

## Lefroy Receives \$0.56million Tax Refund from Burns R&D Program

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- The Company has received a \$0.56million tax refund for the 30 June 2021 FY supported by a Research and Development (R&D) tax incentive claim undertaken on the emerging Burns Au Cu mineral system
- Burns is considered a new and unique style of an intrusion related Au Cu system in the Eastern Goldfields Province (EGP) of Western Australia with the scale and genesis of the system yet to be fully understood
- The R&D program was initiated in 2021 to advance the geological and geochemical understanding and to develop a working model of this new style of Au Cu mineralisation, to support exploration at Burns and other areas in the EGP
- The research was undertaken in a joint collaborative effort with the Centre of Exploration Targeting (CET) at the University of Western Australia, supported by initial work completed by the Geological Survey of Western Australia (GSWA)
- Research on the genesis of the Burns system was ongoing during the 2022 FY and will continue in FY 2023 to advance the understanding of its geological significance, including its regional geological context, and to make comparisons to other intrusion related Au Cu deposits around the world to provide exploration tools to discover more of these systems
- The funds received will be used to accelerate exploration at Burns, with a planned 1200m EIS co funded diamond hole scheduled to commence in June 2022 to evaluate the deeper part of the system and designed to:
  - Expand the scale of the mineralisation discovered to date
  - Provide geological and geochemical information to support the ongoing research
  - Demonstrate further that Burns is a new, large Au Cu intrusion hosted mineral system

Lefroy Exploration Managing Director, Wade Johnson said *“the refund from the R&D tax incentive program is welcomed by the Company and the funds will be directed immediately back to exploration at Burns. We recognised very early from the discovery hole LEFR260 that Burns was a different mineral system to that observed elsewhere in the EGP, particularly the high copper content in the intrusive rocks. Collaboration with the CET and the GSWA to develop the geological model was important and we are grateful for their support. We are excited to be drilling the +1km EIS co-funded diamond hole to probe the depth of this unique intrusion related Cu Au system to demonstrate the scale to realise its full potential.”*

Lefroy Exploration Limited (ASX: LEX) (“Lefroy” or “the Company”) is pleased to announce that it has received a tax refund of \$0.56million for the year ended 30 June 2021. The refund was based on a Research and Development (R&D) Tax Incentive claim made for the Burns Au Cu prospect located within the Company’s wholly owned Eastern Lefroy Project, 70km southeast of Kalgoorlie.

The Burns Au Cu prospect is situated on the eastern margin of a large interpreted felsic intrusion, termed the Burns Intrusion. The intrusion does not outcrop and is represented by a distinctive annular aeromagnetic and gravity geophysical signature (refer LEX ASX release 15 September 2020).

A maiden 22-hole RC drill program completed in Jan-Feb 2021 intersected a spectacular gold and copper interval in hole LEFR260 containing 38m @ 7.63g/t Au & 0.56% Cu from 134m. The results from that RC program provided the geological and geochemical data that highlighted the unique geological characteristics of Burns and was a key stepping block to continued exploration activity.

