



LEFROY EXPLORATION LIMITED

FINANCIAL REPORT

For the half year ended 31 December 2025

Incorporated in the British Virgin Islands IBC No 29457

Australian Registered Body Number 052 123 930

LEFROY EXPLORATION LIMITED AND CONTROLLED ENTITIES
ARBN 052 123 930

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CORPORATE DIRECTORY

Directors

David Kelly	(Non-executive Chairman)
Graeme Gribbin	(Managing Director)
Michael Davies	(Non-executive Director)
Tara French	(Non-executive Director)

Company Secretary

Susan Park

Registered Office

Level 3, 7 Rheola Street
WEST PERTH WA 6005
Telephone: +618 9321 0984

Rodus Building
P.O Box 3093
Road Town,
Tortola, VG1110
British Virgin Islands

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

Share Registry

Computershare Investor Services Pty Ltd
Level 17, 221 St George's Terrace
PERTH WA 6000
Telephone: +618 9323 2000

Rodus Building
PO Box 3093
Road Town,
Tortola, VG1110
British Virgin Islands

Stock Exchange Listing

Lefroy Exploration Limited shares are listed on the Australian Securities Exchange (ASX code: LEX)

Australian Company Number and Australian Business Number

ARBN: 052 123 930
ABN: 71 052 123 930

Email

info@lefroyex.com

Internet Address

<http://lefroyex.com>

LEFROY EXPLORATION LIMITED AND CONTROLLED ENTITIES
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DIRECTORS' REPORT

The Directors present their report together with the financial report of Lefroy Exploration Limited (the “Company”) and its controlled entities (the “Group”), for the half-year ended 31 December 2025 and independent review report thereon. This financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

Director’s names

The names of the Directors in office at any time during or since the end of the half year are:

David Kelly	(Non-executive Chairman)
Graeme Gribbin	(Managing Director, appointed 27 February 2026)
Michael Davies	(Non-executive Director)
Tara French	(Non-executive Director)

The Directors have been in office since the start of the half year to the date of this report unless otherwise stated.

Results and Review of operations

For the half year ended 31 December 2025, the Group recorded a loss (after providing for income tax) amounting to \$902,000 (Dec 2024: loss \$1,667,000).

Review of Operations

Lucky Strike Gold Mine Operational under Profit-Share Mining Agreement¹

In July 2025, the Company progressed key milestones for its profit share mining agreement with BML Ventures Pty Ltd² with regards to the Lucky Strike Gold Project (“Lucky Strike”).

In November 2025, the Company progressed the Lucky Strike Gold Mine (Lucky Strike) through final approvals to commencement of mining.

Lucky Strike contains an MRE of 1.27 Mt @ 1.95 g/t Au for 79,600 ounces (Indicated 0.70Mt @ 1.93g/t Au for 43,400 oz. Inferred 0.57Mt @ 1.97g/t for 36,200 oz).

The material commercial terms of the Profit-Sharing Agreement with BML Ventures Pty Ltd² include a profit-sharing split of LEX 50% and BML 50%. BML is authorised and responsible for the mine site and acts as the statutory Mine Operator responsible for all mining activities at Lucky Strike. Importantly, BML will fund capital and operating costs and manage all mining related activities at Lucky Strike.

¹ ASX Announcement 16 July 2025 – Lefroy secures funds with BLM Profit Cash Advantage Agreement

² ASX Announcement 12 Feb 2025 – LEX Executes Agreement with BML to Mine Lucky Strike

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In November 2025, Lefroy was pleased to announce that it had received all final mine and environmental approvals for the Lucky Strike Gold Mine³. This included the approval of the Mine Development and Closure Plan (MDCP) from the Department of Mines, Petroleum and Exploration (DMPE).

The Company also received approval for a clearing permit for mining tenement M25/366, and a miscellaneous licence L26/317 was granted⁴ to allow preliminary earthworks to commence on the accessway and haul road corridor for Lucky Strike.

BML commenced site clearing earthworks in November 2025, followed by pre-strip mining activities.

Preliminary site works and clearing were undertaken to facilitate the establishment of site offices and accommodation facilities, coupled with the establishment of a workshop, along with preparing and marking out the location of both waste dump and Run of Mine (ROM) locations, with the latter constructed to accommodate future ore stockpiles from Lucky Strike.

Mining activities commenced in December 2025, with a total of 253,400 Bank Cubic Meters (BCM) of pre-strip waste material mined within the Stage 1 pit prior to the end of the half-year⁵.

