



Exploration Update: Further RC drilling underway at Lucky Strike

LEFROY EXPLORATION LIMITED

Western Australian Focused

Gold Explorer

ASX Code: LEX

Shares on Issue:

64.8m

Current Share Price:

13.5c

Market Capitalisation:

\$8.7m

Board of Directors

Chairman

Gordon Galt

Managing Director

Wade Johnson

Non-Executive Directors

Michael Davies

James Beecher

Geoffrey Pigott

Flagship Exploration Project

Lefroy Gold Project

Growth Exploration Projects

Lake Johnston Project

Murchison Project

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Key Points

- An expanded campaign of Reverse Circulation (RC) drilling is underway at the Lucky Strike gold prospect, 55km south east of Kalgoorlie
- Fifteen angled holes totalling approximately 1100m are targeting the depth and strike extensions to the new gold system
- Lucky Strike lies adjacent and parallel to the regional Mt Monger Fault and falls within a 3000m long trend defined by wide spaced aircore drilling
- This drilling programme is targeting extensions to the multiple shallow gold intersections from recent RC drilling that include:-
 - 12m at 1.51g/t Au from 52m in LEFR050
 - 7m at 1.18g/t Au from 35m in LEFR051
 - 15m at 2.18g/t Au from 42m in LEFR056
 - 6m at 5.37g/t Au from 79m in LEFR056
 - Including 3m at 10.3g/t from 80m
- RC drilling at Lucky Strike has demonstrated that the gold mineralisation is hosted within multiple Banded Iron Formation (BIF) units

Managing Director, Wade Johnson commented

"This is another important RC drilling program at Lucky Strike that will evaluate the strike continuity of the BIF hosted gold mineralisation and the down dip extension of the high grade primary intersection in LEFR056. The RC drilling is the start of focussed exploration campaign in the area over the coming 2 months with diamond drilling at Lucky Strike and aircore drilling at the nearby Capstan to follow"

Further to the ASX announcement of 14 February 2018, the Board of Lefroy Exploration Limited (ASX: LEX) ("Lefroy" or "the Company") is pleased to announce that additional reverse circulation (RC) drilling has commenced at Lucky Strike within its flagship Lefroy Gold Project (Lefroy Project). The Lefroy Project is approximately 50km south east of Kalgoorlie in the Eastern Goldfields of Western Australia.

Lucky Strike is located approximately 3km to the northwest of the high grade Lucky Bay open pit, mined by Silver Lake Resources (ASX:SLR) during 2015, and 4km to the south west of the Randalls Processing Plant operated by SLR (Figure 1). The Company has interpreted that the 3000m long trend hosting Lucky Strike shares similar geological and structural settings to the Lucky Bay deposit (Figure 1).

