

25 February 2021

Dear Shareholders,

**COMPANY'S GENERAL MEETING**

Lachlan Star Ltd (ASX: LSA) (**Lachlan Star** or **the Company**) advises that a General Meeting of Shareholders (Meeting) will be held in person at 33 Ord Street, West Perth WA 6005 Western Australia on Wednesday 31<sup>st</sup> March 2021 at 10am (WST).

In accordance with temporary modifications to the Corporations Act under the Corporations (Coronavirus Economic Response) Determination (No.3) 2020, the Company will not be sending hard copies of the Notice of General Meeting and Explanatory Memorandum. Instead, Shareholders can view and download the Notice of General Meeting and accompanying Explanatory Memorandum and Proxy Form on the Company's Website at <https://lachlanstar.com/> or from the Company's ASX Announcement Platform at asx.com.au (ASX: LSA). This letter along with the proxy form will be sent to Shareholders either via physical mail or electronically via email depending on the Shareholders elected communication preferences with the Share Registry – Computershare Investor Services.

With regards to the COVID-19 pandemic, the Company will adhere to all social distancing measures prescribed by government authorities at the Meeting, and Shareholders attending the Meeting will need to ensure they comply with the protocols. We are concerned for the safety and health of Shareholders, staff and advisers, so we will put in place certain measures including social distancing requirements.

As a precaution to COVID-19, each Resolution will be decided by poll based on proxy votes and by votes from Shareholders in attendance at the Meeting. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this letter, in accordance with the instructions set out in the proxy form, by no later than 10am (WST) on Monday 29 March 2021 (being at least 48 hours prior to the start of the Meeting).

This announcement was authorised for release by the board of Lachlan Star Limited.

Sincerely,

Dan Smith  
Company Secretary  
Lachlan Star Limited

**Lachlan Star Limited**  
**ACN 000 759 535**

**NOTICE OF GENERAL MEETING AND EXPLANATORY  
MEMORANDUM**

**Wednesday, 31st March 2021**

**10:00am (WST)**

Ascent Capital  
33 Ord Street  
West Perth WA 6005  
Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9486 4036.

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## NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Lachlan Star Limited will be held at the offices of Ascent Capital, 33 Ord Street, West Perth WA 6005, on Wednesday, 31st March 2021 at 10:00am (WST).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 29 February 2021 at 5:00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum can be found in the Definitions section at page 20.

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## AGENDA

### Resolution 1 – Ratification of Tranche 1 Placement – Listing Rule 7.1

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To consider and if thought fit, to pass the following as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 53,079,840 Shares on the terms and conditions set out in the Explanatory Memorandum.”*

#### Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement participants) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### Resolution 2 – Ratification of Tranche 1 Placement – Listing Rule 7.1A

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To consider and if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the prior issue of 90,386,566 Shares on the terms and conditions set out in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement participants) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 3 – Approval to Issue Shares – Tranche 2 Placement – Unrelated Investors**

To consider and if thought fit, to pass the following as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 62,415,936 Shares to the Unrelated Investors on the terms set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Unrelated Investors) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 4 – Ratification of prior issue of Shares – Coobaloo Vendor**

To consider and if thought fit, to pass the following as an **ordinary resolution**:

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Shareholders ratify the issue of 82,500,000 Shares on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the Vendor) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 5 – Approval to Issue Shares – Liantown Vendors**

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To consider and if thought fit, to pass the following as an **ordinary resolution**:

*“Subject to the exercise of the Option to acquire the Killaloe Project, that, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 40,000,000 Shares to the Liantown Vendors on the terms and conditions set out in the Explanatory Memorandum.”*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of the resolution by or on behalf of person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Liantown Vendors) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 6 – Participation of Gary Steinepreis in the Placement**

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To consider and if thought fit, to pass the following as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 5,882,352 Shares to Gary Steinepreis (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Steinepreis (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 7 – Participation of Bernard Aylward in the Placement**

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To consider and if thought fit, to pass the following as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 2,941,176 Shares to Bernard Aylward (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Aylward (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 8 – Participation of Daniel Smith in the Placement**

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To consider and if thought fit, to pass the following as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 2,941,176 Shares to Daniel Smith (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Smith (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 9 – Issue of Performance Rights to Bernard Aylward**

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To consider and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Performance Rights to Bernard Aylward (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of the resolution set out below by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Bernard Aylward or his nominee) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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Dated 25 February 2021

**BY ORDER OF THE BOARD**



**Gary Steinepreis**

Non-executive Chairman



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## EXPLANATORY MEMORANDUM

### Introduction

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This Explanatory Memorandum has been prepared for the information of members of Lachlan Star Limited (“Lachlan”) in connection with the business to be conducted at a General Meeting to be held on Wednesday, 31 March 2021 commencing at 10:00am at the offices of Ascent Capital, 33 Ord Street, West Perth WA 6005.

