LEFROY EXPLORATION LIMITED

ANNUAL REPORT

30 June 2021

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 Park

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

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CHAIRMAN'S LETTER

Dear Shareholders

The 2021 financial year has been an exciting year for your company, with successes achieved at Eastern Lefroy (Au/Cu), Western Lefroy (Au) and Lake Johnstone (Ni). In all, over 34,000 metres of diamond/RC/aircore was drilled and significant auger and geophysical surveys were completed. It is pleasing to report that the safety, environmental and community performance at our projects has again been excellent and congratulate all staff and contractors for their preparation and diligence, especially while carrying out their fieldwork.

As 100% operator in Eastern Lefroy (266 sq km), we extended our knowledge of gold mineralisation at Lucky Strike, Hang Glider Hill and Havelock and from January 2001 we conducted several large drill and geophysical programs to define Au/Cu mineralisation trends at the newly acquired Burns project. At the Western Lefroy project (372 sq km), our partner Goldfields completed 14,723m of drilling and in June 2021 decided to exercise its option to purchase 50% of Western Lefroy and spend up to another $15m over the next three years seeking major discoveries under/around Lake Lefroy. The commercial arrangements for the extension included return of the high potential Coogee South area to the Eastern Lefroy project and $1.38m cash. At Lake Johnson we have confirmed the presence of nickel mineralisation and started planning for exploration to define mineable nickel resources in the coming year.

Undoubtedly the highlight for the year was the high-grade Au/Cu intercept at Burns in March 2021. We will do more to properly follow this up in the near future, but are currently constrained by long assay times. What we already know, however, is that Burns is a very exciting area. It is abundantly clear that the amount of metal we have found already, even though our exploration has been limited to date, shows that we have only scratched the surface of what we will define in the Burns area. This could include large tonnage, low to medium grade open pittable Cu/Au mineralisation in the western basalt zone and higher-grade Au in the Eastern Porphyry. We have recently been granted approval to explore on Lake Randall as part of our Burns project exploration and will start work on this by year end 2021.

In 2022 we expect our hard work and patience to be further rewarded. We will initially focus on Burns exploration and programs at Coogee South. Later we will return to drill-ready targets at Havelock and Hang Glider Hill. Given initiatives by neighbouring companies seeking development of their own resources, we are actively considering arrangements to develop the 100,000 ounces we have already defined at Lucky Strike and Red Dale. When a development choice is confirmed, we are confident that we can define extra ounces in the vicinity of our existing deposits.

We have welcomed many new investors in 2021 and now have over 1600 shareholders in LEX. I would like to thank you for your support during the year and for the interest and questions about our discoveries and intentions. I also thank my Board colleagues and LEX's management, staff and contractors for their work in the past year. We all look forward to a safe and successful year ahead.

Yours Sincerely

Gordon Galt

Chairman, Lefroy Exploration Limited

DIRECTORS' REPORT

Your directors submit their report on Lefroy Exploration Limited ('Lefroy' or the 'Company') and it's consolidated entities (referred to hereafter as the 'Group') for the year ended 30 June 2021.

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 Park (appointed 6 December 2016)

BCom; ACA; F Fin; GAICD; AGIA

Susan has over 25 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 Park Advisory 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 Park holds a Bachelor of Commerce degree majoring in accounting and finance, is a Chartered Accountant, a Fellow of the Financial Services Institute of Australasia and the Institute of Chartered Secretaries and Administrators, and is a Graduate Member of the Australian Institute of Company Directors.

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

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

	Ordinary Shares	Share Plan shares
Gordon Galt	3,224,999	-
Michael Davies	14,815,988	-
Geoffrey Pigott	3,916,487	-
Wade Johnson	4,203,380	-

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were:

- Exploration and evaluation of the Lefroy Gold Project (LGP), 50km south east of Kalgoorlie
  - At Eastern Lefroy, the major exploration effort focus by the Company during 2021 was at the Burns prospect, subsequent to the tenement being granted in September 2020 . The exploration involved reverse circulation (RC) and diamond drill-based exploration that identified an exciting new gold, copper and silver mineral system hosted by porphyry and basalt at Burns. Aircore (AC) drilling programs were completed in the first half of FY21 at Havelock and along the Lucky Strike trend. A large auger drill program was completed covering a 15km trend from Hang Glider Hill to Lucky Strike.
  - At Western Lefroy, which is subject to a Farm In and Joint Venture Agreement ('JV') with Gold Fields Limited ('Gold Fields'), phases of RC and diamond drilling evaluating multiple geochemical targets in Lake Lefroy, were completed.
- At Lake Johnston, located 155km west of Norseman, a maiden AC drilling program was completed at the Bullseye nickel (Ni) prospect
- The general administration of the Group

OPERATING AND FINANCIAL REVIEW

The 12 months ended 30 June 2021, was a period of signficant gold exploration activity on the Company's tenements. 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 our partner Gold Fields. Exploration activity by the company in the first 6 months of FY 2021 focussed on auger and aircore drilling in the Hang Glider and Lucky Strike areas that delivered new drill ready targets at Hang Glider and Havelock. Also during this first half of 2021 the Burns tenement E15/1715 was granted by the Department of Mines Industry Resources Safety(DMIRS) and where a heriatge survey was immediately completed to secure drilling access. In January 2021 a phase of RC and diamond drilling at Burns resulted in the discovery of an oustanding high grade gold copper intersection in hole LEFR260 within a porphyry host rock. This was immediately followed up by a nine hole diamond drilling program to better define the geometry of the high grade system. At the Western Lefroy project, Gold Fields completed a major phase of RC and diamond drilling on tenements within Lake Lefroy, folowing up gold anomalies outlined in the prior financial year.

The key results and achievements by the Company in the 12 months to 30 June 2021 were:

- Accelerated generative exploration at the Lefroy Gold Project, with the following outcomes:
  - Completion of 291 holes for 21613m of drilling by the Company (non-JV), just short of the prior year's Company annual record of 22,464m, but with a significant component (7,139m) in FY2021 being RC and diamond drilling
  - Discovery of an emerging Au-Cu-Ag discovery at Burns with RC hole LEFR 260 intersecting and outstanding 38m@ 7.63g/t Au & 0.56% Cu from 134m to end of hole (EoH) that initiated a major exploration drill focus for the Company and which remains underway
  - At Havelock, located 1500m to the southwest of the Lucky Strike BIF hosted gold deposit, a wide spaced AC drilling program identified a new 1000m strike length bedrock gold anomaly also hosted by BIF.
  - Five new strong surface gold anomalies identified near the Hang Glider Hill prospect from a 3120-sample point auger geochemical program that evaluated 17 kilometres of strike extending between Hang Glider Hill and Lucky Strike
  - At the Western Lefroy project with Gold Fields, results from RC and diamond drill holes continue to reinforce and advance understanding of the geological prospectivity beneath Lake Lefroy.
  - At the Lake Johnston Project located 150km west of Norseman, a maiden 22-hole aircore drill program was completed at the Bullseye nickel target. The drilling intersected ultramafic intrusive rocks with a best result of 27m at 0.40% Ni & 0.02% Co from 16m in hole LKJA005
  - Expanding the land holding near to priority areas of focus by acquiring new tenements via outright application and purchase near to the Burns, Lucky Strike and Bullseye prospects.

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.

Lefroy Gold Project (LGP)

The Lefroy Gold Project is wholly owned by the Company and located approximately 50km to the south east of Kalgoorlie in the Eastern Goldfields Province of Western Australia (Figure 1). The commanding, semi-contiguous, granted land package covers 637.6km2 immediately east of and adjoining the world class +10Moz 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) ("Silver Lake"). Four gold processing operations are strategically located within 50km of the project and provide commercial options for processing any gold resources discovered.

LGP is referenced in two packages, i.e.

Eastern Lefroy covering 265.6km2 of wholly owned tenements (Figure 1) including Lucky Strike, Red Dale, Hang Glider Hill, Havelock, Burns and other sub-projects along or near the regional scale Mt Monger fault and;

Western Lefroy Project ("WLP") tenements (Figure 1) covering 372km2 adjoining the Gold Fields tenements that make up the St Ives mining operation. Gold Fields can earn up to a 70% interest in the LEX tenements by spending up to a total of $25million on exploration activities within 6 years of the commencement date, 7 June, 2018.