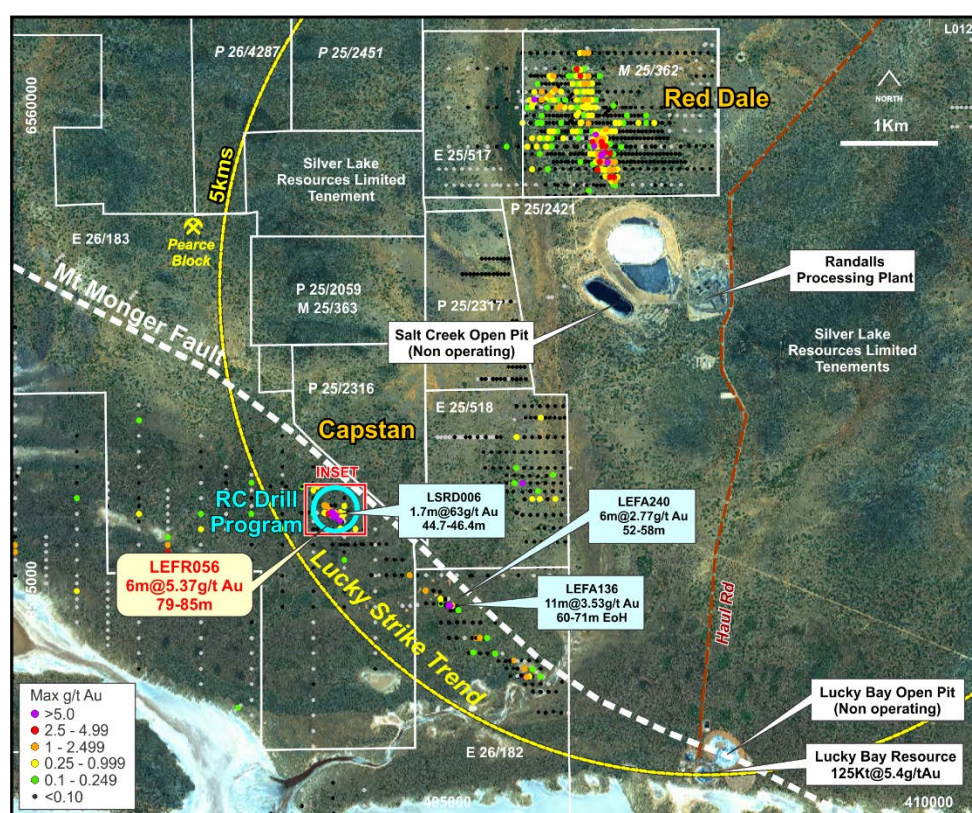


Figure 1 Lucky Strike Prospect location plan highlighting extent of drilling completed with key intersections, proximity to other LEX exploration prospects and the Randall's processing facility. Refer to Figure 2 for inset RC drill program plan.

An additional fifteen (15) hole RC drilling program has recently commenced at Lucky Strike to evaluate the strike and depth extensions to this newly discovered Banded Iron Formation (BIF) hosted gold system (refer LEX ASX announcement dated 14 February 2018).

The Company completed a focused nine (9) hole RC drilling program ("program") at Lucky Strike in January 2018 to evaluate the strike extension to the gold mineralisation defined by the initial RC drill campaign in November 2017. The results from that successful program more than doubled the strike length to 160m (limit of drilling), with the high grade intersection in LEFR056 also open down dip and along strike.

The results from the January 2018 RC drill program delivered strong, broad gold intersections from the three sections drilled, and further demonstrated strike continuity to the system. The drilling intersected multiple, mineralised magnetic banded iron formation ("BIF") units within a package of metamorphosed siltstone, shale and black shale. The identification of multiple BIF units improves the potential for a broader zone of mineralisation.

Significant results from that RC drill program include:-

- o **5m at 1.70g/t Au from 56m in hole LEFR049;**
- o **3m at 5.50g/t Au from 25m in hole LEFR 050;**
- o **12m at 1.51g/t Au from 52m in hole LEFR050;**
- o **7m at 1.18g/t Au from 35m in hole LEFR051;**
- o **15m at 2.18g/t Au from 42m in hole LEFR056;**
- o **6m at 5.37g/t Au from 79m in hole LEFR056;**

Includes 3m at 10.3g/t Au from 80m

The two gold intersections in hole LEFR056 are an important breakthrough for Lucky Strike with mineralisation that is open down dip and along strike. In particular, the high grade gold mineralisation (3m at 10.3g/t from 80m) is from an interval of semi massive to massive pyrite within BIF in the primary zone (fresh rock) which is a newly encountered style, and importantly open along strike and down dip

The current RC program is aimed primarily to evaluate the strike extensions to the system to define at least 380m of strike and will total approximately 15 angled holes for 1100m. Three step out drill sections will target the south easterly trend outward from LEFR056 on both 40m and 80m sections (Figure 2). One 80m step out section is aimed at testing the north western strike extent and in particular focussing on an interpreted magnetic BIF unit that remains undrilled (Figure 3). Hole depth will vary between 60m to 100m to test approximately 80m vertical metres on each drill section

In addition, two RC holes are planned to evaluate the depth extension on two existing sections, one hole testing down dip of the mineralisation in LEFR056 and one testing beneath LEFR050 that intersected 12m at 1.51g/t Au from 52m (Figure 2). These angled holes are expected to be approximately 130m deep.

The program will be completed in March with assay results expected in April.

The step out RC drill program is the commencement of a focused exploration program in the Lucky Strike area, with diamond drilling at Lucky Strike, and air core drilling at the adjacent Capstan gold anomaly planned for the June 2018 Quarter.