This Explanatory Memorandum forms part of and should be read in conjunction with the accompanying Notice of General Meeting.

Shareholders should note that all the Directors approved the proposal to put the resolutions to Shareholders as outlined in the Notice of General Meeting and to prepare this Explanatory Memorandum.

The purpose of this Explanatory Memorandum is to provide information for Shareholders in deciding whether or not to pass the Resolutions in the Notice of General Meeting.

### Action to be taken by Shareholders

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Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

In light of the status of the evolving COVID-19 situation and the Commonwealth and State government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting. The Chairman will adjourn the Meeting where the number of attendees may lead to the breach local public health laws and regulations.

### Voting by proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a **proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## **Corporate representatives**

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry ([www.computershare.com.au](http://www.computershare.com.au)).

## **Eligibility to vote**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 29 March 2021.

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

## **Voting via poll**

All Resolutions under this Notice will be determined by poll.

## **Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at [dan.smith@minervacorporate.com.au](mailto:dan.smith@minervacorporate.com.au) by 5:00 pm (WST) on Monday, March 2021.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting). The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

## 1. Background to Resolutions 1 - 2 and 6 - 8

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On 29 January 2021, the Company announced that it had received commitments to raise up to a total of \$3,500,000 (before costs) through a placement of 205,882,342 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of 1.7 cents per Share (**Placement**).

The Shares issued under the Placement will be issued in two tranches:

- (a) the first tranche comprises 143,466,406 Shares which were issued on 8 February 2021 (**Tranche 1 Placement**) as follows:
  - (i) 53,079,840 Shares were issued pursuant to the Company existing placement capacity under ASX Listing Rule 7.1 (ratification of which is sought pursuant to Resolution 1); and
  - (ii) 90,386,566 Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 26 November 2020 ASX Listing Rule 7.1A (ratification of which is sought pursuant to Resolution 2); and
- (b) the second tranche comprises 74,180,640 Shares (**Tranche 2 Placement**) to be issued as follows:
  - (i) 62,415,936 Shares to be issued to Tranche 2 Placement unrelated investors (**Unrelated Investors**) subject to Shareholder approval being sought under Resolution 6; and
  - (ii) 11,764,704 Shares to be issued to Directors (or their nominees) subject to Shareholder approval being sought under Resolutions 6, 7 and 8.

The purpose of the Placement is to raise up to \$3,500,000 before costs which the Company intends to apply towards advancing exploration at its Koojan Cu-NiPGE project, attending to due diligence and exploration at its recently acquired Killaloe gold project and for general working capital.

The Company engaged the services of both Bell Potter Securities Limited (ACN 006 390 772) (AFSL 243480) (**Bell Potter**) and Shaw and Partners (ACN 003 221 583) (AFSL 236 048) (**Shaw**) (together, the **Lead Mangers**) to act as joint lead managers to the Placement by way of a joint lead manager mandate (**Mandate**). The material terms of the Mandate are as follows:

- (a) (**Fees**) in consideration for the Lead Manager services the Company will pay:
  - (i) Bell Potter a management and selling fee of 5% of proceeds raised up to \$2,000,000 from the Placement; and
  - (ii) Shaw a management and selling fee of 5% of proceeds raised up to \$1,500,000 from the Placement.
- (b) (**Expenses**): the Company will reimburse each Lead Manager for reasonable expenses arising in connection with its engagement. Individual expenses over \$2,000 will only be reimbursed if approved in advance by the Company.
- (c) (**Right of First Refusal**): the Company will offer the Lead Managers the first right to act as joint lead manager for a future capital raising within 12 months from completion of the Placement.
- (d) (**Termination**): either party may terminate the Mandate upon 14 days written notice to the other party, with or without cause. In such circumstances, the Lead Managers will invoice the Company for all outstanding charges incurred up to the date of termination.