The Company was pleased to report that it was on target for first ore intersection with ore haulage on target to commence in January 2026. It also reported that it had commissioned a second waste dump to facilitate timely movement of pre-strip material, with office site administration facilities complete.

Haulage is on track to facilitate the Company's inaugural toll-milling campaign in February 2026. The first profit-share distribution is scheduled to be delivered to Lefroy well inside the first half of 2026.

Lucky Strike - Grade Control Drilling (Stage 1)

In July 2025, the Company completed the final stage of a grade control drilling program at Lucky Strike, with the entire grade control program comprising 421 reverse circulation (RC) drill holes for a total of 16,476m. This program was fully pre-funded by profit share partner BML.

The grade control drilling results validated and strengthened the Company's confidence in the resource and geological model at Lucky Strike^{6, 7}. Final results from the Stage 1 grade control drilling⁸ targeting the northern pit delivered outstanding results, both in grade and intercept widths.

Lucky Strike – Stage 2 Drilling⁹

Additionally, in September, the Company was pleased to report that it returned spectacular assay results from the deeper Stage 2 reverse circulation (RC) drilling program, targeting the high-grade zone plunging below the current planned Stage 1 southern pit.

The program was designed to target a high-grade zone plunging below the current planned Stage 1 southern pit, with drill holes testing both within and on the peripheries of the current mineral resource envelopes.

³ ASX Announcement 5 November 2025 – Lucky Strike Mine approved clearing pathway for operations to commence

⁴ ASX Announcement 4 December 2025 – Mining Commences at Lucky Strike Deposit

⁵ ASX Announcement 23 December 2025 – Strong start to mining at high-grade Lucky Strike Gold Mine

⁶ ASX Announcement 3 June 2025 – Exceptional Assays as Diamond Rig arrives at Lucky Strike

⁷ ASX Announcement 24 June 2025 – More High-grade Results at Lucky Strike Gold Deposit

⁸ ASX Announcement 29 July 2025 – Further outstanding assay results confirm high-grade gold model at Lucky Strike

⁹ ASX Announcement 25 September 2025 – High grade gold assays support Lucky Strike expansion

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These results not only confirm the Company's view of the potential for a larger Stage 2 pit design at Lucky Strike, but they also demonstrate the exploration and resource extension upside for the broader Lucky Strike mineral system both along strike and down plunge.

Diamond Drilling Results

Two diamond drill holes were completed during the quarter, designed to capture geotechnical data to inform a potential Stage 2 pit shell design at Lucky Strike, and additionally to test the margins of the northern up-plunge limits of mineralisation within the current mineral resource envelopes.

Drilling successfully delineated mineralisation along the northern up-plunge extents with significant intersections from both diamond holes.

Designs and planning for a potential expanded Stage 2 pit shell design at Lucky Strike are in the early stages of assessment. These new assay results, coupled with the incorporation of recently captured geotechnical data, will be collated to inform a decision regarding an expanded Stage 2 pit at Lucky Strike.

Burns Central Deposit: Unlocking the High-Grade Gold Potential

The Burns Deposit lies within the broader Lefroy Gold Project located 70km southeast of Kalgoorlie, proximal to the St Ives gold camp (Gold Fields Ltd JSE: GFI) and the Daisy Milano and Mt Monger gold operations (Vault Minerals Ltd ASX: VAU).

The Burns Central Mineral Resource Estimate (MRE) contains a significant, structurally controlled high-grade gold zone¹⁰, including 4.22Mt @ 1.18 g/t Au for 159,285 contained ounces, reported within 200m of surface.

In October 2025¹¹, the Company announced that it was set to commence a focused drilling program at Burns, designed to:

1. Target the high-grade gold resource extension potential of Burns Central, initially testing the shallowest zones to the north; and
2. Complete metallurgical test work via a diamond drill program, to confirm the preliminary metallurgical results completed in 2023 and guide further studies on potential development pathways at Burns

Resource Extension Drilling Underway

During December 2025, reverse circulation (RC) drilling was completed, targeting the high-grade gold corridor at Burns Central¹².

The RC drill program comprised a total of 10 RC drill holes for 1681m, planned over 3 drill lines, to test the shallow resource extension potential of the Burns high-grade system along strike to the north.

Previous drilling performed by the Company identified significant high-grade gold intersections along the northern flanks of the Burns system¹³.

¹⁰ ASX Announcement 3 October 2024 – High Grade Shallow Resource to unlock value at Burns Central

¹¹ ASX Announcement 23 October 2025 – Burns drilling targets near surface high-grade gold potential

¹² ASX Announcement 9 December 2025 - Resource extension drilling underway at Burns Gold Deposit

¹³ ASX Announcement 2 March 2023 – Strong Gold and Copper Intersections Expand Burns

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Subsequent to the half-year, in January 2026, the Company received all assay results for the resource extension drilling program at Burns (refer ASX release 8 January 2026).

