LEFROY EXPLORATION LIMITED

ANNUAL REPORT

30 June 2022

Incorporated in the British Virgin Islands IBC No 29457

Australian Registered Body Number 052 123 930

Corporate Information

Directors

Gordon Galt	(Non – executive Chairman)
Michael Davies	(Non - executive Director)
Tara French	(Non - executive Director)
Wade Johnson	(Managing Director)

Company Secretary
Susan Hunter

Registered Offices

Level 3, 7 Rheola Street	Rodus Building
WEST PERTH WA 6005	P.O. Box 3093
Telephone: +618 9321 0984	Road Town,
	Tortola, VG1110
	British Virgin Islands

Principal Place of Business
Level 3, 7 Rheola Street
WEST PERTH WA 6005

Bankers
Australia & New Zealand Banking Corporation
West Perth Business Centre
Hay Street
West Perth WA 6005

Share Registries

Computershare Investor Services Pty Ltd	Rodus Building
Level 11, 172 St George's Terrace	P.O. Box 3093
Perth WA 6000	Road Town,
Telephone: +618 9323 2000	Tortola, VG1110
	British Virgin Islands

Auditors
Ernst & Young
11 Mounts Bay Road
Perth WA 6000

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

CHAIRMAN'S LETTER

Dear Shareholders

The 2022 financial year has been a very active one for our company, with extensive field programs in our tenements near Lake Lefroy and the pegging of a major new area north of Wiluna, the Glenayle Project, which we believe is prospective for base metals. Once again, I am pleased to note that safety, environmental and community performance at our projects has been very good. This would not be possible without the continuing standards and diligence of our management, staff and contractors, often in trying conditions, and we thank them for their efforts.

During the year we focused exploration on our 100% owned Eastern Lefroy project, with the majority of work at the Burns project, both on land and on Lake Randall. Burns is highly prospective for gold and copper and covers an area of at least 16 sq kilometres. We also drilled at Coogee South and Havelock, with new gold intercepts being found along the respective trends.

At the Western Lefroy project (312 sq km), our partner Goldfields continued its extensive program and committed to Stage 2 of their farm-in, which will see a further $15million spent by June 2024 to earn 70% of the project.

During the year we announced that we would seek to separately list our nickel assets. This work is ongoing and should see the new company, Johnson Lakes Nickel Limited, floated in the first half of 2023, with assets in the Lake Johnson area, Glenayle and at Carnilya within the Lefroy Project.

In financial year 2023, our main intentions will remain in the Eastern Lefroy area, where we intend to

- continue to explore at multiple locations around Burns to better define the mineralisation occurrences, with deeper holes in current areas and follow up work programs in locations which have exhibited mineralisation during reconnaissance, but which are still insufficiently explored, and

- significantly increase our JORC 2012 compliant, open-cuttable resources and reserves (currently 100,000 oz at Lucky Strike and Red Dale), by adding mineralisation in the Central Burns area to a depth of approximately 200m. Further drill evaluation at Central Burns will commence shortly to support a targeted maiden resource release early in the 2023 calendar year.

We have continued to welcome new investors in 2022 Financial year and have over 1500 shareholders in LEX. I would like to thank you for your support during the year and for the interest and questions about our discoveries and intentions.

We all look forward to a safe and successful year ahead.

Yours Sincerely

Gordon Galt

Chairman, Lefroy Exploration Limited

DIRECTORS' REPORT

Your directors submit their report on Lefroy Exploration Limited ('Lefroy' or the 'Company') and it's consolidated entities (referred to hereafter as the 'Group') for the year ended 30 June 2022.

DIRECTORS

The names and details of the Company's directors in office during the year and until the date of this report follow. Each director was in the office for this entire period unless otherwise stated.

Gordon Galt, (Non - Executive Chairman) - Appointed 1 July 2010

B.Eng (Hons) (Qld Uni); B.Comm (Qld Uni); Grad Dip Applied Finance (Finsia); MAusIMM; MAICD

Gordon is a mining engineer with extensive experience in operations, project development, senior management and directorship across a range of commodities, especially gold, copper and coal. Gordon was General Manager at Ulan Coal in NSW's Hunter Valley then Managing Director at Cumnock Coal in 1996. He then was Managing Director with Newcrest Mining where he oversaw development of the Cadia and Ridgeway Copper/Gold mines in NSW, the Gosowong Gold Mine in Indonesia and the redevelopment of the Telfer Copper/Gold mine in WA. Gordon entered investment banking in 1999 as Managing Director for Energy, Chemicals and Pharma at ABN AMRO and was a founding Principal at Taurus Funds Management Pty Ltd in 2007.

<u>Other current directorships:</u>

NuCoal Resources Ltd	Appointed 5 February 2010
QMETCO Ltd (unlisted)	Appointed 30 August 2016

<u>Former directorships in the last 3 years:</u>

Nil

Wade Johnson, (Managing Director) - Appointed 19 October 2016

BSc. (Hons) MAIG

Wade is a geologist with over 25 years' experience in mineral exploration with a focus on gold in Western Australia. He was most recently exploration manager for Kalnorth Gold Mines Limited, where he oversaw exploration of the company's gold tenements near Kalgoorlie over a period of five years. Prior to this, Wade was with Newmont for 10 years, where he held senior roles as Exploration Manager for Australia and then as Exploration Manager for Asia Pacific. During this time he was responsible for the management of green-fields exploration programs and project generation across the Yilgarn, Tanami, North Queensland and the Lachlan Belt (NSW) with a significant amount of activity in Western Australia. He has also had extensive exploration project management and field experience throughout the Northern Goldfields and Murchison with Wiluna Mines Limited, ASARCO, and St Barbara Mines Ltd. Wade has not had any other directorships in the past three years.

<u>Other current directorships:</u>

Nil

<u>Former directorships in the last 3 years:</u>

Nil

DIRECTORS' REPORT (CONTINUED)

Michael Davies, (Non - Executive Director) – Appointed 1 July 2010

BA (Hons); MBA

Michael is a specialist in resource financing, with over 20 years' experience in investment banking (Barclays, BZW and ABN AMRO), originating, structuring and arranging debt and providing corporate advice to natural resources companies internationally. Michael also has had extensive commercial experience more broadly in the mining industry, having been involved in the negotiation of joint venture agreements, participating on joint venture committees and negotiating the acquisition and sale of mining tenements. Michael is also a founding Principal and Director of Taurus Funds Management Pty Ltd.

Other current directorships:

NuCoal Resources Ltd	Appointed 5 February 2010
QMETCO Ltd (Unlisted)	Appointed 20 October 2011

Former directorships in the last 3 years:

Nil

Geoffrey Pigott, (Non-Executive Director) – Appointed 1 July 2010, Retired 31 January 2022

M.A., B.A. (Hons); MAIG

Geoffrey has worked as a professional geologist in a career that encompasses mineral exploration, resource development and mining. His experience has been mainly in gold and base metals with major mining companies including Rio Tinto, Anglo-American, Freeport-McMoran and Newcrest. More recently as Head of Exploration with Aquila Resources, he played a lead role in assembling its extensive portfolio of iron ore, coal and manganese projects.

Other current directorships:

Nil

Former directorships in the last 3 years:

Nil

Tara French, (Non-Executive Director) – Appointed 1 July 2022

BSc. (Hons) MAIG

Tara is a geologist with 24 years mining and exploration experience and is currently the Managing Director of Cazaly Resources Limited. Previously she held the position of General Manager of Exploration for Regis Resources Limited, where she was employed for 14 years and played a key role in the transition and growth of Regis Resources Limited. Tara has multiple commodity experience including gold, nickel and copper, in project evaluation, resource estimation, open cut and underground mining.

Other current directorships:

Cazaly Resources Limited	Appointed 19 April 2021

Former directorships in the last 3 years:

Nil

COMPANY SECRETARY

Susan Hunter (appointed 6 December 2016)

BCom; ACA; F Fin; GAICD; AGIA

Susan has over 24 years' experience in the corporate finance industry and has held Company Secretarial and Non-Executive Director roles for ASX, AIM and TSX listed companies. Susan is founder and Managing Director of consulting firm Hunter Corporate Pty Ltd, specialising in corporate governance and company secretarial advice to ASX, AIM and TSX listed companies. Previously, Susan has held senior management roles at Ernst & Young, PricewaterhouseCoopers and Bankwest in Perth and Sydney. Ms Hunter holds a Bachelor of Commerce degree majoring in accounting and finance, is a Chartered Accountant, a Fellow of the Financial Services Institute of Australasia and the Institute of Chartered Secretaries and Administrators, and is a Graduate Member of the Australian Institute of Company Directors.

Interests in the shares and options of the Company and related bodies

As at the date of this report, the relevant interests of the directors and their related parties in the shares and Share Plan Shares of Lefroy Exploration Limited were:

	Ordinary Shares	Share Plan shares
Gordon Galt	3,467,857	1,200,000
Michael Davies	15,530,274	1,200,000
Tara French	-	-
Wade Johnson	4,203,380	2,400,000

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were:

- Exploration and evaluation of the Lefroy Gold Project (LGP), 50km southeast of Kalgoorlie:
  - At Eastern Lefroy, a majority of the Group's focus was continued exploration at the exciting Burns gold-copper prospect, which has been ongoing since its discovery by the Group in February 2021 when RC hole, LEFR260, intersected an outstanding 38m@ 7.63g/t gold & 0.56% copper from 134m the end of hole.
  - Exploration at Burns involved a combination of aircore (AC), reverse circulation (RC) and diamond drilling programmes which infilled and extended mineralisation identified in previous drilling. Aircore drill programs were also completed in the first half of FY22 at Coogee South along strike of the historic Coogee Open pit. A follow-up drill program was completed at Havelock, parallel to the Lucky Strike trend.
  - At Western Lefroy, which is subject to a Farm-In and Joint Venture Agreement ('JV') with Gold Fields Limited ('Gold Fields'), phases of RC and diamond drilling evaluating multiple geochemical targets in Lake Lefroy, were completed.
- The general administration of the Group

OPERATING AND FINANCIAL REVIEW

The 12 months ending 30 June 2022 was a period of significant gold and copper exploration activity for the Group and its partner, Gold Fields. Exploration was focused at the Group's flagship 100%-owned Lefroy Gold Project, located 50 km southeast of Kalgoorlie.

DIRECTORS' REPORT (CONTINUED)

LGP is referenced in two packages, i.e.

Eastern Lefroy covering 237.2km2 of wholly owned tenements (Figure 1) including Burns, Havelock, Lucky Strike, Coogee South, Red Dale, and other sub-projects along or near the regional scale Mt Monger fault.

Western Lefroy Joint Venture ("WLJV") tenements cover 311.6km2 adjoining the Gold Fields tenements that make up the St Ives mining operation. Gold Fields can earn up to a 70% interest in the LEX tenements by spending up to a total of $25million on exploration activities within 6 years of the commencement date, 7 June, 2018. Gold Fields is currently within the first year of the Stage 2 earn-in and elected to fund a further $15 million of exploration in July 2021 to earn their remaining 19%.