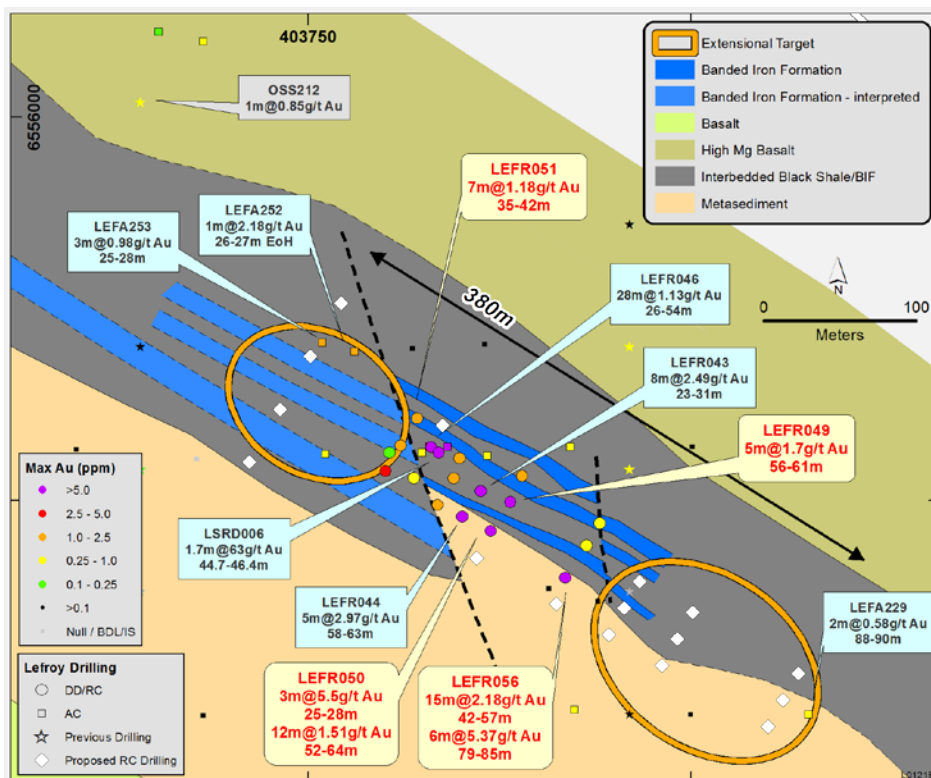


Figure 2 Lucky Strike Prospect drill hole location plan highlighting key gold intersections and planned RC drilling (white triangles) of the two target areas.

