LEFROY EXPLORATION LIMITED

ANNUAL REPORT

30 June 2020

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)
Geoffrey Pigott	(Non - executive Director)
Wade Johnson	(Managing Director)

Company Secretary
Susan Hunter

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Bankers
Australia & New Zealand Banking Corporation
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West Perth WA 6005

Share Registries
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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 2020 financial year has been the third full year of Lefroy's exploration activities. I am pleased to report that our safety and environmental performance during the carrying out of our activities has again been excellent.

Comments made last FY about the current price of gold, our principally targeted metal, are even more applicable this year with a significant rise to above USD2000/oz during the year. Our gold discoveries so far, even though relatively small at 79,600 oz of resources, are still quite valuable. With every 10,000 ounces worth over AUD25m in gross terms, we have already defined over AUD200m in value on Lefroy's ground.

During FY20 we again delivered on our exploration commitment. Details are provided in the Managing Director's report so I will only highlight some aspects here. The key areas we drilled in eastern Lefroy were Lucky Strike and Red Dale. These programs provided a maiden resource at Lucky Strike and increased the resource at Red Dale. At Hang Glider Hill, we initiated the maiden diamond drill program and further auger sampling and, subsequent to year end, completed the maiden AC drill program. Our expectations for major discoveries on these areas remain intact based on the geology we are discovering.

At the Western Lefroy JV Gold Fields completed the foundation air core drilling program in Lake Lefroy that commenced in FY2019 with a total of 842holes for 44,721m being completed. This contributed to Gold Fields meeting their $4million minimum expenditure commitment by 7 June 2020. The air core drilling program covered a 100km^2 area of Lake Lefroy and the adjacent Lake Randall designed to acquire geological and geochemical information beneath the lake cover to provide signatures from the oxide rock and provide vectors to bedrock gold targets. Subsequent to the year-end Gold Fields had commenced a 9000m reverse circulation drilling program on Lake Lefroy to evaluate six large and robust regolith gold anomalies.

We are pleased with the systematic exploration approach and progress being made by Gold Fields and look forward to the results from the exploration program now underway.

We continued growing our land holding at Lefroy by acquiring new tenements via outright application. These include applications covering the Burns and Ogdens prospects at Eastern Lefroy. These areas will have their initial programs commenced as soon as the required specific location approvals are granted.

As always, our exploration team, including our very supportive contractors and suppliers, has worked hard in somewhat trying conditions through the past year, including the Covid period, and I thank them for their dedication and commitment. Thanks also to board members for their continuing guidance and personal work this past year.

We continue also to welcome both the old and new investors. We now have over 800 shareholders in LEX. We will keep you well informed on progress as we can carry out our planned exploration over FY21 and look forward to further exciting gold discoveries on our ground.

Yours Sincerely

Gordon Galt

Gordon Galt

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 2020.

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.

Other current directorships:

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

Former directorships in the last 3 years:

Finders Resources Ltd	Appointed 22 August 2013 - Resigned 6 May 2019

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.

Other current directorships:

Nil

Former directorships in the last 3 years:

Nil

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

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

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	2,099,999	1,000,000
Michael Davies	12,982,654	1,000,000
Geoffrey Pigott	2,666,487	1,250,000
Wade Johnson	2,161,712	2,000,000

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were:

- Exploration and evaluation of the Lefroy Gold Project, 50km south east of Kalgoorlie
  - At Eastern Lefroy, the Company primarily focussed RC drill-based exploration at Lucky Strike to deliver a maiden Mineral Resource Estimate. Additional RC drilling was completed at Red Dale that led to an increase to the existing gold resource. Maiden drill programs were completed at the Mulga 3, Mulga 4 and Hang Glider Hill prospects. An auger drill program was completed at Hang Glider Hill.
  - At Western Lefroy, which is subject to a Farm In and Joint Venture Agreement ('JV') with Gold Fields Limited ('Gold Fields'), the foundation aircore drilling program was completed in Lake Lefroy, that outlined multiple targets for further evaluation.
- The general administration of the Group

OPERATING AND FINANCIAL REVIEW

The 12 months ended 30 June 2020, was a period of continued accelerated gold exploration activity on the Company's tenements. This was primarily at the Lefroy Gold Project, capitalising on the results of the early stage exploration completed the prior year and subsequent to the Farm in and Joint Venture Agreement executed with Gold Fields Limited in June 2018. The exploration continued to be focussed on gold at it's flagship 100% owned Lefroy Gold Project to the south east of Kalgoorlie by both the Company and JV partner Gold Fields. The Company focussed RC and diamond drilling on the non JV Eastern Lefroy package at the priority Lucky Strike prospect, supported by additonal RC drilling at Red Dale. Maiden drilling programs were completed at Hang Glider Hill and Mulga 3. At the Western Lefroy JV, Gold Fields completed the major foundation aircore drilling on tenements within Lake Lefroy, that commenced in the prior financial year.

DIRECTORS' REPORT (CONTINUED)

The key results and achievements by the Company in the 12 months to 30 June 2020 were:

- Accelerated exploration at the Lefroy Gold Project, with the following outcomes:
  - Completion of 324 holes for 22,464m of drilling by the Company, the largest since the Company was requoted on the ASX in October 2016.
  - Further significant sulphide and oxide gold intersections from RC and diamond drilling at Lucky Strike, that extended the system to 740m of strike and is open at depth.
  - Maiden Mineral Resource Estimate at Lucky Strike of 1.27Mt @ 1.95g/t Au containing 79,600oz of gold.
  - RC Drilling at Red Dale to Increase the Mineral Resource Estimate to 670,000t @1.18g/t Au containing 25,230oz of gold.
  - A maiden 3-hole diamond drilling program at Hang Glider Hill intersected 6.8m @1.86g/t Au from 53.7m in the first hole 19HGDD001 and established a new mineralised trend, supported by auger drill results.
  - The completion by Gold Fields of the foundation aircore drilling program within the Western Lefroy JV in Lake Lefroy that delivered multiple large regolith host gold anomalies for follow up RC drill evaluation.
  - Growing the land holding by acquiring new tenements via outright application. These include applications covering the Burns and Ogdens prospects at Eastern Lefroy.

EXPLORATION OVERVIEW

Lefroy Gold Project

The Lefroy Gold Project ('LGP') is located some 50km to the South East of Kalgoorlie in the Eastern Goldfields Province of Western Australia and is the Company's flagship project.

The Lefroy Gold Project is wholly owned by the Company. The commanding, semi-contiguous, granted land package covers 621km2 immediately east of and adjoining the world class St Ives Gold camp, operated by Gold Fields Limited (NYSE: GFI) ("Gold Fields"), and is immediately south of the high-grade Mt Monger gold centre operated by Silver Lake Resources Limited (ASX:SLR). Four gold processing operations are strategically located within 50km of the project and provide commercial options for processing any gold discovered.

The LGP is referenced in two packages i.e.

- Eastern Lefroy covering 249km2 of wholly owned tenements including Lucky Strike, Red Dale, Hang Glider Hill, Havelock, and other sub-projects along the regional scale Mt Monger fault, and
- Western Lefroy JV tenements covering 372km2 adjoining the Gold Fields tenements that make up the St Ives mining operation. These tenements are included in the Joint Venture agreement with Gold Fields. Gold Fields can earn up to a 70% interest in the Lefroy tenements by spending up to a total of $25million on exploration activities within 6 years of the commencement date, 7 June 2018.

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 Company is 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 Company focussed on the priority Lucky Strike prospect with multiple phases of RC drilling to deliver a maiden Mineral Resource Estimate. Additional RC drilling was completed at Red Dale to extend and enhance the palaeochannel hosted gold minerisation and resource. This resulted in a 28% increase in the resource estimate to now totalling 670,000t @ 1.18g/t Au containing 25.230oz of gold. A major aim during the year was to advance another gold exploration area in to the portfolio. This was achieved through auger drilling, geological mapping, aircore drilling and a maiden 3-hole diamond drill hole program centred on Hang Glider Hill. This work has elevated the gold prospectivity of this exploration hub and provided a foundation for work in 2021. This was complimented by the completion of the foundation aircore drilling by Gold Fields on Lake Lefroy and Lake Randall within the Western Lefroy JV tenement package. This program that commenced in February 2019 resulted in the drilling of 842 aircore holes for 44,721m and that has delivered six large robust regolith hosted gold anomalies.

Eastern Lefroy Gold Project (Lefroy 100%)

The Eastern Lefroy project is a semi contiguous package of wholly owned tenements that now cover approximately 40km 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 that are a likely a primary control to gold mineralisation. The Company considers the Mt Monger Fault to be similarly prospective for large gold deposits but the area lacks the same degree of detailed exploration.

