ESP Shares under Resolution 9 will be no later than 12 months after the date of the Meeting.

4.3 Board Recommendation

The Directors (other than Mr Wade Johnson and Mr Geoffrey Pigott) do not consider that, from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by the Company in offering the ESP Shares to Wade Johnson and Geoffrey Pigott under the Share Plan under Resolutions 8 and 9.

The Directors (other than Mr Wade Johnson who has an interest in Resolution 8) recommend that the Shareholders vote in favour of Resolution 8.

The Directors (other than Mr Geoffrey Pigott who has an interest in Resolution 9) recommend that the Shareholders vote in favour of Resolution 9.

5. GLOSSARY

\$ means Australian dollars.

General Meeting or **Meeting** means the meeting convened by the Notice.

Associate has the meaning set out in sections 11 to 17 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the listing rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Company means Lefroy Exploration Limited, incorporated in the British Virgin Islands. IBC No.29457, Australian Registered Business Number 052 123 930.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

ESP Shares means Shares granted under the Share Plan.

Explanatory Statement means the explanatory statement accompanying the Notice.

Lefroy means Lefroy Exploration Limited, incorporated in the British Virgin Islands. IBC No.29457, Australian Registered Business Number 052 123 930.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Related Party means a party so defined by section 228 of the Corporations Act.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Share Plan means the Directors and Executive Share Plan the subject of Resolution 7, a summary of which is set out in Schedule 1.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1

SUMMARY OF TERMS OF SHARE PLAN

1. ELIGIBILITY CRITERIA

The Share Plan is open to participation by employees and consultants of group companies, directors of the Company and associates of any of those persons (**Eligible Employees**).

2. STRUCTURE AND ADMINISTRATION OF THE SHARE PLAN

- (a) The Share Plan provides for Shares to be acquired by the Share Plan Trustee either:
 - (i) to be held on behalf of Eligible Employees who have accepted offers to acquire Shares under the Share Plan (**Offers**); or
 - (ii) for later allocation to other Eligible Employees who may accept Offers in future.
- (b) The terms, conditions and rules governing the regulation and administration of the Share Plan are set out in the Share Plan Rules. There is also a Trust Deed between the Company and the Share Plan Trustee which provides for the Share Plan Trustee to administer the Share Plan in accordance with those Plan Rules.

3. ACQUISITION OF SHARES

- (a) All Shares are offered to Eligible Employees for no consideration.
- (b) The Share Plan Committee may make Offers from time to time under the Share Plan to any or all Eligible Employees, which will specify, amongst other things:
 - (i) the eligibility criteria for the purpose of the Offer, or the Eligible Employees or category of Eligible Employees to whom the Offer is to be made;
 - (ii) the existence and nature of any applicable Vesting Conditions;
 - (iii) the number of Shares (or means of determining the number of Shares) the subject of the Offer; and
 - (iv) any other terms or conditions of the Offer (including the last date for acceptance and how acceptance is to occur).

4. SHARES TO BE HELD BY PLAN TRUSTEE

- (a) Upon acceptance of an Offer by an Eligible Employee (**Participant**), the Company will direct the Share Plan Trustee to acquire sufficient Shares (either through on or off-market trades or by subscribing for new Shares or by transfer of Treasury Shares held by the Company) and allocate those Shares to the Participant.
- (b) The Share Plan Trustee will hold those Shares on trust for the Participant until the Shares are either released from the Share Plan or forfeited.

5. VESTING CONDITIONS

- (a) The Share Plan Committee may in its absolute discretion make Offers which are subject to Vesting Conditions.
- (b) The purpose of the Vesting Conditions is to provide for performance hurdles to achieve the objective of aligning employee and director rewards to Company performance and the interests of Shareholders.
- (c) Subject to the Listing Rules, the Share Plan Committee may reduce or waive the Vesting Conditions in whole or in part. If the Company makes a discounted share issue, an issue of bonus shares or reconstructs its share capital the Share Plan Committee will adjust any

Vesting Condition to take account of that issue or reconstruction so that a Participant is not disadvantaged.

6. RELEASE OF SHARES FROM SHARE PLAN

Shares held by the Share Plan Trustee on behalf of particular Participants may be released from the Share Plan in any of the following circumstances (**Release Event**):

- (a) the Vesting Conditions have been satisfied;
- (b) the Share Plan Committee has determined that Vesting Conditions are not required to be satisfied or that they have been waived;
- (c) a Participant ceases to be employed by a Group Company due to the existence of special circumstances (such as death, disablement or other circumstances considered to be special by the Share Plan Committee); or
- (d) subject to the Listing Rules, automatically, where either of the following “Accelerated Vesting Events” occurs:
 - (i) the Company is subject to an unconditional takeover bid (for the acquisition of at least 50% of the Company’s issued share capital and the bidder has received acceptances for at least 33% of the Company’s issued share capital); or
 - (ii) a scheme of arrangement for the acquisition of at least 50% of the Company’s issued share capital has been approved by Shareholders and the relevant Court.

7. FORFEITURE

- (a) Shares held by the Share Plan Trustee on behalf of particular Participants may be forfeited in any of the following circumstances:
 - (i) the Participant ceases to be employed by a Group Company (or has given or received a notice for the termination of such employment) and a Release Event has not occurred;
 - (ii) a court declares that a Participant has contravened his or her duties as an Eligible Employee; or
 - (iii) the Share Plan Committee determines that a Participant has acted inappropriately with respect to the Company (including gross misconduct, acts of fraud or bringing the Company into disrepute).
- (b) Forfeited Shares may be sold, cancelled or transferred, or may continue to be held by the Share Plan Trustee for the benefit of Eligible Employees in future.

8. RIGHTS OF PARTICIPANTS

Participants have the following rights during the period in which their Shares are held by the Share Plan Trustee:

- (a) to direct the Share Plan Trustee on how to vote their Shares;
- (b) to receive dividends paid on their Shares;
- (c) to participate in any pro rata share issue and sell any renounceable rights acquired; and
- (d) to participate in the issue of any bonus shares or other securities in relation to their Shares (which will be subject to the same terms and Vesting Conditions as, and will be held in the Share Plan by the Share Plan Trustee in the same manner as, Shares that they received under the Share Plan).

9. DEALINGS IN SHARES

Participants are prohibited from disposing of, or granting any security interests over, Shares (or interests in them) which are held on their behalf by the Share Plan Trustee.

10. TERMINATION AND AMENDMENT

The Company retains the right to modify, alter, add to or repeal all or any provision of the Share Plan Rules and the Directors retain the right to waive any provision of the Share Plan Rules or obligations of Participants under them.



Lefroy Exploration

ARBN 052 123 930



LEX

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00am (WST) Sunday, 29 September 2019.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Use your computer or smartphone to appoint your proxy and vote at www.investorvote.com.au or scan your personalised QR code below using your smartphone.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Lefroy Exploration Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Lefroy Exploration Limited to be held at Quest Kings Park Road, 54 Kings Park Road, West Perth, Western Australia on Tuesday, 1 October 2019 at 9:00am (WST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 7 - 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 7 - 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 7 - 9 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Ratification of Placement of 5,961,765 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Placement of 11,638,235 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of issue of Shares via Placement to Mr Gordon Galt (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of issue of Shares via Placement to Mr Wade Johnson (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of issue of Shares via Placement to Mr Michael Davies (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of issue of Shares via Placement to Mr Geoffrey Pigott (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Reapproval of Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of issue of ESP Shares under the Share Plan to Mr Wade Johnson (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval of Issue of ESP Shares under the Share Plan to Mr Geoffrey Pigott (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