The LGP covers a large belt of Archaean aged rocks that are transected by major structural trends (e.g. Mt Monger, Randall and Woolibar Faults) as interpreted by the Geological Survey of Western Australia ('GSWA'), previous explorers and researchers. The Group was the first to amalgamate these tenement areas under one ownership, compile historical exploration data and conduct methodical systematic gold exploration in the search for a new, large gold system.

Exploration during the year by the Group was predominantly focused at Burns gold-copper prospect in the Eastern Lefroy project to follow up on the February 2021 discovery hole and subsequent exploration success at Burns in FY 2021. The FY 2022 work completed at Burns included several AC and RC drilling programs on both land and lake (Lake Randall) which successfully provided additional infill and extensional information at the established Burns gold-copper system and multiple new prospects (Smithers, Flanders, Skinner, and Lovejoy). Subsequent to financial year end the Group completed a deep 1650m diamond drill program designed to test the vertical and strike extent of the main Burns system (hole LEFD006) and the down-plunge extent of a high-grade gold-copper zone within it (hole LEFD007a). The program intersected exceptional visual results, including broad zones of native copper in highly altered drill core (ASX release 1 September 2022). The assay results for these holes are pending and the program ongoing. Burns continues to be the major focus of exploration attention by the Group goin into to the 30 June 2023 financial year.

In addition to the exploration at Burns the Group prioritised drill programs at the Coogee South and Havelock prospects. Exploration completed at Coogee South included two phases of aircore drilling within a 1.5km corridor 250m south and along strike of the high grad (5g/t Au) Coogee Open Pit (mined by Ramelius Resources Limited in 2014) which confirmed two new broad gold anomalies, 'Catalina' and 'Bronte'. An RC program was also completed at the Havelock prospect, located 1.5km from the Lucky Strike gold deposit of 80,000 oz. The results confirm a new gold discovery, which include 13m @1.82 g/t gold from 76m (hole LEFR331) and 3m @ 13.37 g/t gold from 118m (hole LEFR330), enhance the prospectivity of further discoveries along the remaining 6.2km north-south trend that remains open.

At the Western Lefroy JV, Gold Fields met the Stage 1 Farm-In requirement and elected to increase their interest to 70% by funding a further $15 million of expenditure in 3 years (by June 2024). Gold Fields also commenced a full field aircore program (FFAC), with over 46,000m planned on 400m by 400m spacing and encompassing the entire land area of the Western Lefroy JV. A total of 579 holes over 12,401m were completed in the 2022 FY, which remains ongoing in FY 23. In addition to the FFAC program, smaller closer spaced programs of infill AC, RC and diamond drill drilling concentrating on anomalous areas of interest, such as the Paddy's Secret prospect, reinforced and advanced the geological prospectivity and targeting near Lake Lefroy.

Eastern Lefroy Gold Project (Lefroy 100%)

The Eastern Lefroy project is a semi contiguous package of wholly owned tenements that cover approximately 37km of strike along and straddling the regional scale Mt Monger Fault. The Mt Monger Fault is considered to be structurally analogous to other major regional faults in the Kalgoorlie terrain (e.g. Boulder Lefroy, Zuleika, Randall) that are likely a primary control to gold mineralisation. The Group considers the Mt Monger Fault to be similarly prospective for large gold deposits, however the area lacks the same degree of exploration.

The Group has identified three priority centres or hubs along the Mt Monger Fault trend where greenfields exploration for gold (and copper) continues to be focused. These hubs are ranked according to the level of prior exploration activity, gold anomalies identified, and the structural setting.

P1- Lake Randall Exploration Hub: -Advanced and Generative Exploration (e.g. Burns)

P2- Lucky Strike Exploration Hub: -Advanced Exploration (e.g. Havelock, Lucky Strike)

P3- Hang Glider Hill Exploration Hub: -Reconnaissance Exploration

Previously, the Lucky Strike and Hang Glider hubs were the primary focus for the Group until January 2021, the exploration focus shifted to Burns within the Lake Randall Hub, which continues to be the main focus for the Group.

Lucky Strike Exploration Hub

Havelock & Erinmore

During the FY22 an initial 7-hole/900m Reverse Circulation (RC) drilling program was completed at the Havelock prospect, located 7000m northwest of the Burns Au-Cu system in the wholly owned Eastern Lefroy Gold Project.

The Havelock prospect is located approximately 1.2km southwest of the Group's Lucky Strike Banded-Iron-Formation (BIF) hosted gold deposit of 80,000 oz gold. The original target was generated in 2018 from the Group's assessment of regional aeromagnetic imagery which highlights a 9.5km linear magnetic unit parallel to and south of the Lucky Strike trend.

A single traverse of AC drill holes completed in July 2020 intersected strong quartz veining in an oxidised sedimentary unit interpreted to be similar to the host rocks at Lucky Strike. The best result was 5m @ 1.2g/t Au from 50m (hole LEFA774) (refer LEX ASX release 5 October 2020). These results were followed up with further AC drilling in December 2020, which outlined a new bedrock gold anomaly (>0.25g/t Au) with a strike length of approximately 1000m. Best results from this later program included 1m @ 5.37 g/t Au from 20m (hole LEFA897) and 3m @ 1.04 g/t Au from 57m to end-of-hole (LEFA898).

The FY22 7-hole RC program noted above was completed in June 2022 to further evaluate the Havelock gold anomaly as outlined by the previous aircore drilling. The 7 holes were angled with a combined depth of 900m and average hole dept hole depth of 129m, over three 40m spaced sections. Significant assay results were returned on each drill line, including:

- 3m @ 13.37 g/t Au from 118m in LEFR330
- 13m @ 1.82 g/t Au from 76m in LEFR331

  Including 7m @ 2.69 g/t Au from 78m
- 7m @ 1.48 g/t Au from 38m in LEFR326

  Including 2m @ 2.78 g/t Au from 41m

The results confirm a new gold discovery and enhance the potential for further discoveries along the remaining 2.5km of strike to the north and 3.7km to the south along the Havelock trend, which remain open. The confirmation of gold mineralisation at Havelock also justifies a maiden exploration program at the completely untested and adjacent Erinmore trend, which comprises a similar linear magnetic trend 900m to the south of Havelock.

In addition, the recent RC drill program has provided new geological information that significantly strengthens the prospectivity of the entire Burns to Havelock exploration search space. While mineralisation at Havelock is hosted in shallow dipping altered sediments similar to Lucky Strike, four of the seven RC holes at Havelock also intersected diorite porphyry visually similar to that at Burns. The Group now interprets Havelock to be linked along with Lucky Strike and Erinmore to the same hydrothermal mineralising event responsible for the alteration and diorite intrusions forming Burns. Magnetite alteration associated with the diorite intrusions at Burns was also observed proximal to the gold mineralised intervals at Havelock, which provides further support for the current interpretation of these linear magnetic trends forming part of one large zoned hydrothermal magmatic complex surrounding the Burns Intrusion.

The data provided by the seven holes supports a new interpretation by the Group that more mineral systems analogous to the alteration, geochemistry and geology of the Burns Au-Cu system can be discovered in the broader area distal to the large Burns Intrusion. The next immediate step in exploration for FY23 will include aircore drilling to expand the Havelock gold anomaly and evaluate further targets along strike of the trend. Incorporate into the work plan is also initial drilling at Erinmore and early-stage diamond drilling for geological and structural information and samples for research by the CET to confirm a link between the alteration assemblage at Havelock and Burns.

Lake Randall Exploration Hub

Burns

The Burns gold-copper prospect, which is situated on western side of Lake Randall, remained the Group's focus for exploration in the 30 June 2022 year subsequent to the exploration success at the prospect in prior year. In February 2021 the Group completed maiden 22-hole RC drill program that intersected spectacular gold and copper mineralisation in hole LEFR260, containing 38m @ 7.63g/t Au & 0.56% Cu from 134m. The results from this program provided the geological and geochemical data that highlighted the unique geological characteristics of Burns and the stepping block to continued exploration activity.

The Burns prospect is situated on the eastern margin of a large interpreted felsic intrusion, termed the Burns Intrusion. The intrusion does not outcrop but features a distinctive annular aeromagnetic and gravity geophysical signature. Immediately to the north, three parallel linear magnetic features known as Lucky Strike,

Havelock and Erinmore are interpreted to radiate out from the Burns intrusion. The Group is working towards establishing the association between the larger Burns intrusion, the magnetic anomalies and the diorite porphyry intrusions intersected at Burns, but research is ongoing to source evidence to support a view on the genetic relationship.

Between the September and March FY22 quarters a total of 577 aircore holes over 21,485m and 38 RC holes over 161m were drilled within the Lake Randall Hub at Burns and/or targets outboard of Burns. The aircore program was designed to follow up and expand the footprint of significant high-grade results returned from two vertical AC holes (LEFR1088 &1089), including 8m @ 7.31g/t gold from 20m in hole, LEFA1088, located approximately 180m to the north of the Burns discovery hole (LEFR260).

The two high-grade holes are 40m apart on the same drill section, both intersecting altered Eastern Porphyry, which is the key host to gold-copper mineralisation at Burns. Initially, the FY22 aircore program involved drilling vertical AC holes on a 40m-by-40m grid pattern to expand the geochemical footprint around LEFA1088 and LEFA1089 and along the interpreted trend of the Eastern Porphyry. The program was then expanded to include additional drill targets in Lake Randall generated from the results from the 2021 drill campaign integrated with geophysical (gravity & aeromagnetic) datasets.

The results returned from the aircore program successfully provided additional infill and extensional information at the established Burns gold-copper system and additional multiple new prospects (Smithers, Flanders, Skinner, and Lovejoy) peripheral and parallel to Burns but with a similar signature.

Subsequent to the 30 June 2022 year end, the Group commenced a deep diamond drill program to advance the scale and genesis of Burns. Two holes were completed, LEFD006-007a, which were designed to expand the continuity of mineralisation at Burns vertically and to test the lateral extent of the system by 250m to the west. Hole LEFD006, which is co-funded by the WA government under its Exploration Incentive Scheme (EIS), was completed to a total depth of 1245.8m with assay results pending.

An additional hole LEAFD008, was completed in September 2022 to 364m at the Lovejoy prospect, located 1.5km north of Burns within the 'Burns Corridor' and appearing as the northern most magnetic anomaly of a linear trend of discrete magnetic features. The hole intersected significant copper mineralisation (ASX release 20 September 2022) including 145m of copper between 130m-275m, which contains 42m of hydrothermal breccia with extensive native copper and copper sulphides from 233m. Assay results remain pending.

Burns and its surrounding prospects, including Lovejoy, will continue to be the major focus of exploration attention by the Group for the 30 June 2023 financial year

DIRECTORS' REPORT (CONTINUED)

Hang Glider Hill Exploration Hub

Hang Glider Hill (HGH) is located in the north west region of the Company's Lefroy Gold Project ("LGP" or "Project"), approximately 50km to the south east of Kalgoorlie. HGH is located close to the interpreted position of the regional scale Mt Monger Fault, along which (some 17km along strike to the south east) the Company outlined the Lucky Strike resource.

