

## Lefroy Confirms Demerger/IPO for Nickel Assets

### Highlights:

- Lefroy Exploration Limited (ASX: LEX) confirms that it is progressing its demerger/IPO strategy for its wholly owned subsidiary Johnston Lakes Nickel Ltd (JLN), with targeted listing of JLN in the first half of CY23 subject to Shareholder and ASX approvals.
- JLN's nickel assets consist of Carnilya South, within the Lefroy Project, and Lake Johnston, both in areas of high nickel endowment near Kalgoorlie, and the extensive Glenayle Project, located 200km northeast of Wiluna.
- A highly credentialed Board and Management team has been recruited for JLN. The Non-Executive Chair is David Kelly, with Tim Netscher, Michael Davies and Wade Johnson as Non-Executive Directors. Former Western Areas NL Group Exploration Manager, Graeme Gribbin, has been appointed as Managing Director.
- The divestment strategy will allow LEX to focus on the Lefroy Gold Project to the southeast of Kalgoorlie, including the emerging Burns gold copper discovery, where resource RC drilling has commenced.

Lefroy Non-Executive Chairman, Gordon Galt said *"We are progressing the demerger/IPO for JLN, with a target of completion during H1/23. We have now appointed the Directors, including the Managing Director, so we have a first-class leadership team in place to explore our suite of first-class assets as soon as the demerger/IPO completes."*

*This process will crystallise the inherent value in our nickel assets for LEX shareholders and will add to the existing value of our gold assets, which include the Burns Project currently being drilled out for a maiden resource statement early in 2023.*

West Australian focused gold and copper exploration company Lefroy Exploration Limited ("LEX") (ASX: LEX), is pleased to provide an update on its strategy in relation to its portfolio of nickel projects in Western Australia. The projects are now held by LEX's wholly owned nickel focussed subsidiary, Johnston Lakes Nickel Ltd ("JLN").

Positive investor sentiment within the nickel sector prompted LEX to assess strategies to generate value recognition for its nickel assets, with a decision ultimately being made to undertake a demerger and IPO of JLN.

LEX is well advanced with progressing its JLN strategy, with the demerger of JLN from LEX and listing by way of Initial Public Offering ("IPO") planned to be completed in the first half of CY2023 subject to receipt of Shareholder and ASX approvals.

This will allow LEX to focus on the Lefroy Gold Project near Kalgoorlie, with the key Burns target currently being drilled out in advance of a maiden resource estimate due in March

### ***NICKEL PORTFOLIO***

JLN owns 100% of a number of nickel projects in Western Australia (Figure 1), which are considered highly prospective for magmatic nickel sulphide mineralisation. Two of these projects are proximal to existing nickel processing facilities at Kambalda and Kalgoorlie.

**Lake Johnston Project:** Four exploration licences located approximately 200km southeast of Kalgoorlie and 120km west of Norseman, WA. The project covers the northern part of the Lake Johnston greenstone belt, with significant exploration potential for nickel sulphide mineralisation, located immediately north of and adjoining Poseidon Nickel Limited's (ASX: POS) Emily Anne-Maggie Hayes nickel mine and processing facility.

**Carnilya South Project:** Nickel rights over one exploration licence and four prospecting licences located approximately 50km south-east of Kalgoorlie, WA that are part of LEX's Eastern Lefroy Gold Project. The project covers a 10km strike of the Kambalda Komatiite and is located approximately 1km south of the Carnilya nickel mine held by Mincor Resources NL (ASX: MCR) and is proximal to the Kambalda Nickel Concentrator owned by BHP Nickel West.

**Glenayle Project:** Six exploration licence applications covering 2,700km<sup>2</sup> located approximately 240km northeast of Wiluna in central WA. The tenement applications are considered prospective for Large Igneous Province (LIP)-associated magmatic nickel-copper mineralisation on the north-eastern margin of the Yilgarn Craton. The Glenayle Project was previously explored by Vale from 2014 until 2019, at which time Vale withdrew from all exploration activities in Australia.

### ***BOARD AND MANAGEMENT***

A highly experienced Board and Management team has been secured to accelerate the listing of JLN and advancing exploration on the prospective nickel portfolio.

The JLN board will be led by **Dave Kelly** as Non-Executive Chair. Dave has 35 years' experience in the resources sector as a geologist, mining executive, investment banker and corporate advisor. Dave was recently appointed a Non-Executive Director of ASX listed gold producer Westgold Resources Limited and was previously a director of Predictive Discovery, Turaco Gold and Renaissance Minerals.

JLN's Managing Director designate, **Graeme Gribbin**, will commence with JLN on 31 October 2022. Graeme is an experienced geologist with over 25 years' experience in the resources sector, with global expertise in nickel and base metals, including 8 years' as General Manager Exploration at Western Areas Limited (recently acquired by IGO Limited) where he oversaw the discovery of significant nickel sulphides at the Sahara prospect in Western Gawler, South Australia, and 6 years' base metals experience at Vale as Exploration Manager where his Brownfields team contributed to the significant growth and extensions of the nickel mineral resource inventories of the T1 and T3 mining complexes, in the Thompson Nickel Belt of Manitoba, Canada.