- (e) **(Lock-up and other financing):** prior to the allotment of any of the Placement securities:
  - (i) the Lead Managers will have the benefit of a clear market in that no other equity or debt financing of any type will be made by the Company without the Lead Managers consent, which cannot be unreasonably withheld or delayed; and
  - (ii) the Company will not enter into any material agreement or commitment which contains substantial or onerous obligations without the Lead Managers prior consent, which cannot be unreasonably withheld or delayed.

The Mandate otherwise contains terms and conditions that are standard for an agreement of its nature.

## **2. Resolutions 1 – 2 – Ratification of Prior Issue of Shares – Tranche 1 Placement**

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As detailed in Section 1, Resolutions 1 and 2 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 143,466,406 Shares issued under the Tranche 1 Placement at an issue price of 1.7 cents per Share to raise \$2,438,929 before costs (**Tranche 1 Placement Shares**).

### **2.1 ASX Listing Rule Requirements**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

### **2.2 Technical information required by Listing Rule 14.1A**

If Resolutions 1 and 2 are passed, the Tranche 1 Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolutions 1 and 2 are not passed, the Tranche 1 Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

### **2.3 Technical information required by ASX Listing Rule 7.5**

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following in relation to Resolutions 1 and 2:

- (a) the Tranche 1 Placement Shares were issued to professional and sophisticated investors who are clients of the Lead Managers. The recipients were identified through a bookbuild process, which involved the Lead Managers seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 143,466,406 Shares were issued on the following basis:
  - (i) 53,079,840 Shares were issued pursuant to ASX Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
  - (ii) 90,386,566 Shares were issued pursuant to ASX Listing Rule 7.1A (ratification of which is sought under Resolution 2),
- (d) the issue price was 1.7 cents per Tranche 1 Placement Share under both the issues of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Placement Shares;
- (e) the Tranche 1 Placement Shares are ordinary fully paid shares in the capital of the Company and rank equally in all respects with the existing Shares on issue;
- (f) the Shares were issued on 8 February 2021;
- (g) the purpose of the issue was to raise \$2,438,929 before costs, which the Company intends to use in manner as set out in Section 1 of this Notice; and
- (h) the Tranche 1 Placement Shares were issued to under the Mandate. A summary of the material terms of the Mandate is set out in Section 1.

## **3. Resolution 3 - Approval to Issue Shares – Tranche 2 Placement – Unrelated Investors**

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### **3.1 Background**

As detailed in Section 1, Resolution 3 seeks Shareholder approval for the issue of 62,415,936 Shares to Unrelated Investors under the Tranche 2 Placement at an issue price of 1.7 cents per Share (**Tranche 2 Placement Shares**).

Listing Rules 7.1 and 7.1A are summarised in Section 2.1 above.

The proposed issue of the Tranche 2 Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **3.2 Technical information required by Listing Rule 14.1A**

If this Resolution is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition, the issue of the Tranche 2 Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares and will not be able to raise the additional \$1,061,071 (before costs) subscribed for by subscribers for the Tranche 2 Placement Shares.

### **3.3 Technical information required by ASX Listing Rule 7.1**

For the purposes of Listing Rule 7.3 the following information is provided to Shareholders in relation to this Resolution:

- (a) the Shares will be issued to the Unrelated Investors being professional and sophisticated investors and clients of the Lead Managers and are not related parties of the Company. The Unrelated Investors were identified through a bookbuild process, which involved the Lead Managers seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Tranche 2 Placement Shares to be issued is 62,415,936. The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Placement Shares will occur progressively;
- (e) the issue price of the Tranche 2 Placement Shares will be 1.7 cents per Tranche 2 Placement Share. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Shares;
- (f) the purpose of the issue of the Tranche 2 Placement Shares is to raise a further \$1,061,071 before costs under the Placement which the Company intends to use in manner as set out in Section 1 of this Notice;
- (g) the Tranche 2 Placement Shares were issued to under the Mandate. A summary of the material terms of the Mandate is set out in Section 1; and
- (h) the Tranche 2 Placement Shares are not being issued under, or to fund, a reverse takeover.

