Lefroy Resources Limited

ABN 96 107 118 678

278 Barker Road
SUBIACO WA 6008

000001 000 LEFO
MR JOHN SMITH &
MR JIM SMITH &
MRS JANE SMITH
FLAT 123
123 SAMPLE STREET
SAMPLEVILLE VIC 3030

Application Form on Exercise of Options Expiring 31 March 2006

To the Directors, Lefroy Resources Limited

I/We hereby exercise [ ] option(s) and hand you herewith my/our cheque for [ ]

being 25 cents per share on application for [ ] ordinary shares in the capital of the Company.

I/We request that you allot me that number of shares and I/we agree to accept that number of shares on the terms below and the Constitution of the Company, and I/we authorise you to place my/our name on the register.

My/Our SRN/HIN (as shown on my/Issuer Sponsored holding statement or CHESS holdings statement) is [ ]

Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with my/our instructions set out above.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Director	Director/Company Secretary	Sole Director and Sole Company Secretary

Note: when signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

Day/Date	Month	Year
/	/	

Terms and Conditions of Options Overleaf

TERMS AND CONDITIONS OF OPTIONS EXPIRING 31 MARCH 2006

(a) Each Option entitles the holder to subscribe for one fully paid ordinary Share in the capital of Lefroy Resources at an exercise price of 25 cents.

(b) The Options are exercisable at any time on or before on 31 March 2006 by completing a notice of exercise and delivering it to Lefroy Resources share registry together with the payment for the number of Shares in respect of which the Options are exercised.

(c) Subject to the Corporations Act, the Listing Rules and the Constitution of Lefroy Resources, the Options are freely transferable.

(d) Lefroy Resources will apply to ASX for official quotation of all Options within seven Business Days after allotment of the Options.

(e) All Shares issued pursuant to the exercise of Options will be allotted within 15 Business Days after the receipt of a properly executed notice of exercise and the application monies in respect of the exercise and will rank pari passu in all respects with then existing fully paid ordinary Shares. Subject to the Listing Rules, Lefroy Resources will apply to ASX for official quotation of all Shares issued upon exercise of the Options within three Business Days after the allotment of the Shares.

(f) There are no participating rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, Lefroy Resources will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced. Lefroy Resources will also notify holders of any proposed issue at least seven Business Days before the record date. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(g) If there is a pro-rata issue of Shares to holders of Shares for which no consideration is payable by them (bonus issue), the number of Shares over which the Option is exercisable must be increased by the number of Shares which the holder of the Options would have received if the Options had been exercised before the record date for the bonus issue.

(h) In the event of any reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of Lefroy Resources, the Options will be reorganised in a manner required by the Listing Rules on a reorganisation of capital at the time of the reorganisation.

(i) Lefroy Resources will, at least 20 Business Days before the expiry date of the Options, send notices to the Option holders stating the name of the Option holder, the number of Options held and the number of Shares to be issued on exercise of the Options, the exercise price, the due date for payment and the consequences of non-payment.

LODGEMENT INSTRUCTIONS

Cheques shall be in Australian currency made payable to Lefroy Resources Limited and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's Registry, Computershare Investor Services Pty Ltd, GPO Box D182, Perth WA 6840.