



Lefroy Exploration

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ASX ANNOUNCEMENT | 22 SEPTEMBER 2023

\$6.2M RAISED TO ADVANCE NICKEL AND GOLD PROJECTS AT LOCATION 45

ASX:LEX

HIGHLIGHTS

- Lefroy has received firm commitments to raise \$6.2 million (before costs) in a heavily oversubscribed share placement to institutional and sophisticated investors.
- Existing shareholders have provided strong support for the placement in addition to new overseas and domestic investors.
- Directors of Lefroy have committed to participate in the Placement for a total of \$465,000, subject to shareholder approval.
- Lefroy is now well-funded to commence exploration at its newly acquired Location 45 project, located just 20km north of Kambalda and 35km southeast of Kalgoorlie.
- Exploration programs will be focused initially on resource infill and expansion drilling at the Goodyear Nickel Deposit (15kt at 3.8% Ni) and Mt Martin Gold Mine (501 koz at 1.8 g/t Au).

Lefroy Exploration Limited ("LEX" or "the Company") (ASX: LEX) is pleased to announce that it has received firm commitments to raise approximately \$6.2 million (before issue costs) through a heavily oversubscribed placement to institutional and sophisticated investors ("Placement"). The includes \$465,000 from Lefroy Directors.

LEFROY CHAIRMAN, GORDON GALT, COMMENTED:

"Lefroy had excellent buy in from existing and new sophisticated and institutional investors, leaving the Company well positioned to advance exploration at our nickel and gold assets at Location 45.

Planning for drilling and resource expansion work at both Goodyear and Mt Martin is already well progressed and we look forward to delivering what investors want – drills turning and investment going into the ground.

The Placement received heavy oversubscription, demonstrating strong appetite to firm up and expand our resources by advancing exploration programs, as well as potentially laying pathways towards fast-tracking development.

We look forward to providing regular updates on progress in the Lefroy Project area, which now spans 635km² in highly prospective Goldfields country."



PLACEMENT DETAILS

The Placement will result in the issue of a total of 38.75 million fully paid ordinary shares ("Shares") at an issue price of \$0.16 per New Share. New Shares issued under the Placement will rank equally with the Company's existing fully paid Shares.

The Placement issue price was at a 20% discount to the last closing price of LEX (on 19 September 2023) and a 22.2% discount to the 15-day VWAP of LEX Shares. The Placement was taken up by new overseas and domestic institutional and sophisticated investors and received strong support from existing shareholders. Lefroy's Directors have committed to participate in the Placement for a total of \$465,000. This will be subject to Shareholder approval at the Company's next General Meeting of Shareholders.

The proceeds of the Placement will be used to accelerate exploration at the highly prospective Location 45 project, located approximately 20km north of Kambalda and 35km southeast of Kalgoorlie within the Company's commanding and contiguous 635km² tenement package, known as its Lefroy Project.

Lefroy acquired 100% of the mineral rights to Location 45 from its title holder, Franco-Nevada Pty Ltd, in May 2023 (refer to ASX release 23 May 2023). Location 45 contains two existing resources, including the Mt Martin Gold Mine (Mt Martin) containing 501,000 ounces at 1.8g/t gold, and the high-grade Goodyear Nickel Deposit (Goodyear) containing 14,780 tonnes grading at 3.8% nickel.

Lefroy's 100% owned nickel-focused subsidiary, Hampton Metals Ltd (HMT) holds the nickel, lithium and rare earth element mineral rights to Location 45. HMT's highly experienced board has significant nickel industry experience from exploration through to production, and comprises Managing Director Graeme Gribbin, Chairman David Kelly, and Non-Executive Directors including Tim Netscher.

Proceeds from the capital raise will be focused initially gold exploration at the Mt Martin open pit, focusing resource and extensional drilling of the open-pit to facilitate optimization studies and a pathway to resume mining.

Subsequent to this, the Company will undertake resource infill and expansion drilling at Goodyear, which shares the same highly prospective basal contact as the high-grade Carnilya Hill Mine (Wyloo Metals) situated 6km the east and along strike of Goodyear. The drill program will test the upside potential identified along strike and down plunge of the deposit and aims to increase resource confidence from Inferred to Indicated (refer to ASX release 23 August 2023).

A drill rig is scheduled to mobilise to commence work at Mt Martin in October and will subsequently Goodyear in November 2023.

The Company will continue discussions, which have commenced, with third party mill operators for a low capital development pathways at both Goodyear and Mt Martin.

Funds from the equity raise will also allow the Company to target other emerging gold and nickel prospects within the greater Lefroy Project.

The Placement of 35,843,750 Shares is being undertaken under the Company's existing ASX Listing Rule 7.1 placement capacity (24,068,700 Shares) and ASX Listing Rule 7.1A placement capacity (11,775,050 Shares) ("Tranche 1"). Settlement of Tranche 1 of the Placement is expected to take place on or around Friday, 29 September 2023, with allotment and quotation of the new Shares expected to occur on Monday, 2 October 2023.



The issue of 2,906,250 Shares to the Directors (or their nominees) in tranche 2 of the Placement is subject to Shareholder approval to be sought at the Company's next General Meeting of Shareholders.

Bridge Street Capital Partners Pty Ltd and Morgans Corporate Ltd were Joint Lead Managers for the Placement.

- ENDS -

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

Wade Johnson
Managing Director

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ABOUT LEFROY EXPLORATION LIMITED

Lefroy Exploration Limited (ASX:LEX) is an active West Australian exploration company focused on expanding and developing its growing gold and critical minerals projects. The Company holds a diverse portfolio of high-quality projects, including the Lefroy Project located in the heart of the world-class Kalgoorlie-Kambalda gold and nickel mining district, in Western Australia. The Lefroy Project is a commanding and contiguous land package of 635km² with a growing mineral resource inventory currently standing at 1.1 million ounces of gold, 58,000 tonnes of contained copper and 14,780 tonnes of contained nickel (as at August 2023).

This achievement is the culmination of several significant greenfields discoveries and strategic land acquisitions by the Company since its founding in 2016. This includes the Lucky Strike and Red Dale gold deposits, the Burns Gold-Copper (porphyry) Project, and the newly acquired freehold title, Location 45.

Lefroy's wholly owned subsidiary, Hampton Metals Ltd is focused on the exploration and development of the Company's nickel assets. It's priority projects includes the Goodyear Nickel Deposit (Goodyear) within Location 45, Carnilya South 6km east of Goodyear, the Lake Johnston Project 120km west of Norseman, and the large 2872km² Glenayle Project 210km north of Wiluna.

