

4 November 2010

Lefroy Resources Limited (“Company”) unconditionally retracts the following statements made in the 2010 AGM Presentation on page 16 titled Project Potential, released to the ASX earlier today, being “Revenue US\$100/tonne FOB based on Vale current pellet fixed contract” and “NPV_{10%} US\$4.5Billion & IRR 76%”.

The Company would like to further clarify that the current exploration target at the Rio Pardo Project in Brazil is 1.5 to 2.0 billion tonnes, ranging from 20 - 40% Fe.

We point out that at this early stage there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource as defined under the JORC code.

An exploration program aimed at defining an initial JORC compliant resource is planned to be implemented as soon as practicable.

For further details contact:

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“The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy (“AusIMM”). Mr Castle is a minority shareholder in Brilliant City Holdings Limited and Star Castle Holdings Limited. He has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Castle consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.”