Metallurgical Diamond Drill Program Completed

During December 2025, Lefroy completed a diamond drill program aimed at confirming previous preliminary metallurgical test work performed on the Burns Deposit.

This prior test work confirmed significant gravity recoverable gold averaging 41%, with total leach recoveries averaging approximately 97%¹⁰ providing confidence that the samples tested are free-milling and amenable to recovery through conventional CIL processing circuits.

The diamond drilling program consisted of a single 270m diamond hole (HQ size), targeting the high-grade core of Burns¹⁴.

Subsequent to the half-year, assay results were returned in January 2026 (refer ASX release 8 January 2026), with the drilling program successfully intersecting the high-grade core of Burns.

CORPORATE

Profit Cash Advance Agreement to Strengthen Cash Position

During the September quarter, the Company announced that it had entered into a Profit Cash Advance Facility Agreement (Agreement) with BML in relation to the Lucky Strike Gold Deposit¹⁵.

The agreement represents a total funding commitment of \$2.5 million, with the first cash advance of \$1 million to be completed by the end of the September FY26 quarter. Additional advances of \$500,000 to be available in each of the December, March and June FY26 quarters.

All cash advances are to be offset against Lefroy's 50% entitlement under its existing Profit-Sharing Agreement with BML. Recourse under the facility security is limited to the Lucky Strike mining tenement, no upfront fees, and a coupon rate of 8% per annum.

Lefroy received its first cash advance instalment of \$1.25 million during the quarter¹⁶, with the Company now in a strong cash position and fully funded ahead of profit-share distributions flowing from the Lucky Strike Gold Project in the first half of 2026.

This allows Lefroy to advance exploration at the Burns Central high-grade gold Project, with resource extension drilling set to commence in November 2025.

The cash advance represents the first of four (4) instalments to be received by Lefroy from BML across FY26, with the full funding commitment under the Facility Agreement totalling \$2.5 million.

BML and Lefroy agreed to increase the amount of the first cash advance by 25%, by bringing forward an additional advance of \$250,000 from \$1 million to \$1.25 million.

¹⁴ ASX Announcement 11 November 2025 – Burns High-grade Gold Deposit Drilling Underway

¹⁵ ASX Announcement 16 July 2025 – Lefroy Secures Funds with BML Profit Cash Advance Agreement

¹⁶ ASX Announcement 30 September 2025 – Lefroy receives first cash advance instalment of \$1.25 Million from BML

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The Facility Agreement provides for three (3) further advances which are to be released upon notice from Lefroy in the December (\$500,000), March (\$500,000), and June (\$250,000) FY26 quarters.

Cash Advance from BML

During the quarter, Lefroy further consolidated its cash position by receiving a second cash advance instalment¹⁷ of \$0.75 million from BML Ventures Pty Ltd (BML) under the July 2025 Profit Cash Advance Facility Agreement (Facility Agreement)¹⁸.

This cash advance represents the second instalment to be received by Lefroy from BML across FY26, with the full funding commitment under the Facility Agreement totalling \$2.5 million. BML and Lefroy agreed to increase the amount of this second cash advance by bringing forward an additional advance of \$250,000 from \$0.5 million to \$0.75 million.

Funding provided to date under The Facility Agreement now totals \$2.0 million, with \$0.5 million remaining to be drawn down.

Significant changes in state of affairs

There were no significant changes in the Group's state of affairs that occurred during the half year, other than those referred to elsewhere in this report.

Principal activities

The principal activity of the Group during the half year was exploration and evaluation of mineral assets within the state of Western Australia.

No significant change in the nature of these activities occurred during the half year.

After balance date events

On 20 January 2026 it was announced to the ASX that mining of first ore from the North Pit of the Lucky Strike Gold Deposit was underway. This ore was ultimately milled at FMR Investments Pty Ltd's Greenfields Mill in Coolgardie. The Group subsequently reported on 23 February 2026 that the first three gold doré had been shipped to Perth Mint Refinery, for completion and final refining.

On 27 February 2026, Mr Graeme Gribbin, Chief Executive Officer ("CEO"), had been appointed as Managing Director of the Company. Mr Gribbin, CEO of the Company since February 2024, is a highly experienced Geologist with an extensive exploration, mining and management background spanning 25 years across both gold and nickel projects.