During the 30 June 2022 year, the Coogee south prospect was added to the Hang Glider Hub after being excised from the Western Lefroy JV tenement package (refer LEX ASX release 25 June 2021).

Coogee South
The Coogee South Prospect is located immediately along strike to the south of the high-grade (+5g/t Au) Coogee open pit, which was successfully mined by Ramelius Resources Limited ("Ramelius" and ASX: RMS) during 2014. Coogee South was excised from the Western Lefroy Farm-In (WLFI) and JV and returned as a 100% owned project to the Group on 18 June 2021 (refer LEX ASX release 2 August 2021).

A maiden aircore program was completed in September 2021, which totalled 136-holes on 80m by 40m centres for a total of 4056m and targeted a 1.5km corridor along strike and south of the Coogee open pit that included a historic 1990's era RAB anomaly of 17m @ 1.67 g/t Au from 99m (hole CSRC03). The results successfully generated two new broad gold anomalies known as Catalina and Bronte, beneath 4-14m of transported cover, with best results including:

4m @ 1.48g/t Au from 36m to end of hole (EOH) in LEFA1020

3m @ 0.99g/t Au from 24m to EOH in LEFA967

4m @ 0.67g/t Au from 24m to EOH in LEFA992

2m @ 0.84g/t Au from 24m to EOH in LEFA1004

The Catalina gold anomaly is 800m in strike, with a northwest trend and coincident gold-copper anomaly that is considered to be similar to the mineralisation of the Coogee open pit with the strongest anomalism coincident with the interpreted continuation of the flat west dipping Coogee structure.

The Bronte anomaly is gold only and approximately 400m in strike along a more northerly trend. Some of the higher tenor gold intercepts occurred along the southernmost drill line which remains open to the south. Anomalism is associated with diorite porphyry and the Group believes that the Coogee deposit is part of a larger gold copper system associated with a buried felsic intrusion that has similar characteristics to the Burns gold-copper prospect.

A second phase of aircore planned to expand the footprint of Catalina and Bronte was completed in the June Quarter. This program extended the low-grade gold anomalism at Bronte by 540m to the south, and outlined a new subtle 1.9km long gold trend west of Bronte and Catalina, which remains open to the west.

Western Lefroy Gold Project (Farm-In and Joint Venture Agreement: Gold Fields right to earn 70%)

The Western Lefroy tenement package being farmed into by Gold Fields commenced in June 2018. The contiguous tenement package covers the western part of the LGP to include Lake Lefroy and the surrounding area. The package comprises 311.6km2 of the total 548.8km2 of the Lefroy Gold Project and is adjacent to Gold Fields' +10 million-ounce St Ives Gold operation. The package covers the Woolibar Trend, a 13km north westerly trending sequence of rocks within the eastern part of Lake Lefroy which are along, or subparallel to, the informally defined north westerly trending structure termed the Woolibar Fault.

Gold Fields initiated exploration on the package in July 2018 with a major program to capture additional detailed geophysical data (specifically gravity & magnetics) over tenements in Lake Lefroy to infill and compliment the work completed by Lefroy in 2017. In March 2019, Gold Fields commenced a lake-based and foundational Full Field Aircore (FFAC) drilling program (ASX release 31 January 2019) to cover most of the tenure in Lake Lefroy. Which was completed in the year ending 30 June 2020. This program yielded foundation geological and geochemical information that was interrogated in conjunction with the geophysical data to deliver specific drill targets for deeper drill testing and hence termed foundation drilling.

DIRECTORS’ REPORT (CONTINUED)

During the year ending 30 June 2021 Gold Fields satisfied the Stage 1 Farm-In requirement and elected to increase their interest to 70% by funding a further $15 million of expenditure in 3 years (by June 2024). Gold Fields also commenced a full field aircore program (FFAC), planned over 46,000m on 400m by 400m spacing and encompassing the entire Western Lefroy Project area. A total of 579 holes over 12,401m were completed in the 2022 FY, which remains ongoing in FY 23. Gold Fields’ FFAC program combined with smaller closer spaced programs of infill AC, RC and diamond drill drilling concentrating on anomalous areas of interest, such as the Paddy’s Secret prospect, continue to reinforce and advance the geological prospectivity and targeting near Lake Lefroy.

The FFAC drilling program is ongoing

Lake Johnston Project (Gold and Nickel) Lefroy own 100% Gold and Nickel Rights

The Lake Johnston Project is located 120km west of Norseman in Western Australia and comprises four granted exploration licenses (refer attached tenement schedule) held under title by Johnston Lakes Nickel Pty Ltd. These holdings form a cohesive package of 180km^2 over the Lake Johnston Greenstone Belt. The lithium rights for three of the tenements are held by Charger Metals NL (ASX CHR) and Lithium Australia NL (ASX LIT).

The Group continued to progress the opportunity to accelerate nickel exploration on the project and continues to actively pursue tasks to assist this strategy. The Group is conscious of the exploration prospectivity for nickel and gold mineralisation on the cohesive land package, but with the full focus being at Eastern Lefroy, there is limited opportunity to run parallel exploration programs. The Group also recognised the appreciation in the nickel price and future demand by the EV industry and the opportunity to develop a dedicated nickel exploration Group.

During the 30 June 2022 year, the Group continued to focus on a separate listing of the nickel assets in the Portfolio, that includes the Lake Johnston Project, via its wholly owned subsidiary company, Johnston Lakes Nickel Pty Ltd (JLN) (refer to the tenement schedule).

The Group registered JLN in October 2021 (refer LEX ASX release 25 October 2021) and undertook an internal transfer of the Lake Johnston tenements and Ni rights to five tenements at Carnilya South, held by Monger Exploration Pty Ltd (also a subsidiary of the Group) to JLN in December 2021. This was completed during FY22.

The new JLN entity also has under application a further six contiguous large exploration licenses covering 2900km^2 north of Wiluna in WA, to form the Glenayle project (refer to ASX release 25 October 2021). The Glenayle Project is located in the Proterozoic Salvation Basin, which is a sedimentary sequence intruded by multiple dolerite sills of the Warakurna Large Igneous Province which the Group considers to be prospective for nickel and copper mineralisation.

Subsequent to the year end, the Group has continued to complete key procedural steps to list JLN on ASX.

Corporate

The key corporate activities for the year to 30 June 2022 were:

- The Company raised A$6,300,000 (before issue costs) via an oversubscribed share placement to institutional and sophisticated investors and a share purchase plan to existing shareholders as new domestic and overseas institutional investors (LEX ASX release 11 November 2021).
- The Company released its 2021 Annual Report on 30 September 2021: and
- The Company held its 2021 Annual General Meeting (AGM) on 2 December 2021. All resolutions were carried by a poll.

DIRECTORS' REPORT (CONTINUED)

- The Company executed a Farm-In and Joint Venture agreement ('Marloo agreement') with SensOre Yilgarn Ventures Pty Ltd, a subsidiary of SensOre Limited ('SensOre'). Under the terms of the Marloo agreement, SensOre can earn a 70% interest in the Marloo Tenement by spending $800,000 on exploration activities within 4 years from the commencement of the agreement, including a minimum of $0.2 million within the first 12 months.
- The Company received a $0.56 million tax refund supported by the Research and Development tax incentive claim ('R&D') it submitted for the year ended 30 June 2022.

Operating Results for the Year	2022 $000	2021 $000
Revenue & Other income	**11**	**73**
(Loss) / Profit	**(2,385)**	**(1,133)**

Shareholder Returns	2022	2021
Basic profit/(loss) per share (cents)	**(1.82)**	**(1.05)**
Diluted profit/(loss) per share (cents)	**(1.82)**	**(1.05)**

DIVIDENDS

No dividends were paid or declared during the year. No recommendation for payment of dividends was made.

RISK MANAGEMENT

The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that activities are aligned with the stated intentions of the Group. Risk Management is a recurring item on the agenda of Board meetings. The Board is also responsible for

- Monitoring and assessing the risk exposure of the Group;
- Conducting comprehensive reviews and making recommendations on the risk of fraud and the Groups internal controls; and
- Reviewing the adequacy of the Groups insurance programs.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in the Operating and Financial Review above, no significant changes in the state of affairs of the Group occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to the year-ended 30 June 2022, Ms Tara French was appointed as a Non – Executive Director on 1 July 2022.

No other matters or circumstances have arisen since the end of the financial year which have significantly affected or in the opinion of directors 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Comments on expected likely developments and expected results are disclosed in the Operating and Financial review above.

DIRECTORS' REPORT (CONTINUED)

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under audit.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The names and position of key management personnel ('KMP') for the year were as follows:

Gordon Galt	(Non - executive Chairman)
Michael Davies	(Non - executive Director)
Geoffrey Pigott	(Non - executive Director) - Retired 31 January 2022
Wade Johnson	(Managing Director)

Remuneration Policy

The remuneration policy of Lefroy Exploration Limited is designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives

when considered appropriate. The Board of Lefroy Exploration Limited believes the remuneration policy is effective in its ability to attract and retain suitable key management personnel to manage the Company's activities.

The board will review executive packages as and when it considers it appropriate to do so in accordance with its remuneration policy and by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and shares under the Company's Share Plan Trust from time to time. The policy is designed to reward executives for performance that results in long-term growth in shareholder wealth.

The Managing Director receives the superannuation guarantee contribution required by the government of Australia, which was 10% for the 2022 financial year, but is not entitled to receive any other retirement benefits.

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought as and when required. To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the Share Plan when considered appropriate by the Board.

Performance based remuneration

The Group utilises performance based remuneration to attract and motivate directors and employees and has the Lefroy Exploration Ltd Share Plan which was approved by shareholders on 12 September 2016. Shares issued under the Plan do not vest until certain hurdles have been met. The hurdles are based around future events that will advance the Company towards its objectives.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2022.

Service agreements

Gordon Galt, Non-Executive Chairman

- Term of agreement – Commenced on 1 July 2010, fee of $50,000 pa, no notice period of termination is required, and no monies are payable on termination.
- Remuneration was increased to $70,000 pa effective 1 November 2020.

DIRECTORS' REPORT (CONTINUED)

Wade Johnson, Managing Director:

- Term of agreement – Commenced 19 October 2016
- Annual salary of $220,000 excluding superannuation. Annual salary was increased to $250,000 (excluding superannuation) effective 1 November 2020.
- The agreement may be terminated by the Company giving 3 months' notice in writing, or by Mr Johnson giving 3 month's written notice, or applicable shorter periods upon breach of contract by either party. No benefits are payable on termination other than entitlements accrued to the date of termination.

Michael Davies, Non-Executive Director:

- Term of agreement – Commenced on 1 July 2010, fee of $35,000 pa, no notice period for termination, and no monies are payable on termination.
- Remuneration was increased to $50,000 pa effective 1 November 2020.