## **4. Resolution 4 – Ratification of Shares issued to Coobaloo Vendor**

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### **4.1 Background**

On 22 December 2020, the Company issued 82,500,000 Shares (**Consideration Shares**) to Wavetime Nominees Pty Ltd (ACN 151 741 187) ATF The A & T Nixon Family Trust (87 232 685 643) (**Vendor**) in consideration for the acquisition of 50% of the issued capital of Coobaloo Minerals Pty Ltd (**Coobaloo**) (**Acquisition**). Coobaloo is the holder of the Koojan Project (**Project**). The Vendor is not a related party of the Company.

For further details on the Acquisition and the terms of agreement for the Acquisition as set out in Schedule 2 and the Company's ASX announcement released on 26 June 2020.

The Consideration Shares were issued within the Company's 15% placement capacity under Listing Rule 7.1.

### **4.2 ASX Listing Rule Requirements**

Listing Rules 7.1 and 7.1A are summarised in Section 2.1 above.

The issue of the Consideration Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Consideration Shares.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consideration Shares.

### **4.3 Technical information required by Listing Rule 14.1A**

If this Resolution is passed, the Consideration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Consideration Shares.

If this Resolution is not passed, the Consideration Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval the 12 month period following the date of issue of the Consideration Shares.

### **4.4 Information required by Listing Rule 7.5**

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following in relation to the ratification of the Advisor Shares:

- (a) the Consideration Shares were issued to the Vendor;
- (b) the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 82,500,000 Consideration Shares were issued on 22 December 2020 and were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Shares were issued at a nil cash issue price as they were issued as consideration for the Acquisition. Based on the trading price of Shares at the time of settlement the deemed value per Share was 0.5 cents. The Company has not and will not receive any other consideration for the issue of the Consideration Shares;
- (e) the deemed issue price of the Consideration Shares was 0.5 cents per Share;
- (f) the purpose of the issue of the Shares was to satisfy the Company's obligations under the Coobaloo Agreement as required to complete the Acquisition; and
- (g) the Consideration Shares were issued under the Coobaloo Agreement. A summary of the material terms of the Coobaloo Agreement is set out in Schedule 2 and for further details refer to the Company's announcement dated 26 June 2020.

## **5. Resolution 5 - Approval to Issue Consideration Shares to Liontown Vendors**

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### **5.1 Background**

On 27 January 2021, the Company announced that it had executed an agreement with Liontown Resources Limited (**Liontown**) to acquire a 100% interest in the Killaloe Project from Liontown (**Killaloe Agreement**) (**Killaloe Acquisition**). The Killaloe Project area totals 94km<sup>2</sup> and comprises two granted Exploration Licences (EL 63/1018 and EL 63/1713) and one granted Mining Lease (M 63/177).

In consideration of the Killaloe Acquisition the Company has conditionally agreed to issue 40,000,000 Shares (**Liontown Shares**) to the Liontown Shareholders (**Liontown Vendors**). Completion under the transaction remains subject to the satisfaction (or where permitted, waiver) of a number of conditions precedent, including:

- (a) satisfactory completion of due diligence by the Company;
- (b) receipt of all necessary authorisations, approvals and consents required by both parties (which may include shareholder approval by Lachlan Star in accordance with ASX Listing Rules) and confirmation that ASX Listing rule 11.1.3 does not apply to the transaction; and
- (c) no material breach of warranties.

Further details on the Killaloe Acquisition and terms of the Killaloe Acquisition as set out in the ASX announcement dated 27 January 2021.

### **5.2 ASX Listing Rule Requirements**

Resolution 5 seeks Shareholder approval for the issue of the 40,000,000 Liontown Shares (or its nominee/s) to the Liontown Vendors under ASX Listing Rule 7.1.

As summarised in Section 2.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Shares under this Resolution does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

If this Resolution is passed the Company will be able to proceed with the issue of the Liontown Shares. In addition, the issue of the 40,000,000 Liontown Shares will be excluded



from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution is not passed, the conditions to the Liontown Agreement will not be met and accordingly the Killaloe Acquisition will not proceed.

