

30 July 2020

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2020

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

HIGHLIGHTS:

- Lachlan Star entered into 6-month Option Agreement with Coobaloo Minerals Pty Ltd, granting the Company the right to purchase up to a 75% interest in the Koojan Project, a highly prospective Copper-Nickel-PGE Project in the New Norcia Region, Western Australia.
- The New Norcia Cu-Ni-PGE region is an emerging exploration province with recent exploration activity continuing to discover new zones of mineralisation.
- The Koojan project consists of six exploration licences (three granted, three applications) and one prospecting licence (application) covering an area of approximately 600km².
- Following a placement to sophisticated and professional investors to raise \$500,000, the Company remains well funded with ~\$1.8 million cash on hand at the end of the quarter.

CORPORATE

During the June quarter, the Company raised \$500,000 (before expenses) through the issue of 100,000,000 shares at 1 cent each to sophisticated and professional investors.

OPERATIONS

Koojan Project

On 26 June 2020, the Company announced that it had entered into a 6-month option with Coobaloo Minerals Pty Ltd (**Coobaloo**), granting Lachlan Star the right to purchase up to a 75% interest in the Koojan Project, a highly prospective Copper-Nickel-PGE Project in the New Norcia Region, Western Australia. Under the terms of the option agreement, Lachlan Star can purchase an initial 50% interest in Coobaloo and its Koojan Copper-Nickel-PGE Project (**Project**) by meeting minimum expenditure of \$60,000 within 6-months of signing. Lachlan Star is entitled to a further 25% of Coobaloo by way of spending A\$350,000 (inclusive of the initial expenditure) on the Project within 18 months.

The Koojan Project is located in the New Norcia region of Western Australia (**Figure 1**), approx. 80km north of the recent Julimar Ni-PGE-Cu discovery by Chalice Gold Mines Ltd, and is located in a similar geological setting. The Koojan Project is located within the Western Gneiss Terrain of the Archaean Yilgarn Craton of south-west Western Australia (**Figure 2**). The prospective mafic/ultramafic bodies are hosted within the Jimperding Metamorphic belt – a belt up to 70km wide and bounded to the west by the Darling Fault, and to the east by Yilgarn craton units.