Geoffrey Pigott, Non-Executive Director:

- Term of agreement – Commenced 1 July 2010, fee of $35,000 pa, no notice period of termination is required and no monies are payable on termination.
- Remuneration was increased to $50,000 pa effective 1 November 2020.

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table.

	Short-Term		Post-Employment		Share-based Payments	Total
	Salary & Fees	Non-Monetary	Superannuation	Retirement benefits	Share Plan shares	
Directors	$	$	$	$	$	$
Gordon Galt [1]						
2022	**70,000**	**-**	**-**	**-**	**51,167**	**121,167**
2021	63,333	-	-	-	-	63,333
Wade Johnson						
2022	**251,150**	**-**	**25,099**	**-**	**102,334**	**378,583**
2021	259,384^	-	24,641	-	57,705	341,730
Michael Davies						
2022	**50,004**	**-**	**-**	**-**	**51,167**	**101,171**
2021	44,246				-	44,246
Geoffrey Pigott [1, 2]						
2022	**26,517**	**-**	**-**	**-**	**424,000**	**450,517**
2021	42,729	-	-	-	28,853	71,582
Total key management personnel compensation						
2022	**397,671**	**-**	**25,099**	**-**	**628,668**	**1,051,438**
2021	409,692	-	24,641	-	86,558	520,891

[1] Fees were paid to the directors' respective related entity.
[2] Mr Pigott retired from the position of Non-Executive Director on 31 January 2022. Mr Pigott remains entitled to shares granted to him under the Share Plan Trust. His entitlement under the Share Plan Trust has been expensed in full in the 30 June 2022 year.
^includes cash in annual leave entitlement, amounting to $19,179.

DIRECTORS' REPORT (CONTINUED)

Share Plan Trust shares

As at 30 June 2022, there were 7,765,000 ordinary shares (2021: 316,667 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.

During the year ended 30 June 2022:

- 6,300,000 fully paid ordinary shares were approved for issue to the Directors under the Share Plan Trust
- A further 1,491,667 fully paid ordinary shares were issued to employees and a key consultant of the Group. 141,667 of these shares were issued out of unassigned shares held in the Share Plan Trust. 61,875 of these shares vested immediately upon issue. A further 139,792 shares have met the required conditions for their vesting at 30 June 2022 and are exercisable by the recipients.

A reconciliation of Share Plan ordinary shares is as follows:

Director	1 July 2021	Grants	Vested	Forfeited	30 June 2022
Gordon Galt	-	1,200,000	-	-	1,200,000
Michael Davies	-	1,200,000	-	-	1,200,000
Geoffrey Pigott [1]	-	1,500,000	-	-	1,500,000
Wade Johnson	-	2,400,000	-	-	2,400,000
Other non KMP employees	175,000	1,491,667	(201,667)	-	1,465,000
Unassigned	141,667	(141,667)	-	-	-
Total	316,667	7,650,000	(201,667)	-	7,765,000

[1] Mr Pigott retired from the position of Non-Executive Director on 31 January 2022. Mr Pigott remains entitled to shares granted to him under the Share Plan Trust. His entitlement under the Share Plan Trust has been expensed in full in the 30 June 2022 year.

Share Plan Trust shares issued have no set expiry date. Directors, employees and consultants are not entitled to the shares held by the Share Plan Trust until the relevant vesting conditions are met.

7,650,000 ordinary shares held 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 Company's shareholders on 12 September 2016:

(i) Tranche one (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.60 per share for 5 consecutive ASX trading 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 ASX trading 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 ASX trading days.

6,300,000 of the above mentioned shares in the Share Plan Trust were issued/assigned to the Directors on 2 December 2021.

These shares were valued using an option pricing model with the following inputs:

	2022		
Measurement date	2-Dec-21		
Volatility	109%		
Expected term	5 years		
Expected vesting period	5 years		
Share price at grant date	$0.36		
Expected dividends	$Nil		
Risk-free rate	1.32%		
Notional exercise price	$0.60	$0.70	$0.80
Expected director exit rate per year	Nil%		
Market based vesting conditions	As outlined above		
Fair value at grant date	$0.291	$0.282	$0.275

During the year, ended 30 June 2022, a total of $628,668 (30 June 2021: $57,705) has been fully expensed during the current year in relation to Share Plan Trust shares issued to Directors.

Share Plan share holdings

The number of rights over ordinary shares and options in the Company held during the financial year by each director of Lefroy Exploration Limited and other key management personnel of the Group, including their personally related parties, is set out below:

	Balance at start of the year or date of appointment	Granted as compensation	Vested and Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Gordon Galt	-	**1,200,000**	-	-	**1,200,000**	-	**1,200,000**
Michael Davies	-	**1,200,000**	-	-	**1,200,000**	-	**1,200,000**
Geoffrey Pigott [1]	-	**1,500,000**	-	**(1,500,000)** [1]	-	-	**1,500,000**
Wade Johnson	-	**2,400,000**	-	-	**2,400,000**	-	**2,400,000**

[1] Mr Pigott retired from the position of Non-Executive Director on 31 January 2022. Mr Pigott remains entitled to shares granted to him under the Share Plan Trust. His entitlement under the Share Plan Trust has been expensed in full in the 30 June 2022 year.

Shareholdings

The number of shares in the Company held during the financial year by each director of Lefroy Exploration Limited and other key management personnel of the Group, including their personally related parties, are set out below.

	Balance at start of the year	Shares Acquired [1]	Other changes during the year [2]	Balance at end of the year
Directors of Lefroy Exploration Limited				
Ordinary shares				
Gordon Galt	3,224,999	242,858	-	3,467,857
Michael Davies	14,815,988	714,286	-	15,530,274
Geoffrey Pigott [2]	3,916,487	-	(3,916,487)	-
Wade Johnson	4,203,380	-	-	4,203,380

DIRECTORS' REPORT (CONTINUED)

[1] 857,144 Shares issued to Directors and their related parties who participated in the Share Placement, as approved at the General Meeting of Shareholders held on 2 December 2021.

[2] Mr Pigott retired from the position of Non-Executive Director on 31 January 2022. Mr Pigott remains entitled to shares granted to him under the Share Plan Trust.

Loans to key management personnel

There were no loans to key management personnel during the year (2021 $Nil).

Other transactions with Key Management Personnel

Messrs Gordon Galt and Michael Davies are directors of New Holland Capital Pty Ltd ('New Holland Capital'), a subsidiary of Taurus Funds Management Pty ltd. During the year, the Group engaged New Holland Capital to act as Lead Advisor in relation to a farm-in or vend-in over the Lefroy Project. Pursuant to this engagement, New Holland Capital received $166,962 (exc. GST) in success fees in relation to the Farm-in and Joint Venture Agreement signed for the Group's Western Lefroy Joint Venture area of interest. $129,322 in retainer fees were also paid to New Holland Capital as corporate advisor for the sale/commercialisation of the Groups Lake Johnston assets and Lucky Strike-Red Dale gold resources in the Lefroy Gold Project.

On 1 January 2022, the Group also entered into a deed of sub-lease for leasehold premises occupied in West Perth. As at 30 June 2022, $38,396 (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 30 June 2022, $Nil amount (inc. GST) remains due and payable to New Holland Capital in respect of the above transactions (2021. $Nil).

DIRECTORS' MEETINGS

The number of Directors' Meetings held and attended by each of the Directors for the year were as follows:

	Directors Meetings	
	Eligible to Attend	Attended
Gordon Galt	8	8
Michael Davies	8	8
Geoffrey Pigott	5	5
Wade Johnson	8	8

SHARES UNDER OPTION

There are no unissued ordinary shares of Lefroy Exploration Limited under option at the date of this report (30 June 2021: 785,000 Options with an exercise price of $0.40 per share and expiry date of 14 October 2021.

The above options were provided in the 2017 year to New Holland Capital Pty Ltd, a related party of Messrs Galt and Davies. These options were subsequently passed to nominees of New Holland Capital Pty Ltd. They lapsed unexercised on 14 October 2021.

No options were exercised during the year ended 30 June 2022 (30 June 2021: 215,000 options were exercised).

INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, in accordance with each director's Deed of Indemnity, Insurance and Access with Lefroy Exploration Limited, the Group has paid premiums insuring all the directors of Lefroy Exploration Limited against all liabilities incurred by the director acting directly or indirectly as a director of the Company to the extent permitted by law, including legal costs incurred by the director in defending proceedings, provided that the liabilities for which the director is to be insured do not arise out of conduct involving a wilful breach of the director's duty to the Company.

The total amount of insurance contract premiums paid is $15,569.

NON-AUDIT SERVICES

The following details any non-audit services provided by the entity's auditor, Ernst & Young or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of professional pronouncements and standards for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermines the general standard of independence for auditors.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	2022 $	2021 $
Taxation compliance services	**77,764**	45,891

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for unspecified amounts). No payment has been made to indemnify Ernst & Young during or since the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court.

ROUNDING OF AMOUNTS

All amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Wade Johnson

Wade Johnson
Managing Director
Perth, 30 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

		Consolidated	
		2022	2021
	Notes	$000	$000
INCOME			
Interest income		**1**	3
Other income	4	**10**	70
		11	73
EXPENDITURE			
Accommodation expenses		**(15)**	(33)
Legal, professional and consulting expenses		**(825)**	(478)
Directors' fees		**(147)**	(150)
Travel expenses		**(18)**	(19)
Interest Expense		**(5)**	-
Depreciation expense		**(67)**	-
Net loss on financial assets held at fair value through profit or loss		**-**	(32)
Salaries and wages expenses		**(342)**	(208)
Share-based payment expense		**(718)**	(101)
Other expenses		**(259)**	(185)
		(2,396)	1,206
(LOSS) FOR THE YEAR BEFORE INCOME TAX		**(2,385)**	(1,133)
Income tax benefit/(expense)		**-**	-
(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF LEFROY EXPLORATION LIMITED		**(2,385)**	(1133)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF LEFROY EXPLORATION LIMITED		**(2,385)**	(1,133)
Basic profit/(loss) per share attributable to the ordinary equity holders (cents per share)	22	**(1.82)**	(1.05)
Diluted profit/(loss) per share attributable to the ordinary equity holders (cents per share)	22	**(1.82)**	(1.05)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

		Consolidated	
		2022	2021
	Notes	$000	$000
CURRENT ASSETS			
Cash and cash equivalents	7	4,248	3,354
Other receivables	8	98	81
Other current assets		133	4
TOTAL CURRENT ASSETS		4,479	3,439
NON-CURRENT ASSETS			
Plant and equipment		48	62
Right of use assets	9	291	-
Exploration and evaluation assets	10	15,619	11,784
TOTAL NON-CURRENT ASSSETS		15,958	11,846
TOTAL ASSETS		20,437	15,285
CURRENT LIABILITIES			
Trade and other payables	11	339	340
Lease liabilities	9	54	-
Provisions	12	85	45
TOTAL CURRENT LIABILITIES		478	385
NON-CURRENT LIABILITIES			
Lease liability	9	241	-
Provisions	12	720	216
TOTAL NON-CURRENT LIABILITIES		961	216
TOTAL LIABILITIES		1,439	601
NET ASSETS		18,998	14,684
EQUITY			
Contributed equity	13	42,590	36,609
Foreign currency translation reserve	14	(111)	(111)
Share-based payment reserve	14	1,349	631
Accumulated losses		(24,830)	(22,445)
TOTAL EQUITY		18,998	14,684