The Non-Executive Directors are Tim Netscher, Michael Davies, and Wade Johnson.

**Tim Netscher** is the current Non-Executive Chair of Gold Road Resources Limited and St Barbara Limited. Over the past 25 years, Tim has had senior executive roles at Impala Platinum Ltd, PT Inco, QNI Pty Ltd and former Western Areas Limited (WSA). Mr Netscher was a Non-Executive Director of WSA until June 2022, when WSA was acquired by IGO at a market capitalisation of \$1.24B.

**Michael Davies** is a principal of Taurus Funds Management and is a Non-Executive Director of LEX, NuCoal Resources Limited and Qmetco Limited. Michael has over 20 years of commercial experience in the mining industry and has specialised in the origination, structuring and arranging of finance for mining projects and provision of corporate advice to natural resources companies.

**Wade Johnson** is the founding Managing Director of LEX, with over 25 years' experience in mineral exploration and management roles, including 10 years with Newmont Australia, where his most senior roles were Exploration Manager for Australia and Exploration Manager for Asia Pacific. Mr Johnson has extensive experience across greenfields project management and project generation within Western Australia (Northern Goldfields, Murchison, the Yilgarn), Tanami, North Queensland and the Lachlan Fold Belt of NSW.

### ***NEXT STEPS***

LEX is aiming to list JLN in the first half of CY2023. Relevant LEX shareholder and ASX approvals will be sought prior to the listing. Progress towards the listing is well advanced.

The Board and Management team have been selected and will all be in place at the start of November. Due diligence, prospectus preparation for the demerger and the submission to the ATO for demerger relief are also nearing completion.

Over the coming months LEX will confirm other relevant details, including the date of a LEX General Meeting to approve the demerger by way of in-specie distribution of JLN shares to LEX shareholders, the record date for LEX shareholder entitlement to the in-specie distribution, the entitlement ratio and the priority entitlement of LEX shareholders in the IPO. Further announcements regarding these matters will be made later in 2022.

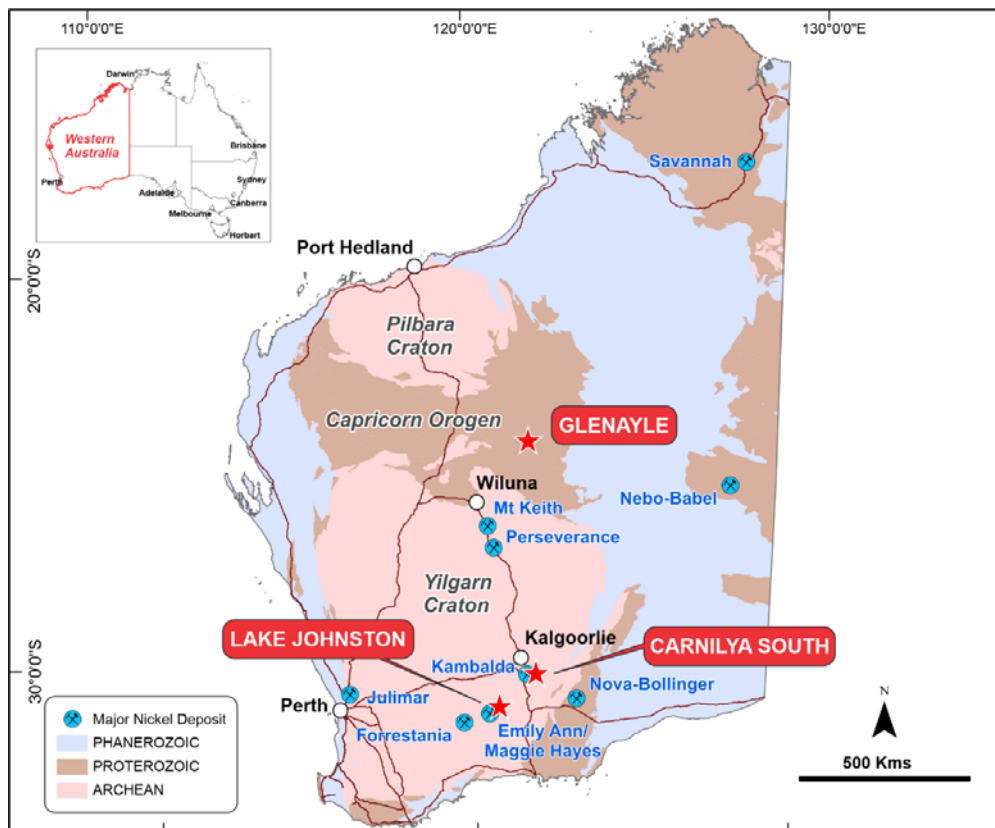


Figure 1 Location of the nickel projects held by Johnston Lakes Nickel Ltd.

This announcement has been authorised for release by the LEX Board



Wade Johnson

Managing Director

For Further Information please contact:

Wade Johnson

Managing Director

Telephone: +61 8 93210984

Email: [wjohnson@lestroy.com](mailto:wjohnson@lestroy.com)