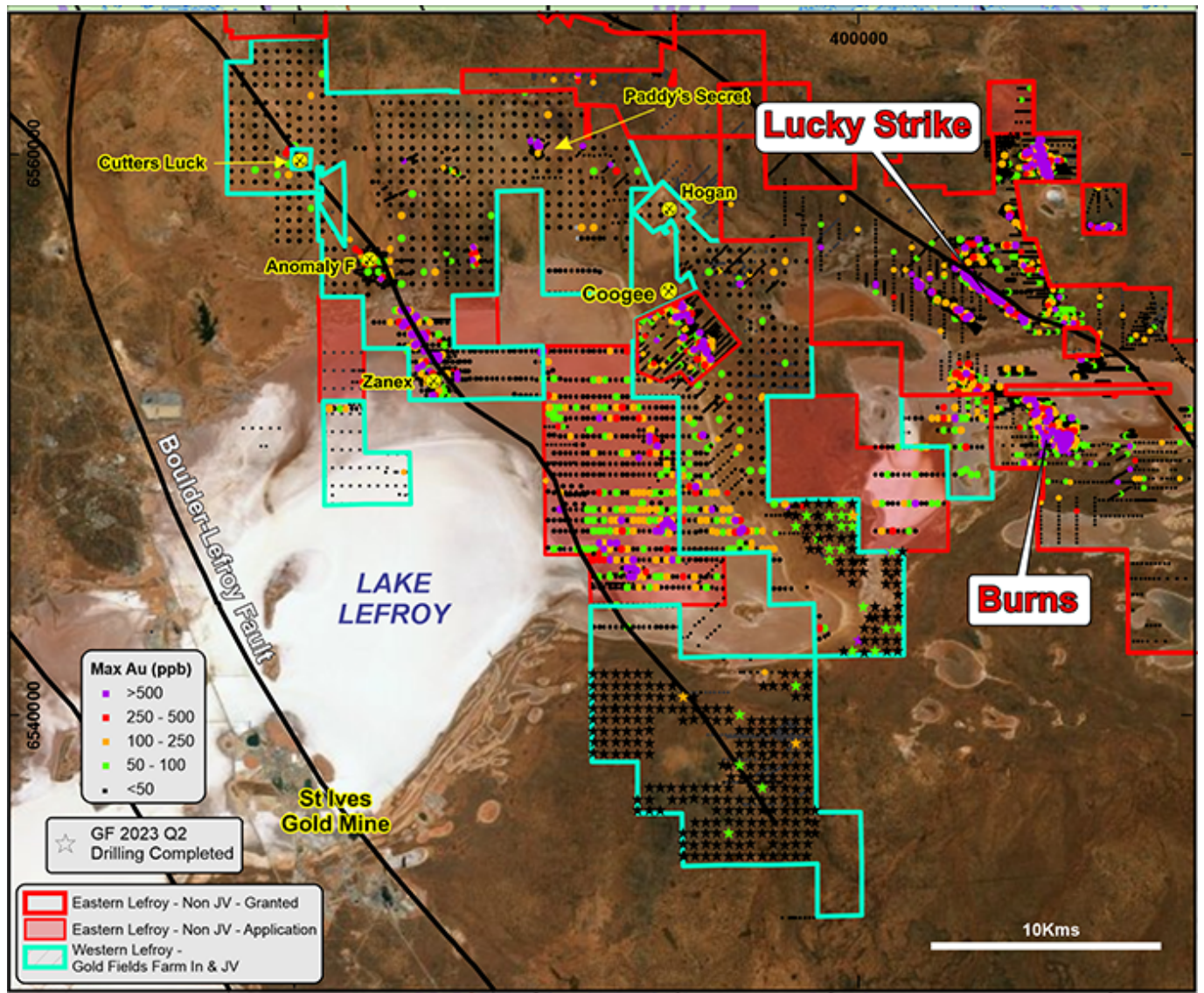


Lefroy and BML Ventures to Advance the Lucky Strike Gold Deposit

[Lefroy Exploration \(ASX: LEX\)](#)

Announced that it has entered into an exclusivity and Heads of Agreement with BML Ventures Pty Ltd to negotiate a mining and profit-sharing agreement for the Lucky Strike Gold Project.