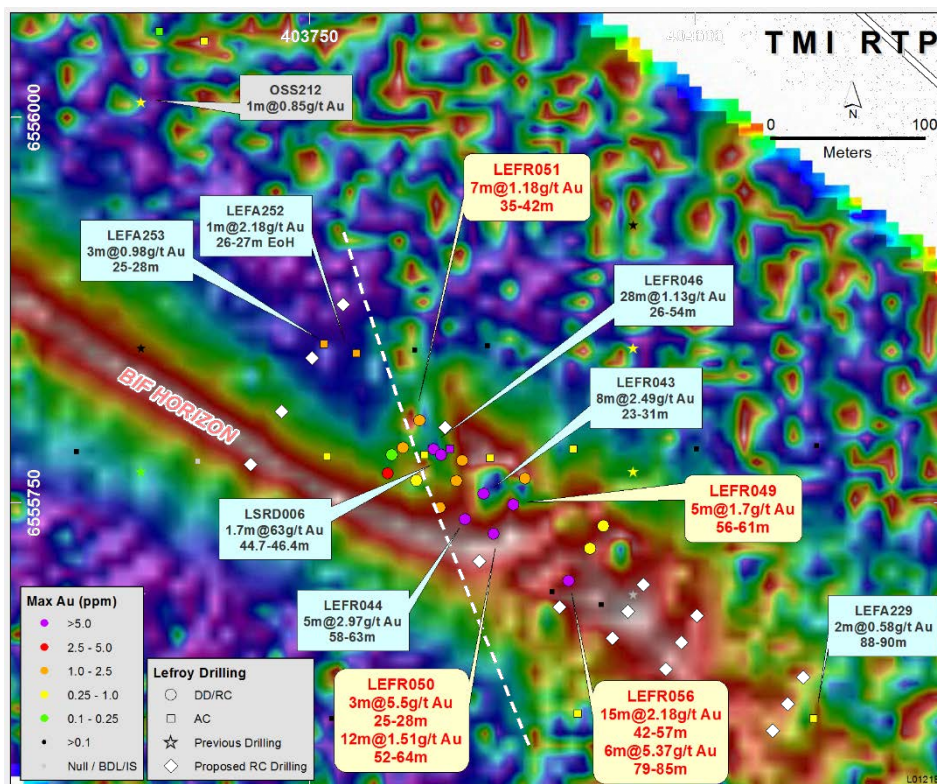
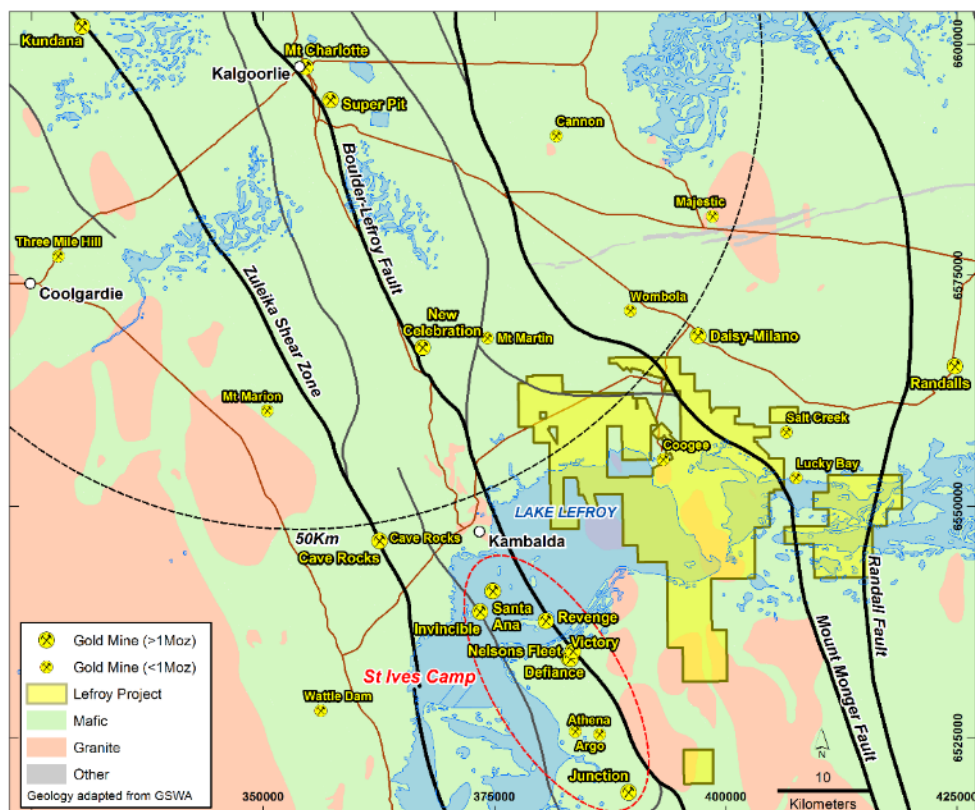


Figure 3 Lucky Strike Prospect drill hole location plan over magnetic image to highlight extent of the magnetic BIF package and planned drilling (same scale as Figure 2)

About Lefroy Exploration Limited and the Lefroy Gold Project

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

The 100% owned Lefroy Gold Project contains mainly granted tenure covering 547km², located in the heart of the world class gold production area between Kalgoorlie and Norseman. The Project is in close proximity to Gold Fields' St Ives gold camp, which contains the Invincible gold mine located in Lake Lefroy, and is also immediately south of Silver Lake Resources' (ASX: SLR) Daisy Milano gold mining operation.



Location of the Lefroy Gold Project relative to Kalgoorlie, Gold Fields St Ives Gold Camp near Lake Lefroy, and major gold deposits.

For Further Information please contact:

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Notes Specific-ASX Announcements

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

- Lefroy Commences Exploration: 24 October 2016
- Lefroy Commences Drilling at Lucky Strike: 17 November 2016
- Managing Directors AGM Presentation: 5 December 2016
- Drilling at Lucky Strike Supports and Extends Gold Trend: 23 December 2016
- Exploration Update: Aircore Drilling to Recommence at Lucky Strike: 29 March 2016
- Significant Intersections at Lucky Strike Prospect: 18 April 2017
- Aircore Drill results enhance the Lucky Strike Trend: 7 July 2017
- Exploration Update: Diamond Drilling Commences at the Lucky Strike Trend: 31 August 2017
- High Grade Gold Mineralisation Intersected at Lucky Strike: 21 September 2017
- September 2017 Quarterly Activities Report: 25 October 2017
- RC Drilling Commenced at Lucky Strike: 23 November 2017
- RC Drill Results Enhance Lucky Strike Gold Discovery: 12 December 2017
- Exploration Update: RC Drilling Underway at Lucky Strike: 25 January 2018
- Strong Drill Results Extend Gold Mineralisation at Lucky Strike: 14 February 2018

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