No other matters or circumstances have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

¹⁷ ASX Announcement 18 December 2025 - Lefroy receives second cash advance instalment of \$0.75 Million from BML

¹⁸ ASX Announcement 16 July 2025 - Lefroy Secures Funds with BML Profit Cash Advance Agreement

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DIRECTORS' REPORT

Likely developments

The Group expects to maintain the present status and level of operations.

Rounding of amounts

The financial statements are expressed in Australian Dollars and have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors.



David Kelly

Non-executive Chairman

Dated this 16th day of March 2026

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION

As lead audit Director for the review of the financial statements of Lefroy Exploration Limited and the entities it controlled for the half year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark DeLaurentis
MARK DELAURENTIS CA
Director

Dated this 16th day of March 2026
Perth, Western Australia

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Note	Consolidated 31-Dec-25 \$000	Consolidated 31-Dec-24 \$000
Income			
Interest income		24	41
Other income			1
Total income		<u>24</u>	<u>42</u>
Expenses			
Accommodation expenses		32	35
Legal, professional and consulting expenses		182	183
Directors fees		220	201
Travel expenses		9	8
Interest expense		2	3
Depreciation expense		41	38
Salaries and wages expenses		90	113
Share based payment expense	9	212	221
Other expenses		138	125
Impairment Expense	4	-	782
Total expenses		<u>926</u>	<u>1,709</u>
Loss for the period before income tax		<u>(902)</u>	<u>(1,667)</u>
Income tax expense			-
Loss after income tax		<u>(902)</u>	<u>(1,667)</u>
Other comprehensive income		-	-
Total comprehensive loss for the period		<u>(902)</u>	<u>(1,667)</u>
Loss per share			
Basic loss per share attributable to ordinary equity holders in cents		(0.37)	(0.81)
Diluted loss profit per share attributable to ordinary equity holders in cents		(0.37)	(0.81)

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	NOTE	Consolidated 31-Dec-25 \$000	Consolidated 30-Jun-25 \$000
ASSETS			
Cash and cash equivalents	3	1,847	1,680
Trade and other receivables		71	57
Other current assets		4	4
Total current assets		1,922	1,741
Property, plant and equipment		38	43
Right of use assets		68	102
Exploration and evaluation assets	4	22,588	23,862
Mine development properties	5	2,601	-
Total non-current assets		25,295	24,007
TOTAL ASSETS		27,217	25,748
LIABILITIES			
Trade and other payables		479	303
Lease liabilities		75	75
Loans payable	6	2,000	-
Provisions	7	80	69
Total current liabilities		2,634	
Provisions	7	294	283
Lease liability		-	39
Total non-current liabilities		294	322
TOTAL LIABILITIES		2,928	769
NET ASSETS		24,289	24,979
EQUITY			
Issued capital	8	55,030	55,030
Foreign currency translation reserve		(111)	(111)
Share based payment reserve	9	3,864	3,652
Accumulated losses		(34,494)	(33,592)
TOTAL EQUITY		24,289	24,979

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

Consolidated	NOTE	Contributed equity \$'000	Accumulated losses \$'000	Share based payments reserve \$'000	Foreign currency translation reserve \$'000	Total equity / (shareholders' deficit) \$'000
At 1 July 2024		51,885	(31,019)	3,264	(111)	24,019
Loss for the period		-	(1,667)	-	-	(1,667)
Other comprehensive income, net of income tax		-	-	-	-	-
Total comprehensive loss		-	(1,667)	-	-	(1,667)
Issue of ordinary shares (net of costs)		2,876	-	-	-	2,876
Share based payments		-	-	221	-	221
At 31 December 2024		54,761	(32,594)	3,485	(111)	25,449
At 1 July 2025		55,030	(33,592)	3,652	(111)	24,979
Loss for the period		-	(902)	-	-	(902)
Other comprehensive income, net of income tax		-	-	-	-	-
Total comprehensive loss		-	(902)	-	-	(902)
Issue of ordinary shares (net of costs)		-	-	-	-	-
Share based payments	9	-	-	212	-	212
At 31 December 2025		55,030	(34,494)	3,864	(111)	24,289

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Note	Consolidated 31-Dec-25 \$000	Consolidated 31-Dec-24 \$000
Cash flows from operating activities			
Payments to suppliers and employees		(721)	(772)
Interest paid		(2)	(3)
Interest received		24	41
Net cash flows used in operating activities		(699)	(734)
Cash flows from investing activities			
Payments for exploration and evaluation		(1,093)	(1,402)
Payments for plant and equipment		(2)	(4)
Proceeds from research and development tax incentive claim		-	755
Net cash flows used in investing activities		(1,095)	(651)
Cash flows from financing activities			
Proceeds from issue of shares		-	3,030
Payments of share issue costs		-	(215)
Principal payment of lease liabilities		(39)	(33)
Proceeds from cash advance from BML	6	2,000	
Net cash flows generated from financing activities		1,961	2,782
Net increase in cash and cash equivalents held		167	1,397
Cash and cash equivalents at the beginning of the financial period		1,680	1,398
Cash and cash equivalents at the end of the financial period		1,847	2,745

