

Lefroy signs Agreement with BML Ventures to advance development of the Lucky Strike gold deposit

18 December 2024

HIGHLIGHTS

- Lefroy has executed an Exclusivity and Heads of Agreement with BML Ventures Pty Ltd (BML) to support development of the Lucky Strike Gold Project with a MRE of 1.27 Mt @ 1.95 g/t Au for 79,600 ounces.
- BML is a private mining contractor, with a proven track record of advancing open pit gold mines in the Kalgoorlie-Kambalda region of WA, including their recent collaboration with Auric Mining (ASX:AWJ) at Jefferys Find¹.
- This agreement provides the framework for both parties to complete negotiations towards finalising a binding mine profit share agreement.
- The indicative non-binding material terms of the Exclusivity and Heads of Agreement include:
 - Once all upfront BML costs have been recovered, the net surplus cash (profit) to be split between LEX 50% and BML 50%;
 - On successful execution of a Profit-Sharing Agreement, BML will coordinate and fund all pre-production mining approvals, capital and ongoing operating costs; and
 - BML to coordinate toll milling negotiations and scheduling with third party mill processing plant operators.
- The parties have agreed to enter into binding exclusivity arrangements (30 business days) to complete due diligence and further negotiate and finalise a Profit-Sharing Agreement in relation to the Lucky Strike Gold Project.

¹ For details of the mine share agreement between Auric Mining and BML Ventures, refer to AWJ ASX Announcement 22 August 2022 Agreement Executed to Commence Gold Mining at Jefferys Find

- **Lucky Strike represents the first of a potential series of growth projects for the Company with additional gold resources at Mt Martin and Burns Central (together with Lucky Strike) totalling greater than 1 million ounces of gold.**

Lefroy Exploration Limited (“LEX” or “the Company”) (ASX: LEX) is pleased to announce that it has entered into an exclusivity and Heads of Agreement with BML Ventures Pty Ltd (“BML”) to negotiate a mining and profit-sharing agreement for the Lucky Strike Gold Project (“Lucky Strike”).

LEFROY CEO, GRAEME GRIBBIN, COMMENTED:

“We are excited to embark on this major next step, in partnership with BML Ventures, towards unlocking value from our high-grade gold resource at the Lucky Strike Project. Partnering with a highly experienced mining contractor, we look forward to finalising negotiations with BML Ventures over the coming weeks, to secure a mine profit share agreement.

“The proposed mining and profit share agreement, whilst mutually beneficial to both parties, presents a very low risk pathway to development for Lefroy, with upfront capital and ongoing operating costs funded by BML Ventures.”

BML Ventures is a privately owned mining contractor based in Kalgoorlie and has a strong track record of funding, developing, and operating open pit gold mines.

With a strong technical focus, BML Ventures uses its low-cost owner/operator mining fleet and its relationships with local toll treatment operators to maximise profitability and cash generation from small to medium sized mining projects.

EXCLUSIVITY and HEADS OF AGREEMENT WITH BML

The Exclusivity and Heads of Agreement is binding regarding exclusivity for a period of 30 Business Days, with commercial terms (currently indicative and non-binding) to be agreed under a formal mine profit-sharing agreement (BML Agreement).

LEX and BML Ventures already have in place a binding Confidentiality Agreement to enable investigation of the proposed transaction.

The indicative commercial terms of this BML agreement are as follows:

- Upon the parties successfully executing the Profit-Sharing Agreement, Lefroy will grant an exclusive right to BML Ventures to open pit mining at the Lucky Strike Project with a profit-sharing split of LEX 50% and BML 50% (once all upfront BML costs have been recovered);
- On successful execution of a Profit-Sharing Agreement, BML Ventures will coordinate and fund all pre-production mining approvals, capital and operating costs and manage all mining production related activities at the Lucky Strike Project;

- BML Ventures to coordinate toll milling negotiations with third party mill processing plant operators on behalf of Lefroy, including processing costs and scheduling of toll milling availability; and
- No upfront cash payment or issue of Lefroy script.