The Company has identified and maintains focus on three priority centres or hubs along the Mt Monger Fault trend where exploration for gold is being focused. These hubs are ranked according to the level of prior exploration activity, gold anomalies identified and the structural setting.

P1- Lucky Strike Exploration Hub: - Advanced Exploration

P2-Hang Glider Hill Exploration Hub: -Reconnaissance Exploration

P3-Lake Randall Exploration Hub: -Generative Exploration

During the year the Lucky Strike hub was the primary focus for the Company, but early stage maiden drill program was undertaken at Hang Glider Hill to elevate the prospectivity. At Lake Randall tenement monitoring resulted in the successful tenement application covering the Burns gold copper prospect.

Lucky Strike Exploration Hub

The Lucky Strike Exploration Hub is centered on the high-grade Lucky Strike prospect and envelopes the nearby gold prospects identified by the Company at Red Dale, Havelock, Capstan, Mulga 3 and the Lucky Strike trend. The Hub is a continued priority target area for drill-based exploration on existing and generative gold prospects located within the Eastern Lefroy project.

Lucky Strike

Lucky Strike is located approximately 35km north east of Gold Fields St Ives processing plant and 5km south west of the Randalls Processing Plant operated by Silver Lake Resources (ASX: SLR). Gold mineralisation at Lucky Strike is hosted within multiple north west trending Banded Iron Formation (BIF) units interbedded with shale and siltstone units, hanging wall to a high magnesian basalt. Lucky Strike is within a gold mineralised trend defined by wide spaced AC drilling completed in 2017 that has a 3000m strike length. Lucky Strike and its strike extensions are wholly within granted (12 April 2019) Mining Lease M25/366.

Reconnaissance, early stage (wide spaced) air core drilling initiated by the Company in November 2016 defined a new and emerging gold mineralised trend hosted within sedimentary rocks over a 3,000m strike length. In August 2017, a six-hole diamond drilling program was completed to determine the nature of the host rock and gold mineralisation along the trend. Discovery drill hole LSRD006 returned significant multiple, narrow, high grade oxide gold intersections including 1.7m at 63g/t Au from 44.7m (Inc. 0.9m at 107g/t Au) within a highly oxidised Banded Iron Formation (BIF) and siltstone. During 2018 and 2019 multiple programs of reverse circulation (RC) drilling supported by focussed diamond drilling expanded the BIF hosted gold mineralisation to over a 420m strike length.

The step out RC drilling program comprising six (6) drill holes totalling 1182m completed in June 2019 (refer ASX release 3 July 2019) provided the results to support multiple RC programs in 2020 and ultimately deliver the maiden resource estimate.

That step out drilling intersected a deeply oxidised sequence of shale, black shale and strongly oxidised BIF beneath approximately 12m of transported cover. The deepest oxidation, to approximately 150m from surface, is confined to the BIF that creates a trough or depression in the profile of the top of fresh rock interpreted to represent an oxidation channel down a structure or alteration zone that is open along strike.

DIRECTORS' REPORT (CONTINUED)

Integration and assessment of the 2019 drilling with the Company's detailed gravity data revealed a strong correlation between the deep oxidation and a linear gravity low. The deep oxidation along a linear trend was interpreted to represent weathering along a major fault or structure that has a 3000m strike length. The Company interpreted Lucky Strike to be part of a larger gold mineralised structure, highlighted by the gravity feature, that has limited deeper effective RC drilling along its strike length and was the focus for multiple phases of RC drilling during 2020.

Exploration at Lucky Strike during the 12 months ending 30 June 2020 focussed on evaluating the strike and down dip extensions to both shallow oxide gold mineralisation and the deeper sulphide altered BIF hosted mineralisation. Multiple programs of RC drilling and one diamond drilling program were completed 82 RC holes for 11,704m being completed.

The successful proof of concept RC drill program completed in August 2019 provide the significant results for subsequent programs and ultimately the resource estimate. That program consisted of 27 holes for 4274m of drilling on three 80m spaced sections to test an additional 320m of strike guided by the gravity feature. A strong gold intersection was returned from each of the three wide spaced sections and highlighted the discovery of two new ore positions or lodes.

Significant results returned from that drilling include:

- **18m @ 6.57g/t Au from 68m in LEFR140**

  incl. 4m @ 21.9g/t Au from 77m

- **12m at @2.97g/t Au from 147m in LEFR146**

  incl. 2m @ 8.58g/t Au from 151m

- **22m at 2.49g/t Au from 63m in LEFR152**

  Incl. 2m @ 15.2g/t from 65m

- **8m at 1.15g/t Au from 146m in LEFR153**

Two further phases of RC drilling totalling 55 holes were completed in the December 2019 and March 2020 quarters to infill the earlier drill results noted above. The drilling was designed to infill and better constrain the oxide gold mineralisation that had been defined by prior wide spaced sections (80m spaced) and holes and to a vertical depth of 150m. The angled RC holes were spaced at nominal 20 or 40m centres on each of the ten drill sections completed, the majority of the holes ranging in depth from130m to 160m.

The drill holes intersected and confirmed a deeply weathered (oxidised) metasedimentary sequence of rocks including BIF, wedged between a hanging wall andesite and footwall basalt. The metasediment package is preferentially oxidised, particularly the BIF, down to 200m vertically from surface .

The results from the RC drilling programs successfully confirmed two robust zones of oxide gold mineralisation that are interpreted to form the shallow expression of shallowly plunging ore shoots that remain open at depth. The gold mineralisation is hosted within a main BIF unit that has been defined over a 740m strike length and is open to the south east and under cover.

Outstanding gold intersections were recorded from the recent drilling in each of these ore shoots as follows: -

- **8m @ 18.6g/t Au from 145m in LEFR217**

  incl. 5m @ 28.1g/t Au from 145m

- **4m at @14.3g/t Au from 70m in LEFR199**

  incl. 2m @ 24.1g/t Au from 70m

The increased drill density focusing on the shallow oxide mineralisation improved the confidence in the dimensions of the system to a vertical depth of approximately 150m and provided a stronger input to the geometry of the primary control on the mineralisation, recognised as the two ore shoots. The grade and the continuity of these shoots provides confidence in the down plunge potential and the opportunity to discover additional blind/hidden ore shoots along strike.

DIRECTORS' REPORT (CONTINUED)

During the June 2020 Quarter the Company completed and announced a maiden Mineral Resource Estimate (MRE) for Lucky Strike from results for the multiple RC drill programs completed during the 2018-2020 period (refer LEX ASX release 20 May 2020).

The Lucky Strike in situ Mineral Resource Estimate ("MRE" or "estimate") was prepared by Stephen Godfrey, principal of Resource Evaluation Services (RES). The estimate was based on 193 drill holes available as of 6 March 2020. Only drill hole samples from Reverse Circulation (RC) and Diamond Drill Holes were used in the estimation of grades. From 2017 to 2020 the Company completed 24,057 m of RC and Diamond drilling at Lucky Strike. An additional 1472m of Air Core drilling has been removed from the resource database. Most (90%) of the resource data is from RC drilling.

A full summary of the MRE methodology and validation, and the relevant JORC 2012 Tables are referenced in the ASX release dated 20 May 2020, titled "Maiden Gold Resource at Lucky Strike"
The Lucky Strike resource is classified as Indicated and Inferred. A summary of the MRE at a 0.5g/t Au cut-off grade is shown in Table 1. The MRE has a defined significant proportion of oxidised BIF hosted ore, with 78% of the resource by tonnes being oxide or partially oxidised ore. The oxide ore remains open along strike to the south east and at depth.

Table 1 Total Indicated and Inferred Lucky Strike Mineral Resource Estimate

Mineral Resource by Material - Au Cut - 0.5 g/t reporting cut-off				
Class	**Material**	**Tonnes**	**Au g/t**	**Ounces Au**
Indicated	Oxide	239,000	1.98	15,200
	Transition	161,000	2.07	10,700
	Saprolite	138,000	1.84	8,100
	Fresh	162,000	1.80	9,400
Total		700,000	1.93	43,400
Inferred	Oxide	298,000	2.72	26,000
	Transition	114,000	1.34	4,900
	Saprolite	52,000	1.10	1,800
	Fresh	110,000	1.02	3,600
Total		572,000	1.97	36,200
Total		1,271,000	1.95	**79,600**

Since release of the Lucky Strike MRE, the Company being cognisant of the favourable current gold price, coupled with the location and ore characteristics of Lucky Strike is actively considering all options to extract value from the deposit and the strike extensions.