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 initially focused on the Lucky Strike and Hang Glider Hill areas, following up on successful exploration completed at these areas in FY 2020. This early stage work in FY21 generated multiple new geochemical gold anomalies at HangGlider Hill and at Havelock. The exploration focus shifted to the Burns prospect after the grant of the tenement E15/1715, that was won in a ballot in late 2019. The Company rapidly completed data compilation, a heritage survey and drill targeting to enable an RC drilling program to be completed in January-February 2021. That program resulted in the exciting Au-Cu-Ag discovery and commencement of diamond drilling and other follow up exploration programs that remain underway. Burns continues to be the major focus of exploration attention by the Company in FY22.

Eastern Lefroy Gold Project (Lefroy 100%)

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

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

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

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

P3- Hang Glider Hill Exploration Hub: -Reconnaissance Exploration

As previously noted, the Lucky Strike and Hang Glider hubs was the primary focus for the Company in the first six months of FY21, but full attention shifted to Burns within the Lake Randall Hub in the second half and continues to be the main focus for the Company.

Lucky Strike Exploration Hub

The Lucky Strike Exploration Hub is centered on the Lucky Strike deposit (refer LEX ASX release 20 May 2020) and envelopes the nearby gold prospects identified by the Company at Red Dale, Havelock, Neon and the Lucky Strike trend. Gold mineralisation at Lucky Strike is hosted within multiple north west trending Banded Iron Formation (BIF) units interbedded with shale. Lucky Strike is hosted within a gold mineralised trend over a 3800m strike length, defined from AC drilling. Higher grade mineralized zones at Lucky Strike are associated with sulphide (pyrite, pyrrhotite) altered BIF.

Lucky Strike

An AC drill program evaluated generative targets at Lucky Strike, Havelock, Salt Creek West and Red Dale West, which totaled 150 holes for 7723m in July 2020. The key focus was Lucky Strike where a further 700m of the BIF trend was tested, immediately along strike of the Lucky Strike resource. The close spaced drill program aimed to target the deeply oxidised meta-sedimentary package in search of the BIF which is the primary host for gold mineralisation at the Lucky Strike deposit.

The AC drilling discovered multiple highly oxidised (weathered) BIF's within the meta-sedimentary package establishing continuity of the host geology a further 700m along strike, under ~10-15m of transported cover. This provides confidence the BIF package continues a further 1.3km to the South-East toward the tenement boundary. The total length of the Lucky Strike BIF trend is 3.8km within the Company's tenure (LEX ASX release 1 September 2020).

Significant results include:

- 13m @ 0.39g/t Au from 41m including 1m @ 2.11g/t from 52 in LEFA656
- 12m @ 0.32g/t Au from 32m in LEFA717 (4m composite samples)

These results provide confirmation that the host rock geology and the mineralised structural trend are present and helps support the Company's interpretation that more systems analogous to the Lucky Strike resource can be discovered along the Lucky Strike BIF trend.

A follow up AC drill program in November/December 2020 evaluated a 900m corridor at the south eastern end of the Lucky Strike trend which totaled 35 holes for 2760m. The close spaced drill program aimed to target the deeply oxidised meta-sedimentary package in search of the BIF which is the primary host for gold mineralisation at the Lucky Strike deposit.

The AC drilling discovered multiple highly oxidised (weathered) BIF's within the meta-sedimentary package establishing continuity of the host geology a further 700m along strike, under ~10-15m of transported cover. This provides confidence the deeply weathered BIF package continues a further 400m to the South-East toward the tenement boundary. The total length of the Lucky Strike BIF trend is 3.8km within the Company's tenure. The Company interprets the Lucky Strike BIF and host structure extends to the south east and under Lake Randall to the Burns tenure.

The geology provides confirmation that the host rock geology and the mineralized structural trend are present and helps support the Company's interpretation that more systems analogous to the Lucky Strike resource can be discovered along the Lucky Strike BIF trend.

Havelock

The Havelock prospect is located approximately 1.2km south west of Lucky Strike. The target was generated in 2018 from the Company's assessment of regional aeromagnetic imagery which highlights a linear magnetic unit which was confirmed by AC drilling as BIF.

A single traverse of AC drill holes completed in July 2020 at 20m spacing intercepted strong quartz veining and highly oxidised BIF similar to the host rocks at Lucky Strike. The best result was 5m @ 1.2g/t Au from 50m in hole LEFA774.

The discovery of higher tenor gold mineralisation at Havelock is considered a significant break though that presents a new opportunity for discovery along a 7.7km BIF trend which is twice as long as the Lucky Strike BIF trend. Adjacent to the Havelock trend and 750m to the South-West lies another parallel magnetic horizon interpreted to be another sedimentary package containing BIF. This trend is called Erinmore and has not been drill tested by the Company. Erinmore represents a further 5.2km of BIF strike length.

In November & December 2020 an AC drilling program evaluated two target areas along a 2.7km corridor centered over the interpreted Havelock BIF. A total of 92 angled holes for 4735m were completed with holes spaced at 40m centres along drill traverses nominally 160m apart with several broader 320m spaced traverses. The average hole depth was 51m.

The results from that program identified a new 1000m strike length bedrock gold anomaly outlined from wide spaced aircore drilling along the Havelock BIF trend with significant results that include:

- 1m @ 5.37 g/t Au from 20m in LEFA897
- 4m @ 0.78 g/t Au from 27m in LEFA897
- 3m @ 1.04 g/t Au from 57m in LEFA898

  Including 1m @ 1.82 g/t Au from 59m to EoH
- 2m @ 2.80 g/t Au from 17m in LEFA901

The intersections are hosted by oxidised BIF with the last 1m interval in hole LEFA898 ending in near fresh sulphide altered BIF which is a known host to the higher-grade gold mineralisation at Lucky Strike.

The new gold system is located 1500m south west of the Lucky Strike gold resource and further enhances the potential for further discoveries along the remaining 2km strike of the Havelock trend and along the untested parallel Erinmore BIF trend located 900m to the south.

Havelock is a priority drill ready target for follow up AC and RC drilling in FY22.

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.

The Hang Glider Hill trend was initially recognised by the discovery of gold nuggets over a 2000m long north-westerly trend in 2018 and is supported by multiple gold anomalies in auger surface sample results. Diamond drilling completed in late 2019 by Lefroy intercepted 6.8m @ 1.86g/t Au from 53.7m in 19HGDD001 hosted within highly sheared, quartz veined rocks which contained visible gold (refer LEX ASX release 29 November 2019).

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.

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.

In July 2020 the Company commenced (LEX ASX 3 August 2020) an early-stage auger drilling program as an initial exploration search tool to assess a large area (71km2) adjacent to the interpreted position of the Mt Monger fault. The program complemented and extended the auger drilling programs completed by the Company during 2018 and 2019 at Hang Glider Hill and Havelock-Lucky Strike and provide a base surface geochemical coverage over approximately 25km of strike along the Mt Monger Fault. The auger drilling program was completed in early September 2020 and a total of 3120 samples were collected.

The results from the program were very successful in generating new gold exploration targets for drill testing. The general background of gold anomalism is +10ppb Au over most of the trend. The initial focus is the higher value (+50ppb Au) anomalies. Five new surface gold anomalies within the Hang Glider Hill exploration hub have been identified.

Three robust parallel north-south trending gold anomalies (termed C, D &E) that each extend over more than 400-600m in strike length have been outlined south of the Hang Glider Hill prospect (LEX ASX release 29 October 2020). The anomalies are each constrained by results at each auger sample point that exceed 50ppb Au. A peak value of 581ppb Au (0.58g/t Au) comes from anomaly D and is the highest gold result recorded from the program.

The Company considers the anomalies C, D and E to be an exciting new development in the Hang Glider Hill area. The northerly trend of the anomalies is oblique to the westerly trend of the mafic and ultramafic stratigraphy. This may represent the surface expression to multiple northerly trending gold mineralised bedrock structures. Prior drilling (RC and diamond) in the area by WMC in the 1990's targeted the ultramafic stratigraphy for Ni mineralisation but the diamond and RC holes were not analysed for gold. The holes were orientated to the north, parallel with the surface gold trends.