The accompanying notes form part of these financial statements.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

NOTE 1: GENERAL INFORMATION

Lefroy Exploration Limited was incorporated under the laws of the British Virgin Islands on 14 May 1990 under the International Business Companies Act (Cap. 291). The liability of the members is limited by shares. The Company maintains its Registered Office in the British Virgin Islands.

These financial statements are presented in thousands of Australian Dollars and comprises the Company and its controlled entities (the "Group"). The Group has determined that its functional currency is Australian dollars (June 2025: Australian dollars).

The consolidated financial statements were approved and authorised for issue by the Directors as at the date of the Directors' report.

NOTE 2: MATERIAL ACCOUNTING POLICIES

The accounting policies adopted by the Group in the preparation and presentation of the consolidated financial report are in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2025.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with *IAS 34 Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by the Group during the half-year. During the half-year, the Group

(b) Accounting estimates and judgements

When preparing the consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

All judgements, estimates and assumptions applied in the consolidated financial statements for the half year ended 31 December 2025, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2025.

(c) Historical Cost Convention

The financial report has been prepared under the historical cost convention, except for certain classes of assets and liabilities for which the fair value basis of accounting has been applied.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

NOTE 2: MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Going Concern

The interim consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. The Group has incurred a net loss after tax for the half year ended 31 December 2025 of \$902,000 (31 December 2024: loss of \$1,667,000) and had a net cash outflow from operating and investing activities of \$1,794,000 (31 December 2024: \$1,385,000). The net assets of the Group as at 31 December 2025 were \$24,289,000 (30 June 2025: \$24,979,000) which included cash and cash equivalents of \$1,847,000 (30 June 2025: \$1,680,000).

The Group's cash flow forecast through to 31 March 2027, reflects that the Group has sufficient working capital to enable it to meet its working capital commitments. However, this cash flow forecast assumes the Group receives cash inflows from the net profit share agreement related to the Lucky Strike Gold Project, or additional working capital within this timeframe to enable it to pursue its ongoing exploration and evaluation objectives and meet exploration and operational expenditure commitments over this period.

The Directors are satisfied that the Group will be able to secure additional funding as required via one or a combination of, a placement of shares, options conversions, rights issues, or joint venture arrangements or sale of certain assets. Accordingly, the Directors considers it appropriate to prepare the financial reports on a going concern. In the event the Group is unable to raise additional working capital to meet the Group's ongoing operational and exploration commitments as and when required, there is a material uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern.

The financial reports do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(e) Operating segments

IFRS 8 requires that operating segments be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group engages in one business segment, being exploration activities within Western Australia. Consequently, the results of the Group are analysed as a whole by the chief operating decision maker.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

NOTE 2: MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Mine development properties

Mine development properties represent expenditure in respect of exploration, evaluation, feasibility, and pre-production operating costs incurred by the Group. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining lease.

These costs are amortised once production commences, using the units of production (UoP) method to align amortisation expenses with the rate of resource extraction.

Units of Production (UoP) Amortisation Method

The Group uses the units of production method when amortising mine development assets, resulting in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. This requires the use of estimates and assumptions, and changes in ore reserves and mineral resources driving the remaining life of mine production are accounted for prospectively.

(g) New and amended standards and interpretations

A number of new and amended accounting standards are effective for the current reporting period, however, the change to the Group's accounting policies arising from these standards has not required the Group to make retrospective adjustments as a result of adopting these standards. The adoption of the new and amended accounting standards has therefore had no material impact on the Group for the half year ended 31 December 2025.

NOTE 3: CASH AND CASH EQUIVALENTS

	Consolidated	
	31-Dec-25	30-Jun-25
	\$000	\$000
Cash at bank and in hand	1,847	1,180
Short-term deposits	-	500
Carrying amount at the end of the period	1,847	1,680

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

NOTE 4: EXPLORATION AND EVALUATION ASSETS	Consolidated	
	31-Dec-25	30-Jun-25
	\$000	\$000
<i>Exploration and evaluation assets</i>		
Carrying amount at the beginning of the period	23,862	22,522
Exploration costs incurred during the period	1,342	2,164
Change in rehabilitation provision	(15)	(1)
Research and development tax incentive received	-	(41)
Impairment Expense ¹	-	(782)
Transfer to mine development properties (Note 5)	(2,601)	
Carrying amount at the end of the period	<u>22,588</u>	<u>23,862</u>

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent upon successful development and commercial exploitation.