	Lefroy Exploration	ASX: LEX
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	Stage	Exploration
	Metal	Gold
	Market cap	A\$17 m @ 7c
	Location	Kalgoorlie, Western Australia
	Website	www.lefroyex.com

Comment

This looks like a very sensible deal, given the high gold price in Australian dollars.

Other junior miners are looking to emulate this to cash in on the high gold price and avoid dilution by producing early cashflow.

The Lucky Strike deposit contains a resource of 1.27 Mt at 1.95 g/t Au for 79,600oz.

Lefroy has signed its own 50-50 profit sharing agreement with BML, who puts up all the capex, which is generally pretty low. After that it's a 50-50 profit share from the surplus that comes out of the toll treatment agreement.

The higher price of gold in Australian dollars encourages this type of mining agreement, which aligns with my personal preference for mines going into early production to minimise dilution.

Lefroy signs Agreement with BML Ventures to advance development of the Lucky Strike gold deposit

Lefroy Exploration Limited (ASX: LEX) (“LEX” or “the Company”) is pleased to announce that it has entered into an exclusivity and Heads of Agreement with BML Ventures Pty Ltd (“BML”) to negotiate a mining and profit-sharing agreement for the Lucky Strike Gold Project (“Lucky Strike”).

HIGHLIGHTS

- Lefroy has executed an Exclusivity and Heads of Agreement with BML Ventures Pty Ltd (BML) to support development of the Lucky Strike Gold Project with a MRE of 1.27 Mt @ 1.95 g/t Au for 79,600 ounces.
- BML is a private mining contractor, with a proven track record of advancing open pit gold mines in the Kalgoorlie-Kambalda region of WA, including their recent collaboration with Auric Mining (ASX:AWJ) at Jefferys Find
- This agreement provides the framework for both parties to complete

negotiations towards finalising a binding mine profit share agreement.

- The indicative non-binding material terms of the Exclusivity and Heads of

Agreement include:

- o Once all upfront BML costs have been recovered, the net surplus cash

(profit) to be split between LEX 50% and BML 50%;

- o On successful execution of a Profit-Sharing Agreement, BML will

coordinate and fund all pre-production mining approvals, capital and

ongoing operating costs; and

- o BML to coordinate toll milling negotiations and scheduling with third party

mill processing plant operators.

- The parties have agreed to enter into binding exclusivity arrangements (30

business days) to complete due diligence and further negotiate and finalise a

Profit-Sharing Agreement in relation to the Lucky Strike Gold Project.

For details of the mine share agreement between Auric Mining and BML Ventures, refer to AWJ ASX

- Lucky Strike represents the first of a potential series of growth projects for the

Company with additional gold resources at Mt Martin and Burns Central

(together with Lucky Strike) totalling greater than 1 million ounces of gold.

LEFROY CEO, GRAEME GRIBBIN, COMMENTED:

“We are excited to embark on this major next step, in partnership with BML Ventures, towards unlocking value from our high-grade gold resource at the Lucky Strike Project.

“Partnering with a highly experienced mining contractor, we look forward to finalising negotiations with BML Ventures over the coming weeks, to secure a mine profit share agreement.

“The proposed mining and profit share agreement, whilst mutually beneficial to both parties, presents a very low risk pathway to development for Lefroy, with upfront capital and ongoing operating costs funded by BML Ventures.”

BML Ventures is a privately owned mining contractor based in Kalgoorlie.

[To read the full news release, please click HERE](#)

[To View Lefroy Exploration's historical news, please click here](#)

[The live gold price can be found HERE](#)

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Disclosure

At the time of writing the author holds shares in Lefroy Exploration

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