A further two anomalies (A&B Figure 5) striking roughly north-west are located approximately 2.5km along strike to the south-east of the Hang Glider Hill prospect where diamond drilling by Lefroy in late 2019 intercepted 6.8m @ 1.86g/t Au from 53.7m. The Hang glider Hill prospect is recognised by a similarly discrete +50ppbAu surface gold anomaly.

The Company considers these new surface gold anomalies to be highly encouraging and represent new high priority targets for drill testing in its Eastern Lefroy Project portfolio. The next stage of exploration is being planned and will involve early-stage reconnaissance wide spaced air core drilling program to prioritise targets for RC drill testing expected to commence in Q3 FY2021.

Lake Randall Exploration Hub

During the September 2020 Quarter (LEX ASX release 16 September 2020) exploration license E15/1715 known as Burns was granted by the Department of Mines, Industry Resources and Safety (DMIRS). The tenement covers an area of approximately 20km2 to seal a former gap in LGP tenement package. The tenements containing the Lucky Strike, Neon and Havelock prospects adjoin E15/1715 to the west and now link with the single tenement at Lake Randall, giving the Company a commanding prospective land position in this area. The tenement covers the Burns gold-copper prospect that was discovered by Octagonal Resources Limited ("Octagonal") in 2011.

Exploration by Octagonal in 2011 discovered significant gold and copper anomalism in the regolith (weathered rock) from aircore (AC) drilling, now known as the Burns Prospect. This defined a one square kilometre area of gold anomalism and a two-kilometre-long copper anomaly on the north margin of the Burns Intrusion. This initiated subsequent multiple programs of reverse circulation (RC), diamond drilling (3 Holes) and geophysical surveys during the period 2012-2016. The drilling intersected broad zones of gold (Au) and copper (Cu) associated with magnetite-biotite alteration and hosted in high-magnesian basalt and intermediate intrusive rocks.

The Burns Cu-Au Prospect is situated on the eastern margin of a large interpreted felsic intrusion, termed the Burns Intrusion. The intrusion does not outcrop and is represented by a distinct annular aeromagnetic and gravity geophysical signature (Burns anomaly) (refer LEX ASX release 16 September 2020).

An initial 22-hole combined RC and diamond drill program totalling 4026m, designed to evaluate the depth and strike extensions to the Burns Cu-Au Prospect, was completed on 12 February 2021. The program evaluated the previously defined Burns Cu-Au Prospect at depth on four, 40m spaced sections, with two 40m spaced step-out sections testing the northern strike extent. Two RC holes evaluated the underexplored eastern side of the Burns anomaly (LEX ASX release 12 January 2021). That maiden 22-hole RC drill program completed in Jan-Feb 2021 intersected a spectacular gold and copper interval in hole LEFR260 containing 38m@7.63g/t Au & 0.56% Cu from 134m.

Broad high-grade gold mineralisation is hosted within a newly discovered hematite-pyrite-chalcopyrite-magnetite altered diorite porphyry (refer LEX ASX release 23 February 2021) that intrudes high Mg basalt. This porphyry, now termed the Eastern Porphyry, is open to the north and south. The copper and gold mineralisation hosted by both the magnetite altered diorite porphyry and basalt is considered by the Company to be a new style of mineralisation in the area, a land position dominated by Lefroy. The existence of additional mineralisation further east under Lake Randall is not discounted by the current drilling campaign and will be the subject of more exploration and drilling in the future

A nine-hole diamond drill program commenced on 20 April 2021 to evaluate the Eastern Porphyry over a 200m strike length on 40m spaced drill sections. The first hole of the program (LEFD004) was completed on 3 May 2020. That hole was designed to twin and extend past the high-grade interval found in LEFR260 to find any further mineralisation and determine the width of the Eastern Porphyry on the zero north drill section (0N). Details of that drill hole were reported to the ASX on 3 May 2020.

That hole was drilled primarily to understand the geological and structural controls of the system but also provide the guidance for the subsequent diamond holes on the 0N, 40N and 40s drill sections . The host Eastern Porphyry was intersected in LEFD004 from 117m to 304.5m, a down hole interval of 187.5m. The porphyry is interpreted to have a near vertical dip and an estimated true width of approximately 110m bounded by basalt to the west and east (Figure 3). That hole confirmed three distinct variations of the host diorite porphyry which are interpreted as multi-phase intrusive events.

Multiple zones of visually identified unusual alteration and mineralisation were intersected in the porphyry in LEFD004 as follows:

- from 161m-172m, a zone of magnetite hematite sulphide (pyrite-chalcopyrite) altered porphyry interpreted to represent the high-grade zone intersected in LEFR 260
- from 185m-194.5m, fine grained porphyry with intense red rock (hematite) alteration with fine disseminated pyrite, trace blebs of chalcopyrite and magnetite-chlorite-actinolite veinlets with associated magnesite and anhydrite
- from194.5m-215m, coarse porphyry with moderate red rock alteration and trace pyrite-chalcopyrite
- from 216m-266m, both fine- and coarse-grained porphyry with weak to moderate red rock alteration and trace stringer veins containing pyrite-chalcopyrite-actinolite-magnesite.

This indicated and continues to support Company's initial interpretation of the Burns copper gold model being a multi-phase intrusion (diorite porphyries) related multi-stage mineralising system, with the final magnetite sulphide event mineralising both the porphyry and the basalt host rocks. Details of two further diamond holes on the zero-north section, OBURCD025 and LEFRD267, were reported to the ASX on 13 and 25 May 2021 respectively. Those holes confirmed the extension to, and the geometry of, the altered Eastern Porphyry at depth.

Hole LEFRD267 intersected a 246m interval of the Eastern Porphyry from 244m downhole. The interval included multiple intervals of basalt up to 25m in length, some of which were deformed (foliated), carbonate veined and contained sulphides (pyrite). This was the broadest downhole interval of the Eastern Porphyry intersected at Burns, and although intervals of basalt were included, was interpreted as a widening of the porphyry body with depth. Sampling of the drill core from LEFRD267 revealed a speck of visual gold (VG) within calcite hosted by a sulphide bearing gypsum vein. The vein is hosted in basalt.
A further two holes (LEFR268, LEFRD282) were completed on the zero-north section to finalise the initial five-hole diamond drilling campaign along this key section. The geometry and alteration character of the Eastern Porphyry on the zero north has provided significant geological, structural and geochemical information useful calibration to provide the framework to advance drilling adjacent step out sections (40N &40S) and the subsequent RC drill program completed in July 2021.

Hole LEFRD268 was extended from 330.8m to a final depth of 582.8m, which is the deepest hole drilled by the Company at Burns. The hole intersected some broad zones of disseminated pyrite mineralisation associated with weak fracturing and haematite alteration in the Eastern Porphyry and calcite veining within basalt. Importantly this hole intersected zones of pyrite mineralisation were more commonly intersected in this hole, and significantly less chalcopyrite, magnetite and gypsum veining, that suggests a change in the mineralogy of the system from, LEFRD267.

The five diamond holes on the zero north section established at least 180m of vertical depth continuity of visually altered and mineralised porphyry below the 37m zone of Au/Cu mineralisation in LEFR 260 (38m @ 7.63g/t Au & 0.56% Cu from 134m). The drill data has also defined the boundaries to the Eastern Porphyry body which has approximate 120m true width. The eastern boundary is considered to a be a major structural zone that has an interpreted north west trend. The geology also revealed a unique mineral assemblage, in particular the gypsum-magnesite-sulphide veins and magnetite sulphide (chalcopyrite) veins.