### **5.3 Information required by Listing Rule 7.1**

For the purposes of Listing Rule 7.3, the following information is provided about the issue:

- (a) the Shares will be issued to the Liontown Vendors;
- (b) the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Shares to be issued is 40,000,000. The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date;
- (e) the Shares will be issued at a nil issue cash price as they are being issued in consideration for the Liontown Acquisition with a deemed value of 1.5 cents per Share. The Company has not and will not receive any other consideration for the issue of the Shares;
- (f) the purpose of the issue of the Shares is as consideration of the Killaloe Acquisition as per the Company's obligations under the Killaloe Agreement;
- (g) the Shares will be issued under the Killaloe Agreement. A summary of the material terms of the Killaloe Agreement is set out in Section 5.1 above for further details refer to the Company's announcement dated 27 January 2021;
- (h) no funds will be raised from the issue as the Consideration Shares are issued in consideration of the Acquisition of the Killaloe Project; and
- (i) A voting exclusion statement is included in the Notice.

## **6. Resolutions 6 to 8 – Participation of Directors in the Placement**

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### **6.1 Background**

As detailed in Section 1, Directors, being Gary Steinepreis, Bernard Aylward and Daniel Smith wish to participate in the Tranche 2 Placement on the same terms as the unrelated participants in the Placement.

Resolutions 6 to 8 seek Shareholder approval for the issue of:

- (a) up to 5,882,352 Shares to Gary Steinepreis (or his nominee);
- (b) up to 2,941,176 Shares to Bernard Aylward (or his nominee); and

- (c) up to 2,941,176 Shares to Daniel Smith (or his nominee),  
(together, **Director Placement Shares**).

## **6.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and  
(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The issues of the Director Placement Shares would constitute the giving of a financial benefit and Messrs Steinepreis, Aylward and Smith are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Steinepreis who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Resolution 6 because the Shares will be issued to Mr Steinepreis (or his nominee) are on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

The Directors (other than Mr Aylward who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Resolution 7 because the Shares will be issued to Mr Aylward (or his nominee) are on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

The Directors (other than Mr Smith who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Resolution 8 because the Shares will be issued to Mr Smith (or his nominee) are on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

## **6.3 Section 195(4) of the Corporations Act**

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that each of the Directors comprising the Board have a material personal interest in the outcome of Resolutions 6 – 8 as an issue of Shares is proposed for each Director. If each does have such an interest, then in accordance with section 195(4) a quorum could not be formed to consider the matters contemplated by Resolutions 6 – 8 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for the

purposes of section 195(4) of the Corporations Act for the issue of Shares proposed under Resolutions 6 - 8 and in respect of the Board decision to apply the arm's length exception under section 210 of the Corporations Act to these issues.

#### **6.4 ASX Listing Rule Requirements**

ASX Listing Rule 10.11 also requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Directors are related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Resolutions 6, 7 and 8 seek Shareholder approval for the issues of the Director Placement Shares under and for the purposes of Listing Rule 10.11.

If Resolutions 6, 7 and 8 are passed, the Company will be able to proceed with the issue of the Director Placement Shares within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and will raise additional funds (of \$200,000) which will be used in the manner set out in Section 1 above.

As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Director Placement Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 6, 7 and 8 are not passed, the Company will not be able to proceed with the issue of the Director Placement Shares.

#### **6.5 Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Shares:

- (a) the Director Placement Shares will be issued to the following persons:
  - (i) Gary Steinepreis (or his nominees) (Resolution 6);
  - (ii) Bernard Aylward (or his nominees) (Resolution 7); and
  - (iii) Daniel Smith (or his nominees) (Resolution 8),each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Director Placement Shares to be issued is 11,764,704 in the following proportions:
  - (i) 5,882,352 Shares to Gary Steinepreis (or his nominees) (Resolution 6);
  - (ii) 2,941,176 Shares to Bernard Aylward (or his nominees) (Resolution 7); and
  - (iii) 2,941,176 Shares to Daniel Smith (or his nominees) (Resolution 8).
- (c) the Director Placement Shares issued will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares;

- (d) the Company will issue the Director Placement Shares by no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (e) the issue price will be 1.7 cents per Director Placement Share, being the same as all other Shares issued to other participants in the Placement. The Company will not receive any other consideration for the issue of the Shares;
- (f) the purpose of the issue of Director Placement Shares is to raise a further \$200,000 before costs under the Placement which the Company intends to use in manner as set out in Section 1 of this Notice;
- (g) the Director Placement Shares to be issued are not intended to remunerate or incentivise the Directors;
- (h) the Director Placement Shares are not being issued under an agreement; and
- (i) a voting exclusion statement is included in respect of Resolutions 6, 7 and 8.