Under the terms of exclusivity, the parties must mutually ensure that they do not enter into any negotiations, discussions or communications with a view to obtaining any expression of interest, offer or proposal from any other person in relation to communicating, negotiating or agreeing to undertake any transaction with any party which may prevent the completion of the proposed Profit-Sharing Agreement.

REALISING VALUE OF HIGH-GRADE GOLD ASSETS

Following the Company's successful completion of an oversubscribed placement in October (refer to ASX release 28 October 2024), negotiating towards a profit-share arrangement with BML Ventures at the Lucky Strike Project is in line with Lefroy's mission of advancement towards commercialising its advanced gold projects centred within the Company's flagship Lefroy Gold Project (LGP).

The Lucky Strike Project hosts a mineral resource estimate of 1.27Mt @ 1.95 g/t Au for 79,600 (Indicated 0.70Mt @ 1.93g/t Au for 43,400 oz. Inferred 0.57Mt @ 1.97g/t for 36,200 oz).

Lucky Strike represents one of three major gold projects held by the Company, which also includes Mt Martin and Burns Central Deposits, together totalling greater than 1million ounces of gold (Table 1).

Pending a successful partnership with BML Ventures at the Lucky Strike Project, the Company has identified that the Mt Martin Gold Mine represents the next frontier of growth for the Company, with a combined mineral resource estimate of 9.29Mt containing 439,000 ounces grading 1.47g/t Au (Indicated 5.6Mt @ 1.4g/t for 247,500 oz. Inferred 3.69Mt @ 1.61g/t for 191,500 oz) (see Table 1) and (refer ASX release 10 Oct 2024).

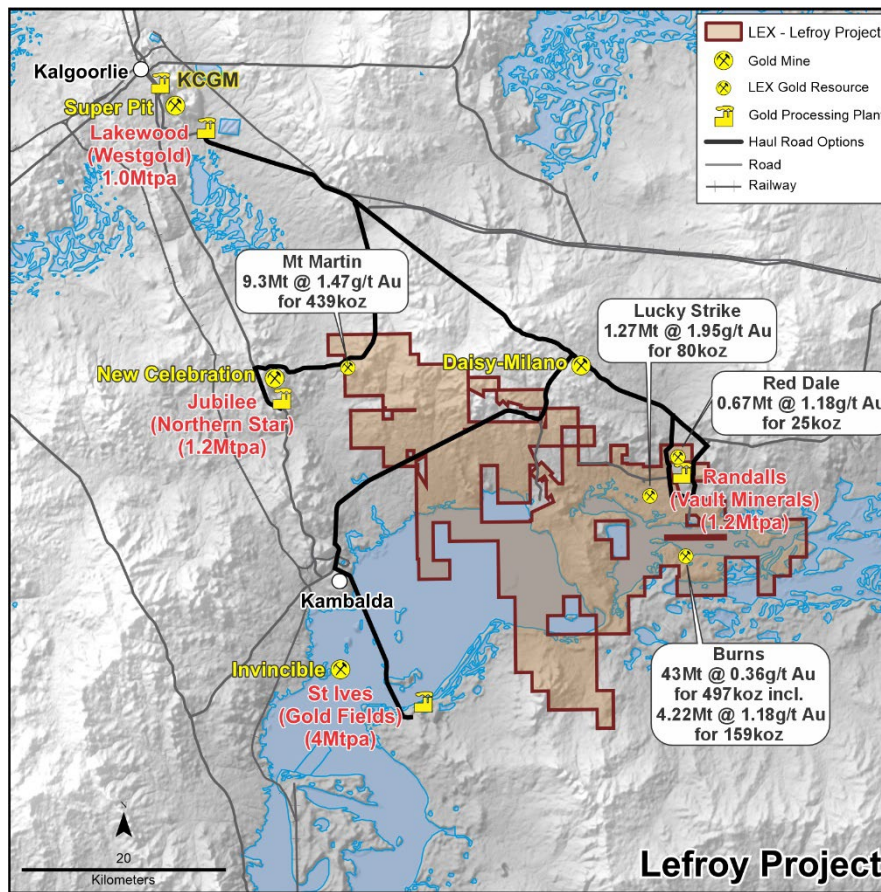


Figure 1: Lefroy Gold Project and location of Lucky Strike.