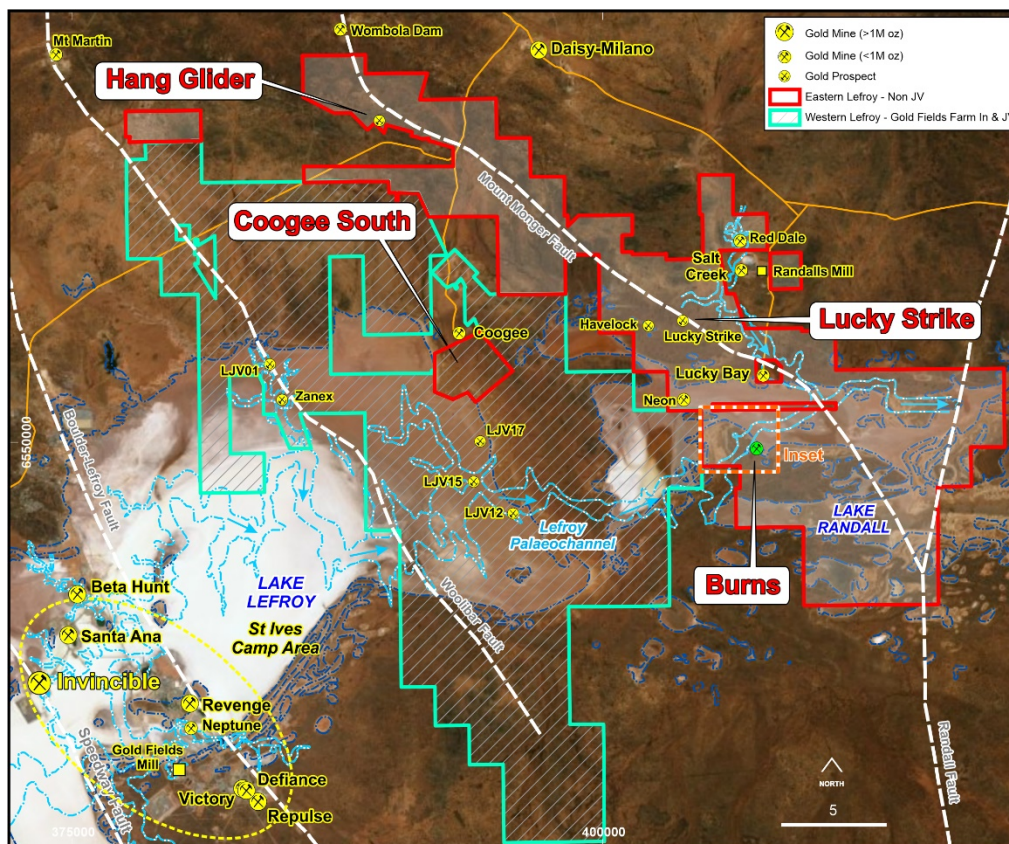
The broad high-grade gold mineralisation is hosted within hematite-magnetite-biotite-chalcopyrite-pyrite altered diorite porphyry (refer LEX ASX release 22 February 2021) that intrudes high magnesium basalt. This porphyry, termed the Eastern Porphyry, is open to the north and south, and its extent has been defined, on multiple drill sections, by foliated basalt (footwall basalt).

The gold and copper mineralisation hosted by both the diorite porphyry, basalt and massive magnetite veins is considered by the Company to be a new and unique style of Au-Cu mineralisation near Kalgoorlie, within a land position dominated by LEX. One of four known cross-cutting diorite porphyries is strongly alkalic and known as the Burns Alkalic Porphyry (BAP), which the Company considers to be an important component in the genesis of the Au-Cu mineralisation.

The Company initiated a collaborative research program to advance the geological understanding of the Burns system during 2021 with the Centre of Exploration Targeting (CET) at the University of Western Australia (UWA) subsequent to initial work completed by the Geological Survey of Western Australia (GSWA). The research work with the CET was ongoing during the 2022 FY and is planned to continue into 2023.

The gold and copper ( $\pm$  silver and molybdenum) mineralisation hosted by diorite intrusive rocks at Burns is considered by the Company to be a new style of mineralisation in the Eastern Goldfields Province (EGP) of Western Australia. The ongoing research work is aimed at:

- Understanding the geochemical and geological framework to place Burns into a model type
- Fingerprinting the key geochemical characteristics of Burns to guide further exploration within the system but also the immediate area beneath Lake Randall
- Providing the Company and industry with geological criteria through research publications to explore for and discover similar Au Cu systems in the EGP.



**Figure 1** Location of Burns, relative to the Western and Eastern Lefroy projects

The funds now received from the 2021 FY tax refund will be used to accelerate exploration at Burns and targets nearby on Lake Randall, but also progressing the research work with the CET.

The key objective to progress evaluation of the Burns system is the completion of the deep 1200m diamond hole into the Burns system, which is now scheduled to commence in mid-June. The hole will provide a section through the entire system (including western basalt) with a key focus to intersect the down plunge extent of the high-grade Au Cu zone defined by holes LEFR260 & 320.

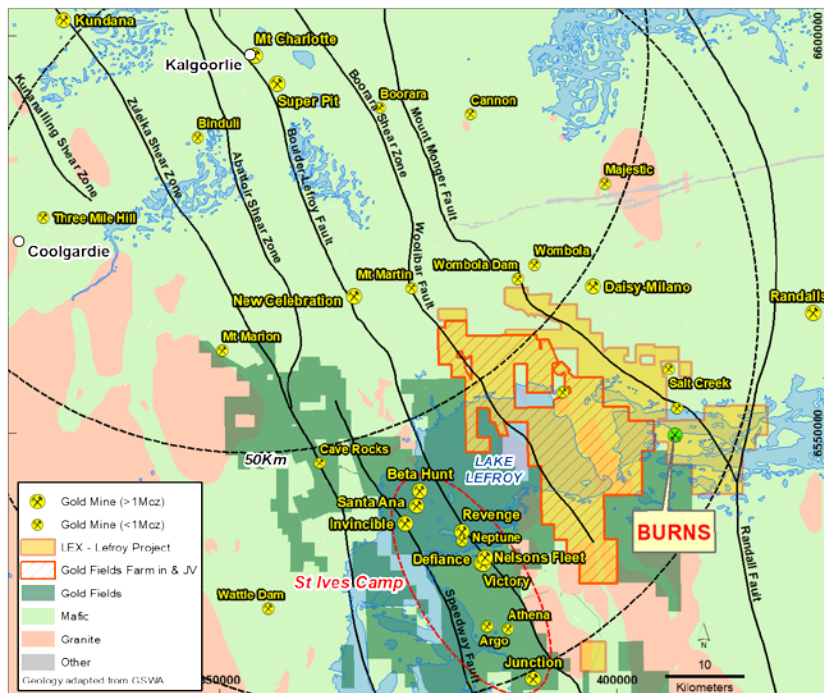
Co-funding for this hole is provided under the Exploration Incentive Scheme (EIS) managed by the Department of Mines, Industry Regulation and Safety (DMIRS) (refer LEX ASX release 21 February 2022). The diamond hole is scheduled to commence in June 2022.