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2022

	Notes	Contributed equity $000	Share-Based Payments Reserve $000	Foreign Currency Translation Reserve $000	Accumulated Losses $000	Total $000
BALANCE AT 1 JULY 2020		**32,126**	**530**	**(111)**	**(21,312)**	**11,233**
Loss for the year		-	-	-	(1,133)	(1,133)
Other comprehensive loss, net of income tax		-	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		-	-	-	(1,133)	(1,133)
Share-based payments	**14**	-	101	-	-	101
Issue of ordinary shares	**13**	4,772	-	-	4,772	4,772
Share issuance costs	**13**	(289)	-	-	-	(289)
BALANCE AT 30 JUNE 2021		**36,609**	**631**	**(111)**	**(22,445)**	**14,684**
Loss for the year		-	-	-	(2,385)	(2,385)
Other comprehensive loss, net of income tax		-	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		-	-	-	(2,385)	(2,385)
Share-based payments	**14**	-	718	-	-	718
Issue of ordinary shares	**13**	6,300	-	-	-	6,300
Share issuance costs	**13**	(319)	-	-	-	(319)
BALANCE AT 30 JUNE 2022		**42,590**	**1,349**	**(111)**	**(24,830)**	**18,998**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2022

	Notes	Consolidated 2022 $000	2021 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(1,667)**	(1,089)
Receipts of ATO tax refund and cash flow boost		**-**	100
Interest paid		**(5)**	-
Interest received		**1**	3
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**21**	**(1,671)**	(986)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation activities		**(3,930)**	(2,847)
Research and development tax incentive received		**563**	-
Reimbursement from Goldfields shortfall		**-**	1,381
Payments for plant and equipment		**(21)**	(5)
Proceeds from share sale		**-**	421
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(3,388)**	(1,050)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares	**13**	**6,300**	4,772
Payments of share issue costs	**13**	**(319)**	(289)
Principal payment for lease liabilities		**(28)**	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		**5,953**	4,483
NET INCREASE IN CASH AND CASH EQUIVALENTS		**894**	2,447
Cash and cash equivalents at the beginning of the financial year		**3,354**	907
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**7**	**4,248**	3,354

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements are for the consolidated entity consisting of Lefroy Exploration Limited and its subsidiaries ("the Group" or "consolidated entity"). The financial statements are presented in Australian dollars. Lefroy Exploration Limited is a company limited by shares, incorporated in and under the laws of the British Virgin Islands on 14 May 1990 under the BVI Business Companies Act. The Company maintains registered offices in Western Australian and the British Virgin Islands. The financial statements were authorised for issue by the directors on 30 September 2022. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Lefroy Exploration Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) New and amended standards adopted by the Group

There were no new and amended Accounting Standards and Interpretations that were effective 1 July 2021 which had a material impact on the Group.

(ii) Early adoption of standards

The Group did not elect to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2021.

(iii) Historical cost convention

Except for certain financial assets which have been measured at fair value these financial statements have been prepared under the historical cost convention.

(iv) Going concern

The 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 year ended 30 June 2022 of $2,385,000 (30 June 2021: $1,133,000) and had a net cash outflow from operating and investing activities of $5,059,000 (30 June 2021: $2,036,000). The net assets of the Group as at 30 June 2022 were $18,998,000 (30 June 2021: $14,684,000).

The Group's cash flow forecasts through to 30 September 2023 reflect that the Group will be required to raise additional working capital during this period to enable it to meet its committed administration, exploration and operational expenditure over this period.

The Directors are satisfied that the Group will be able to secure additional working capital as required via one or a combination of, a placement of shares, option conversions, rights issues, or joint venture arrangements or sale of certain assets. Accordingly, the directors consider it appropriate to prepare the financial statements on a going concern basis.

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 significant 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 statements 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.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Lefroy Exploration Limited ("Company" or "parent entity") as at 30 June 2022 and the results of all subsidiaries for the year then ended. Lefroy Exploration Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls a investee if, and only if, the Group has:

- Power over the investee (ie. Existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its return

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one of more of the three elements of control. Subsidiaries are fully consolidated from the date on which the Group obtains control over the subsidiary and ceases when the Group loses control.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been aligned where necessary to ensure consistency with the policies adopted by the Group.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of

the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Lefroy Exploration Limited.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or other financial asset accounted for in accordance with IFRS 9. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Segment reporting

An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(d) Income tax

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or a deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, when the deferred tax balances relate to the same taxation authority and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

Lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office rental and accommodation rental (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group also applies the low value assets recognition exemption to its low value assets.

Lease payments made in relation to leases of 12months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straightline basis over the lease term.

(f) Impairment of non-current assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and not subject to significant risk of changes in value, and bank overdrafts.

(h) Financial instruments

Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit and loss.

The classification of financial instruments at initial recognition depends on the financial asset's contractual cashflow characteristics and the Group's business model for managing them. With the exception of the Groups trade receivables that do not contain a significant financing component, the Group initially measures the financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, less transaction costs.

Receivables at amortised cost

In order for a receivable to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. For financial assets measured at amortised cost, these assets are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. For short term receivables, the Group recognises a loss allowance based on lifetime ECLs at each reporting date. In determining the provision required, the Group utilises its historical credit loss experience, adjusted only where appropriate for forward-looking factors specific to the debtors and economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases,the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

There are no material trade receivable for the Group as it does not generate revenues.

Financial assets at fair value through profit or loss

Financial assets classified at "fair value through profit or loss" include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. The group holds equity investments which are mandatorily classified as "fair value through profit or loss". Such assets are measured at fair value with changes in carrying amount being included in profit or loss. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly transaction between independent, knowledgeable and willing market participants at the measurement date.

(i) Plant and equipment

All plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives and, in the case of leasehold improvements, the shorter of lease term and asset's useful life. The rates vary between 25% and 40% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

(j) Exploration and evaluation costs

Exploration and evaluation costs incurred are accumulated in respect of each identifiable area of interest.Exploration and evaluation costs include acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource. Exploration and evaluation costs related to each identifiable area of interest are recognised as exploration and evaluation assets in the year in which they are incurred and carried forward to the extent that the following conditions are satisfied:

- rights to tenure of the identifiable area of interest are current; and
- at least one of the following conditions is also met:
    - the expenditure is expected to be recouped through the successful development of the identifiable are of interest, or alternatively, by its sale; or
    - where activities in the identifiable area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and activities in, or in relation to, the area of interest.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an abandoned area are written off in full in the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

Exploration and evaluation assets are reviewed at each reporting date for indicators of impairment and tested for impairment where such indicators exist. If the test indicates that the carrying value might not be recoverable, the asset is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Any such impairment arising is recognised in the statement of profit or loss and other comprehensive income for the year.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Employee benefits

Wages and salaries and short term benefits

Liabilities for wages and salaries, including non-monetary benefits, and other short term benefits expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Superannuation

Contributions made by the Group to employee superannuation funds, which are defined benefit plans, are charged as an expense when incurred.

(m) Share-based payments

The Group may provide benefits to employees (including directors) of the Group, and to vendors and suppliers, in the form of share-based payment transactions, whereby employees render services, or where vendors sell assets to the Group, in exchange for equity instruments ('equity-settled transactions').

The cost of these equity-settled transactions in the case of employees and others providing similar services are measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the option is determined by using a Black-Scholes (or other industry accepted) option pricing model. The fair value of Share Plan shares is determined by reference to market price for Lefroy's ordinary shares.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has transpired and (ii) the number of equity instruments that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for rights that do not ultimately vest, except for rights where vesting is conditional upon a market condition.

Where an equity instrument is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the equity instrument is recognised immediately. However, if a new option is substituted for the cancelled equity instrument, and designated as a replacement equity instrument on the date that it is granted, the cancelled and new equity instrument are treated as a modification of the original award.

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holder of the company, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis.

(p) Non-current assets held for sale and distribution

Non-current assets and disposal groups are classified as held for sale and generally measured at the lower of carrying amount and value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as 'held for sale' occurs when management has committed to a plan for immediate sale, the sale is expected to occur within one year and active marketing of the asset has commenced. Such assets are current assets.

(q) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(r) New and amended accounting standards and interpretations issued but not yet effective

International accounting standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2022 that are relevant to the Group are listed below. Relevant Standards and Interpretations are outlined in the table below. Except for as disclosed below, the potential effect of these standards is not expected to have a material impact to the Group's financial statements.

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
Amendments to IAS 16 Property, Plant and Equipment	These amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment, the proceeds from selling items produced before that asset is available for use.	1 January 2022	1 July 2022
Amendments to IAS 1 Presentation of Financial Statements to clarify requirements for classifying liabilities as current or non-current	The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant. The amendments clarify the situations that are considered settlement of a liability	1 January 2023	1 July 2022
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.	1 January 2023	1 July 2022

(s) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Rehabilitation provision

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes and cost increases. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Exploration and evaluation costs

The application of the accounting policy for exploration expenditure requires judgement to determine whether an area of interest is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that the recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed only when a trigger is identified using the directors' best estimate of the asset's fair value, which can incorporate various key assumptions.

Any amounts in excess of the fair value are impaired, in line with accounting policy disclosures in parts 1(f).

(t) Rounding of amounts

All amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

2: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, commodity price risk and equity price risk), credit risk and liquidity risk.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process.

(a) Market risk

(i) Foreign exchange risk

The Group operates entirely in Australia and is not significantly exposed to foreign exchange risk.

(ii) Commodity price risk

Given the current level of operations, the Group's financial statements for the year ended 30 June 2022 are not exposed to commodity price risk.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Group of $4,248,000 (2021: $3,354,000) is subject to interest rate risk. The weighted average interest rate received on cash and cash equivalents by the Group was 0.26% (2021: 0.16%).

(b) Credit risk

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements.

All surplus cash holdings within the Group are currently invested with AA- rated financial institutions.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings.

Maturity analysis

The tables below represent the undiscounted contractual settlement terms for financial liabilities and management's expectation for settlement of undiscounted maturities.

	< 6 Months	6-12 Months	1-5 years	Total contractual cash flows	Carrying amount
Year ended 30 June 2022	**$000**	**$000**	**$000**	**$000**	**$000**
Payables	(339)			(339)	(339)
Lease liabilities	(33)	(33)	(250)	(317)	(295)
	(372)	**(33)**	**(250)**	**(656)**	**(634)**
Year ended 30 June 2021					
Payables	(340)	-	-	(340)	(340)
	(340)	**-**	**-**	**(340)**	**(340)**

(d) Fair value estimation

The fair value of financial assets and financial liabilities at the balance date approximate their carrying amount due to their short-term nature.

