
ANNOUNCEMENT
January 13th 2005

High-Grade Gold Reef Intersected

Lefroy Resources Limited ("Lefroy" or the "Company") is pleased to announce that orientation RC drilling below historic gold workings at the Pinafore Reef, in the Lefroy Goldfield, has intersected high-grade gold bearing zones of quartz-sulphide veining.

HIGHLIGHTS

Pinafore Reef

- LFC018 - 7 meters at 2.66g/t (including 1 meter at 8.39g/t)
- LFC018 - 6 meters at 5.38g/t (including 1 meter at 20.58g/t)

This result demonstrates that high-grade mineralisation continues below historic workings at the Lefroy Goldfield. The result marks the successful testing of one of approximately 30 individual reefs that are known within the Goldfield.

In addition low-grade gold bearing quartz-sulphide has been intersected at the Morning Star Reef, interpreted as a steeply plunging mineralised shear. Best results were:

Morning Star Reef

- LFC012 - 5 meters at 1.48g/t (including 1 meter at 2.93g/t)
- LFC013 - 2 meters at 1.30g/t (including 1 meter at 1.51g/t)

Mineralised shear zones at the Lefroy Goldfield host the high-grade gold "lodes" that characterize the goldfield, and are the primary target for the Company. Lefroy is approximately 20 kilometers from the 2.0M Oz Beaconsfield Gold Mine. Lefroy has a very similar ore character to Beaconsfield.

The second phase of the drilling program is scheduled to commence in late January.

PROGRAM SUMMARY

Orientation drilling at the Lefroy Goldfield has been designed to test several mineralisation styles within a corridor striking approximately 5 kilometres through the Lefroy Goldfield. The Company commenced its RC drill program in November 2004, completing 18 holes for 2543 metres and tested 7 target areas. This first phase of the program, despite being hampered by hole deviation, returned promising results from 2 prospects located approximately 800 meters apart.

Drilling of a further 2,500 meters is scheduled to commence in January 2005. This drilling will follow up on significant results from the first phase of the program and test 5 new target areas. Problems associated with hole deviation have now been addressed by the drilling contractor, which will ensure an improved result for the second phase of the program.

INTERPRETATION OF RESULTS

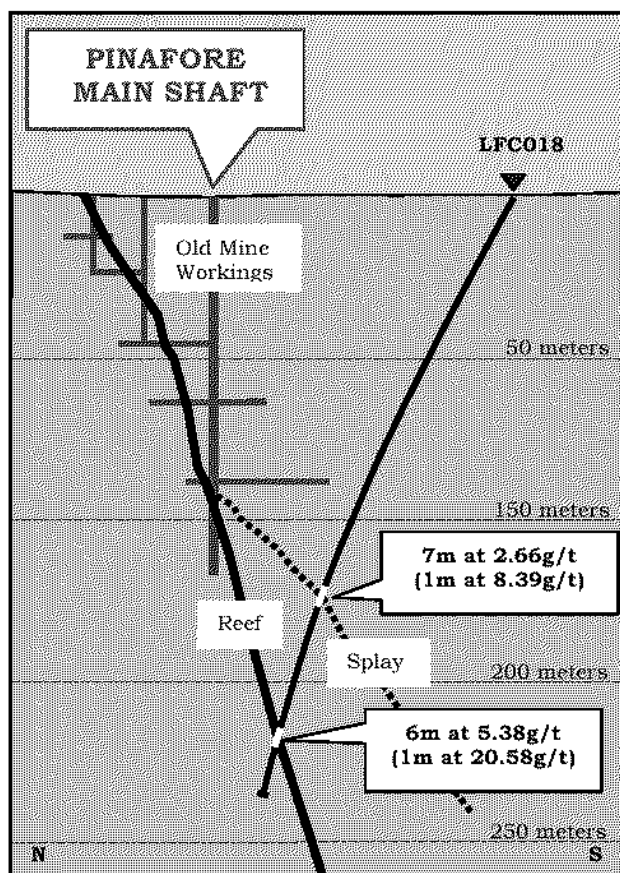
Pinafore Reef

The Pinafore Reef was mined prior to 1900 for approximately 50,000 Oz of gold, at grades reported as being around 30g/t. Gold was recovered from a main reef and splays containing gold-bearing quartz-sulphide, and mined down to a depth of approximately 120 metres.