¹During the year ended 30 June 2025, the Group conducted a review of its exploration and evaluation assets, the group forfeited tenure and has impaired the carrying value of the exploration and evaluation assets for the Glenayle project to nil with \$782,192 written off as an impairment expense in the Statement of Profit or Loss. The impairment loss is a non-cash adjustment and does not impact the Group's cash flows.

As at 31 December 2025, no indicators of impairment were identified for the Group's exploration and evaluation assets.

NOTE 5: MINE DEVELOPMENT PROPERTIES	Consolidated	
	31-Dec-25	30-Jun-25
	\$000	\$000
<i>Mine development assets</i>		
Carrying amount at the beginning of the period	-	-
Transfer from exploration and evaluation assets	2,601	-
Carrying amount at the end of the period	<u>2,601</u>	<u>-</u>

As announced to the ASX, on 4 December 2025 the Group commenced mining activities at the Lucky Strike Gold Project, tenement M25/366. Mining activities for the Lucky Strike Gold Project are conducted under the Profit Share Mine Agreement between the Group, and BML Ventures Pty Ltd ("BML").

In accordance with the agreement, BML have been appointed as the statutory Mine Operator, and manage all mining activities and approvals, including funding of capital and operating costs. The Group is entitled to 50% of the net surplus cash from the Lucky Strike Gold Project, after deduction of all expenses and recover of all costs from mining related activities.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

NOTE 6: LOANS PAYABLE	Consolidated	
	31-Dec-25	30-Jun-25
	\$000	\$000
Carrying amount at the beginning of the period	-	-
Cash advances received from BML Ventures Pty Ltd	2,000	-
Carrying amount at the end of the period	2,000	-

As announced on 16 July 2025, the Group entered into a Profit Cash Advance Facility Agreement ("the facility") with BML Ventures Pty Ltd ("BML") in relation to the Lucky Strike Gold Project.

The material commercial terms under the facility were as follows:

- BML to provide cash advances to the Group of up to \$2,500,000 upon provision of a drawdown notice by the Group;
- Fixed interest rate of 8% p.a., applied monthly and capitalised in arrears, to be paid (deducted) from the Group's 50% entitlement under the Profit-Sharing Agreement between the Group and BML;
- Maturity date for repayment of 31 December 2026; and
- Security granted to BML over Lucky Strike Gold Deposit tenement M26/366

As at 31 December 2025, the Group had drawn down \$2,000,000 on the facility (30 June 2025: \$NIL), with a further \$500,000 remaining available for drawdown at the Group's discretion.

NOTE 7: PROVISIONS	Consolidated	
	31-Dec-25	30-Jun-25
	\$000	\$000
<i>Current</i>		
Provision for annual leave	80	69
	80	69
<i>Non-current</i>		
Provision for long-service leave	12	1
Provision for rehabilitation (i)	282	282
Carrying amount at the end of the period	294	283

(i) The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites. The discount rate used in the calculation of the provision as at 31 December 2025 was 4.72%. (30 June 2025 was 4.21%).

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NOTE 8: ISSUED CAPITAL

	31-Dec-25	30-Jun-25	31-Dec-25	30-Jun-25
	Nos.	Nos.	\$000	\$000
(a) Share capital				
Fully Paid Ordinary Shares	240,762,637	240,762,637	55,030	55,030
			Consolidated	
(b) Movements in issued capital			No.	\$000
<i>Fully Paid Ordinary Shares</i>				
Balance at 1 July 2024			192,800,981	51,885
Issue of placement shares to raise \$3.03 million (before costs) on 5 November 2024			43,285,725	3,030
Issue of shares in lieu of payment of drilling fees and consulting fees on 11 December 2024			818,786	61
Issue of fully paid ordinary shares at \$0.07 per share to Directors 12 February 2025			3,857,145	270
Share issue costs			-	(216)
Balance at 30 June 2025			240,762,637	55,030
Balance at 31 December 2025			240,762,637	55,030

	Consolidated	
NOTE 9: RESERVES	31-Dec-25	30-Jun-25
	\$000	\$000
Foreign currency translation reserve	(111)	(111)
Share-based payments reserve	3,864	3,652
	3,753	3,541

(i) Share Plan Shares

As at 31 December 2025, there were 7.657 million ordinary shares (2025: 7.675 million ordinary shares) held by the Lefroy Exploration Share Plan (the 'Share Plan Trust'), previously named the U.S. Masters Executive Plan Trust, on behalf of Directors, employees and consultants, held in conformity with the Share Plan Trust rules.