3: SEGMENT INFORMATION

For management purposes, the Group has identified only one reportable segment, being exploration activities undertaken in Western Australia. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in this geographic location.

4: OTHER INCOME

	Consolidated 2022 $000	Consolidated 2021 $000
Other income		
- Other income	**10**	70
	10	**70**

Other income for 30 June 2021 includes $50,000 in relation to Cash flow boost received during the year.

5: LOSS FROM CONTINUING OPERATIONS

	Consolidated 2022 $000	Consolidated 2021 $000
Loss before income tax includes the following specific expenses:		
Defined contribution superannuation expense	**21**	24
Short term lease expense	**15**	33
Depreciation expense – property, plant and equipment	**35**	-
Depreciation expense – right-of-use lease assets	**32**	-

6: INCOME TAX

(a) Income tax expense

	2022	2021
Current tax	**-**	-
Deferred tax	**-**	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2022	2021
Profit/(loss) from continuing operations before income tax expense	**(2,385)**	(1,133)
Prima facie tax benefit at the Australian tax rate of 30% (2021: 30%)	**(716)**	(340)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
• Entertainment	**1**	1
• Share-based payments	**215**	30
• Non-assessable income	**-**	(15)
Tax assets not recognised	**500**	324
Income tax expense	**-**	-

Tax consolidation

The company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Consolidated Entity have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entities on a pro-rate basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Lefroy Exploration Limited.

(c) Deferred taxes

	Consolidated	
Deferred tax assets/(liabilities) have been recognised in respect of the following items:	2022	2021
Deferred tax assets:	$000	$000
Plant and equipment	**1**	-
Provisions	**36**	-
Capital raising costs	**173**	-
Trade and other payables	**37**	71
Business related costs	**17**	143
Tax losses	**5,446**	3,956
Deferred tax liability:		
Capitalised exploration expenditures	**(3,963)**	(2,855)
Prepayment	**-**	(1)
Investments	**-**	-
Net deferred tax asset	**1,747**	1,314
Deferred tax assets not recognised	**(1,747)**	(1,314)
Net deferred tax asset / (liability)	**-**	-

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.
The Group's ability to use losses in the future is subject to the Group satisfying the relevant tax authority's criteria for using these losses.

7: CASH AND CASH EQUIVALENTS

	Consolidated	
	2022	2021
	$000	$000
Cash at bank and in hand	**4,248**	3,354
	4,248	**3,354**

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.
Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

8: OTHER RECEIVABLES

	Consolidated	
	2022	2021
	$000	$000
Current		
GST receivable	**98**	81
	98	81

All amounts are short-term. The net carrying value of other receivables is considered a reasonable approximation of fair value.

9: RIGHT-OF-USE ASSETS

The Group has a lease for leasehold premises occupied in West Perth. The lease is for a fixed period of 60 months. The statement of financial position shows the following amounts relating to this lease:

	Consolidated	
Right-of-use assets	2022	2021
Leasehold premises	$000	$000
Beginning of the financial year	**-**	-
Additions	**323**	**-**
Depreciation expense	**(32)**	-
End of the financial year	**291**	**-**

Lease liabilities	**2022**	**2021**
Leasehold premises	**$000**	**$000**
Beginning of the financial year	**-**	**-**
Additions	**323**	**-**
Accretion of interest	**5**	**-**
Payments	**(33)**	**-**
End of the financial year	**295**	**-**
Represented as follows:		
Current	**54**	**-**
Non-current	**241**	**-**
End of the financial year	**295**	**-**

Lease expenses and cashflows		
Interest expense on lease liabilities	**5**	-
Expenses relating to leases of 12 months or less	**15**	33
Depreciation expense on lease assets	**32**	-
Total cash outflow in relation to leases	**48**	-

The Group also has the ability to execute an extension of term over leasehold premises for a further 3 years. The undiscounted potential future rental payments of $236,000 are not included in the lease term reflected above.

10: EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	2022	**2021**
	$000	**$000**
Beginning of the financial year	**11,784**	10,210
Other exploration costs incurred during the year	**3,930**	2,921
Change in rehabilitation provision	**468**	34
Research and development tax incentive received*	**(563)**	-
Goldfield payments for the shortfall spending**	**-**	(1,381)
End of the financial year	**15,619**	11,784

* During the year ended 30 June 2022, the Group received a tax refund of $563,000 for the 30 June 2021 financial year, supported by a research and development tax incentive claim undertaken on the emerging Burns mineral system

** *In accordance with the Farm-in and Joint Venture Agreement dated 7 June 2018 (Principal Agreement) and as described in the Lefroy Exploration Limited ASX release dated 7 June 2018, Gold Fields had the right to fund $10million of expenditure within 3 years of the commencement date to earn the right to a 51% interest. Gold Fields notified Lefroy that the full Stage 1 commitment would not be met due to operational delays and delays in accessing land-based exploration targets, and that it would rely on the Shortfall clause in the Principal Agreement to satisfy the Stage 1 Farm-in Requirement.*

The parties executed a Side Deed on 18 June 2021 to allow the terms of the payment of the Shortfall to be satisfied in two parts with Gold Fields to pay Lefroy 50% of the shortfall in cash ($1.38million).

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

11: TRADE AND OTHER PAYABLES

	Consolidated	
	2022	**2021**
	$000	**$000**
Current		
Other payables and accruals	**339**	340
	339	340

Trade payables and accruals are non-interest bearing and generally settled within 30-60 day terms. The carrying amount of trade payables approximate their fair values. There are no amounts owing to related parties included within trade and other payables as at 30 June 2022 (30 June 2021: $Nil).

12: PROVISIONS

	Consolidated 2022 $000	Consolidated 2021 $000
Current		
Provision for annual leave	**85**	45
Non- Current		
Provision for long service leave	**36**	-
Provision for rehabilitation^	**684**	216
	805	261

^The Group makes full provision for the future cost of rehabilitating 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 30 June 2022 was 3.77%. (30 June 2021: 1.25%)

13: ISSUED CAPITAL

(a) Share capital

Lefroy Exploration Limited is a company limited by shares, incorporated in and under the laws of the British Virgin Islands. The Company has authorised share capital of 1,000,000,000 ordinary no par value shares.

	2022		2021	
	Number of shares	Consolidated $000	Number of shares	Consolidated $000
Ordinary shares fully paid	**138,109,667**	**42,590**	119,908,000	36,609

(b) Movements in issued capital

Fully Paid Ordinary Share

Balance at 1 July 2020	**94,686,745**	**32,126**
9 September 2020 -vesting of Tranche one Share Plan Shares	1,933,333	-
30 October 2020 - Share Placement	18,041,671	4,330
25 November 2020 - Share Purchase Plan	772,917	186
17 December 2020 - Share Placement (i)	708,334	170
Share issue costs	-	(289)
20 February 2021 – vesting of employee shares under the Executive share plan	50,000	-
11 March 2021 -vesting of Tranche two and three Share Plan Shares	3,500,000	-
24 June 2021 - Exercise of 215,000 $0.40 options into 215,000 fully paid ordinary shares	215,000	86
Balance at 30 June 2021	**119,908,000**	**36,609**
20 August 2021 - Share plan shares granted to employees and vested during the period (Note 14(d))	**61,875**	**-**
17 November 2021 - Share Placement at $0.35 per share	**17,142,857**	**6,000**
14 December 2021 - Director participation in Share Placement at $0.35 per share (ii)	**857,144**	**300**
4 January 2022 - Share plan shares granted to employees and vested during the period (Note 14(d))	**8,125**	**-**
18 February 2022 - Share plan shares granted to employees and vested during the period (Note 14(d))	**83,125**	**-**
24 May 2022 - Share plan shares granted to employees and vested during the period (Note 14(d))	**48,541**	**-**
Share issue costs	**-**	**(319)**
Balance at 30 June 2022	**138,109,667**	**42,590**

(i) Shares issued to Directors and their related parties who participated in the Share Placement, as approved at the General Meeting of Shareholders held on 9 December 2020.
(ii) Shares issued to Directors and their related parties who participated in the Share Placement, as approved at the General Meeting of Shareholders held on 2 December 2021.

(b) Ordinary shares

Ordinary fully paid shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of the shares held.
On a show of hands every holder of ordinary fully paid shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll is entitled to one vote for each share held.

(c) Capital risk management

The Group defines capital as issued share capital. The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it may strive to provide returns for shareholders and benefits for other stakeholders.
Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2022 and 30 June 2021 are as follows:

	Consolidated	
	2022	2021
	$000	$000
Cash and cash equivalents	**4,248**	3,354
Trade and other receivables	**98**	81
Trade and other payables	**(339)**	(340)
Working capital position	**4,007**	3,095

14: RESERVES

	Consolidated	
	2022	2021
(a) Reserves	$000	$000
Foreign currency translation reserve	**(111)**	(111)
Share-based payments reserve (d)	**1,349**	631
	1,238	520

(b) Nature and purpose of reserves

(i) Foreign currency translation reserve

The foreign currency translation reserve is used to record historical exchange differences arising from the translation of the financial statements in the functional currency to the reporting currency for the periods when the functional and presentation currencies were different.

(iii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and shares issued under employee Share Plan.

(c) Movements in options on issue	Number of options	
	2022	2021
Beginning of the financial year	**785,000**	1,000,000
24 June 2021 - Exercise of 215,000 $0.40 options into 215,000 fully paid ordinary shares	**-**	(215,000)
14 October 2021 - Options lapsed unexercised	**(785,000)**	-
End of financial year	**-**	785,000

(d) Share Plan Shares

During the year ended 30 June 2022:

- As at 30 June 2022, there were 7,765,000 ordinary shares (2021: 316,667 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.

During the year ended 30 June 2022:

- 6,300,000 fully paid ordinary shares were approved for issue to the Directors under the Share Plan Trust
- A further 1,491,667 fully paid ordinary shares were issued to employees and a key consultant of the Group. 141,667 of these shares were issued out of unassigned shares held in the Share Plan Trust. 61,875 of these shares vested immediately upon issue. A further 139,792 shares met the required conditions for their vesting at 30 June 2022 and are exercisable by the recipients.

A reconciliation of Share Plan ordinary shares during the year ended 30 June 2022 is as follows:

Director	1 July 2021	Grants	Vested	Forfeited	30 June 2022
Gordon Galt	-	1,200,000	-	-	1,200,000
Michael Davies	-	1,200,000	-	-	1,200,000
Geoffrey Pigott	-	1,500,000	-	-	1,500,000
Wade Johnson	-	2,400,000	-	-	2,400,000
Other employees and consultants	175,000	1,491,667	(201,667)	-	1,465,000
Unassigned	141,667	(141,667)	-	-	-
Total	316,667	7,650,000	(201,667)	-	7,765,000

A reconciliation of Share Plan ordinary shares during the year ended 30 June 2021 is as follows:

Director	1 July 2020	Grants	Vested	Forfeited	30 June 2021
Gordon Galt	1,000,000	-	(1,000,000)	-	-
Michael Davies	1,000,000	-	(1,000,000)	-	-
Geoffrey Pigott	1,250,000	-	(1,250,000)	-	-
Wade Johnson	2,000,000	-	(2,000,000)	-	-
Other employees and consultants	-	175,000	-	-	175,000
Unassigned	550,000	(175,000)	(233,333)	-	141,667
Total	5,800,000	-	(5,483,333)	-	316,667

Directors and employees are not entitled to the shares held by the Share Plan Trust until the relevant vesting conditions are met. Share Plan Trust shares issued have no set expiry date.

