

# Lefroy Resources Limited

ACN 107 118 673

ASX ANNOUNCEMENT 21 OCTOBER 2008

## ISSUE OF OPTIONS

### Proposed Grant of Options to Directors

Lefroy Resources Limited has undertaken a review of remuneration for Directors of the Company, cognisant of the current global equity markets environment and uncertainty. Recognising the difficult market conditions the Company has minimised all non project expenditure to the absolute minimum and the Board of Directors, all non executive, have maintained a minimum level of director fees and where absolutely essential have undertaken additional activities for the Company at sharply discounted commercial rates.

In recognition the Company is proposing, subject to shareholder approval, to grant the following options to Directors of the Company to incentivise those recipients to continue to work for the Company during these times.

Name	Options	Exercise Price	Expiry Date
Craig Bromley	500,000	\$0.10	31 October 2011
Malcolm James	250,000	\$0.10	31 October 2011
Thomas Kelly	1,500,000	\$0.10	31 October 2011
Carl Swensson	1,500,000	\$0.10	31 October 2011

### Issue of Options to Company Secretary

Lefroy Resources Limited also wishes to advise that pursuant to the Lefroy Resources Limited Incentive Share Option Scheme approved by shareholders on 23 November 2005, the Board has resolved to grant the following unlisted options:

Name	Options	Exercise Price	Expiry Date
Jade Styants	250,000	\$0.10	31 October 2011

Please find attached an Appendix 3B.

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

**LEFROY RESOURCES LIMITED**

ACN

**107 118 678**

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Unlisted Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 250,000  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 250,000 Unlisted Options<br>Exercise Price: \$0.10<br>Expiry Date: 30 October 2011 |

+ See chapter 19 for defined terms.

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**Appendix 3B**  
**New issue announcement**

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>On exercise of options, shares will rank equally in all respects.</p>								
<p>5 Issue price or consideration</p>	<p>Nil</p>								
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Options issued to Company Secretary, under the Employee Incentive Share Option Scheme.</p>								
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>21 October 2008</p>								
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>Ordinary Shares</td> <td>69,198,501</td> </tr> <tr> <td>Options expiring 30/06/09 @ 25 cents</td> <td>39,599,251</td> </tr> </tbody> </table>	Number	+Class	Ordinary Shares	69,198,501	Options expiring 30/06/09 @ 25 cents	39,599,251		
Number	+Class								
Ordinary Shares	69,198,501								
Options expiring 30/06/09 @ 25 cents	39,599,251								
<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>Options expiring 28/11/09 @ 25 cents</td> <td>500,000</td> </tr> <tr> <td>Options expiring 30/06/10 @ 25 cents</td> <td>2,650,000</td> </tr> <tr> <td>Options expiring 31/10/11 @ 10 cents</td> <td>250,000</td> </tr> </tbody> </table>	Number	+Class	Options expiring 28/11/09 @ 25 cents	500,000	Options expiring 30/06/10 @ 25 cents	2,650,000	Options expiring 31/10/11 @ 10 cents	250,000
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Options expiring 30/06/10 @ 25 cents	2,650,000								
Options expiring 31/10/11 @ 10 cents	250,000								

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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the <sup>+</sup>securities will be offered

14 <sup>+</sup>Class of <sup>+</sup>securities to which the offer relates

15 <sup>+</sup>Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has <sup>+</sup>security holders who will not be sent new issue documents  
Note: Security holders must be told how their entitlements are to be dealt with.  
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue

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**Appendix 3B**  
**New issue announcement**

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- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup>security holders
- 25 If the issue is contingent on <sup>+</sup>security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do <sup>+</sup>security holders sell their entitlements *in full* through a broker?
- 31 How do <sup>+</sup>security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Despatch date

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### Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

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**Appendix 3B**  
**New issue announcement**

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**Entities that have ticked box 34(b)**

38 Number of securities for which  
 +quotation is sought

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39 Class of +securities for which  
 quotation is sought

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40 Do the +securities rank equally in  
 all respects from the date of  
 allotment with an existing +class  
 of quoted +securities?

If the additional securities do not  
 rank equally, please state:

- the date from which they do
- the extent to which they  
 participate for the next  
 dividend, (in the case of a  
 trust, distribution) or interest  
 payment
- the extent to which they do  
 not rank equally, other than in  
 relation to the next dividend,  
 distribution or interest  
 payment

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41 Reason for request for quotation  
 now

Example: In the case of restricted securities, end  
 of restriction period

(if issued upon conversion of  
 another security, clearly identify  
 that other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)		

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**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

  
Company Secretary

Date: 21 October 2008

Print name: **Jade Styants**

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