Red Dale

Red Dale is located approximately 4km north east of the Company's priority Lucky Strike prospect and is immediately north, and adjoins, Silver Lake Resources (ASX: SLR) Randalls Processing Operation that includes the now closed Salt Creek mine. Gold mineralisation at Red Dale is hosted within the basal sediments of an ancient river bed, known as a palaeochannel.

In April 2018 (refer LEX March 2018 Quarterly Report) the Company announced a maiden resource estimate for the Red Dale palaeochannel-hosted mineralisation. That estimated an indicated resource of 484,000tonnes at 1.26g/t Au (Au cut grade) for 19,600 ounces of gold.

During the March 2020 Quarter thirty-five vertical RC drill holes totalling 1885m of drilling were completed. The holes were drilled on 7 east west drill sections or traverses to evaluate approximately 360m of the palaeochannel immediately north of the northern limit of the 2018 resource estimate.

The drilling program has succeeded in

a) confirming the extension of the palaeochannel a further 340m to the north to now total 840m based on RC drilling and is open
b) discovering a new zone of mineralisation over a 100m strike length hosted within black sands and
c) refining the geometry of the palaeochannel that has defined two possible gold bearing tributary channels that adjoin the main channel.

Better gold intersections from the program include: -

- **3m at 2.03 g/t Au from 45m in LEFR225**
- **7m at 1.44 g/t Au from 42m in LEFR240**
- **7m at 1.56 g/t Au from 40m in LEFR247**
- **6m at 2.00 g/t Au from 40m in LEFR251**
- **4m at 1.15 g/t Au from 41m in LEFR249**
- **8m at 0.80 g/t Au from 42m in LEFR255**

Gold mineralisation occurs in the coarse gravel horizon at the base of the palaeochannel. The horizon varies in thickness and displays an upward fining to sand and sandy clays. The gravel horizon (1-3m) contains sub rounded to angular coarse quartz fragments that the Company interprets to be sourced from a primary source to the north of the drill area.

The drilling, when interpreted with the previous Company drilling (both aircore and RC), better highlights the geometry of the main palaeochannel (the "channel"). The channel deepens to the south and has a maximum depth of 52m based on depth of the Base of Alluvium (BOA) in each hole. The channel is defined over a 1600m length within the Company's Mining Lease and is open.

The results from the RC program formed the basis for the increase to the Red Dale resource prepared during the June 2020 Quarter and announced on 3 June 2020 (refer LEX ASX release 3 June 2020). The Red Dale in situ Mineral Resource Estimate ("MRE" or "estimate") was based on 61 Lefroy RC drill holes available as of 1 May 2020. The Red Dale tenement contains 708 drill holes (Diamond, Reverse Circulation and Aircore) but only the Lefroy RC drill holes were used in the estimate. The resource is classified as Indicated and Inferred (Table 2) under the JORC (2012) guidelines that is documented in the Company's ASX announcement dated 3 June 2020. The entire MRE is oxidised ore.

Table 2 Total Indicated and Inferred Red Dale Mineral Resource Estimate

Red Dale Mineral Resource Estimate - Au - 0.5 g/t 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	0.6	570	0.67	1.18	25,230
TOTAL	0.64	1.21	24,660	0.03	0.6	570	0.67	1.18	25,230

Notes to Table 2-Refer to Appendix 1 in LEX ASX release dated 3 June 2020 for further details on the resource table. Totals may differ due to rounding. The Company confirms that there has been no further exploration activity including resource compilation at Red Dale since 20 May 2020 that would alter the resource statement

The inclusion of the March 2020 RC drilling program at Red Dale delivered a 28% increase to the Mineral Resource Estimate and also succeeded in

a) confirming the extension of the palaeochannel a further 340m to the north to now total 840m based on RC drilling and is open
b) discovering a new zone of mineralisation over a 100m strike length hosted within black palaeochannel sands and
c) refining the geometry of the palaeochannel that has defined two possible gold bearing tributary channels that adjoin the north south main channel.

Further compilation of previous drill data by the Company has highlighted that Red Dale is part of a much more extensive and larger north south trending palaeodrainage system. That system extends and meanders to the south partly within the Company's tenure. The Company has recognised and interpreted from previous drilling that the palaeodrainage has gold occurrences along its length that is likely derived from one or multiple primary (bedrock) sources. The Red Dale palaeochannel deposit has the strongest gold signature and footprint.

The Company interprets that the gold in the Red Dale deposit is locally derived from a nearby primary source or sources. Two key target areas have been recognised within the Red Dale tenure and subsequent to the end of the June 2020 quarter an aircore drilling program had been completed to evaluate one of these target areas.

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.

Hang Glider is also located approximately 8km south west of the high-grade Daisy Milano underground mine operated by Silver Lake Resources (ASX: SLR), and central to three operating gold plants at Jubilee, St Ives and Randalls. Each of these plants is within 35km of HGH.

During the December 2020 Quarter three angled diamond drill holes totalling 581m were completed (refer LEX ASX release 29 November 2019). The holes were designed to evaluate the geology beneath the topographical feature known as Hang Glider Hill and constitute the maiden drilling by Lefroy at this developing gold prospect and the first diamond holes drilled at the prospect.

Each of the holes intersected a similar geological sequence comprising a shallow oxide zone, and a strongly deformed or sheared zone. These are in contact with a lower, relatively undeformed sequence of biotite altered intermediate volcanic and sedimentary rocks, that includes black shale.

The results from that early stage diamond drilling confirmed gold mineralisation within the sheared and quartz veined rock package in hole 19HGDD001. The diamond holes 80m along strike either side of 19HGDD001 intersected a similar geological sequence but were not significantly mineralised. Significant results returned from 19HGDD001 include: -

- **6.8m @ 1.86g/t Au from 53.7m**
- **7.68m @ 0.66g/t Au from 44m (includes VG)**

The results from the three diamond drill holes have for the first time provided important geological and structural information at Hang Glider Hill that will assist in refining the geological model. In addition, the drilling has discovered a new geological setting that is gold mineralised and reinforce the gold prospectivity of the area.
Subsequent to the diamond drilling in February 2020 the Company completed an early stage auger drilling program as an initial and follow up exploration search tool along the trend (refer LEX ASX release 16 April 2020).The auger program was designed to cover a contiguous group of five tenements granted in mid-2019 which are located along strike and to the north of the Hang Glider Hill gold discovery. The program complemented and extended the auger drilling completed by the company during 2018 which outlined a gold-in-auger anomaly (+20ppb Au) that was open to the north west for up to 2km from Hang Glider Hill proper.

Eight Hundred and four (804) samples were collected at regular 50m centres along 200m spaced east west lines, effectively covering approximately 1000 Hectares of the tenement package. The results of the sampling program have defined the north western extension of the main Hang Glider trend, and defined a new, robust, high-tenor gold anomaly approximately 3km to the north of Hang Glider Hill proper (location of diamond drill holes).

The main Hang Glider Hill trend has been extended a further 1500m to the north west and now covers 3500m. The trend is defined by multiple linear subparallel trends of gold anomalism (+20ppb Au), in places constrained by a single sample point on consecutive lines. The trend is also coincident with the locations of the gold nuggets discovered in 2018 and covers a similar package of rocks as that observed at Hang Glider Hill.

In June 2020 a foundation drill program consisting of 129 AC holes for 4713m was completed (LEX ASX release 1 September 2020). The program was designed to evaluate the entire HGH area that included multiple gold in auger anomalies that define two strong trends that flank the interpreted position of the Mt Monger and Hang Glider Hill Faults.

Detailed interrogation of the drill hole and surface geology, including bottom of hole multi-element analysis has advanced the geological interpretation. The geology of the Hang Glider Hill prospect is considered by the Company to be similar to the Kambalda stratigraphy. Subtle gold and elevated levels of typical orogenic gold system pathfinder elements occur along the interpreted position of the Hang Glider Hill Fault. This includes an intersection of 11m @ 0.19g/t Au from 20m including 1m @ 1.09g/t Au from 26m in LEFA621. Coincident with the Hang Glider Hill Fault is the location of multiple gold nuggets on the surface. This confirms the Company's interpretation that the Hang Glider Hill Fault is a significant mineralised structural trend.

The results of the early stage exploration work have advanced geological interpretation at the Hang Glider Hill Hub and has established a focus for future exploration. This will include concentrating exploration on the corridor straddling the Hang Glider Hill fault 3.5km along strike of Hang Glider Hill. Planning is underway and will include AC and RC fences drilling across the fault as well as focussed diamond drilling.

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

The Western Lefroy tenement package being farmed into by Gold Fields in June 2018 and covers Lake Lefroy and the surrounding area. The package comprises 372km^2 of the total 598km^2 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 Quarter Gold Fields commenced a foundation aircore (AC) drilling program (ASX release 31 January 2019) to cover most of the tenure in Lake Lefroy using a specialised lake drilling rig. At total of 602 vertical air core holes totalling 33,141m had were by 30 July 2019.