The Lefroy Exploration Share Plan (the "Share Plan Trust"), previously named the U.S. Masters Executive Plan Trust, holds on behalf of Directors, employees and consultants, held in conformity with the Share Plan Trust rules.

7.650 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 ASX trading 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 ASX trading 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 ASX trading days.

6,300,000 shares in the Share Plan Trust were issued/assigned to the Directors on 2 December 2021. A further 1,350,000 shares were issued to an employee and consultant on 6 January 2022. These shares were valued using an option pricing model with the following inputs

Measurement date	2-Dec-21	6-Jan-22
Volatility*	109%	109%
Expected term	5 years	5 years
Expected vesting period	5 years	5 years
Share price at grant date	$0.36	$0.31
Expected dividends	$Nil	$Nil
Risk-free rate	1.32%	1.32%
Notional exercise price	$0.60 $0.70 $0.80	$0.60 $0.70 $0.80
Expected director exit rate per year	NIL%	NIL%
Market based vesting conditions	As outlined above	As outlined above
Fair value at grant date	**$0.291 $0.282 $0.275**	**$0.229 $0.220 $0.214**

*Volatility is calculated based on historical volatility of the similar expected term share price movement prior to the measurement date

The total amount expensed during the year ended 30 June 2022 in relation to the 7,650,000 Share Plan Trust shares outlined above was $668,669.

A further 316,667 shares in the Share Plan Trust were assigned and held on behalf of employees. These shares are subject to vesting period of 1-2 years, where the individuals must remain employed by the Group in order to receive their entitlement. 201,667 of these ordinary shares issued under the Share Plan Trust to employees vested during the year.

A total of $49,409 was expensed during the year ended 30 June 2022 in relation to shares held on behalf of eligible employee in the Share Plant Trust.

In total $718,078 has been expensed in relation to the Share Plan Trust for the year end 30 June 2022 (30 June 2021: $79,622).

15: DIVIDEND

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

16: REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	Consolidated	
	2022	2021
Amounts received or due and receivable by Ernst & Young Australia for:	$000	$000
(a) Audit services		
An audit and review of financial reports of the entity and any other entity in the consolidated group	**65**	55
(b) Non-audit services		
Ernst & Young Australia – taxation compliance services	**78**	46
	143	101

17: CONTINGENCIES

There are no material contingent liabilities or contingent assets of the Group at the reporting date.

18: COMMITMENTS

(a) Exploration commitments

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:

	Consolidated	
	2022	2021
	$000	$000
- within one year	**625**	691
- later than one year but not later than five years	**1,418**	2,658
	2,043	3,349

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.

In addition to the above, the Group will also need to meet certain minimum expenditure requirements associated with the Western Lefroy Project which is subject to a Farm in and Joint Venture agreement with Gold Fields. Gold Fields is expected to cover the $424,000 of required minimum expenditure commitment within the next year. A further $695,000 of exploration expenditure required for the Western Lefroy Project's exploration commitments later than one year but not later than five years is also expected to be met by Gold Fields.

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.

19: RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is Lefroy Exploration Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 21.

(c) Key management personnel compensation

	Consolidated	
	2022	2021
Short-term benefits	**397,671**	409,692
Post-employment benefits	**25,099**	24,641
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share-based payments	**628,668**	86,558
	1,051,438	520,891

(d) Transactions and balances with other related parties

Other than the related party transactions described in Note 14 and Notes 20, the following related party transactions occurred during the year ended 30 June 2022:

Messrs Gordon Galt and Michael Davies are directors of New Holland Capital Pty Ltd ('New Holland Capital'), a subsidiary of Taurus Funds Management Pty ltd. During the year, the Group engaged New Holland Capital to act as Lead Advisor in relation to a farm-in or vend-in over the Lefroy Project. Pursuant to this engagement, New Holland Capital received $166,962 (exc. GST) in success fees in relation to the farm-in and joint venture agreement signed for the Group's Western Lefroy Joint Venture area of interest. $129,322 in retainer fees were also paid to New Holland Capital as corporate advisor for the sale/commercialisation of the Groups Lake Johnston assets and Lucky Strike-Red Dale gold resources in the Lefroy Gold Project.

On 1 January 2022, the Group also entered into a deed of sub-lease for leasehold premises occupied in West Perth (Note 9). As at 30 June 2022, $38,396 (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 30 June 2022, $Nil amount (inc. GST) remains due and payable to New Holland Capital in respect of services rendered.

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

20: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of Incorporation	Class of Shares	Equity Holding 2022 %	Equity Holding 2021 %
Hogans Resources Pty Limited	Australia	Ord	**100**	100
Monger Exploration Pty Ltd	Australia	Ord	**100**	100
Lefroy Exploration Share Plan Pty Ltd	Australia	Ord	**100**	100
Johnston Lakes Nickel Limited (incorporated 7 September 2021)	Australia	Ord	**100**	-

21: STATEMENT OF CASH FLOWS

	Consolidated 2022 $000	Consolidated 2021 $000
Reconciliation of (loss) / profit after income tax to net cash outflow from operating activities		
Net (loss) / profit for the year	**(2,385)**	(1,133)
Non-cash, non-operating activities		
Depreciation expense	**67**	-
Share-based payment expenses	**718**	101
ATO refund and Cash flow boost	**-**	-
Net (gain) / loss on financial assets held at fair value through profit and loss	**-**	32
Change in operating assets and liabilities	-	
(Increase)/decrease in trade and other receivables	**(17)**	(31)
(Increase)/decrease in other current assets	**(129)**	6
Increase/(decrease) in trade and other payables	**(1)**	51
Increase/(decrease) in provisions	**76**	(12)
Net cash outflow from operating activities	**(1,671)**	(986)

22: (LOSS) / PROFIT PER SHARE

(a) Reconciliation of earnings used in calculating loss per share

Profit/(loss) attributable to the owners of the Company used in calculating basic and diluted loss per share	**(2,385)**	(1,133)

(b) Weighted average number of shares used as the denominator

	Number of shares	
	2022	**2021**
Weighted average number of ordinary shares used as the denominator in calculating basic (loss) / profit per share	**131,024,171**	107,574,833
Weighted average number of ordinary shares used as the denominator in calculating diluted (loss) / profit per share	**131,024,171**	107,574,833
Basic (loss) / profit per share attributable to ordinary equity holders in cents	**(1.82)**	(1.05)
Diluted (loss) / profit per share attributable to ordinary equity holders in cents	**(1.82)**	(1.05)

(c) Information on dilutive options

For the year ended 30 June 2022, the options and Share Plan shares (Note 14) were anti-dilutive and have not been included in the calculation of diluted earnings per share.

23: PARENT ENTITY INFORMATION

The following information relates to the parent entity, Lefroy Exploration Limited, at 30 June 2022. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2022 $000	2021 $000
Current assets	**4,325**	1,834
Investment in subsidiaries	**2,908**	1,520
Other non-current assets	**13,196**	11,820
Total assets	**20,429**	15,174
Current liabilities	**(532)**	(264)
Non-current liabilities	**(720)**	(216)
Total liabilities	**(1,252)**	(480)
Net Assets	**19,177**	14,694
Issued capital	**42,590**	36,609
Foreign currency translation reserve	**(111)**	(111)
Share-based payments reserve	**1,348**	530
Accumulated losses	**(24,650)**	(21,312)
Total equity	**19,177**	14,694
(Loss)/profit for the year	**(2,216)**	(1,122)
Total comprehensive loss for the year	**(2,216)**	(1,122)

24: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the year-ended 30 June 2022, Ms Tara French was appointed as a Non – Executive Director on 1 July 2022.

No other matters or circumstances have arisen since the end of the financial year which have significantly affected or in the opinion of directors 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.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Lefroy Exploration Limited:

In the opinion of the directors:

a) The financial statements and notes of the Group are in accordance with the International Financial Reporting Standards, including:

   (i) Giving a true and fair view of the financial position of the Group as at 30 June 2022 and its performance, for the year ended on that date; and

   (ii) Complying with Australian Accounting Standards.

b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1(a); and

c) Subject to the matters set out in note 1(a)(iv) to the financial report there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This statement has been made in accordance with a resolution of directors.

Wade Johnson

Wade Johnson
Managing Director
Perth, 30 September 2022

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Independent auditor's report to the members of Lefroy Exploration Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Lefroy Exploration Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report presents fairly, in all material respects, the financial position of the Group as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(a)(iv) of the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. In addition to the matter described in the Material uncertainty related to going concern section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying amount of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 10 as at 30 June 2022, the Group held capitalised exploration and evaluation expenditure assets of $15.6 million. The carrying amount of exploration and evaluation expenditure assets is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure assets may exceed its recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year the Group determined that there had been no indicators of impairment. Given the size of the balance relative to the Group's balance sheet and the judgmental nature of impairment indicator assessments associated with exploration and evaluation assets, we consider this a key audit matter.	We evaluated the Group's assessment as to whether there were any indicators of impairment to require the carrying amount of exploration and evaluation assets to be tested for impairment. In performing our audit procedures, we: ▶ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements and correspondence with relevant government agencies. ▶ Considered the Group's intention to carry out significant exploration and evaluation activities in the relevant exploration area which included assessing whether the Group's cash-flow forecasts provided for expenditure for planned exploration and evaluation activities, and enquiring with senior management and Directors as to the intentions and strategy of the Group. ▶ Considered the Group's assessment of whether the commercial viability of extracting mineral resources had been demonstrated and whether it was appropriate to continue to classify the capitalised expenditure for the area of interest as an exploration and evaluation asset. ▶ Considered whether there was any other data or information that indicated the carrying amount of the capitalised exploration and evaluation expenditure asset would not be recovered in full from successful development or by sale. ▶ We also assessed the adequacy of the disclosure in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2022 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Group are responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
30 September 2022

ASX ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange. The information is current as at 28 September 2022.

(a) Distribution schedule and number of holders of equity securities as at 28 September 2022

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 – and over	Total
Fully Paid Ordinary Shares	227	438	302	422	112	1,501

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 28 September 2022 is 308.

