

30 April 2020

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2020

Lachlan Star Limited (**Lachlan** or the **Company**) is pleased to present its quarterly activities report for the March quarter.

HIGHLIGHTS:

- Field visit and sampling of 100kg of surface rich magnesite material collected for check assay and preliminary metallurgical review.
- Review of environmental rehabilitation indicates a well rehabilitated area with vegetation regrowth and no evidence of historic drill collars.
- Company continues to review a range of mineral exploration opportunities in Australia and overseas.
- Company remains well funded with \$1.3 million cash on hand.

OPERATIONS:

Princhester Magnesite Project

The Princhester Magnesite Project is located 85km north west of Rockhampton, Queensland and comprises two granted Mining Leases (ML), ML5831 and ML5832. The ML's are close to the Bruce Highway and are within 2 kilometres of the main north coast railway line (**Figure 1**).

During the March quarter the Company completed a field visit to the project area to complete sampling of surface magnesite mineralisation and review the status of the environmental rehabilitation. The Company has collected approximately 100kg of samples from the defined Mineral Resource area with the intention to undertake verification assay of nearby drill holes, complete multi-element scan and commence preliminary metallurgical comparison work. Results for this programme of testing are expected in the June quarter for the assays and the metallurgical programme will be finalised over the following quarter. This sampling was designed to verify and improve the confidence in the historic exploration and interpretation of the magnesite mineralisation (**Figure 2**).

In addition to the sampling of surface mineralisation, the field visit was also undertaken to assess the status of the environmental rehabilitation. The surface collars of the completed drill holes have been rehabilitated to a high standard and no surface collars, open drill holes or drill spoil was identified in the visit. In addition, the surface access track and drill traverses demonstrated strong vegetation regrowth with vehicle access restricted in the area (**Figures 3 and 4**).



Figure 1: Location of Princhester Project, Queensland

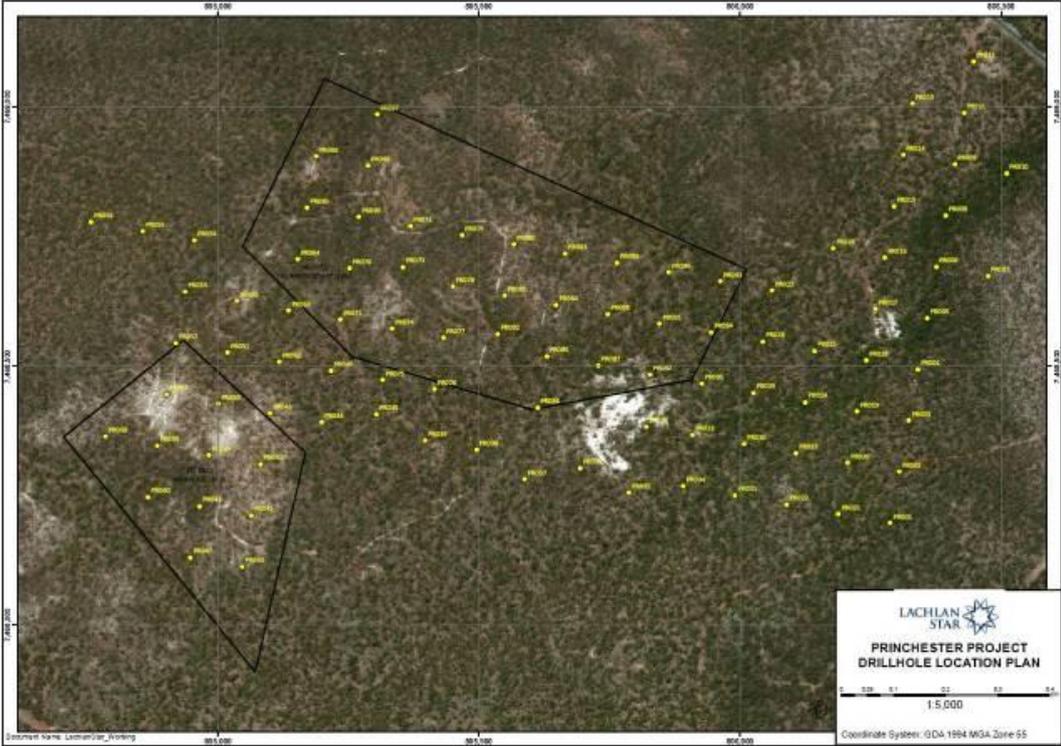


Figure 2: Princhester Project historic drilling on satellite image



Figure 3: Drill Traverse rehabilitation



Figure 4: Access track rehabilitation

Evaluation of new mineral resource opportunities

The Company has allocated part of its working capital budget to the identification and evaluation of new mineral resource opportunities in Australia and overseas, undertaking a review of a range of opportunities during the March quarter. No decision to invest in any of the projects currently being reviewed has been made at this stage.

The Company will also consider the acquisition and development of any other investments, both within the mining industry and in market segments unrelated to the mining industry.

Cash Position

As at 31 March 2020, the Company had approximately \$1.3 million of cash and nil debt. The Company retains sufficient funding to carry out its activities over the coming quarters.

Note 6 to Appendix 5B

Payments to related parties of the entity and their associates: during the quarter \$54,500 was paid to Directors and associates for director and consulting fees.

This announcement has been authorised for release by Dan Smith, on behalf of the Board.

Annexure 1: Lachlan Star Limited – tenements held directly by Lachlan Star or subsidiary company

Tenements	Acquired during quarter	Disposed of during quarter	Held at end of quarter	Country
ML5831 (Princhester)	-	-	100%	Australia
ML5832 (Princhester)	-	-	100%	Australia
EL5574 (Bushranger)	-	-	Nil (Company retains a 2% NSR)	Australia