LUCKY STRIKE GOLD PROJECT

Lefroy first commenced drilling at Lucky Strike in 2016 with several air core and reverse circulation drilling programs between 2016 to 2019 defining a gold mineralised trend spanning a 3km strike length. Subsequent RC drilling led to Lefroy delivering a maiden Mineral Resource Estimate (MRE) of 1.27Mt @ 1.95 g/t Au for 79,600oz of gold (refer ASX announcement 20 May 2020).

Several significant high grade gold intersections within 150m vertical depth from surface have been intersected at the Lucky Strike Project (refer ASX announcement 26 February 2020) with notable significant intersections including:

- 8m @ 18.66 g/t Au from 145m, including 5m @ 28.1g/t Au from 145m (LEFR217)
- 22m @ 2.49 g/t Au from 63m (LEFR152)
- 3m @ 7.79 g/t Au from 130m (LEFR190)
- 11m @ 3.48 g/t Au from 170m (LEFR216)

High grade mineralisation at the Lucky Strike Project is concentrated around the hinge of a tight fold within the host banded iron formation unit (BIF) and demonstrates a shallow plunge to the south.

The mineral resource at the Lucky Strike Project is located on a granted mining lease (M25/366) and is located just 5km west of the Mt Monger Road and haulage corridor.

Additionally, Lucky Strike is within close trucking distance to numerous gold milling facilities (Figure 1) with particular close proximity to the Randalls Mill owned by Vault Minerals Ltd (ASX:VAU) and the Lakewood Mill owned by Westgold Resources Ltd (ASX:WGX).

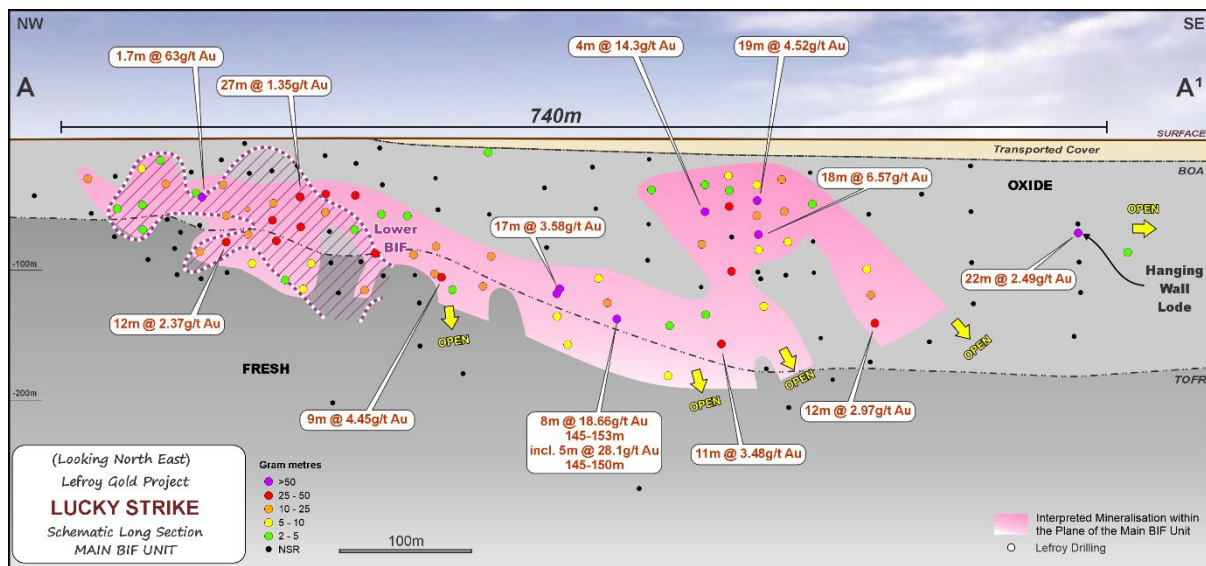


Figure 2: Lucky Strike Long Section (Looking Northeast). Refer to Figure 3 for Long Section location.