(b) 20 Largest holders of quoted equity securities as at 28 September 2022

The names of the twenty largest holders of fully paid ordinary shares (ASX code: LEX) as at 28 September 2022 are:

Rank	Name	Shares	% of Total Shares
1	St Ives Gold Mining Company Pty Ltd	21,613,910	14.82
2	J P Morgan Nominees Australia Pty Limited	17,146,294	11.75
3	Mr Michael Davies	15,101,703	10.35
4	HSBC Custody Nominees (Australia) Ltd	12,289,579	8.42
5	Lefroy Exploration Share Plan Pty Ltd	7,765,000	5.32
6	Equity Trustees Limited <Lowell Resources Fund A/C>	3,262,296	2.24
7	Citicorp Nominees Pty Limited	3,062,085	2.10
8	Hsbc Custody Nominees (Australia) Limited <GSCO Customers A/C>	3,000,000	2.06
9	Mr Simon Catt	2,600,000	1.78
10	Mr Wade Johnson + Ms Jennifer Johnson <Injigold Family A/C>	2,491,667	1.71
11	Clarkson's Boathouse Pty Ltd <Clarkson Super Fund A/C>	2,229,519	1.53
12	Noontide Investments Limited	2,100,306	1.44
13	Noontide Securities Pty Ltd	2,058,831	1.41
14	Mr James David Beecher + Mrs Carol Beecher <The Beecher Super Fund A/C>	1,750,413	1.20
15	Wade Steven Johnson	1,711,712	1.17
16	Mr Geoffrey Francis Pigott	1,656,666	1.14
17	Mcneil Nominees Pty Limited	1,261,072	0.86
18	Craig Andrew Nelmes	1,249,000	0.86
19	Mr Gordon Thomas Galt + Mrs Maria Veronica Galt <The Galt Super Fund A/C>	1,000,000	0.69
20	Alkemi (Wa) Pty Ltd <Gf & M Pigott Family A/C>	833,332	0.57
	TOTAL	104,183,385	71.42

Stock Exchange Listing – Listing has been granted for 145,874,668 fully paid ordinary shares of the Company on issue on the Australian Securities Exchange.

There were no unquoted securities on issue as at 28 September 2022.

(c) Substantial shareholders

Substantial shareholders in Lefroy Exploration Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

Name	Shares	% of Total Shares	Date lodged with ASX
Noontide investments Ltd	20,925,431	14.34%	18 August 2022
St Ives Gold Mining Company Pty Ltd	21,613,910	15.73%	29 November 2021
Michael Davies & Associates	13,982,654	11.8%	17 Nov 2020

(d) Restricted Securities as at 28 September 2022

The Company had no restricted securities on issue as at 28 September 2022.

(e) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

(f) Corporate Governance

The Board of Lefroy Exploration Limited is committed to Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate with Shareholders. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at https://www.lefroyex.com/corporate-governance.

(j) Schedule of Mining Tenements

The schedule of interest in mining tenements both as at 30 June 2021 and as at 27 September 2022 is as follows:

Notes to accompany tenement listing

(1) Hogans Resources Pty Ltd, Monger Exploration Pty Ltd and Johnston Lakes Nickel Pty Ltd (JLN) are wholly owned subsidiaries of Lefroy Exploration Limited

(2) E63/1722, E63/1723 and E63/1777 - Held under title by JLN. Charger Metals NL (ASX: CHR) and Lithium Australia NL (ASX:LIT) have the rights to Lithium.

LEFROY EXPLORATION LTD TENEMENT SCHEDULE 28 SEPTEMBER 2022				
Project	Tenement ID	Ten Status	Holder	Interest %
P26/3765	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100[(1)]
P26/3889	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100[(1)]
P26/3890	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100[(1)]
P26/3891	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100[(1)]
E26/0134	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100[(1)]
E26/0193	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100[(1)]
E26/0150	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100[(1)]
E15/1615	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100[(1)]
P26/3764	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100[(1)]

LEFROY EXPLORATION LTD TENEMENT SCHEDULE 28 SEPTEMBER 2022				
E26/0131	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100(1)
E26/0184	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100(1)
E15/1447	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100(1)
M26/0842	Gold Fields JV	Live	HOGANS RESOURCES PTY LTD	100(1)
M26/0850	Gold Fields JV	Pending	HOGANS RESOURCES PTY LTD	100(1)
M26/0851	Gold Fields JV	Pending	HOGANS RESOURCES PTY LTD	100(1)
E15/1498	Lefroy	Live	MONGER EXPLORATION PTY LTD	100
E26/0195	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(2)
E15/1497	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
P25/2488	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
P26/4443	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
P26/4444	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
P26/4423	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
P26/4424	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
P26/4425	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
P26/4437	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
P26/4438	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
P25/2317	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
P25/2316	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
E25/0517	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
E25/0518	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
P25/2421	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
E15/1715	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
E26/0182	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
E25/0587	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
E26/0183	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
E25/524	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
M25/0362	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
M25/0363	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
M25/0366	Lefroy	Live	MONGER EXPLORATION PTY LTD	100(1)
E25/0606	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100(1)
P26/4392	Lefroy - JLN (Ni rights)	Live	MONGER EXPLORATION PTY LTD	100(1)
P26/4393	Lefroy - JLN (Ni rights)	Live	MONGER EXPLORATION PTY LTD	100(1)
P26/4394	Lefroy - JLN (Ni rights)	Live	MONGER EXPLORATION PTY LTD	100(1)
P26/4391	Lefroy - JLN (Ni rights)	Live	MONGER EXPLORATION PTY LTD	100(1)
E26/0176	Lefroy - JLN (Ni rights)	Live	MONGER EXPLORATION PTY LTD	100(1)
L25/0061	Lucky Haul Road	Pending	MONGER EXPLORATION PTY LTD	100(1)
L25/0063	Mulga Haul Road	Pending	MONGER EXPLORATION PTY LTD	100(1)
E63/2073	Lake Johnson	Live	Johnston Lakes Nickel Pty Ltd	100(1)
E63/1723	Lake Johnston – CHR & LIT (Li rights)	Live	Johnston Lakes Nickel Pty Ltd	100(2)
E63/1722	Lake Johnston – CHR & LIT (Li rights)	Live	Johnston Lakes Nickel Pty Ltd	100(2)
E63/1777	Lake Johnston – CHR & LIT (Li rights)	Live	Johnston Lakes Nickel Pty Ltd	100(2)
E69/3945	Glenayle	Pending	Johnston Lakes Nickel Pty Ltd	100(1)
E69/3946	Glenayle	Pending	Johnston Lakes Nickel Pty Ltd	100(1)
E69/3947	Glenayle	Pending	Johnston Lakes Nickel Pty Ltd	100(1)

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E69/3948	Glenayle	Pending	Johnston Lakes Nickel Pty Ltd	100(1)
E69/3949	Glenayle	Pending	Johnston Lakes Nickel Pty Ltd	100(1)
E69/4045	Glenayle	Pending	Johnston Lakes Nickel Pty Ltd	100(1)
E26/240	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100(1)
E26/241	Lefroy	Pending	MONGER EXPLORATION PTY LTD	100(1)

(k) Mineral Resources

As required by ASX Listing Rule 5.20, Lefroy provides in the table below the Company's Mineral Resources as at 30 June 2022.

Table 1 Lefroy Exploration Limited -Summary of Gold Mineral Resources (as at 0.5g/t Au cut-off grade)

Mineral Resource Estimate by class - 0.5g/t Au reporting cut-off									
Deposit	**Indicated**			**Inferred**			**Total Resource**		
	Mt	**Au (g/t)**	**Oz**	**Mt**	**Au (g/t)**	**Oz**	**Mt**	**Au (g/t)**	**Oz**
Red Dale	0.64	1.21	24,660	0.03	0.60	570	0.67	1.18	25,230
Lucky Strike	0.70	1.93	43,400	0.57	1.97	36,200	1.27	1.95	79,600
TOTAL	1.34	1.58	68,060	0.6	1.90	36,770	1.94	1.71	104,830

RED DALE-Mineral Resource Estimate

The Red Dale deposit is situated within the Company's Lefroy Gold Project located approximately 60km to the south east of Kalgoorlie, Western Australia. The resource is situated wholly within the Company's granted Mining lease M25/362. The Company enagaged Resource Evaluation Services in 2020 to compile the Resource. The Company announced the Resource to the ASX on 3 June 2020 and reported in accordance with JORC 2012. The Company confirms there has been no exploration activity, including resource compilation at the Red Dale Deposit since 3 June 2020 that would alter the Resource Statement.

The Mineral Resources estimate was compiled using standard industry methodology using geological interpretation, assay results from reverse circulation and diamond drilling, downhole and surface surveys collected by employee's of the Company. The Mineral Resource estimate was overseen by a suitably qualified LEX personnel and completed by a consultant who has sufficient experience to qualify as a Competant Person.

The Mineral Resources Statement included in each Company document is reviewed and approved by a suitably qualified Competant Person prior to its announcement.

Competent Persons Statement

The information in this report that relates to the Sampling Techniques and Data and Reporting of Exploration Results for the Red Dale deposit is based on, and fairly represents, information which has been compiled by employees of Lefroy Exploration under the supervision and guidance of Mr. Wayne Carter, former Senior Exploration Geologist at Lefroy Exploration and Member of the Australasian Institute of Geoscientists. Mr. Carter has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Carter consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The Red Dale resource estimate was compiled in accordance with the guidelines of the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2012). The resource estimate has been undertaken by Stephen Godfrey, Principal Resource Geologist with Resource Evaluation Services, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Godfrey has sufficient relevant experience to be considered a "Competent Person" as defined the JORC Code (2012).of Exploration Results, Mineral Resources and Ore Reserves. Mr. Godfrey consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

LUCKY STRIKE-Mineral Resource Estimate

The Lucky Strike deposit is situated within the Company's Lefroy Gold Project located approximately 50km to the south east of Kalgoorlie, Western Australia. The resource is situated wholly within the Company's granted Mining lease M25/366. The Company engaged Resource Evaluation Services in 2020 to complete the Mineral Resource estimate. The Company announced the Resource to the ASX on 20 May 2020 and reported in accordance with JORC 2012. The Company confirms there has been no exploration activity, including resource compilation at the Lucky Strike Deposit since 20 May 2020 that would alter the Resource Statement.

The Mineral Resources estimate was compiled using standard industry methodology using geological interpretation, assay results from reverse circulation and diamond drilling, downhole and surface surveys collected by employees of the Company. The Mineral Resource estimate was overseen by a suitably qualified LEX personnel and completed by a consultant who has sufficient experience to qualify as a Competent Person.

The Mineral Resources Statement included in each Company document is reviewed and approved by a suitably qualified Competent Person prior to its announcement.

Competent Persons Statement

The information in this report that relates to the Sampling Techniques and Data and Reporting of Exploration Results for the Lucky Strike deposit is based on, and fairly represents, information which has been compiled by employees of Lefroy Exploration under the supervision and guidance of Mr. Wayne Carter, former Senior Exploration Geologist at Lefroy Exploration and Member of the Australasian Institute of Geoscientists. Mr. Carter has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Carter consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to the Mineral Resource estimate at the Lucky Strike deposit is based on, and fairly represents, information which has been compiled by Mr Stephen Godfrey. Mr. Godfrey is Principal Resource Geologist at Resource Evaluation Services, a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Godfrey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Godfrey consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.