The Share Plan Trust shares have no set expiry date; however, they are subject to a fixed vesting period of five years, concluding on 2 December 2026. Directors, employees and consultants are not entitled to the shares held by the Share Plan Trust until the relevant vesting conditions are met.

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NOTE 9: RESERVES (CONTINUED)

7.657 million shares held on behalf of Directors, Employees and Consultants by the Share Plan Trust, were issued in three equal tranches and subject to the same vesting conditions, outlined below and as approved by the Group's shareholders on 2 December 2021:

- (i) Tranche one (33.33%) – When the Company's share price (as traded on the ASX) exceeds \$0.60 per share for 5 consecutive days;
- (ii) Tranche two (33.33%) – When the Company's share price (as traded on the ASX) exceeds \$0.70 per share for 5 consecutive days; and
- (iii) Tranche three (33.33%) – When the Company's share price (as traded on the ASX) exceeds \$0.80 per share for 5 consecutive days.

The total amount expensed during the half year ended 31 December 2025 in relation to the above Share Plan Trust shares outlined above was \$45,872 (31 December 2024: \$80,901).

(ii) Incentive Plan Options

As at 31 December 2025 there were 11.3 million incentive options (30 June 2025: 11.3 million options) held by the Lefroy Exploration Incentive Awards Plan (the 'Incentive Plan'), on behalf of Directors and employees.

Directors and employees are not entitled to the options held by the Incentive Plan Trust until the relevant vesting conditions are met. All incentive Plan options are issued in three equal tranches and subject to the same vesting conditions, outlined below and as approved by the Company's shareholders on 6 December 2022:

- (i) Tranche one (33.33%) – When the Company's share price (as traded on the ASX) exceeds \$0.50 per share for five consecutive ASX trading days;
- (ii) Tranche two (33.33%) – When the Company's share price (as traded on the ASX) exceeds \$0.60 per share for five consecutive ASX trading days; and
- (iii) Tranche three (33.33%) – When the Company's share price (as traded on the ASX) exceeds \$0.70 per share for five consecutive ASX trading days.

Messrs David Kelly and Graeme Gribbin Incentive Plan Options were issued on 19 December 2023 and 28 February 2024 in three equal tranches and were subject to the following vesting conditions, outlined below:

- (i) Tranche one (being one third of the Incentive Options) will vest on issue;
- (ii) Tranche two (one third of Incentive Options) will vest on 30 November 2024 subject to continuous employment by the Company up until that date; and
- (iii) Tranche three (one third of the Incentive Options) will vest on 30 November 2025 subject to the continuous employment by the company up until that date.

The total amount expensed during the half year ended 31 December 2025 in relation to the Incentive Plan options was \$62,575 (31 December 2024: \$139,730).

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NOTE 9: RESERVES (CONTINUED)

(iii) Incentive Awards Plan

As at 31 December 2025, there were 3,404,069 performance rights granted to eligible employees of Lefroy Exploration as part of the Incentive awards plan approved by shareholders on 17 September 2024 general meeting (30 June 2025: 3,404,069).

Incentive Awards Plan Performance Rights have an expiry date of 31 December 2026. Directors, employees and consultants are not entitled to the Incentive Awards Plan Performance Rights until the relevant vesting conditions are met.

3,404,069 performance rights, were issued and subject to the same vesting conditions, outlined below and as approved by the Group's shareholders on 17 September 2024:

- (i) Achievement of first gold production under profit sharing agreement;
- (ii) Achievement of positive cashflow the Group from the profit share agreement with BML of not less than \$5m; and
- (iii) Continuous employment from date of issue

By no later than 30 September 2026.

The fair value of performance rights granted on 9 April 2025 was measured at \$0.075, being the closing market price of Lefroy Exploration Limited ordinary shares on the grant date. As the awards are subject only to non-market performance conditions and service conditions, these conditions are not factored into the grant-date fair value, in accordance with IFRS 2.

The total amount expensed during the half year ended 31 December 2025 in relation to the Incentive Awards Plan was \$104,266 (31 December 2024: \$NIL).