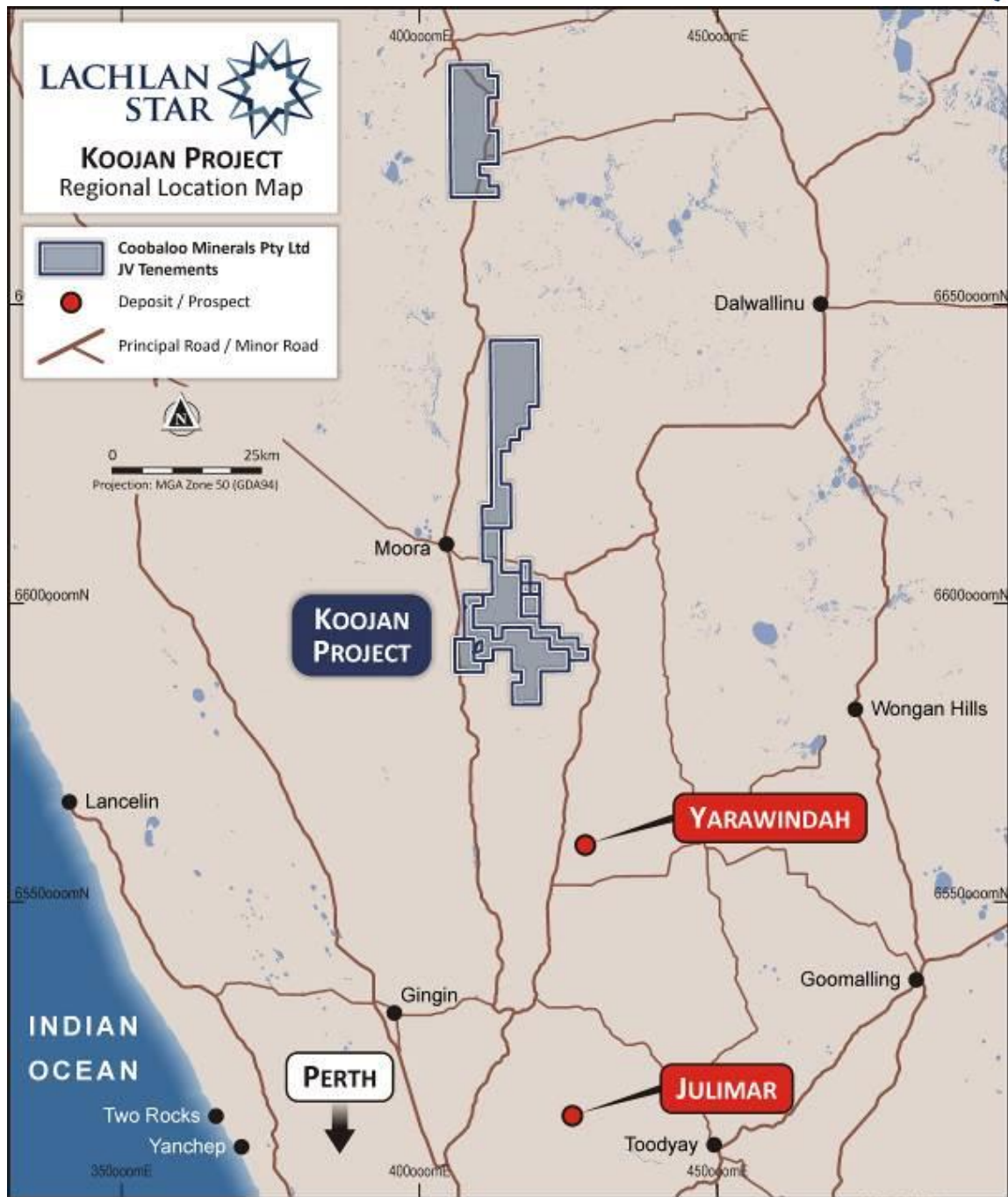


Figure 1: Koojan Project location

Lachlan Star has completed an initial site visit to the project to review the geological setting and zones of anomalous mineralisation. The visit highlighted that areas of high-grade copper, nickel, cobalt and anomalous PGE mineralisation are associated with mafic intrusive rocks. This will be an immediate focus of the exploration programme to continue to expand and define these areas for evaluation. The reconnaissance rock chip programme has consisted of samples dispatched to SGS and ALS laboratories for analysis or has consisted of analysis by handheld XRF in the field.

The Koojan Project is interpreted to be located within the same geophysical setting as the Julimar and Yarawindah Ni-Cu-PGE prospects. This setting is characterised as a zone of intrusive mafic to ultramafic rocks proximal to the margin of the Yilgarn craton and hosted within a complex structural setting on the margin of gravity anomalies. This structural zone is interpreted to have intruded the granite dominated terrain, and can be traced from the Julimar prospect through to the Koojan Project where filed reconnaissance and Government geological mapping has identified a series of mafic to ultramafic units within the project area.

A further review of regional Gravity survey indicates the Koojan Project is located on the margins of a gravity anomaly and is proximal to major structures and a detailed survey for the project area will be evaluated as exploration identifies key target areas. In addition, as the exploration is at a very early stage, there is no reliable electrical geophysics (EM or IP) identified and this will be included in Lachlan Star’s initial exploration programme.