Results for these diamond holes were reported on 2 August 2021.
Significant gold and copper results from the four holes are as follows:

- 6.60m @ 1.14g/t Au & 1.18% Cu from 102m in LEFD004
- 12.7m @ 2.53g/t Au & 0.08% Cu from 141.3m in LEFD004
- 6.20m @ 1.28g/t Au & 0.29% Cu from 160m in LEFD004
- 10m @ 0.25 g/t Au & 0.95% Cu from 77m in OBURCD025
- 15m @ 1.61 g/t Au & 0.33% Cu from 218m in OBURCD025
- 5m @ 2.90 g/t Au & 0.66% Cu from 228m in OBURCD025
- 13m @ 0.90 g/t Au & 0.28% Cu from 263m in LEFRD267
- 12.3m @ 0.94g/t Au from 406m in LEFR268
- 10m @ 1.19 g/t Au from 265m in OBURCD025

Assessment of the gold, copper and silver results from the four holes highlight multiple zones of gold and or copper mineralisation in the intervals noted from inspection of the core and highlighted in text above. Initial review of the data highlight two steeply dipping zones that are approximately 20m in width with a vertical continuity of 150m. These zones have been evaluated by diamond drilling on the 40N and 40S sections with results pending.

The western zone is a gold copper (and silver) system and includes the high-grade mineralisation in LEFR260. The other (eastern) is gold only, with a much lower copper and silver content. This eastern zone appears to relate to the more pyrite altered intervals of the porphyry and the Company considers this a new style of mineralisation at Burns and provides another style of target. The relation ship between the two zones is unclear but may represent separate but related mineralisation events, one being gold-copper-silver, the other gold only.

The down dip continuity of both zones is limited by hole LEFR268. However, a new interval of gold only mineralisation (12.3m @ 0.94g/t Au from 406m) was intersected at a deeper interval that represents a new and or developing zone.

The results from the twin hole LEFD004 did not replicate the strong mineralisation in LEFR260. The Company considers this lack of reproducibility to the bias (difference) in the sample size selected between the RC drilling and the half core HQ diamond core, and the internal variability of the mineral system noting that in particular the chalcopyrite is blebby/fracture filled as opposed to an evenly disseminated style.

Subsequent to the of FY21 the Company commenced a nine hole RC drill program to evaluate strike extensions to the Eastern Porphyry but also strike and down dip extensions to the Cu-Au mineralisation in the Western Basalt. Burns is a high priority target for the Company and further exploration to evaluate the footprint of the system is planned for 2022.

DIRECTORS' REPORT (CONTINUED)

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

The Western Lefroy tenement package being farmed into by Gold Fields commenced in June 2018. The contiguous tenement package covers the western part of the LGP to include Lake Lefroy and the surrounding area. The package comprises 372km^2 of the total 621km^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 Full Field Aircore (FFAC) drilling program (ASX release 31 January 2019) to cover most of the tenure in Lake Lefroy using a specialised lake drilling rig.

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. That program yielded foundation geological and geochemical information that was interrogated in conjunction with the geophysical data to deliver specific drill targets for deeper drill testing and hence termed foundation drilling.

A large combined diamond and reverse circulation (RC) drill program commenced in July 2020 to evaluate key targets generated in Lake Lefroy (refer LEX ASX release 27 July 2020) from the results from FFAC completed in the prior year. Each target area was initially planned to be evaluated by one or more traverses of angled deep reverse circulation (RC) or diamond holes (+200m) to gain a greater appreciation of the primary (fresh) bedrock. Additonal AC drilling was also completed to infill and or extend existing geochemical anomalies.

The drilling program was completed in the March quarter of 2021 with 14,723m of drilling completed in 165 RC, Diamond and RC drill holes evaluating nine key geochemical anomalies in Lake Lefroy. The results from that supported the geochemical anomalies defined in the regolith (oxidised rock) from the FFAC drilling but without discovery of a signficant godl system in the primary zone (Fresh rock). Additional diamond driling is planned to follow up target LJV017 near to the eastern shoreline of Lake Lefroy in FY 22.

Subsequent to the year planning and preparations were underway to commence a FFAC drill program on the land area of the Western Lefroy project.

In accordance with the Farm-in and Joint Venture Agreement dated 7 June 2018 (Principal Agreement) and as described in the Lefroy Exploration Limited ASX release dated 7 June 2018, Gold Fields had the right to fund $10million of expenditure within 3 years of the commencement date to earn the right to a 51% interest. Gold Fields notified Lefroy that the full Stage 1 commitment would not be met due to operational delays and delays in accessing land-based exploration targets, and that it would rely on the Shortfall clause in the Principal Agreement to satisfy the Stage 1 Farm-in Requirement. (Refer LEX ASX release 21 June 2021).

The parties executed a Side Deed on 18 June 2021 (refer LEX ASX release 21 June 2021) to allow the terms of the payment of the Shortfall to be satisfied in two parts as follows:

- Gold Fields to pay Lefroy 50% of the shortfall in cash ($1.38million); and
- excise of a block of ground known as Coogee South (Figure 5) from the Farm In agreement, such that ownership and exclusive rights to the "Excluded Area" will be retained by Lefroy 100% (refer LEX ASX release 25 June 2021 for details on Coogee South).

The cash payment of the shortfall of $1.38million exclusive of GST was received by Lefroy on 25 June 2021 and Coogee South was excised. Subsequent to the year end, on 30 July 2021 Gold Fields provided Lefroy with the Stage 1

Satisfaction Notice. The Stage 2 earn-in allows St Ives to sole fund a further $15 million of expenditure over 3 years to earn an additional 19% interest to bring its total interest to 70%.

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

The Lake Johnston Project is located 120km west of Norseman in Western Australia and comprises two granted exploration licenses (E63/1722 & 1723) held under title by Lefroy, and one recently acquired exploration license (E63/1777) held under title by Lefroy with lithium rights held by Lithium Australia NL (ASX:LIT) ("Lithium Australia"). These holdings form a cohesive package of 197km2 over the Lake Johnston Greenstone Belt.

In December 2020 the Company completed a 22 hole/695m aircore drill program as an initial evaluation of the Bullseye nickel target (refer LEX ASX release 15 December 2020). Bullseye is characterised by a distinctive 2.5km wide ovoid shaped high amplitude aeromagnetic feature interpreted by the Company to represent a mafic or ultramafic intrusion.

A single traverse of wide spaced rotary air blast (RAB) drilling in 1997 on the southern margin of Bullseye reported promising shallow nickel intersections that includes 18m at 0.46% Ni from 20m in hole RTRB16 including 4m at 0.58% Ni from 24m.

The December 2020 aircore drill program was completed on two pre-existing drill lines to determine the underlying basement geology. The drilling intersected localised serpentinised cumulate textured ultramafic rocks that supports the Company's interpretation that the Bullseye magnetic anomaly is an ultramafic intrusive body and advances the prospectivity for Ni mineralisation.

Assessment of the results (refer LEX ASX release 16 April 2021) from the drill holes on two traverses drilled across the interpreted Bullseye anomaly has reinforced the prospectivity of the target area, with promising shallow nickel intersections in ultramafic rocks, including:

- **27m at 0.40% Ni & 0.02% Co from 16m in hole LKJA005**
- **including 12m at 0.46% Ni & 0.02% Co from 16m**
- **8m at 0.72% Ni & 0.09% Co from 8m in hole LKJA018**
- **including 4m at 1.04% Ni & 0.15% Co from 8m**
- **18m at 0.32% Ni & 0.01% Co from 8m in hole LKJA020**

Reinterpretation of the recent and previous drilling with geophysical data by Lefroy suggests the broad magnetic feature may represent a buried ultramafic intrusion that has potential to host nickel sulphide mineralisation.

Immediately subsequent to the drill program the Company applied for an additional Exploration License (E63/2073) to adjoin the Bullseye prospect and strengthen its land package in the Lake Johnston area.

Planning of the next phase of exploration activity is underway. This will include further aircore drilling and ground geophysical surveys to further map the extent of the ultramafic rocks.

Corporate

The key corporate transaction for the year to 30 June 2021 were:

- On 22 October 2020, the Company advised that it had completed a A$4.69 million (before issue costs) significantly oversubscribed placement to institutional and sophisticated investors and a share purchase plan to existing shareholders (LEX ASX release 22 October 2020).
- The Company released its 2020 Annual Report on 30 September 2020.
- The Company held its 2020 Annual General Meeting (AGM) on 9 December 2020. All resolutions were carried by a poll.
- The Company acquired tenement E63/1777 as part of the Lake Johnston Prospect from Lithium Australia NL for $1. Gold and nickel rights already belonged to Lefroy,Lithium Australia continue to retain their lithium rights.
- Lefroy also acquired tenement E25/524 from Silver Lake for $75,000 to cover the prospective strike extension of the Lucky Strike system and now control ground position north of the Burns Cu-Au Prospect.

