
ANNOUNCEMENT
November 7th 2005

**225,000oz Inferred Resource and
1,300,000oz Exploration Potential
Defined for Lefroy Goldfield**

HIGHLIGHTS

Lefroy Resource Limited (the Company) is pleased to report initial JORC Inferred Resource and Exploration Potential figures for the 100% owned Lefroy Goldfield Project Area, north east Tasmania. This result represents the first significant new gold resource reported in Tasmania for 20 years.

JORC INFERRED RESOURCE - PINAFORE REEF

Prospect Area	Ore	Grade/Ore Zone	Resource
Pinafore Underground	304,000 t	22.9g/t over 2m	225,000oz Au

JORC EXPLORATION POTENTIAL - LEFROY GOLDFIELD

Prospect Area	Confidence	Range (to 1,000m Depth)
Lefroy Goldfield	90-50%	1,100,000 to 2,200,000oz Au

PROJECT SUMMARY

The Lefroy Goldfield, which consists of approximately 30 known close-spaced high-grade lode-style reefs, has a total historical production of 184,000 tons of ore for 191,000oz of gold to an average mined depth of approximately 80 metres.

The Pinafore Reef is one of the largest historically mined reefs in the Lefroy Goldfield. It was mined prior to 1900 for approximately 60,000oz of gold at grades averaging approximately 25g/t. Resource estimation work immediately followed the Company's first exploration season, which focussed on the development of high-grade lode-style gold-bearing reef targets below historic workings within the historic Lefroy Goldfield.

During the field season approximately 6,000 metres of RC and 1,000 metres of Diamond Drilling were completed at selected reef targets within the 4 kilometre mineralised corridor which makes up the Lefroy Goldfield. Drilling returned spectacular grades below historically mined stopes at the Pinafore and Native Youth Reefs. Best results include (previously reported):

PINAFORE REEF

LFC023A	4 metres @ 12.0g/t Au (including 1 metre @ 42.36g/t Au)
LFC018	6 metres @ 5.38g/t Au (including 1 metre @ 20.58g/t Au)
LFC018	7 metres @ 2.66g/t Au (including 1 metre @ 8.39g/t Au)
LFC045	10 metres @ 2.41g/t Au (including 1 metre @ 8.39g/t Au)
LFC045	3 metres @ 3.45g/t Au (including 1 metre @ 7.94g/t Au)

NATIVE YOUTH REEF

LFC021	10 metres @ 3.03g/t Au (including 3 metres @ 4.99g/t Au)
LFC022	14 metres @ 3.38g/t Au (including 3 metres @ 8.13g/t Au)
LFC044	17 metres @ 4.49g/t Au (including 1 metres @ 19.00g/t Au and 2 metres @ 9.28Au)

CONTROLS ON MINERALISATION & HISTORIC PRODUCTION DATA COMPILATION

Successful resource estimation work must be accompanied by a clear understanding of the geological controls on mineralisation. To this end independent geological work carried out by SRK Consulting successfully identified the likely structural controls on the distribution of ore beneath the old workings. SRK also examined trends in production grades and concluded that there is no reason to suppose that the gold grades of the Pinafore and Native Youth Reefs decrease down dip from the mined material (previously reported). This allows for extrapolation of mineralised gold-lodes within the identified trends down dip from the historically mined gold lodes.

SRK also identified two distinct populations of gold - high-grade and low-grade. The high-grade material is characterised by poor assay repeatability and can be attributable to “nuggetty” gold within high-grade ore shoots. This is also supported by metallurgical test work. The nuggetty nature of gold mineralisation means that its impossible to obtain a representable sample from drilling alone, and so modelling of historic production data is required to supplement drill data to calculate an Inferred Resource.

The Company completed stope reconstruction of the Pinafore and other selected historic mines within the Goldfield which assisted defining ore shoot dimensions. A total of approximately 10,000 metres of shafts and drives were digitised into 3D space to assist determining the non-weighted width of the main lode and define the search ellipse parameters used to calculate the volume of a potential resource.

A detailed analysis of historic production statistics was also completed enabling the Company to allocate tons and grade, in combination with modern drill data, to a wire-frame and block model to calculate an total Inferred Resource.

RESOURCE ESTIMATION METHODOLOGY & BLOCK MODELLING

A three dimensional block model was generated (below) for the Pinafore Reef using a nominal 0.5Au g/t natural cut-off grade interpolation for the mineralisation, generated as a wireframe using MICROMINE 10.0:4 software. Grades were interpolated to the block model cells using ID2 methodology and restricted by the mineralisation wireframe. Global resources were then estimated within the model at a range of gold cut-off grades.

Initial modelling with a parent cell size of 5 x 5 x 1 metres was chosen on the basis of the density of the drill data, historic production database and vertical extent of the mineralisation. The resource model was calculated to 460 metres below surface.