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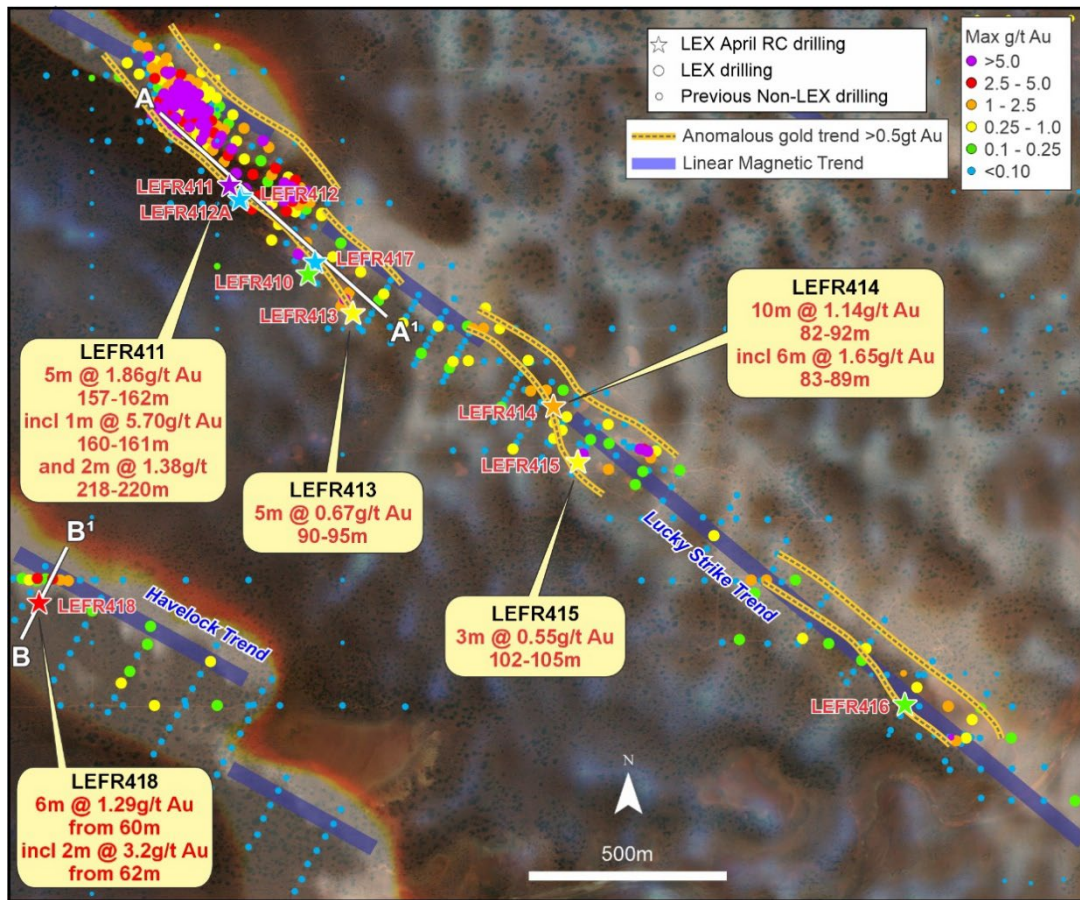


Figure 3: Lucky Strike Plan View.

- ENDS -

This announcement has been authorised for release by the Board of Directors.