During the year ending 30 June 2020 Gold Fields completed the major full field aircore (AC) drilling program on tenements within Lake Lefroy and the adajcent Lake Randall. The program was designed to yield foundation geological and geochemical information that will be interrogated in conjunction with the geophysical data to deliver specific drill targets for deeper drill testing and hence termed foundation drilling.

Since commencement of drilling, 842 vertical air core holes totaling 44,721m have been completed. The results from the drilling completed during the year extended and enhanced the Eastern Shoreline trend (refer LEX ASX release 29 June 2020), but also further developed and existing irregular regolith gold anomaly now known as prospect LLT08 that is located adjacent to the interpreted Woolibar Fault.

The Eastern Shoreline gold trend now has an extensive strike length of 7km based on maximum gold in aircore holes . The gold intersection in SAL1741 comes from the southern end of the trend and is supported by an earlier intersection of 6m @1.53g/t Au in SAL1533, located 400m to the south. The drill density in this area has east west drill lines spaced 400m apart and hole centres 200m apart.

Subsequent to the end of the June 2020 Quarter the Company announced (LEX ASX release 27 July 2020) that a 9000m multi-target RC drilling program was underway in Lake Lefroy by JV partner Gold Fields. The program is designed as an initial evaluation of six robust gold anomalies generated from interrogation of data from the wide-spaced foundation aircore drilling and geophysical programs .

On 29 June 2020 the Company announced (LEX ASX release 29 June 2020) that Gold Fields has met the minimum exploration commitment of $4million before withdrawal. This was a requirement of the Stage 1 earn in commitment to sole fund $10million to earn a 51% interest in the joint venture. Gold Fields are required to fund an additional $6million for AFY2021 to earn that 51% WLJV interest.

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

The Lake Johnston Project is located 120kms west of Norseman and comprises two exploration licences (E63/1722 & 1723) held under title by Lefroy and one exploration licence (E63/1777) held by Lithium Australia NL (ASX:LIT). These holdings form a cohesive package in excess of 200 sq. km over the Lake Johnston Greenstone Belt. Lefroy has acquired the gold and nickel rights to E63/1777 under a Tenement Rights Agreement.

The Project is considered prospective for both gold and nickel, with the tenement package covering the northern strike extension to the Maggie Hayes and Emily Ann nickel mines held by Poseidon Nickel Limited ("Poseidon"). Lake Johnston was host to the Emily Ann Mine which averaged a resource grade of 4.1% Nickel and produced 46,000tonnes of nickel (refer Poseidon ASX release 26 September 2018).

The Company interpreted and identified (ASX announcement 17 January 2019) from processed gravity data large ovoid shaped gravity high to the north of the Emily Ann mine and centered about Mt Day. The anomaly is interpreted to represent a large mafic intrusion that intrudes the older greenstone stratigraphy, but which is not exposed at surface. Mafic Intrusions can be large hosts for Ni-Cu sulphide mineralisation that occur as basal accumulations in embayments on or near the basal margins of the intrusion.

During the year the Company continued to progress options to advance and accelerate exploration on the large prospective tenement holding given the focus and exploration success at the LGP. Discussions were ongoing as at 30 June 2020 with a party that expressed interest in a commercial arrangement with the tenement package.

Corporate

The key corporate transaction for the year to 30 June 2020 were:

- A share placement to institutional and sophisticated investors for 19,026,845 fully paid ordinary shares at an issue price of $0.20 per share to raise $3.805 million before costs ('Share Placement'). 17,600,000 fully paid ordinary shares were issued on 23 August 2019. On 11 October 2019, 1,426,845 fully paid ordinary shares were issued to Directors and their related parties who participated in the Share Placement, as approved at the General Meeting of Shareholders held on 1 October 2019;
- The Company released its 2019 Annual Report on 27 September 2019; and
- The Company held its AGM on 2 December 2019. All resolutions were carried by a poll.
- On 7 May 2020 the Company announced the change of its registered office to the following:
  Rodus Building, P.O. Box 3093, Road Town, Tortola, VG1110 British Virgin Islands
  Lefroy's Australian office address, postal address and contact numbers remain unchanged

Subsequent to the year-end 2020, the Group has sold the remaining 700,000 GSM shares in relation to the options exercised subsequent to the year end. The net proceeds from selling the shares amounting to $361,260.

In August 2020, Tranche 1 of the Lefroy Share Plan was achieved and vested. 1,933,333 in total number of shares were issued on 4 September 2020 to the participants or their respective nominees.

DIRECTORS' REPORT (CONTINUED)

Operating Results for the Year	2020 $000	2019 $000
Revenue & Other income	**471**	327
(Loss) / Profit	**(379)**	(740)

Shareholder Returns	2020	2019
Basic profit/(loss) per share (cents)	**(0.41)**	(0.99)
Diluted profit/(loss) per share (cents)	**(0.41)**	(0.99)

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-end 2020, the Group has sold the remaining 700,000 GSM shares in relation to the options exercised subsequent to the year end. The net proceeds from selling the shares amounting to $361,260.

In August 2020, Tranche 1 of the Lefroy Share Plan was achieved and vested. 1,933,333 in total number of shares were issued on 4 September 2020 to the participants or their respective nominees.

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)
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 9.5% for the 2020 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 2020.

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.

Wade Johnson, Managing Director:

- Term of agreement – Commenced 19 October 2016
- Annual salary of $220,000 excluding superannuation
- 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.

James Beecher, Non-Executive Director (Resigned 3 August 2018):

- Term of agreement – Commenced 1 July 2010, fee of $35,000 pa. No notice period of termination was required and no monies were payable on termination.

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.

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 *						
2020	**50,000**	**-**	**-**	**-**	**4,437**	**54,437**
2019	**50,000**	**-**	**-**	**-**	**14,722**	**64,722**
Wade Johnson						
2020	**220,000**	**-**	**20,900**	**-**	**41,877**	**282,777**
2019	**220,000**	**-**	**20,900**	**-**	**78,333**	**319,233**
Michael Davies						
2020	**35,000**				**4,437**	**39,437**
2019	**35,000**	**-**	**-**	**-**	**14,722**	**49,722**
James Beecher * (i)						
2020	**-**	**-**	**-**	**-**	**-**	**-**
2019	**2,917**	**-**	**-**	**-**	**(25,008)**	**(22,091)**
Geoffrey Pigott *						
2020	**35,000**	**-**	**-**	**-**	**13,571**	**48,571**
2019	**35,000**	**-**	**-**	**-**	**14,722**	**49,722**
Total key management personnel compensation						
2020	**340,000**	**-**	**20,900**	**-**	**64,322**	**425,222**
2019	**342,917**	**-**	**20,900**	**-**	**97,491**	**461,308**

(i) Resigned 3 August 2018

***** Fees were paid to the directors' respective related entity.

Share Plan Trust shares

As at 30 June 2020 there were 5.8 million ordinary shares (2019: 5.8 million 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 and employees, held in conformity with the Share Plan Trust rules.

During the year ended 30 June 2020:

- 500,000 and 250,000 fully paid ordinary shares of three equal tranches were assigned to Messrs Wade Johnson and Geoffrey Pigott respectively. These additional shares are subject to the same terms and vesting conditions of existing ordinary shares within the plan. Approval for their issue was received from Shareholders at the General Meeting held on 1 October 2019.

A reconciliation of Share Plan ordinary shares is as follows:

Director	1 July 2019	Grants	Other	30 June 2020
Gordon Galt	1,000,000	-	-	1,000,000
Michael Davies	1,000,000	-	-	1,000,000
Geoffrey Pigott	1,000,000	250,000	-	1,250,000
Wade Johnson	1,500,000	500,000	-	2,000,000
Other employees	550,000	-	-	550,000
Unassigned	750,000	(750,000)	-	-
Total	5,800,000	-	-	5,800,000

Directors and employees are not entitled to the shares held by the Share Plan Trust until the relevant vesting conditions are met.