The broader aircore drilling campaign on Lake Randall has recommenced to further test a portfolio of targets over the eastern part of Lake Randall (refer LEX ASX release 17 January 2022).

## About Lefroy Exploration Limited and the Lefroy Gold Project

Lefroy Exploration Limited is a WA based and focused explorer taking a disciplined methodical and conceptual approach in the search for high value gold deposits in the Yilgarn Block of Western Australia. Key projects include the Lefroy Gold Project to the southeast of Kalgoorlie and the Lake Johnston Project 120km to the west of Norseman.

The 100% owned Lefroy Gold Project contains mainly granted tenure and covers 621km<sup>2</sup> in the heart of the world class gold production area between Kalgoorlie and Norseman. The Project is in close proximity to Gold Fields' St Ives gold camp, which contains the Invincible gold mine located in Lake Lefroy and is also immediately south of Silver Lake Resources' (ASX:SLR) Daisy Milano gold mining operation. The Project is divided into the Western Lefroy package, subject to a Farm-In Agreement with Gold Fields and the Eastern Lefroy package (100% Lefroy owned). The Farm-In Agreement with Gold Fields over the Western Lefroy tenement package commenced on 7 June 2018. Gold Fields can earn up to a 70% interest in the package by spending up to a total of \$25million on exploration activities within 6 years of the commencement date.



Location of the Lefroy Gold Project relative to Kalgoorlie. The Western Lefroy tenement package subject to the Gold Fields joint venture, and Gold Fields tenure are also highlighted

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## Notes Specific-ASX Announcements

The following announcements were lodged with the ASX and further details (including supporting JORC Reporting Tables) for each of the sections noted in this Announcement can be found in the following releases. Note that these announcements are not the only announcements released to the ASX but specific to exploration reporting by the Company of previous exploration at Burns at the Lefroy Gold Project.

- Outstanding High-Grade Gold and Copper Mineralisation Intersected at Burns: 23 February 2020
- Exploration Update-Drilling Extends Porphyry at Burns: 26 March 2021
- Drill Results Extend Copper Gold Zones at Burns: 29 April 2021
- Multiple Intervals of Altered Porphyry Intersected at Burns: 3 May 2021
- Burns Drilling Update-first hole on 40N section confirms significant mineralisation extends to the north: 18 June 2021
- Exploration Update-RC drilling commences at the Burns Cu Au prospect: 20 July 2021
- Burns Update-Cu-Au mineralisation confirmed on 0N section, step out drilling extends system: 2 August 2021
- June 2021 Quarterly Activities Report: 28 July 2021
- Exploration Update-Advancing the Burns and Coogee South Prospects: 18 August 2021
- Results from 40N section Further Enhance Burns Cu-Au System: 21 September 2021
- Multiple magnetic anomalies highlight 3000m trend at Burns: 28 September 2021
- Drill testing of multiple magnetic targets underway at Burns: 5 October 2021
- Massive drilling planned for the Western Lefroy JV:13 October 2021
- Burns Update-Drill Results continue to support larger Cu-Au-Ag system: 3 November 2021
- Burns Update Drilling underway at Lovejoy anomaly: 22 November 2021
- High grade results Expand the Burns Cu Au System: 21 February 2022
- Impressive Au-Cu Intersection in New RC Hole at Burns: 16 April 2022

*The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Wade Johnson a competent person who is a member of the Australian Institute of Geoscientists (AIG). Wade Johnson is employed by Lefroy Exploration Limited. Wade has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Wade Johnson consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears*

This announcement has been authorised for release by the Board



Wade Johnson  
Managing Director

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