Operating Results for the Year	2021 $000	2020 $000
Revenue & Other income	**73**	**471**
(Loss) / Profit	**(1,133)**	**(379)**

Shareholder Returns	2021	2020
Basic profit/(loss) per share (cents)	**(1.05)**	(0.41)
Diluted profit/(loss) per share (cents)	**(1.05)**	(0.41)

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 2021, Gold Fields Limited satisfied the Stage 1 Farm in requirement and earned in 51% interests for the Western Lefroy Project on 30 July 2021. Gold Fields has now elected to increase its interest in the WLFI to 70% by sole funding a further $15 million of exploration over the next three years.

Subsequent to 30 June 2021 the Group incorporated a new wholly owned subsidiary, Johnston Lakes Nickel Pty Ltd ("Johnston Lakes Nickel"). The new entity applied for five exploration licenses in Western Australia and may be utilised going forward as a holder of certain other tenements and interests.

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.

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 2021 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 2021.

Service agreements

Gordon Galt, Non-Executive Chairman

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

Wade Johnson, Managing Director:

- Term of agreement – Commenced 19 October 2016

DIRECTORS' REPORT (CONTINUED)

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

Michael Davies, Non-Executive Director:

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

Geoffrey Pigott, Non-Executive Director:

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

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

	Short-Term		Post-Employment		Share-based Payments	Total
	Salary & Fees	Non-Monetary	Superannuation	Retirement benefits	Share Plan shares	
Directors	$	$	$	$	$	$
Gordon Galt *						
2021	**63,333**	-	-	-	-	**63,333**
2020	**50,000**	-	-	-	**4,437**	**54,437**
Wade Johnson						
2021	**259,384^**	-	**24,641**	-	**57,705**	**341,730**
2020	**220,000**	-	**20,900**	-	**41,877**	**282,777**
Michael Davies						
2021	**44,246**				-	**44,246**
2020	**35,000**	-	-	-	**4,437**	**39,437**
Geoffrey Pigott *						
2021	**42,729**	-	-	-	**28,853**	**71,582**
2020	**35,000**	-	-	-	**13,571**	**48,571**
Total key management personnel compensation						
2021	**409,692**	-	**24,641**	-	**86,558**	**520,891**
2020	**340,000**	-	**20,900**	-	**64,322**	**425,222**

***** Fees were paid to the directors' respective related entity.
^includes cash in annual leave entitlement, amounting to $19,179.

Share Plan Trust shares

As at 30 June 2021 there were Nil ordinary shares (2020: 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 2021:

- 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. In February 2021.

Tranche 2 and 3 of the Lefroy Share Plan was achieved and vested. 3,500,000 in total number of shares were issued on 11 March 2021 to the participants or their respective nominees. 50,000 in total number of shares was allocated to one employee. The number of shares were unallocated due to resignation of employees are 316,667.

A reconciliation of Share Plan ordinary shares is as follows:

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

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

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%	1%
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**

During the prior year, 0.5 million Share Plan shares issued to Wade Johnson had an estimated fair value of $75,946 at the grant date. $18,241 was expensed during the prior year, and the remaining $57,705 has been fully expensed during the current year given the shares have vested during the year.

DIRECTORS' REPORT (CONTINUED)

Share Plan share holdings

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

	Balance at start of the year or date of appointment	Granted as compensation	Vested and Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Gordon Galt	**1,000,000**	**-**	**1,000,000**	**-**	**-**	**-**	**-**
Michael Davies	**1,000,000**	**-**	**1,000,000**	**-**	**-**	**-**	**-**
Geoffrey Pigott	**1,250,000**	**-**	**1,250,000**	**-**	**-**	**-**	**-**
Wade Johnson	**2,000,000**	**-**	**2,000,000**	**-**	**-**	**-**	**-**

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	2,099,999	125,000	1,000,000	3,224,999
Michael Davies	12,982,654	833,334	1,000,000	14,815,988
Geoffrey Pigott	2,666,487	-	1,250,000	3,916,487
Wade Johnson	2,161,712	41,667	2,000,000	4,203,380

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

(ii) Shares issued to Directors on vesting and achievement of performance hurdles of the three tranches of Share Plan shares.

Loans to key management personnel

There were no loans to key management personnel during the year (2020 $Nil).

DIRECTORS' REPORT (CONTINUED)

Other transactions with Key Management Personnel

Messrs Gordon Galt and Michael Davies are directors of New Holland Capital Pty Ltd ('New Holland Capital'), a subsidiary of Taurus Funds Management Pty ltd. During the year, the Group engaged New Holland Capital to act as Lead Advisor in relation to a farm-in or vend-in over the Lefroy Project. Pursuant to this engagement, New Holland Capital received $113,416 (exc. GST) in monthly retainer fees as corporate advisor for the sale/commercialisation of the Lake Johnston assets and Lucky Strike-Red dale in the Lefroy gold project.

As at 30 June 2021, $Nil amount (inc. GST) remains due and payable to New Holland Capital in respect of services rendered (2020. $Nil amount).

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	9	9
Michael Davies	9	6
Geoffrey Pigott	9	9
Wade Johnson	9	9

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	785,000
Total number of options outstanding at the date of this report			785,000

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.

215,000 options were exercised during June 2021.

INSURANCE OF DIRECTORS AND OFFICERS

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

The total amount of insurance contract premiums paid is $15,726.

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:

	2021	2020
	$	$
Taxation compliance services	**45,891**	33,435

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 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated	
		2021	2020
	Notes	$000	$000
INCOME			
Interest income		**3**	19
Net gain on financial assets held at fair value through profit and loss	8	**-**	201
Realised gain on sale of shares		**-**	82
Other income	4	**70**	169
		73	471
EXPENDITURE			
Accommodation expenses		**(33)**	(30)
Legal, professional and consulting expenses		**(478)**	(249)
Directors' fees		**(150)**	(120)
Travel expenses		**(19)**	(25)
Depreciation expense		**-**	(26)
Net loss on financial assets held at fair value through profit or loss	8	**(32)**	-
Salaries and wages expenses		**(208)**	(184)
Share-based payment expense		**(101)**	(82)
Other expenses		**(185)**	(134)
(LOSS)/PROFIT FOR THE YEAR BEFORE INCOME TAX		**(1,133)**	(379)
Income tax benefit/(expense)		**-**	-
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF LEFROY EXPLORATION LIMITED		**(1,133)**	(379)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF LEFROY EXPLORATION LIMITED		**(1,133)**	(379)
Basic profit/(loss) per share attributable to the ordinary equity holders (cents per share)	22	**(1.05)**	(0.41)
Diluted profit/(loss) per share attributable to the ordinary equity holders (cents per share)	22	**(1.05)**	(0.41)

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 2021

		Consolidated	
		2021	2020
	Notes	$000	$000
CURRENT ASSETS			
Cash and cash equivalents	7	3,354	907
Financial assets at fair value through profit or loss	8	-	398
Other receivables	9	81	105
Other current assets		4	9
TOTAL CURRENT ASSETS		3,439	1,419
NON-CURRENT ASSETS			
Plant and equipment		62	57
Exploration and evaluation assets	10	11,784	10,210
TOTAL NON-CURRENT ASSSETS		11,846	10,267
TOTAL ASSETS		15,285	11,686
CURRENT LIABILITIES			
Trade and other payables	11	340	214
Provisions	12	45	57
TOTAL CURRENT LIABILITIES		385	271
NON-CURRENT LIABILITIES			
Provisions	12	216	182
TOTAL NON-CURRENT LIABILITIES		216	182
TOTAL LIABILITIES		601	453
NET ASSETS		14,684	11,233
EQUITY			
Contributed equity	13	36,609	32,126
Foreign currency translation reserve	14	(111)	(111)
Share-based payment reserve	14	631	530
Accumulated losses		(22,445)	(21,312)
TOTAL EQUITY		14,684	11,233