All ordinary shares held by the Share Plan Trust are 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 $0.30 per share;

(ii) Tranche two (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.40 per share; and

(iii) Tranche three (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.50 per share

The Share Plan shares issued to the Directors and employees were valued using an option pricing model with the following inputs:

	2020	2019
Measurement date	11 Oct 2019	20 June 2019
Volatility	136%	131%
Expected term	3 years	3 years
Expected vesting period	3 years	3 years
Share price at grant date	$0.22	$0.21
Expected dividends	$NIL	$Nil
Risk-free rate	0.77%	0.99%
Notional exercise price	$0.30 $0.40 $0.50	$0.30 $0.40 $0.50
Expected director exit rate per year	NIL%	Nil%
Market based vesting conditions	As outlined above	As outlined above
Fair value at grant date	**$0.160 $0.151 $0.144**	**$0.147 $0.138 $0.131**

The total amount expensed during the year ended 30 June 2020 in relation to the Share Plan Trust shares was $81,530 (2019: $103,477)

Share Plan Trust shares (continued)

The Share Plan shares orginally issued in December 2012 were fair valued when the vesting conditions were modified (12 September 2016). This valuation was conducted using the same inputs as those described above. The excess of the fair value of the modified Share Plan shares over the fair value of the original grant of $156,667 is being expensed over the estimated three year vesting period of the modified Share Plan shares.

The fair value of the 1.5 million Share Plan shares issued to Wade Johnson in 2017 was estimated at $235,000 at the measurement date. This amount is being expensed over the estimated three year vesting period.

During current year, 0.5 million Share Plan shares issued to Wade Johnson was estimated at $37,973 at the measurement date. This amount is being expensed over the estimated three year vesting period.

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	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Gordon Galt	**1,000,000**	**-**	**-**	**-**	**1,000,000**	**-**	**1,000,000**
Michael Davies	**1,000,000**	**-**	**-**	**-**	**1,000,000**	**-**	**1,000,000**
Geoffrey Pigott	**1,000,000**	**250,000**	**-**	**-**	**1,250,000**	**-**	**1,250,000**
Wade Johnson	**1,500,000**	**500,000**	**-**	**-**	**2,000,000**	**-**	**2,000,000**

There were 750,000 number of ordinary shares granted to KMP's during the year as compensation.

In August 2020, Tranche 1 of the Lefroy Share Plan was achieved and vested. 1,933,333 in total number of shares were issued on 4 September 2020 to the participants or their respective nominees.

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 (i)	Other changes during the year (ii)	Balance at end of the year
Directors of Lefroy Exploration Limited				
Ordinary shares				
Gordon Galt	1,873,154	226,845	-	2,099,999
Michael Davies	11,982,654	1,000,000	-	12,982,654
Geoffrey Pigott	2,566,487	100,000	-	2,666,487
Wade Johnson	2,061,712	100,000	-	2,161,712

(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 1 October 2019.

Loans to key management personnel

There were no loans to key management personnel during the year (2019 $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 joint lead manager for a share placement which took place in August 2019. The Group also engaged New Holland Capital to act as Lead Advisor in relation to a farm-in or vend-in over the Lefroy Project. New Holland Capital received $64,885 (exc. GST) in retainer fees as corporate advisor for the sale/commercialisation of the Lake Johnston assets and Lucky Strike-Red Dale in the Lefroy gold project, and $42,916 (exc. GST) upon successful completion of the August 2019 placement.

As at 30 June 2020, $Nil amount (inc. GST) remains due and payable to New Holland Capital in respect of services rendered (2019. $5,500 inc. GST).

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	10	9
Michael Davies	10	10
Geoffrey Pigott	10	9
Wade Johnson	10	10

SHARES UNDER OPTION

Unissued ordinary shares of Lefroy Exploration Limited under option at the date of this report are as follows:

Date options issued	Expiry date	Exercise price (cents)	Number of options
14 October 2016	14 October 2021	$0.40	1,000,000
Total number of options outstanding at the date of this report			1,000,000

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.

No shares have been issued during or since the end of the year as a result of any person exercising any options referred to above.

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 $10,521.

DIRECTORS' REPORT (CONTINUED)

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:

	2020 $	2019 $
Taxation compliance services	**33,435**	32,153

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, 29 September 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

		Consolidated	
		2020	**2019**
	Notes	**$000**	**$000**
INCOME			
Interest income		**19**	25
Profit on sale of Murchison Project	**4**	**-**	297
Net gain on financial assets held at fair value through profit and loss	**9**	**201**	-
Realised gain on sale of share		**82**	-
Other income	**5**	**169**	5
		471	327
EXPENDITURE			
Exploration expense		**-**	(2)
Accommodation expenses		**(30)**	(27)
Legal, professional and consulting expenses		**(249)**	(287)
Directors' fees		**(120)**	(123)
Travel expenses		**(25)**	(20)
Depreciation expense		**(26)**	(29)
Net loss on financial assets held at fair value through profit or loss		**-**	(147)
Salaries and wages expenses		**(184)**	(196)
Share-based payment expense		**(82)**	(103)
Transaction costs		**-**	(3)
Other expenses		**(134)**	(130)
(LOSS)/PROFIT FOR THE YEAR BEFORE INCOME TAX		**(379)**	(740)
Income tax benefit/(expense)		**-**	-
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF LEFROY EXPLORATION LIMITED		**(379)**	(740)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF LEFROY EXPLORATION LIMITED		**(379)**	(740)
Basic profit/(loss) per share attributable to the ordinary equity holders (cents per share)	**23**	**(0.41)**	(0.99)
Diluted profit/(loss) per share attributable to the ordinary equity holders (cents per share)	**23**	**(0.41)**	(0.99)

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 2020

		Consolidated	
		2020	**2019**
	Notes	**$000**	**$000**
CURRENT ASSETS			
Cash and cash equivalents	**8**	**907**	372
Financial assets at fair value through profit or loss	**9**	**398**	150
Other receivables	**10**	**105**	53
Other current assets		**9**	12
TOTAL CURRENT ASSETS		**1,419**	587
NON-CURRENT ASSETS			
Plant and equipment		**57**	70
Exploration and evaluation assets	**11**	**10,210**	7,606
TOTAL NON-CURRENT ASSSETS		**10,267**	7,676
TOTAL ASSETS		**11,686**	8,263
CURRENT LIABILITIES			
Trade and other payables	**12**	**214**	196
Provisions	**13**	**57**	60
TOTAL CURRENT LIABILITIES		**271**	256
NON-CURRENT LIABILITIES			
Provisions	**13**	**182**	-
TOTAL NON-CURRENT LIABILITIES		**182**	-
TOTAL LIABILITIES		**453**	256
NET ASSETS		**11,233**	8,007
EQUITY			
Contributed equity	**14**	**32,126**	28,603
Foreign currency translation reserve	**15**	**(111)**	(111)
Share-based payment reserve	**15**	**530**	448
Accumulated losses		**(21,312)**	(20,933)
TOTAL EQUITY		**11,233**	8,007

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 2020

	Notes	Contributed equity $000	Share Premium Reserve $000	Share-Based Payments Reserve $000	Foreign Currency Translation Reserve $000	Accumulated Losses $000	Total $000
BALANCE AT 1 JULY 2018		26,095	-	345	(111)	(20,193)	6,136
Loss for the year		-	-	-	-	(740)	(740)
Other comprehensive loss, net of income tax		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	-	-	(740)	(740)
Share-based payments	**15**	-	-	103	-	-	103
Issue of ordinary shares (net of costs)	**14**	2,508	-	-	-	-	2,508
BALANCE AT 30 JUNE 2019		**28,603**	**-**	**448**	**(111)**	**(20,933)**	**8,007**
Loss for the year		-	-	-	-	(379)	(379)
Other comprehensive loss, net of income tax		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	-	-	(379)	(379)
Issue of ordinary shares (net of costs)	**14**	3,523	-	-	-	-	3,523
Share-based payments	**15**	-	-	82	-	-	82
BALANCE AT 30 JUNE 2020		**32,126**	**-**	**530**	**(111)**	**(21,312)**	**11,233**

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 2020

	Notes	Consolidated 2020 $000	Consolidated 2019 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(613)**	(974)
Receipts of ATO tax refund and cash flow boost		**129**	-
Interest received		**19**	25
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**22**	**(465)**	(949)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation activities		**(2,490)**	(1,621)
Payments for plant and equipment		**(12)**	(13)
Proceeds from disposal of financial assets		**-**	25
Payment for exercising options		**(200)**	-
Proceeds from share sale		**179**	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(2,523)**	(1,609)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares	**14**	**3,805**	2,591
Payments of share issue costs	**14**	**(282)**	(184)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**3,523**	2,407
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**535**	(151)
Cash and cash equivalents at the beginning of the financial year		**372**	523
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**8**	**907**	372

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 International Business Act (Cap. 291). The Company maintains registered offices in Western Australian and the British Virgin Islands. The financial statements were authorised for issue by the directors on 29 September 2020. 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

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

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.

The application of the above new standard using modified restrospective method had no material impact on the balances and transactions recognised in the consolidated financial statements for the year ended 30 June 2020.