Hole LFC018 successfully targeted down dip extensions of the main reef, and has been interpreted to have intersected both the main reef and a previously unknown hangingwall splay containing significant gold mineralisation, approximately 60 meters below the historic mines. Follow up drilling will target further extensions and other down dip extensions from the main reef.

Morning Star Reef

The Morning Star Reef was discovered at surface and mined down to approximately 130 meters prior to 1884. It produced approximately 13,000 Oz of gold at around 20-30g/t. Gold was recovered from a single west plunging "lode". LFC0012 and 013 targeted the west plunging down dip extensions of the main reef. Whilst both holes deviated and missed their primary target they did however intersect a well developed shear zone containing quartz-sulphide and low-grade gold mineralisation. These low-



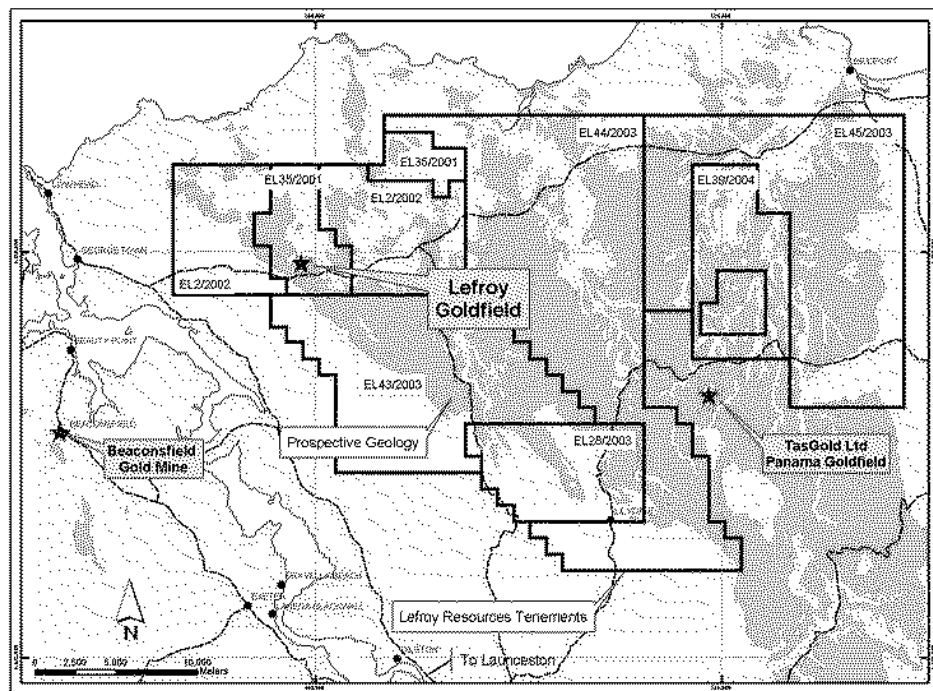
grade gold bearing shear zones are known to host high-grade gold “lodes” at the Lefroy Goldfield. Follow up drilling is planned for 2005 targeting high-grade reefs.

REGIONAL SUMMARY

The Company’s exploration land package in the north eastern goldfields of Tasmania consolidates at least three separate mineralised structures. The region has produced more than 600 gold deposits and occurrences from which there has been historical production in excess of 1.7Moz of gold.

The Lefroy Goldfield, located 20 kilometers from Beaconsfield, occupies the western most mineralised structure and is the focus of the initial drilling phase. The Company’s extensive land package extends east to cover potential northern strike extensions from the Lisle/Golconda Goldfield held by TasGold Ltd (below).

It is anticipated that a successful exploration model developed at the Lefroy Goldfield will be implemented across the eastern extents of the Company’s landholding, to test at least two other known mineralised regional structures.



Lefroy Resources Limited Tenement Map, NE Tasmania.

For Further Details contact,

John Canaris
Chief Executive Officer
Lefroy Resources Limited
Suite 5, 589 Stirling Hwy
Cottesloe 6011, WA

Ph: (08) 9286 1622
Fax: (08) 9286 1633
john@leeroyresources.com.au

Suite5, 589 Stirling Hwy Ph: +61 (8) 9286 1622
Cottesloe 6011, WA Fax: +61 (8) 9286 1633