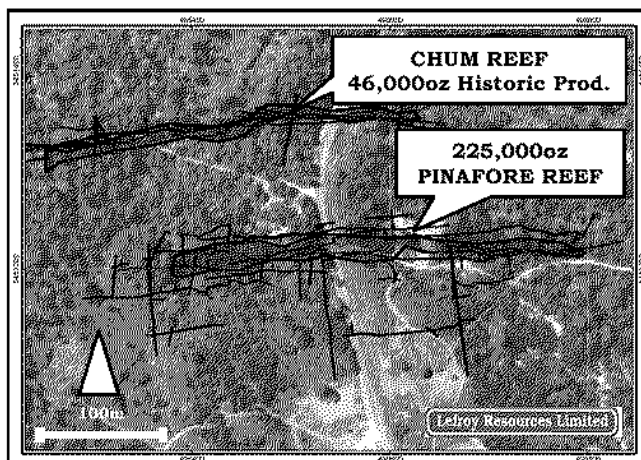
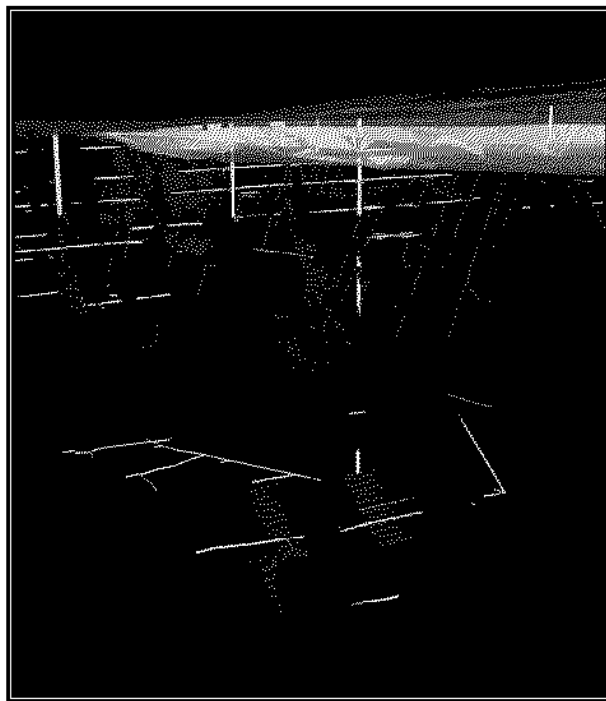
FURTHER HIGH-GRADE REEF TARGETS

Native Youth Reef Target Area

Located near the centre of the Lefroy township, the Native Youth Reef was historically mined for 25,000oz from 2.4 metre wide "lode-splay", striking over 400 metres with grades ranging around 30g/t. The Native Youth is located approximately 1,000 metres south of the Pinafore Reef and has returned the Company's best drill result to date (LFC044 - 17 metres @ 4.49g/t Au including 1 metres @ 19.00g/t Au and 2 metres @ 9.28 Au) from approximately 100 metres vertical depth. Despite this more drilling is required to define a resource, and the Native Youth Reef remains a primary drill target for the coming drill season.

Chum Reef Target Area

In addition the historic Chum Reef, located less than 150 metres north of the Pinafore Reef (right), represents an important target having produced approximately 46,000 ounces of gold at similar grades to the Pinafore Reef. The close proximity of the Chum to the Pinafore Reef suggest there is potential for the Company to produce multiple economic deposits that could be exploited in a single mining campaign.



Volunteer Reef Target Area

The Volunteer Reef, located at the southern end of the Lefroy Goldfield, is the single largest historically mined reef in the Goldfield having produced approximately 50,000 ounces of gold at an astounding 100g/t from stopes consistently much wider than elsewhere in the Goldfield. Despite this the Volunteer Reef remains largely untested and is a high priority target for the coming field season. A detailed geochemical sampling program has commenced, covering the shear structure hosting the known ore-zone and its potential extensions.

SUMMARY

This result marks the successful testing of only one of approximately thirty individual reefs that are known within the Lefroy Goldfield, demonstrating the potential for the Goldfield to yield multiple reefs that could be shifted into a resource category with limited drilling. Furthermore, the Pinafore Reef remains open along strike and at depth, indicating that further targeted drilling could increase the Inferred Resources reported here. The current resource is projected to 460 metres below surface.

In addition the single largest reef at Lefroy, the Volunteer Reef, remains untested by the Company and given that historic mined grades and ore zone thicknesses were routinely double that encountered at the Pinafore and Native Youth Reef, represents another key opportunity to expand reportable resources and exploration potential for the Goldfield.

The Company's second exploration field season is scheduled to commence in November with RC and diamond drilling planned at selected target areas within the Lefroy Goldfield.

For further information please contact:

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by John Canaris who is a Member of the Australian Institute of Geoscientists. John Canaris is a full-time employee of the Company. John Canaris has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". John Canaris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

John Baxter (RPGer, CPGeo) from Hermitage Holdings Pty Ltd has supervised and audited the development of this resource model at Lefroy. The information in this report that relates to Mineral Resources is based on information audited by John Baxter, who is a Member of The Australasian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. John Baxter is a full-time employee of Hermitage Holdings Pty Ltd. John Baxter has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as described in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". John Baxter consents to the distribution of this report in the form and context in which it appears.

The database from Lefroy has been audited by Geobase Australia Pty Ltd and SRK prior to the establishment of this resource estimation.