The lease liabilities as at 1 July 2019 reconcile to the opening lease commitments as of 30 June 2019 as follows:

	$000
Operating lease commitment as at 30 June 2019	36
Less: Commitments relating to short term leases	(36)

Commitments relating to leases of low value assets	-
Operating lease commitment subject to discounting at 1 July 2019	-
Lease liabilities as at 1 July 2019	-

IFRIC 23 Uncertainty over Income Tax Treatments

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes ("IAS 12") and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

· Whether an entity considers uncertain tax treatments separately;
· The assumptions an entity makes about the examination of tax treatments by taxation authorities;
· How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
· How an entity considers changes in facts and circumstances.

(i) New and amended standards adopted by the Group (continued)

The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. There was no impact for the year ended 30 June 2020 financial report from the Group adopting IFRIC 23.

(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 2019.

(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 2020 of $379,000 (30 June 2019: loss $740,000) and had a net cash outflow from operating and investing activities of $2,988,000 (30 June 2019: $2,558,000). The net assets of the Group as at 30 June 2020 were $11,233,000 (30 June 2019: $8,007,000).

The Group's cash flow forecasts through to 30 September 2021 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 2020 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 Gorup 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 ciscumstances 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

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. This policy was applicable for prior year only. For current year, please refer to the new and amended standards adopted by the Group at note 1(a)(i).

(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.

Trade Receivables

Trade receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with the Group's accounting policy for revenue recognition.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead 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 are classified at "fair value through profit or loss" Financial assets are 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 derivative instruments, which are not held for trading, and equity investments which are both 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. 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 annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave 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

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 accounting standards and interpretations

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 2020 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
Conceptual Framework For Financial Reporting January 2020	The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows: • Chapter 1 – The objective of financial reporting • Chapter 2 – Qualitative characteristics of useful financial information • Chapter 3 – Financial statements and the reporting entity • Chapter 4 – The elements of financial statements • Chapter 5 – Recognition and derecognition • Chapter 6 – Measurement • Chapter 7 – Presentation and disclosure • Chapter 8 – Concepts of capital and capital maintenance The changes to the Conceptual Framework may affect the application of accounting standards in situations where no standard applies to a particular transaction or event.	1 January 2020	1 July 2020
Amendments to IAS 1 and IAS 8 – Definition of Material	This Standard amends IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.	1 January 2020	1 July 2020

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

(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.

Share-based payments

Share-based payment transactions, in the form of options to acquire ordinary shares and Share Plan shares, are valued using option pricing models. This model uses assumptions and estimates as inputs.

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 2020 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 $907,000 (2019: $372,000) is subject to interest rate risk. The weighted average interest rate received on cash and cash equivalents by the Group was 0.42% (2019: 1%).

(iv) Equity price risk

The group is exposed to movements in the Australia Stock Exchange share market on the shares that the Group holds. The entire balance of financial assets at fair value through profit or loss for the Group of $398,000 is subject to equity price risk and are measured at fair value through profit or loss.

Sensitivity analysis

If interest rates were to increase/decrease by 100 basis points from rates used to determine fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on profit for the year and equity is as follows:

	Consolidated	
	2020	**2019**
+/- 100 basis points	**$000**	**$000**
Impact on profit/(loss) after tax	4	1
Impact on equity	(4)	(1)

A sensitivity of 100 basis points has been selected as this is considered reasonable given the current level of short-term and long-term Australian dollar interest rates. The movements in profit are due to possible higher or lower interest income from variable rate cash balances.

(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

2: FINANCIAL RISK MANAGEMENT (CONTINUED)

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 instruments 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 2020	$000	$000	$000	$000	$000
Cash and cash equivalents	907	-	-	907	907
Receivables	105	-	-	105	105
Financial assets at fair value through profit and loss	398	-	-	398	398
Payables	(214)	-	-	(123)	(123)
Liquidity position	1,196	-	-	1,277	1,277
Year ended 30 June 2019					
Cash and cash equivalents	372	-	-	372	372
Receivables	53	-	-	53	53
Other financial assets	150	-	-	150	150
Payables	(196)	-	-	(196)	(196)
Liquidity position	379	-	-	379	379

(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: PROFIT ON SALE OF THE MURCHISON PROJECT

On 20 December 2018, the Group entered into a binding Asset Sale Agreement ("ASA") with Golden State Mining Limited ("GSM"). The Company agreed to sell its 100% interest in the Murchison Project.

As consideration for the sale, the Group received:

- $25,000 cash consideration
- 1,700,000 fully paid ordinary shares in GSM; and
- 800,000 options in GSM, at an exercise price of $0.25 each and expiring 26 October 2022.

Shares and options issued to the Company are subject to a one-year escrow period. The sale of the Murchison Project was completed on 23 January 2019.

The profit on the sale of the Murchison project has been calculated as follows:

		2019 $000
Carrying amount of Murchison Project sold	(Note 11)	**25**
Consideration received		

4: PROFIT ON SALE OF THE MURCHISON PROJECT (CONTINUED)

- Cash consideration		25
- Shares in GSM	(Note 9)	247
- Options in GSM	(Note 9)	50
		322
Profit on sale of Murchison Project		**297**

5: OTHER INCOME

	Consolidated 2020 $000	2019 $000
Other income		
- Other income	169	5
	169	**5**

Other income includes $99,470 in relation to R&D ATO tax refund received during the year and $50,000 in relation to Cash flow boost received during the year.

6: LOSS

	Consolidated 2020 $000	2019 $000
Loss before income tax includes the following specific expenses:		
Defined contribution superannuation expense	**16**	33
Minimum lease payments relating to short-term lease	**30**	27

7: INCOME TAX

(a) Income tax expense

Current tax	**-**	-
Deferred tax	**-**	-

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

Profit/(loss) from continuing operations before income tax expense	**(379)**	(740)
Prima facie tax benefit at the Australian tax rate of 30% (2019: 27.5%)	**(114)**	(204)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
• Entertainment	-	1
• Share-based payments	**25**	28
• Non-assessable income	**(45)**	-
Deferred tax assets not recognised	**134**	175
Income tax expense	**-**	-

Tax consolidation

Lefroy Exploration Limited 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

7: INCOME TAX (CONTINUED)

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:	2020	2019
Deferred tax assets:	$000	$000
Investments	**-**	47
Trade and other payables	**28**	17
Business related costs	**92**	106
Tax losses	**3,186**	2,095
Deferred tax liability:		
Capitalised exploration expenditures	**(2,336)**	(1,370)
Investments	**(39)**	-
Net deferred tax asset	**931**	895
Deferred tax assets not recognised	**(931)**	(895)
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.

8: CASH AND CASH EQUIVALENTS

	2020	2019
	$000	$000
Cash at bank and in hand	**142**	259
Short-term deposits	**765**	113
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**907**	372

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.

9: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated	
	2020	2019
	$000	$000
Beginning of the financial year	**150**	-
Acquisition of GSM shares (Note 4)	**-**	247
Acquisition of GSM options (Note 4)	**-**	50
Options exercised during the year*	**200**	-
Fair value of shares sold during the year^	**(153)**	-
Net profit / (loss) of financial assets at fair value through profit or loss	**201**	(147)
End of the financial year	**398**	150

*The Group has exercised 800,000 unlisted options in GSM, at an exercise price of $0.25 each on 26 June 2020.

^The Group has fully sold the 1,700,000 fully paid ordinary shares in GSM by 30 June 2020. The Group has sold 100,000 shares on 30 June 2020 in relation to the option exercised.

9: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Subsequent to the year end, the Group has sold the remaining 700,000 shares in relation to the options exercised. The net proceeds from selling the shares amounting to $361,260. As of 30 June 2020, the financial assets pertain to the ordinary shares that are traded in the stock exchange and classified as level 1.

The Group has available to it various methods in estimating the fair value of listed investments. The methods comprised:

Level 1: The fair value is calculated using quoted prices in active markets.

Level 2: The fair value is estimated using inputs other than quotes prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of financial assets at fair value through profit or loss listed above were calculated as follows:

- Level 1 for listed shares in GSM

10: OTHER RECEIVABLES

	Consolidated	
	2020	2019
	$000	$000
Current		
Other debtors	**56**	-
GST receivable	**49**	53
	105	53

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

11: EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	2020	2019
	$000	$000
Beginning of the financial year	**7,606**	5,928
Less carrying amount of Murchison Project disposed of (Note 4)	**-**	(25)
Other exploration costs incurred during the year	**2,604**	**1,703**
End of the financial year	**10,210**	7,606

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

12: TRADE AND OTHER PAYABLES

	Consolidated	
	2020	2019
	$000	$000
Current		
Trade payables	**160**	139
Other payables and accruals	**54**	57
	214	196

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. Included within trade and other payables are balances to related parties totalling Nil amount inc. GST (2019: $5,500)

13: PROVISIONS

	Consolidated 2020 $000	Consolidated 2019 $000
Current		
Provision for annual leave	**57**	60
Non- Current		
Provision for rehabilitation^	**182**	-
	239	60

^The Group makes full provision for the future cost of rehabilitating mine 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. Those provisions have been created based on the Group's financial assurance lodged with the Department of Environmental Authority. The discount rate used in the calculation of the provision as at 30 June 2020 was 0.92%.