Graeme Gribbin
CEO

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ABOUT LEFROY EXPLORATION LIMITED

Lefroy Exploration Limited (ASX:LEX) is an active West Australian exploration company focused on developing its growing gold and critical minerals projects. The Company's portfolio of high-quality projects includes the Lefroy Project (Figure 4), located in the heart of the world-class Kalgoorlie and Kambalda gold and nickel mining districts and the Lake Johnston Project 120km west of Norseman.

The Lefroy Project is a contiguous land package of 635km² with a growing mineral resource inventory of greater than 1 million ounces of gold, 58,000 tonnes of contained copper and 14,780 tonnes of contained nickel, (refer to Table 1).

In May 2023, Lefroy signed a Mineral Rights Agreement with title holder Franco-Nevada Pty Ltd, to acquire the mineral rights to Hampton East Location 45 (Location 45) (Refer ASX release 23 May 2023). Location 45 is a freehold property, located within 25km of Kambalda and 35km southeast of Kalgoorlie. The property hosts the historic Mt Martin gold mine, which has historically produced approximately 200,000 ounces of gold grading at 2.8g/t and which includes an existing resource of 439,000 oz gold (9.29Mt @ 1.47g/t Au) (refer to ASX release 10 October 2024).

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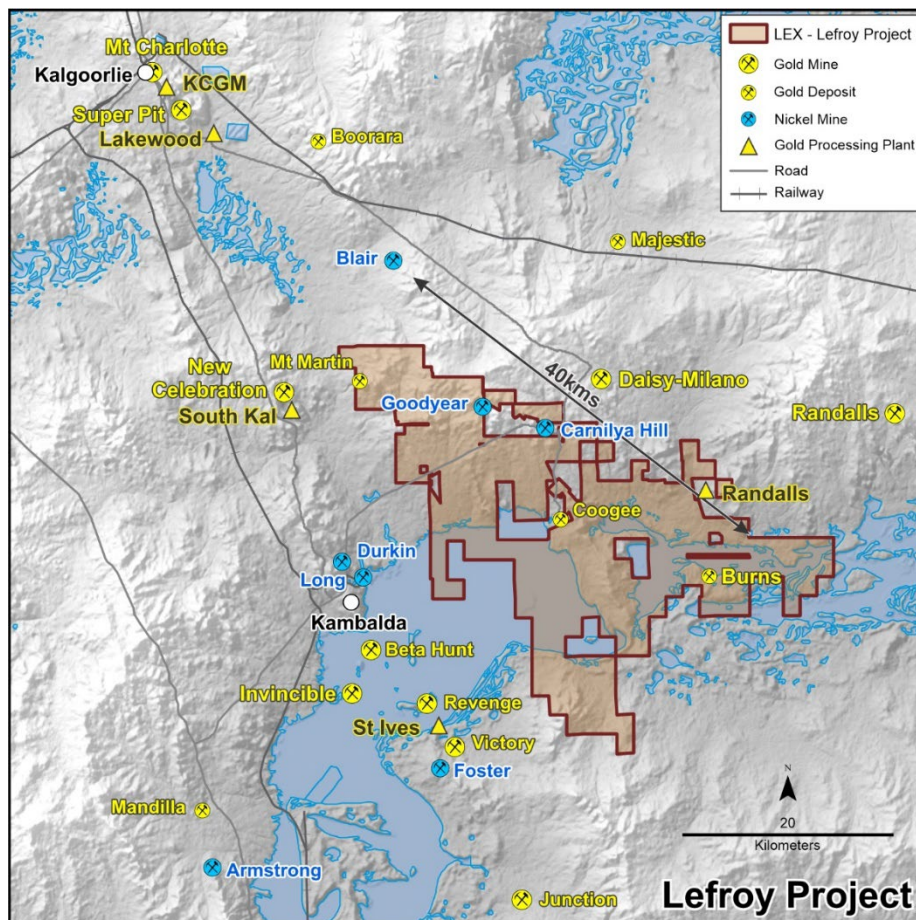


