

29 October 2010

Quarterly Activities Report Clarification

Lefroy Resources Limited retracts the following statement made in the Project Background Summary section of the Quarterly Activities Report released to the ASX earlier today and also exacts the same wording which is contained in the release to the ASX on 5 July 2010 and in the Quarterly Activities Statement released to the ASX on 30 July 2010 – “Initial work on the Project indicates a potential resource equivalent to that contained within the MIBA ground with the opportunity to add additional resources along a parallel trend.”

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 following the shareholders meeting that is set for 4 November 2010.

In addition, both the Quarterly Activities Statement’s released on 30 July 2010 and earlier today were reviewed by Malcolm Castle and require the insertion of the following statement at the bottom of each report:

“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.”

The previous releases on 5 July 2010, 30 July 2010 and the release earlier today should be read in conjunction with the above retraction and also insertion of competent person’s statement.

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