14: 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.

	Notes	2020 Number of shares	2020 Consolidated $000	2019 Number of shares	2019 Consolidated $000
Ordinary shares fully paid - total issued capital		**94,686,745**	**32,126**	75,659,900	28,603
Beginning of the financial year		**75,659,900**	**28,603**	58,963,920	26,095
13 July 2018 – Share Placement		-	**-**	15,190,980	2,430
24 August 2018 – Share Placement		-	**-**	1,000,000	160
23 August 2019 – Share Placement		17,600,000	**3,520**	-	-
11 October 2019 – Share Placement (i)		1,426,845	**285**	-	-
Share issue costs		-	**(282)**	-	(183)
15 May 2019 – Shares issued in lieu of drilling services received		-	**-**	505,000	101
End of the financial year		**94,686,745**	**32,126**	75,659,900	28,603

(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 1 October 2019.

(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.

14: ISSUED CAPITAL (CONTINUED)

(c) Capital risk management

The Group defines capital as issued share capital. Its objective 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 2020 and 30 June 2019 are as follows:

	Consolidated	
	2020	2019
	$000	$000
Cash and cash equivalents	**907**	372
Trade and other receivables	**105**	53
Trade and other payables	**(214)**	(196)
Working capital position	**798**	229

15: RESERVES

	Consolidated	
	2020	2019
(a) Reserves	$000	$000
Foreign currency translation reserve	**(111)**	(111)
Share-based payments reserve	**530**	448
	419	337

(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	
	2020	2019
Beginning of the financial year	**1,000,000**	1,000,000
End of the financial year	**1,000,000**	1,000,000

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights. Set out below are summaries of the options granted:

	2020		2019	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the financial year	**1,000,000**	**40**	1,000,000	40

15: RESERVES (CONTINUED)

Outstanding at year-end	**1,000,000**	**40**	1,000,000	40
Exercisable at year-end	**1,000,000**	**40**	1,000,000	40

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 1.29 years, and the exercise price 40 cents.

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.

(d) Share Plan Shares

During the year ended 30 June 2020:

- 500,000 and 250,000 fully paid ordinary shares of three equal tranches were assigned to Messrs Wade Johnson and Geoffrey Pigott respectively. These additional shares are subject to the same terms and vesting conditions of existing ordinary shares within the plan. Approval for their issue was received from Shareholders at the General Meeting held on 1 October 2019.

A reconciliation of Share Plan ordinary shares held on behalf of directors during the year ended 30 June 2020 is as follows:

Director	1 July 2019	Grants	Other	30 June 2020
Gordon Galt	1,000,000	-	-	1,000,000
Michael Davies	1,000,000	-	-	1,000,000
Geoffrey Pigott	1,000,000	250,000	-	1,250,000
Wade Johnson	1,500,000	500,000	-	2,000,000
Other employees	550,000	-	-	550,000
Unassigned	750,000	(750,000)	-	-
Total	5,800,000	-	-	5,800,000

A reconciliation of Share Plan ordinary shares during the year ended 30 June 2019 is as follows:

Director	1 July 2018	Grants	Other	30 June 2019
Gordon Galt	1,000,000	-	-	1,000,000
Michael Davies	1,000,000	-	-	1,000,000
James Beecher	1,000,000	-	(1,000,000)	-
Geoffrey Pigott	1,000,000	-	-	1,000,000
Wade Johnson	1,500,000	-	-	1,500,000
Other employees	300,000	250,000	-	550,000
Unassigned	-	-	750,000	750,000
Total	5,800,000	250,000	(250,000)	5,800,000

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. As at 30 June 2020 there were 5.8 million ordinary shares (2019: 5.8 million 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 and employees, held in conformity with the Share Plan Trust rules.

All ordinary shares held by the Share Plan Trust are issued in three equal tranches and subject to the same vesting conditions which is assessed on an annual basis, outlined below and as approved by the Company's shareholders on 12 September 2016:

15: RESERVES (CONTINUED)

(i) Tranche one (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.30 per share;
(ii) Tranche two (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.40 per share; and
(iii) Tranche three (33.33%) – When the Company's share price (as traded on the ASX) exceeds $0.50 per share

The Share Plan shares issued to the Directors and employees were valued using an option pricing model with the following inputs:

	2020			2019		
Measurement date	11 Oct 2019			20 June 2019		
Volatility*	136%			131%		
Expected term	3 years			3 years		
Expected vesting period	3 years			3 years		
Share price at grant date	$0.22			$0.21		
Expected dividends	$NIL			$NIL		
Risk-free rate	0.77%			0.99%		
Notional exercise price	$0.30	$0.40	$0.50	$0.30	$0.40	$0.50
Expected director exit rate per year	NIL%			Nil%		
Market based vesting conditions	As outlined above			As outlined above		
Fair value at grant date	**$0.160**	**$0.151**	**$0.144**	**$0.147**	**$0.138**	**$0.131**

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

The Share Plan shares orginally issued in December 2012 were fair valued as at the date the vesting conditions were modified (12 September 2016). This valuation was done using the same inputs as those described above. The excess of the fair value of the modified share plan shares over the fair value of the original grant of $156,667, is being expensed over the estimated three year vesting period of the modified share plan shares.

The fair value of the 1.5 million share plan shares issued to Wade Johnson in 2017 was estimated at $235,000 at the measurement date. This amount is being expensed over the estimated three year vesting period. The fair value of the 0.5million share plan shares issued to Wade Johnson during the current year was estimated at $37,973 at the measurement date. This amount is being expensed over the estimated three year vesting period.

The total amount expensed during the year ended 30 June 2020 in relation to the Share Plan Trust shares was $81,530 (2019: $103,477).

16: DIVIDEND

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

17: 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	
	2020	2019
Amounts received or due and receivable by Ernst & Young Australia for:	$000	$000

17: REMUNERATION OF AUDITORS (CONTINUED)

An audit and review of financial reports of the entity and any other entity in the consolidated group	**48**	44
Other services in relation to the entity and any other entity in the consolidated group		
Tax compliance	**33**	32
	81	76

18: CONTINGENCIES

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

19: 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	
	2020	2019
	$000	$000
- within one year	**530**	465
- later than one year but not later than five years	**1,887**	670
	2,317	1,135

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 $410,000 of required minimum expenditure commitment within the next year. A further $1,456,000 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.

20: 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.

20: RELATED PARTY TRANSACTION (CONTINUED)

(c) Key management personnel compensation

	Consolidated 2020	Consolidated 2019
Short-term benefits	340,000	342,917
Post-employment benefits	20,900	20,900
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	64,322	97,491
	425,222	461,308

(d) Transactions and balances with other related parties

Other than the related party transactions described in Notes 20 and 21, the following related party transactions occurred during the year ended 30 June 2020:

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 joint lead manager for a share placement which took place in August 2019. The Group also engaged New Holland Capital to act as Lead Advisor in relation to a farm-in or vend-in over the Lefroy Project. New Holland Capital received $64,885 (exc. GST) in retainer fees as corporate advisor for the sale/commercialisation of the Lake Johnston assets and Lucky Strike-Red Dale in the Lefroy gold project, and $42,916 (exc. GST) upon successful completion of the August 2019 placement.

As at 30 June 2020, $Nil amount (inc. GST) remains due and payable to New Holland Capital in respect of services rendered (2019. $5,500 inc. GST).

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.