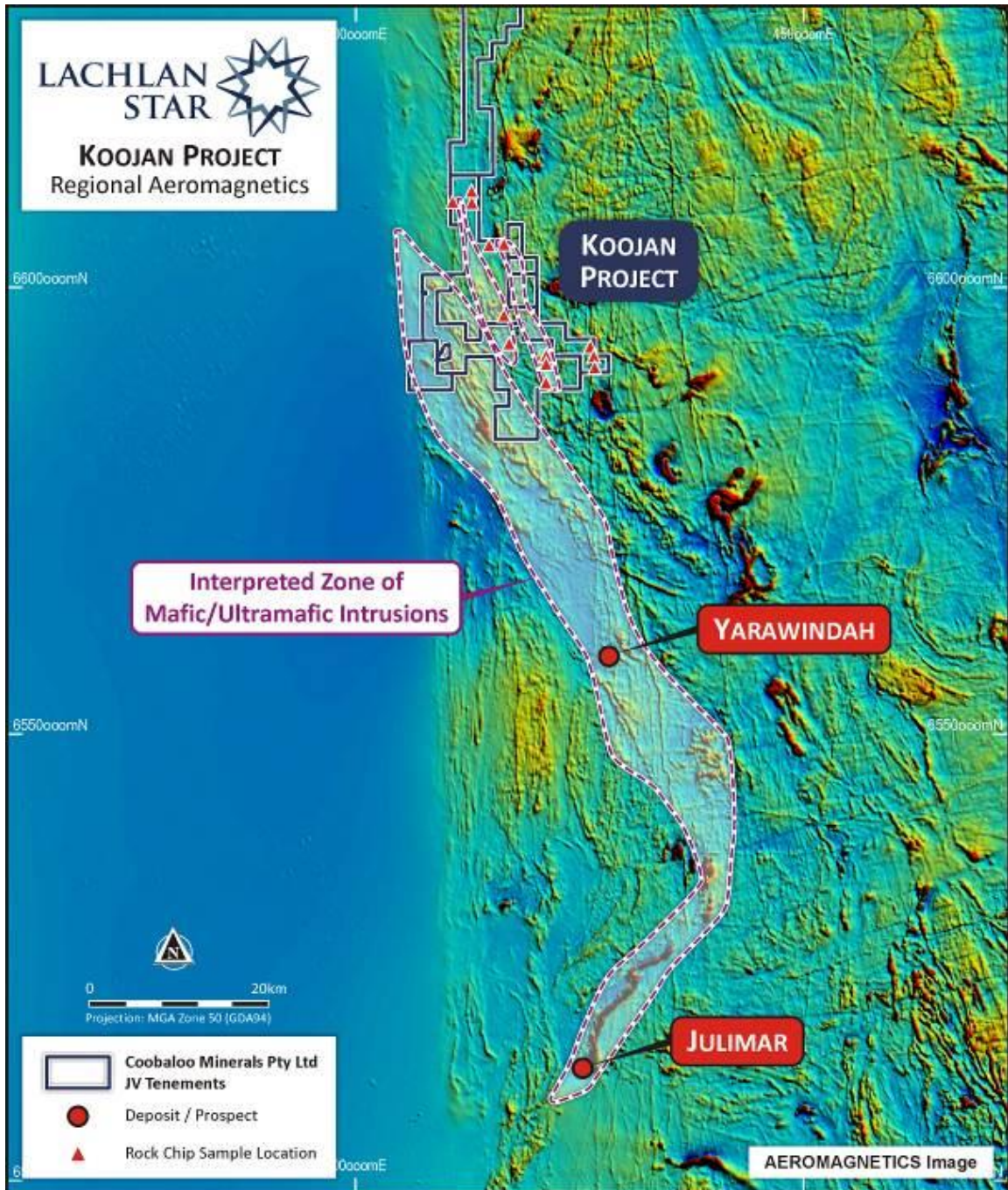


Figure 2: Regional aeromagnetics and prospective zones highlighted

The initial 6-month exploration program will be focussed on verifying the zones of high-grade mineralisation identified in the early reconnaissance work with the aim of moving quickly to drill ready targets.

The proposed field programme at the Koojan Project, to be run concurrently wherever possible, will include:

- Geological Mapping including rock chip and target prioritisation.
- Geochemical sampling – auger drilling on a systematic basis over key areas as well as regional mafic to ultramafic targets.
- Geophysics – a review is continuing however a gravity survey is recommended and a ground EM survey will be reviewed as it has been noted that this approach has been successful at the Julimar prospect and elsewhere in the New Norcia region.
- Review and prioritisation of drill targets with the aim of commencing drilling as soon as possible.

Post quarter end, on 20 July 2020 the Company announced that it had completed detailed geological traverses over the southern block of tenements of the Koojan Project. The geological mapping has identified a series of mafic units (gabbro and basalt units) and ultramafic units (harzburgite). Examination of the ultramafic units has identified the presence of sulphide mineralisation, and petrological studies are planned for these units to identify the sulphide assemblage. In addition, rock chips have been collected for initial assay and whole rock analysis to confirm the field observations.

The interpretation of the geological mapping is continuing in conjunction with an interpretation of the regional aeromagnetic data and this new geological interpretation will be a guide for the proposed geochemical sampling programs expected to commence in late-July / early-August.

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 3**).

During the previous 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. The results of the assays are expected during the September quarter.

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.



Figure 3: Location of Princhester Project, Queensland

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 June quarter.

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 30 June 2020, the Company had approximately \$1.8 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 \$38,000 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
E70/5337 (Koojan)	-	-	Option to earn up to 75%	Australia
E70/5312 (Koojan)	-	-	Option to earn up to 75%	Australia
E70/5429 (Koojan)	-	-	Option to earn up to 75%	Australia
E70/5450 (Koojan)	-	-	Option to earn up to 75%	Australia
P70/1743 (Koojan)	-	-	Option to earn up to 75%	Australia
E70/5337 (Koojan)	-	-	Option to earn up to 75%	Australia
ML5831 (Princhester)	-	-	100%	Australia
ML5832 (Princhester)	-	-	100%	Australia
EL5574 (Bushranger)	-	-	Nil <small>(Company retains a 2% NSR)</small>	Australia