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 2021

	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 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)
Share-based payments	**14**	-	-	82	-	-	82
Issue of ordinary shares	**13**	3,805	-	-		-	3,805
Share issuance costs	**13**	(282)	-	-	-	-	(282)
BALANCE AT 30 JUNE 2020		**32,126**	**-**	**530**	**(111)**	**(21,312)**	**11,233**
Loss for the year		-	-	-	-	(1,133)	(1,133)
Other comprehensive loss, net of income tax		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	-	-	(1,133)	(1,133)
Share-based payments	**14**	-	-	101	-	-	101
Issue of ordinary shares	**13**	4,772	-	-		-	4,772
Share issuance costs	**13**	(289)	-	-	-	-	(289)
BALANCE AT 30 JUNE 2021		**36,609**	**-**	**631**	**(111)**	**(22,445)**	**14,684**

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 2021

	Notes	Consolidated 2021 $000	Consolidated 2020 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,089)	(613)
Receipts of ATO tax refund and cash flow boost		100	129
Interest received		3	19
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	21	(986)	(465)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation activities		(2,847)	(2,490)
Reimbursement from Goldfields shortfall		1,381	-
Payments for plant and equipment		(5)	(12)
Payment for exercising options		-	(200)
Proceeds from share sale		421	179
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(1,050)	(2,523)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares	13	4,772	3,805
Payments of share issue costs	13	(289)	(282)
NET CASH INFLOW FROM FINANCING ACTIVITIES		4,483	3,523
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		2,447	535
Cash and cash equivalents at the beginning of the financial year		907	372
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	3,354	907

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

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements are for the consolidated entity consisting of Lefroy Exploration Limited and its subsidiaries ("the Group" or "consolidated entity"). The financial statements are presented in Australian dollars. Lefroy Exploration Limited is a company limited by shares, incorporated in and under the laws of the British Virgin Islands on 14 May 1990 under the BVI Business Companies Act. The Company maintains registered offices in Western Australian and the British Virgin Islands. The financial statements were authorised for issue by the directors on 29 September 2021. 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

The Group applied all new and amended Accounting Standards and Interpretations that were effective 1 July 2020, including the following:

Amendments on IFRS 3 – Definition of a Business

Amendments to IFRS 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments:

(a) clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;

(b) remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs;

(c) add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;

(d) narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and

(e) add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The application of IFRS 3 has not materially impacted the financial statements of the Group.

Amendments on IAS 1 and IAS 8 – Definition of Material

This standard principally amends IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in IAS 1. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across IFRS Standards and other publications. The amendment also includes some supporting requirements in IAS 1 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

The application of this amendments has not materially impacted the financial statements of the Group.

(ii) Early adoption of standards

The Group did not elect to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2020.

(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 2021 of $1,133,000 (30 June 2020: loss $379,000) and had a net cash outflow from operating and investing activities of $2,036,000 (30 June 2020: $2,988,000). The net assets of the Group as at 30 June 2021 were $14,684,000 (30 June 2020: $11,233,000).

The Group's cash flow forecasts through to 30 September 2022 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 2021 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

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

Right-of-use assets

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

Lease liabilities

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

Short-term leases and leases of low value assets

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

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

(f) Impairment of non-current assets

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

(g) Cash and cash equivalents

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

(h) Financial instruments

Financial assets

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

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

Receivables at amortised cost

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

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

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

Financial assets at fair value through profit or loss

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

(i) Plant and equipment

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

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

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

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

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

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

(j) Exploration and evaluation costs

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

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

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

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

(k) Trade and other payables

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

(l) Employee benefits

Wages and salaries and short term benefits

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

Long service leave

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

Superannuation

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

(m) Share-based payments

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

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

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

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

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

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

(n) Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

(o) Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis.

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

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

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

(q) Comparative figures

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

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

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 2021 that are relevant to the Group are listed below. Relevant Standards and Interpretations are outlined in the table below. Except for as disclosed below, the potential effect of these standards is not expected to have a material impact to the Group's financial statements.

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
Amendments to IAS 16 Property, Plant and Equipment	These amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment, the proceeds from selling items produced before that asset is available for use.	1 January 2022	1 July 2022
Amendments to IAS 1 Presentation of	The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. Management	1 January 2023	1 July 2022

Financial Statements to clarify requirements for classifying liabilities as current or non-current	expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant. The amendments clarify the situations that are considered settlement of a liability		
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.	1 January 2023	1 July 2022

(s) Critical accounting judgements, estimates and assumptions

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

Rehabilitation provision

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

Exploration and evaluation costs

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

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

Taxation

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

Impairment

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

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

(t) Rounding of amounts

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

2: FINANCIAL RISK MANAGEMENT

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

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

(a) Market risk

(i) Foreign exchange risk

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

(ii) Commodity price risk

Given the current level of operations, the Group's financial statements for the year ended 30 June 2021 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 $3,354,000 (2020: $907,000) is subject to interest rate risk. The weighted average interest rate received on cash and cash equivalents by the Group was 0.16% (2020: 0.42%).

(b) Credit risk

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

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

(c) Liquidity risk

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

Maturity analysis

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

	< 6 Months	6-12 Months	1-5 years	Total contractual cash flows	Carrying amount
Year ended 30 June 2021	$000	$000	$000	$000	$000
Payables	(340)	-	-	(340)	(340)
	(340)	-	-	(340)	(340)
Year ended 30 June 2020					
Payables	(214)	-	-	(214)	(214)
	(214)	-	-	(214)	(214)

(d) Fair value estimation

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

3: SEGMENT INFORMATION

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

4: OTHER INCOME

	Consolidated	
	2021 $000	2020 $000
Other income		
- Other income	70	169
	70	169

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

5: LOSS

	Consolidated	
	2021 $000	2020 $000
Loss before income tax includes the following specific expenses:		
Defined contribution superannuation expense	**24**	16
Short-term lease expense	**33**	30

6: 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	**(1,133)**	(379)
Prima facie tax benefit at the Australian tax rate of 30% (2020: 30%)	**(340)**	(114)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
• Entertainment	1	-
• Share-based payments	**30**	25
• Non-assessable income	**(15)**	(45)
Tax losses not recognised	**(325)**	134
Income tax expense	**-**	-

Tax consolidation

Lefroy Exploration Limited and its 100% owned controlled entities have formed a tax consolidated group.

(c) Deferred taxes

Deferred tax assets/(liabilities) have been recognised in respect of the following items:	Consolidated 2021	2020
Deferred tax assets:	$000	$000
Trade and other payables	**71**	28
Business related costs	**143**	92
Tax losses	**3,956**	3,186
Deferred tax liability:		
Capitalised exploration expenditures	**(2,855)**	(2,336)
Prepayment	**(1)**	-
Investments	-	(39)
Net deferred tax asset	**1,314**	931
Deferred tax assets not recognised	**(1,314)**	(931)
Net deferred tax asset / (liability)	-	-

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

7: CASH AND CASH EQUIVALENTS

	2021	2020
	$000	$000
Cash at bank and in hand	**3,354**	142
Short-term deposits	-	765
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**3,354**	907

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

8: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated 2021	2020
	$000	$000
Beginning of the financial year	**398**	150
Options exercised during the year	-	200
Fair value of shares sold during the year^	**(366)**	(153)
Net profit / (loss) of financial assets at fair value through profit or loss	**(32)**	201
End of the financial year	-	398

^The Group has fully sold the remaining 700,000 number of GSM shares during the year ended 30 June 2021.

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

9: OTHER RECEIVABLES

	Consolidated 2021 $000	Consolidated 2020 $000
Current		
Other debtors	**-**	56
GST receivable	**81**	49
	81	105

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

10: EXPLORATION AND EVALUATION ASSETS

	Consolidated 2021 $000	Consolidated 2020 $000
Beginning of the financial year	**10,210**	7,606
Other exploration costs incurred during the year	**2,955**	2,604
Goldfield payments for the shortfall spending*	**(1,381)**	-
End of the financial year	**11,784**	10,210

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

The parties executed a Side Deed on 18 June 2021 to allow the terms of the payment of the Shortfall to be satisfied in two parts with Gold Fields to pay Lefroy 50% of the shortfall in cash ($1.38million). Refer to Directors report page 15 for further details.