21: 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 2020 %	Equity Holding 2019 %
Hogans Resources Pty Limited	Australia	Ord	**100**	100
Monger Exploration Pty Ltd	Australia	Ord	**100**	100
Lefroy Exploration Share Plan Pty Ltd (previously known as the U.S. Masters Share Plan Pty Ltd)	Australia	Ord	**100**	100

22: STATEMENT OF CASH FLOWS

	Consolidated 2020 $000	Consolidated 2019 $000
Reconciliation of (loss) / profit after income tax to net cash outflow from operating activities		
Net (loss) / profit for the year	**(379)**	(740)
Non-cash, non-operating activities		
Depreciation expense	**26**	29
Share-based payment expenses	**82**	103

22: STATEMENT OF CASH FLOWS (CONTINUED)

Gain on sale of Murchison Project	**-**	(297)
ATO refund and Cash flow boost	**(21)**	-
Net (gain) / loss on financial assets held at fair value through profit and loss	**(283)**	147
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	**4**	44
(Increase)/decrease in other current assets	**3**	(2)
Increase/(decrease) in trade and other payables	**106**	(247)
Increase/(decrease) in provisions	**(3)**	14
Net cash outflow from operating activities	**(465)**	(949)

23: (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	**(379)**	(740)

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

	Number of shares	
	2020	2019
Weighted average number of ordinary shares used as the denominator in calculating basic (loss) / profit per share	**91,984,406**	74,569,565
Weighted average number of ordinary shares used as the denominator in calculating diluted (loss) / profit per share	**91,984,406**	74,569,565
Basic (loss) / profit per share attributable to ordinary equity holders in cents	**(0.41)**	(0.99)
Diluted (loss) / profit per share attributable to ordinary equity holders in cents	**(0.41)**	(0.99)

(c) Information on dilutive options

For the year ended 30 June 2020, the options and Share Plan shares (Note 14) were anti-dilutive and have not been included in the calculation of diluted earnings per share.

24: PARENT ENTITY INFORMATION

The following information relates to the parent entity, Lefroy Exploration Limited, at 30 June 2020. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2020 $000	2019 $000
Current assets	**1,419**	587
Investment in Hogans Resources Pty Limited	**1,520**	1,520
Other non-current assets	**8,747**	6,156
Total assets	**11,686**	8,263
Current liabilities	**(271)**	(256)
Non-current liabilities	**(182)**	-
Total liabilities	**(453)**	(256)
Net Assets	**11,233**	8,007
Issued capital	**32,126**	28,603

24: PARENT ENTITY INFORMATION (CONTINUED)

Foreign currency translation reserve	**(111)**	(111)
Share-based payments reserve	**530**	448
Accumulated losses	**(21,312)**	(20,933)
Total equity	**11,233**	8,007
(Loss)/profit for the year	**(379)**	(740)
Total comprehensive loss for the year	**(379)**	(740)

25: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the year-end 2020, the Group has sold the remaining 700,000 GSM shares in relation to the options exercised subsequent to the year end. The net proceeds from selling the shares amounting to $361,260.

In August 2020, Tranche 1 of the Lefroy Share Plan was achieved and vested. 1,933,333 in total number of shares were issued on 4 September 2020 to the participants or their respective nominees.

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 2020 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, 29 September 2020

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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 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 Lefroy Exploration Limited as at 30 June 2020, 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.

Building a better working world

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 value of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 11 as at 30 June 2020, the Group held capitalised exploration and evaluation expenditure assets of $10.21 million. The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure 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 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 value 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 value of the capitalised exploration and evaluation expenditure 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 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 Company 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
Perth
29 September 2020

ASX ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange. The information is current as at 25 September 2020.

(a) Distribution schedule and number of holders of equity securities as at 25 September 2020

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 – and over	Total
Fully Paid Ordinary Shares	72	226	209	279	78	864
Unlisted Options – 40c 14.10.2021	-	-	-	-	3	3

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 25 September 2020 is 93.

(b) 20 Largest holders of quoted equity securities as at 25 September 2020

The names of the twenty largest holders of fully paid ordinary shares (ASX code: LEX) as at 25 September 2020 are:

Rank	Name	Shares	% of Total Shares
1	St Ives Gold Mining Company Pty Ltd	18,214,535	18.13
2	Mr Michael Davies	13,315,988	13.25
3	J P Morgan Nominees Australia Pty Limited	10,318,439	10.27
4	HSBC Custody Nominees (Australia) Ltd	7,342,002	7.31
5	HSBC Custody Nominees (Australia) Limited-Gsco Eca	4,500,000	4.48
6	Lefroy Exploration Share Plan Pty Ltd	3,866,663	3.85
7	Equity Trustees Limited <Lowell Resources Fund A/C>	2,267,727	2.26
8	Mr James David Beecher + Mrs Carol Beecher <The Beecher Super Fund A/C>	1,750,413	1.74
9	Wade Steven Johnson	1,711,712	1.70
10	Citicorp Nominees Pty Limited	1,710,268	1.70
11	Mr Geoffrey Francis Pigott	1,656,666	1.65
12	Clarkson's Boathouse Pty Ltd <Clarkson Super Fund A/C>	1,651,090	1.65
13	Craig Andrew Nelmes	1,473,458	1.47
14	Mr Wade Johnson + Ms Jennifer Johnson <Injigold Family A/C>	1,116,667	1.11
15	Mr Simon Catt	1,000,000	1.00
16	Sacrosanct Pty Ltd <Sacrosanct Super Fund A/C>	1,000,000	1.00
17	Mrs Michele Pigott	659,821	0.66
18	Mr Ian Michael Paterson Parker + Mrs Catriona Sylvia Parker <Impp A/C>	652,500	0.65
19	Mr Rohan Krishna Menon	559,824	0.56
20	Mr Richard Arthur Lockwood	500,000	0.50
	TOTAL	75,267,773	74.90

Stock Exchange Listing – Listing has been granted for 100,486,745 fully paid ordinary shares of the Company on issue on the Australian Securities Exchange.

The unquoted securities on issue as at 25 September 2020 are detailed below in part (d).

(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	9,331,080	9.20%	31 Aug 2020
Michael Davies & Associates	13,982,654	13.91%	10 Oct 2019

(d) Unquoted Securities

The number of unquoted securities on issue as at 25 September 2020:

Unquoted Security	Number on Issue
Unlisted Options – exercisable at 40c on or before 14.10.2021	1,000,000

(e) Holder Details of Unquoted Securities

Optionholders that hold more than 20% of a given class of unquoted securities as at 25 September 2020 other than options issued under an employee incentive scheme:

Security	Name	Number of Securities
Unlisted Options – exercisable at 40c on or before 14.10.2021	IONIKOS PTY LTD <WELD A/C>	425,000
Unlisted Options – exercisable at 40c on or before 14.10.2021	MRS RACHEL READER MILTON	425,000

(f) Restricted Securities as at 25 September 2020

The Company had no restricted securities on issue as at 25 September 2020.

(g) Voting Rights

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

Unquoted options have no voting rights.

(h) On-Market Buy-Back

The Company is not currently undertaking an on-market buy-back.

(i) 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 http://lefroyex.com/corporate-governance/ .

(j) Schedule of Mining Tenements

The schedule of interest in mining tenements both as at 30 June 2019 and as at 16 September 2019 is as follows:

1. Hogans Resources Pty Ltd and Monger Exlporation are wholly owned subsidiary of Lefroy Exploration Limited
2. E63/1722 and E63/1723- Held under title by LEX, Lithium Australia NL (ASX:LIT) have the rights to Lithium

NOTE E63/1777-LEX has the gold and nickel rights.

LEFROY EXPLORATION LTD TENEMENT SCHEDULE 18 SEPTEMBER 2020				
Project	Tenement ID	Ten status	Holder	Interest %
Lefroy	E26/0183	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E26/0184	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E 26/0131	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E 26/0134	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E 26/0150	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P 26/3764	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P 26/3765	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P26/3889	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P26/3890	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P26/3891	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E 25/0517	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E26/0182	Live	MONGER EXPLORATION PTY LTD	100
Lefroy	E15/1447	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P25/2316	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P25/2317	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E25/0518	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E15/1497	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E15/1498	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E26/0193	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P25/2421	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P25/2451	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P25/2488	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4287	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	M25/362	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	M25/363	Live	MONGER EXPLORATION PTY LTD	100
Lefroy	M26/842	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E15/1615	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	P26/4391	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4392	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4393	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4394	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4423	Live	MONGER EXPLORATION PTY LTD	100[1]

LEFROY EXPLORATION LTD TENEMENT SCHEDULE 30 JUNE 2020 cont.				
Project	**Tenement ID**	**Ten status**	**Holder**	**Interest %**
Lefroy	P26/4424	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4425	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4437	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4438	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4443	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4444	Live	MONGER EXPLORATION PTY LTD	100[1]
Lake Johnston	E63/1722	Live	LEFROY EXPLORATION LTD	100[2]
Lake Johnston	E63/1723	Live	LEFROY EXPLORATION LTD	100[2]
Lake Johnston	E63/1777	Live	LITHIUM AUSTRALIA NL	NOTE
Lefroy	M25/366	Live	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E26/176	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E26/195	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	M26/850	Pending	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	M26/851	Pending	HOGANS RESOURCES PTY LTD	100[1]
Lefroy	E15/1715	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E25/587	Pending	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	L25/63	Pending	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	L25/61	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 2020.

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, 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 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 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, 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.