Figure 4: Regional location map of the Lefroy Project

ASX Announcement

ASX: LEX



SUPPORTING ASX ANNOUNCEMENTS

The following announcements were lodged with the ASX and further details (including supporting JORC Tables) for each of the sections noted in this announcement can be found in the following releases. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. In the case of all Mineral Resource Estimate's (MRE), the Company confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

- Outstanding Results Reinforce Lucky Strike Potential: 26 February 2020
- Maiden Lucky Strike Resource Estimate: 20 May 2020
- Half a million ounces of gold in Burns Central maiden resource: 4 May 2023
- Strategy to focus on Gold Development and Exploration: 23 February 2024
- High Grade Shallow Resource to Unlock Value at Burns Central: 3 October 2024
- Lefroy builds near-surface gold resources at Mt Martin: 10 October 2024
- South-West Connect – Investor Presentation October 2024: 16 October 2024
- Commercialising resources to advance exploration targets: 23 Oct 2024
- \$3.3M raised in oversubscribed placement to commercialise resources and target new discoveries: 28 October 2024

COMPETENT PERSON STATEMENT

The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Graeme Gribbin, a competent person who is a member of the Australian Institute of Geoscientists (AIG). Mr Gribbin is employed by Lefroy Exploration Limited. Mr Gribbin has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr Gribbin consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears.

Table 1: Total Indicated and Inferred Mineral Resources (small discrepancies may occur due to the effect of rounding)

| Orogenic Gold Style | | | | | | | | | |
|---------------------|-------------|-------------|----------------|-------------|-------------|----------------|----------------|-------------|----------------|
| | Indicated | | | Inferred | | | Total Resource | | |
| Deposit | Mt | Au (g/t) | Oz | Mt | Au (g/t) | Oz | Mt | Au (g/t) | Oz |
| Red Dale | 0.64 | 1.21 | 24,660 | 0.03 | 0.60 | 570 | 0.67 | 1.18 | 25,230 |
| Lucky Strike | 0.70 | 1.93 | 43,400 | 0.57 | 1.97 | 36,200 | 1.27 | 1.95 | 79,600 |
| Mt Martin | 5.60 | 1.40 | 2,47,500 | 3.69 | 1.61 | 191,500 | 9.29 | 1.47 | 439,000 |
| TOTAL | 6.94 | 1.41 | 315,560 | 4.29 | 1.66 | 228,270 | 11.23 | 1.51 | 543,830 |

| Porphyry Gold-Copper Style | | | | | | | | | | | | | | |
|----------------------------|--------------|-------------|-------------|----------------|---------------|--------------|------------|-------------|----------------|--------------|----------------|-------------|----------------|---------------|
| | Indicated | | | | | Inferred | | | | | Total Resource | | | |
| Deposit | Mt | Au (g/t) | Cu (%) | Au (Oz) | Cu (t) | Mt | Au (g/t) | Cu (%) | Au (Oz) | Cu (t) | Mt | Au (g/t) | Au (Oz) | Cu (t) |
| Burns Central | 32.31 | 0.38 | 0.16 | 394,308 | 50,253 | 10.65 | 0.3 | 0.08 | 103,165 | 8,047 | 42.96 | 0.36 | 497,472 | 58,300 |
| Total | 32.31 | 0.38 | 0.16 | 394,308 | 50,253 | 10.65 | 0.3 | 0.08 | 103,165 | 8,047 | 42.96 | 0.36 | 497,472 | 58,300 |

| Nickel | | | | | | | | | |
|--------------|-----------|----------|----------|----------------|-------------|---------------|----------------|-------------|---------------|
| | Indicated | | | Inferred | | | Total Resource | | |
| Deposit | tonnes | Ni (%) | Ni metal | tonnes | Ni (%) | Ni metal | tonnes | Ni (%) | Ni metal |
| Goodyear | - | - | - | 392,000 | 3.78 | 14,780 | 392,000 | 3.78 | 14,780 |
| TOTAL | - | - | - | 392,000 | 3.78 | 14,780 | 392,000 | 3.78 | 14,780 |

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