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

11: TRADE AND OTHER PAYABLES

	Consolidated 2021 $000	Consolidated 2020 $000
Current		
Trade payables	**-**	160
Other payables and accruals	**340**	54
	340	214

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 (2020: $Nil).

12: PROVISIONS

	Consolidated 2021 $000	Consolidated 2020 $000
Current		
Provision for annual leave	**45**	57
Non- Current		
Provision for rehabilitation^	**216**	182
	261	239

^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. The discount rate used in the calculation of the provision as at 30 June 2021 was 1.25%. (30 June 2020: 0.92%)

13: ISSUED CAPITAL

(a) Share capital

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

	Notes	2021 Number of shares	2021 Consolidated $000	2020 Number of shares	2020 Consolidated $000
Ordinary shares fully paid - total issued capital		**119,908,000**	**36,609**	94,686,745	32,126
Beginning of the financial year		**94,686,745**	**32,126**	75,659,900	28,603
9 September 2020 – vesting of tranche one Share Plan Shares		1,933,333	**-**	-	-
30 October 2020 – Share Placement		18,041,671	**4,330**	-	-
25 November 2020 – Share Purchase Plan		772,917	**186**	17,600,000	3,520
17 December 2020 – Share Placement (i)		708,334	**170**	1,426,845	285
Share issue costs		-	**(289)**	-	(282)
20 February 2021 – vesting of employee shares under the Executive share plan		50,000	**-**		
11 March 2021– vesting of tranche two & three Share Plan Shares		3,500,000	**-**	-	-
24 June 2021 – Exercise of options		215,000	**86**	-	-
End of the financial year		**119,908,000**	**36,609**	94,686,745	32,126

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

(b) Ordinary shares

Ordinary fully paid shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of the shares held.

On a show of hands every holder of ordinary fully paid shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll is entitled to one vote for each share held.

(c) Capital risk management

The Group defines capital as issued share capital. 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 2021 and 30 June 2020 are as follows:

	Consolidated	
	2021 $000	2020 $000
Cash and cash equivalents	3,354	907
Trade and other receivables	81	105
Trade and other payables	(340)	(214)
Working capital position	3,095	798

14: RESERVES

	Consolidated	
(a) Reserves	2021 $000	2020 $000
Foreign currency translation reserve	(111)	(111)
Share-based payments reserve*	631	530
	520	419

*Movement in Share-based payments reserve includes the new executive share plan vested during the year, amounting to $21,035 and an amount of $79,662 vested during the year in relation to the Share Plan Trust shares.

(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	
	2021	2020
Beginning of the financial year	**1,000,000**	1,000,000
Options exercised during the year	**(215,000)**	-
End of the financial year	**785,000**	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:

	2021		2020	
	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
Outstanding at year-end	**785,000**	**40**	1,000,000	40
Exercisable at year-end	**785,000**	**40**	1,000,000	40

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 0.29 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 2021:

- 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. In Feburary 2021. Trache 2 and 3 of the Lefroy Share Plan was achieved and vested. 3,500,000 in total number of shares were issued on 11 March 2021 to the participants or their respective nominees.

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

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

A reconciliation of Share Plan ordinary shares 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

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 2021 there were 316,666 ordinary shares (2020: 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:

(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

Rights to Share Plan shares granted 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%	1%
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 total amount expensed during the year ended 30 June 2021 in relation to the Share Plan Trust shares was $79,622 (2020: $81,530).

15: DIVIDEND

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

16: REMUNERATION OF AUDITORS

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

	Consolidated	
	2021	2020
Amounts received or due and receivable by Ernst & Young Australia for:	$000	$000
An audit and review of financial reports of the entity and any other entity in the consolidated group	**55**	48
Other services in relation to the entity and any other entity in the consolidated group		
Tax compliance	**46**	33
	101	81

17: CONTINGENCIES

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

18: COMMITMENTS

(a) Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mining exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	Consolidated	
	2021	2020
	$000	$000
- within one year	**691**	530
- later than one year but not later than five years	**2,658**	1,887
	3,349	2,417

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 $459,000 of required minimum expenditure commitment within the next year. A further $1,688,000 of exploration expenditure required for the Western Lefroy Project's exploration commitments later than one year but not later than five years is also expected to be met by Gold Fields.

The amount included is considered by management to be a conservative estimate of future costs in order to maintain the Group's interest in present tenement areas. If the Group decides to relinquish, farm out, vary, convert or otherwise change its areas of interests that are in good standing with the Department of Mines & Petroleum (subject to receipt of approval), such amounts that are committed will also change.

19: RELATED PARTY TRANSACTIONS

(a) Parent entity

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

(b) Subsidiaries

Interests in subsidiaries are set out in note 20.

(c) Key management personnel compensation

	Consolidated	
	2021	2020
Short-term benefits	409,692	340,000
Post-employment benefits	24,641	20,900
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	86,558	64,322
	520,891	425,222

(d) Transactions and balances with other related parties

Other than the related party transactions described in Note 19 and Notes 20, the following related party transactions occurred during the year ended 30 June 2021:

Messrs Gordon Galt and Michael Davies are directors of New Holland Capital Pty Ltd ('New Holland Capital'), a subsidiary of Taurus Funds Management Pty ltd. During the year, the Group engaged New Holland Capital to act as Lead Advisor in relation to a farm-in or vend-in over the Lefroy Project. Pursuant to this engagement, New Holland Capital received $113,416 (exc. GST) in monthly retainer fees as corporate advisor for the sale/commercialisation of the Lake Johnston assets and Lucky Strike-Red dale in the Lefroy gold project. As at 30 June 2021, $Nil amount (inc. GST) remains due and payable to New Holland Capital in respect of services rendered (2020: $Nil 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.

20: SUBSIDIARIES

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

Name	Country of Incorporation	Class of Shares	Equity Holding	
			2021 %	2020 %
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

21: STATEMENT OF CASH FLOWS

	Consolidated	
	2021	**2020**
	$000	**$000**
Reconciliation of (loss) / profit after income tax to net cash outflow from operating activities		
Net (loss) / profit for the year	**(1,133)**	(379)
Non-cash, non-operating activities		
Depreciation expense	**-**	26
Share-based payment expenses	**101**	82
ATO refund and Cash flow boost	**-**	(21)
Net (gain) / loss on financial assets held at fair value through profit and loss	**32**	(283)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	**(31)**	4
(Increase)/decrease in other current assets	**6**	3
Increase/(decrease) in trade and other payables	**51**	106
Increase/(decrease) in provisions	**(12)**	(3)
Net cash outflow from operating activities	**(986)**	(465)

22: (LOSS) / PROFIT PER SHARE

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

Profit/(loss) attributable to the owners of the Company used in calculating basic and diluted loss per share	**(1,133)**	(379)

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

	Number of shares	
	2021	**2020**
Weighted average number of ordinary shares used as the denominator in calculating basic (loss) / profit per share	**107,574,833**	91,984,406
Weighted average number of ordinary shares used as the denominator in calculating diluted (loss) / profit per share	**107,574,833**	91,984,406
Basic (loss) / profit per share attributable to ordinary equity holders in cents	**(1.05)**	(0.41)
Diluted (loss) / profit per share attributable to ordinary equity holders in cents	**(1.05)**	(0.41)

(c) Information on dilutive options

For the year ended 30 June 2021, the options and Share Plan shares (Note 14) were anti-dilutive and have not been included in the calculation of diluted earnings per share.

23: PARENT ENTITY INFORMATION

The following information relates to the parent entity, Lefroy Exploration Limited, at 30 June 2021. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2021 $000	2020 $000
Current assets	**1,834**	1,419
Investment in Hogans Resources Pty Limited	**1,520**	1,520
Other non-current assets	**11,820**	8,747
Total assets	**15,174**	11,686
Current liabilities	**(264)**	(271)
Non-current liabilities	**(216)**	(182)
Total liabilities	**(480)**	(453)
Net Assets	**14,694**	11,233
Issued capital	**36,609**	32,126
Foreign currency translation reserve	**(111)**	(111)
Share-based payments reserve	**630**	530
Accumulated losses	**(22,434)**	(21,312)
Total equity	**14,694**	11,233
(Loss)/profit for the year	**(1,122)**	(379)
Total comprehensive loss for the year	**(1,122)**	(379)

24: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the year-end 2021, Gold Fields Limited satisfied the Stage 1 Farm in requirement and earned in 51% interests for the Western Lefroy Project in on 30 July 2021. Gold Fields has now elected to increase its interest in the WLFI to 70% by sole funding a further $15 million of exploration over the next three years.