NOTE 10: DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The Group has certain commitments to meet minimum expenditure requirements on the mining exploration assets it has an interest in. Outstanding exploration commitments are as follows:

Exploration commitments	Consolidated	
	31-Dec-25	30-Jun-25
	\$000	\$000
within one year	1,663	1,798
later than one year but not later than five years	1,860	1,711
	<u>3,523</u>	<u>3,509</u>

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NOTE 11: COMMITMENTS AND CONTINGENCIES (CONTINUED)

The expenditure commitment of the Group for later than 1 year but not later than 5 years is uncertain. It is not possible to accurately forecast the nature or amount of future tenement expenditure commitments required to maintain areas of interest, although it will be necessary to incur expenditure.

The amount included is considered by management to be a conservative estimate of future costs in order to maintain the Group's interest in present tenement areas. If the Group decides to relinquish, farm out, vary, convert or otherwise change its areas of interests that are in good standing with the Department of Mines & Petroleum (subject to receipt of approval), such amounts that are committed will also change.

Mineral Rights Agreement

"On 22 May 2023, the Group acquired 100% of the mineral rights freehold property ""East Location 45"" (""LOC 45""). Under the terms of the acquisition the Group has granted the vendor a perpetual net-smelter return (""NSR"") royalty of 4% per annum. With the first Royalty Year commencing 1 July 2026, the Group is required to pay an aggregate royalty of at least \$100,000 per annum from gold production, with royalty payments to be calculated and paid monthly where gold production occurred in any given month. Should the NSR royalty be less than \$100,000 per Royalty Year, the Group is required to pay an amount equal to \$100,000 to the vendor, less any NSR royalty already paid, with this payment to be made no later than June of each Royalty Year. The Group can terminate the arrangement at any time by giving notice to the vendor and will only be required to remove all the fixtures from the land and make good any damage cause by such removal and complete all remediation and rehabilitation required as a result of exploration, development, mining operations and any other activities that it has undertaken.

As at 31 December 2025, management has determined that any payments greater than \$100,000 per annum under the NSR arrangement is contingent on successful exploration and development (i.e., when reserves have been proven to exists or production commence)."

NOTE 12: RELATED PARTY TRANSACTIONS

The following related party transactions occurred during the half year ended 31 December 2025:

Mr Michael Davies is a directors of New Holland Capital Pty Ltd ('New Holland Capital'), a subsidiary of Taurus Funds Management Pty Ltd.

On 1 January 2022, the Group entered into a deed of sub-lease for leasehold premises occupied in West Perth. \$76,662 (exc. GST) (31 December 2024: \$64,602 exc. GST) has been paid to Taurus Funds Management Pty Ltd in relation to rent and variable outgoings in accordance with the terms and conditions of the deed of sub-lease.

As at 31 December 2025 and 31 December 2024, No amounts were due and payable to New Holland Capital or Taurus Funds Management Pty Ltd in respect of services rendered.

Transactions with other related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

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NOTE 13: FAIR VALUES

The fair value of financial assets and financial liabilities of the Group approximated their carrying amount

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

The following event have occurred subsequent to the period ended 31 December 2025:

On 20 January 2026 it was announced to the ASX that mining of first ore from the North Pit of the Lucky Strike Gold Deposit was underway. This ore was ultimately milled at FMR Investments Pty Ltd's Greenfields Mill in Coolgardie. The Group subsequently reported on 23 February 2026 that the first three gold doré had been shipped to Perth Mint Refinery, for completion and final refining.

On 27 February 2026, Mr Graeme Gribbin, Chief Executive Officer ("CEO"), had been appointed as Managing Director of the Company. Mr Gribbin, CEO of the Company since February 2024, is a highly experienced Geologist with an extensive exploration, mining and management background spanning 25 years across both gold and nickel projects.

Other than as outlined above there have been no matters or circumstance, which have arisen since 31 December 2025 that have significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2025, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2025, of the Group.

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DIRECTORS' DECLARATION

The Board of Directors of Lefroy Exploration Limited state that the accompanying financial statements have been prepared in accordance with International Financial Reporting Standards and that in their opinion:

- a) the consolidated statement of profit or loss and other comprehensive income drawn up presents fairly the results of the Group for the 6 months ended 31 December 2025.
- b) the accompanying consolidated statement of financial position drawn up presents fairly the state of affairs of the Group as at 31 December 2025.
- c) Subject to Note 2(d) to financial statements, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'D. Kelly', written in a cursive style.

David Kelly
Non-executive Chairman

Dated this 16th day of March 2026.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LEFROY EXPLORATION LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Lefroy Exploration Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that accompanying half-year financial report is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$902,000 during the half year ended 31 December 2025. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with IAS 34 *Interim Financial Reporting* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not prepared, in all material aspects, in accordance with IAS 34 *Interim Financial Reporting*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 16th day of March 2026
Perth, Western Australia