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 2021 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
Managing Director
Perth, 29 September 2021

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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 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report presents fairly, in all material respects, the financial position of Lefroy Exploration Limited as at 30 June 2021, 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.

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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 10 as at 30 June 2021, the Group held capitalised exploration and evaluation expenditure assets of $11.8 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 relative to the Group's balance sheet and the judgmental nature of impairment indicator assessments associated with exploration and evaluation assets, we consider this a key audit matter.	We evaluated the Group's assessment as to whether there were any indicators of impairment to require the carrying 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.

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

The directors are responsible for the other information. The other information comprises the information included in the Group's 2021 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.

Building a better working world

- 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.

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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
29 September 2021

ASX ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange. The information is current as at 27 September 2021.

(a) Distribution schedule and number of holders of equity securities as at 27 September 2021

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 – and over	Total
Fully Paid Ordinary Shares	251	490	334	442	99	1,616
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 27 September 2021 is 283.

(b) 20 Largest holders of quoted equity securities as at 27 September 2021

The names of the twenty largest holders of fully paid ordinary shares (ASX code: LEX) as at 27 September 2021 are:

Rank	Name	Shares	% of Total Shares
1	St Ives Gold Mining Company Pty Ltd	21,613,910	17.98
2	Mr Michael Davies	14,815,988	12.32
3	J P Morgan Nominees Australia Pty Limited	13,140,977	10.93
4	HSBC Custody Nominees (Australia) Ltd	9,131,866	7.60
5	HSBC Custody Nominees (Australia) Limited <GSCO Customers A/C>	3,000,000	2.50
6	Equity Trustees Limited <Lowell Resources Fund A/C>	2,690,867	2.24
7	Mr Wade Johnson + Ms Jennifer Johnson <Injigold Family A/C>	2,491,667	2.07
8	Mr Simon Catt	2,400,000	2.00
9	Mr James David Beecher + Mrs Carol Beecher <The Beecher Super Fund A/C>	1,750,413	1.46
10	Wade Steven Johnson	1,711,712	1.42
11	Mr Geoffrey Francis Pigott	1,656,666	1.38
12	Clarkson's Boathouse Pty Ltd <Clarkson Super Fund A/C>	1,651,090	1.37
13	Citicorp Nominees Pty Limited	1,628,597	1.35
14	Craig Andrew Nelmes	1,281,571	1.07
15	Mr Gordon Thomas Galt + Mrs Maria Veronica Galt <The Galt Super Fund A/C>	1,000,000	0.83
16	Noontide Investments Limited	905,306	0.75
17	Alkemi (WA) Pty Ltd <GF & M Pigott Family A/C>	833,332	0.69
18	Carrick Exploration Services Pty Ltd	766,668	0.64
19	HC Investment Holdings Pty Limited <The JC A/C>	709,000	0.59
20	Mr Phillip Richard Perry	680,000	0.57
	TOTAL	**83,859,630**	**69.76**

Stock Exchange Listing – Listing has been granted for 120,224,667 fully paid ordinary shares of the Company on issue on the Australian Securities Exchange.

The unquoted securities on issue as at 27 September 2021 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	13,121,881	10.93%	4 Feb 2021
Michael Davies & Associates	13,982,654	11.8%	17 Nov 2020

(d) Unquoted Securities

The number of unquoted securities on issue as at 27 September 2021:

Unquoted Security	Number on Issue
Unlisted Options – exercisable at 40c on or before 14.10.2021	785,000

(e) Holder Details of Unquoted Securities

Optionholders that hold more than 20% of a given class of unquoted securities as at 27 September 2021 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>	250,000
Unlisted Options – exercisable at 40c on or before 14.10.2021	MRS RACHEL READER MILTON	425,000

(f) Restricted Securities as at 27 September 2021

The Company had no restricted securities on issue as at 27 September 2021.

(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 2021 and as at 27 September 2021 is as follows:

Notes to accompany tenement listing

(1) Hogans Resources Pty Ltd, Monger Exploration Pty Ltd and Johnston Lakes Nickel Pty Ltd are wholly owned subsidiaries of Lefroy Exploration Limited
(2) E63/1722, E63/1723 and E63/1777 - Held under title by LEX. Lithium Australia NL (ASX:LIT) have the rights to Lithium
(3) E63/1777 is held by Lit and will be held by them until completion of the stamp duty transfer process.
(4) E25/524 was transferred on 28 May 2021 from Silver Lake Resources (ASX:SLR) to Monger Exploration Pty Ltd

LEFROY EXPLORATION LTD TENEMENT SCHEDULE 27 SEPTEMBER 2021

Project	Tenement ID	Ten status	Holder	Interest %
Lefroy	E15/1447	Live	HOGANS RESOURCES PTY LTD	100(1)
Lefroy	E15/1615	Live	HOGANS RESOURCES PTY LTD	100(1)
Lefroy	E26/0131	Live	HOGANS RESOURCES PTY LTD	100(1)
Lefroy	E26/0134	Live	HOGANS RESOURCES PTY LTD	100(1)
Lefroy	E26/0150	Live	HOGANS RESOURCES PTY LTD	100(1)
Lefroy	E26/0184	Live	HOGANS RESOURCES PTY LTD	100(1)
Lefroy	E26/0193	Live	HOGANS RESOURCES PTY LTD	100(1)
Lefroy	M26/0842	Live	HOGANS RESOURCES PTY LTD	100(1)
Lefroy	M26/0850	Pending	HOGANS RESOURCES PTY LTD	100(1)
Lefroy	M26/0851	Pending	HOGANS RESOURCES PTY LTD	100(1)
Lefroy	P26/3764	Live	HOGANS RESOURCES PTY LTD	100(1)
Lefroy	P26/3765	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)
Lake Johnston	E63/1722	Live	LEFROY EXPLORATION LTD	100
Lake Johnston	E63/1723	Live	LEFROY EXPLORATION LTD	100(2)
Lake Johnston	E63/2073	Pending	LEFROY EXPLORATION LTD	100
Lefroy	E15/1497	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	E15/1498	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	E15/1715	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	E25/0517	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	E25/0518	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	E25/0587	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	E25/0606	Pending	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	E26/0176	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	E26/0182	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	E26/0183	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	E26/0195	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	M25/0362	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	M25/0363	Live	MONGER EXPLORATION PTY LTD	100(1)
Lefroy	M25/0366	Live	MONGER EXPLORATION PTY LTD	100(1)

LEFROY EXPLORATION LTD TENEMENT SCHEDULE 22 September 2021 cont.

Project	Tenement ID	Ten status	Holder	Interest %
Lefroy	P25/2316	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P25/2317	Live	MONGER EXPLORATION 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	E15/1497	Live	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	P26/4287	Live	MONGER EXPLORATION 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	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]
Lefroy	L25/0061	Pending	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	L25/0063	Pending	MONGER EXPLORATION PTY LTD	100[1]
Lefroy	E25/524	Live	MONGER EXPLORATION PTY LTD	100[1]
Lake Johnston	E63/1777	Live	LITHIUM AUSTRALIA NL	100[3]
Glenayle	E69/3945	Application	JOHNSTON LAKES NICKEL PTY LTD	100[1]
Glenayle	E69/3946	Application	JOHNSTON LAKES NICKEL PTY LTD	100[1]
Glenayle	E69/3947	Application	JOHNSTON LAKES NICKEL PTY LTD	100[1]
Glenayle	E69/3948	Application	JOHNSTON LAKES NICKEL PTY LTD	100[1]
Glenayle	E69/3949	Application	JOHNSTON LAKES NICKEL 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 2021.

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 20 May 2020 that would alter the Resource Statement.

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

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

Competent Persons Statement

The information in this report that relates to the Sampling Techniques and Data and Reporting of Exploration Results for the Lucky Strike deposit is based on, and fairly represents, information which has been compiled by employees of Lefroy Exploration under the supervision and guidance of Mr. Wayne Carter, 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.