## **7. Resolution 9 – Issue of Performance Rights to Bernard Aylward**

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### **7.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue 10,000,000 Performance Rights (**Performance Rights**) to Bernard Aylward (or his nominee) on the terms and conditions set out below.

This Resolution seeks Shareholder approval for the issue of the Performance Rights to Bernard Aylward (or his nominee).

### **7.2 Chapter 2E of the Corporations Act**

A summary of Chapter 2E of the Corporations Act is set out in Section 6.2 above.

The issue of Performance Rights to Bernard Aylward (or their nominee) constitutes giving a financial benefit and Bernard Aylward is a related party of the Company by virtue of being a Director.

The Directors (other than Bernard Aylward who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Performance Rights because the agreement to issue the Performance Rights, reached as part of the remuneration package for Bernard Aylward, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### **7.3 Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 6.4 above.

The issue of Performance Rights falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

This Resolution seeks the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Listing Rule 10.11.

### **7.4 Technical information required by Listing Rule 14.1A**

If this Resolution is passed, the Company will be able to proceed with the issue of the Performance Rights to Bernard Aylward within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If this Resolution is not passed, the Company will not be able to proceed with the issue of the Performance Rights and the Company will need to consider alternate performance incentives.

## **7.5 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to this Resolution:

- (a) the Performance Rights will be issued to Bernard Aylward (or their nominee), who falls within the category set out in Listing Rule 10.11.1 as Bernard Aylward is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Performance Rights to be issued is 10,000,000;
- (c) the terms and conditions of the Performance Rights are set out in Schedule 1;
- (d) the Performance Rights will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Performance Rights will occur on the same date;
- (e) the issue price of the Performance Rights will be nil. The Company will not receive any other consideration in respect of the issue of the Performance Rights;
- (f) the purpose of the issue of the Performance Rights is to provide a performance linked incentive component in the remuneration package for Bernard Aylward to motivate and reward their performance as a Director and to provide cost effective remuneration to Bernard Aylward, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Bernard Aylward;
- (g) the current total remuneration package for Bernard Aylward is \$142,084 per annum, comprising of directors' fees of \$2,000 per month and share-based payments of \$118,084. If the Performance Rights are issued, the total remuneration package of Bernard Aylward for the 2021 financial year will increase by \$163,000 to \$305,084, being the value of the Performance Rights (based on the Monte Carlo simulation option pricing methodology); and
- (h) the Performance Rights are not being issued under an agreement.

## Definitions

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In this Notice and the Explanatory Memorandum:

**\$** means Australian Dollars.

**Acquisition** has the meaning as per Section 4.1 of this Notice.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**ASX Listing Rules** or **Listing Rule** means the Listing Rules of ASX.

**Board** means the board of Directors.

**Business Day** has the meaning contained in the Listing Rules.

**Chair** or **Chairman** means the person appointed to chair the Meeting conveyed by this Notice.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; and
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** means Lachlan Star Limited (ACN 000 759 535).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Coobaloo** means Coobaloo Minerals Pty Ltd.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Director Placement Shares** has the meaning as per Section 6.1 of this Notice.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Meeting** or **General Meeting** means the meeting convened by this Notice (as adjourned from time to time).

**Notice** or **Notice of General Meeting** means this notice of general meeting.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution contained in the Notice.

**Section** means a section contained in this Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Tranche 1 Placement** has the meaning as per Section 1 of this Notice.

**Tranche 2 Placement** has the meaning as per Section 1 of this Notice.

**Unrelated Investors** has the meaning as per Section 1 of this Notice.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

**VWAP** means volume weighted average market price as defined in Chapter 19 of the ASX Listing Rules.

## Schedule 1: Terms and conditions of Performance Rights

The key terms and conditions of the Performance Rights are set out below:

- (a) **(Performance Milestone Condition and Expiry Date):** The Performance Rights shall be subject to the following **Performance Milestone Condition** and shall have the following **Expiry Date**:

	<b>Number and Recipient</b>	<b>Performance Milestone Condition</b>	<b>Expiry Date</b>
<b>Performance Rights</b>	10,000,000 to Bernard Aylward (or his nominee)	The 20 day volume weighted average price of Shares traded on ASX is greater than \$0.025 per Share.	3 years from the date of issue

- (b) **(Notification to holder):** The Company shall notify the holder in writing when the relevant Performance Milestone Condition has been satisfied.
- (c) **(Conversion):** Subject to paragraph (q), upon satisfaction of the Performance Milestone Condition, each Performance Right will, at the election of the holder, convert into one Share.
- (d) **(Change of Control)** In the circumstance of a Change of Control occurring, the relevant Performance Milestone Condition is deemed to be automatically satisfied and each Performance Right will, at the election of the holder, convert into one Share.
- (e) **(Lapse of a Performance Rights):** Any Performance Right that has not been converted into a Share prior to the Expiry Date specified in paragraph (a) will automatically lapse.
- (f) **(Fraudulent or dishonest action):** If a holder ceases to be an employee or Director of the Company in circumstances where the cessation or termination is specifically referenced to the holder having been found to have acted fraudulently or dishonestly in the performance of his or her duties, then:
- (i) the Board must deem any Performance Rights of the holder to have immediately lapsed and be forfeited; and
  - (ii) any Performance Rights that have vested will continue in existence in accordance with their terms of issue only if the Performance Milestone Condition has previously been met, and any Shares issued on satisfaction of the applicable Performance Milestone Condition will remain the property of the holder.
- (g) **(Ceasing to be an employee or Director):** If a holder ceases to be an employee or Director of the Company in circumstances where the cessation or termination arises because the holder:
- (i) voluntarily resigns his or her position (other than to take up employment with a subsidiary of the Company);
  - (ii) wilfully breaches the terms of the engagement of the holder or any policy of the Company's published policies regulating the behaviour of holder;
  - (iii) is convicted of a criminal offence which, in the reasonable opinion of the Company, might tend to injure the reputation or the business of the Company; or
  - (iv) is found guilty of a breach of the Corporations Act and the Board considers that it brings the holder or the Company into disrepute,



then:

- (i) unless the Board decides otherwise in its absolute discretion, will deem any Performance Rights of the holder to have immediately lapsed and be forfeited; and
  - (ii) any Performance Rights that have vested will continue in existence in accordance with their terms of issue only if the Performance Milestone Condition has previously been met and any Shares issued on satisfaction of the Performance Milestone Condition will remain the property of the holder.
- (h) **(Other circumstances):** The Performance Rights will not lapse and be forfeited where the holder ceases to be an employee or Director of the Company for one of the following reasons:
- (i) death or total permanent disability (in respect of total permanent disability being that because of a sickness or injury, the holder is unable to work in his or her own or any occupation for which they are suited by training, education, or experience for a period beyond one year);
  - (ii) redundancy (being where the holder ceases to be an employee or Director due to the Company no longer requiring the holder's position to be performed by any person); or
  - (iii) any other reason, other than a reason listed in rules (f) and (g) (not including (g)(i), in which case the Board may exercise its absolute discretion to allow the resigned to retain their Performance Right), that the Board determines is reasonable to permit the holder to retain his or her Performance Rights,
- and in those circumstances the Performance Rights will continue to be subject to the Performance Milestone Condition.
- (i) **(Share ranking):** All Shares issued upon the conversion of Performance Rights on satisfaction of the applicable Performance Milestone Condition will upon issue rank pari passu in all respects with other Shares.
- (j) **(Application to ASX)** The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (k) **(Timing of issue of Shares on Conversion):** Within 10 Business Days after date that Performance Rights are converted, the Company will:
- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;
  - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If a notice delivered under (k)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in

accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (l) **(Transfer of Performance Rights):** The Performance Rights are not transferable.
- (m) **(Participation in new issues)** A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (n) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.
- (o) **(Adjustment for bonus issue)** If Shares are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Performance Rights to which each holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (p) **(Dividend and Voting Rights):** The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- (q) **(Deferral of conversion if resulting in a prohibited acquisition of Shares):** If the conversion of a Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
  - (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition;
  - (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (q)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (r) **(No rights to return of capital)** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (s) **(Rights on winding up)** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (t) **(Tax Deferral)** For the avoidance of doubt, Subdivision 83A-C of the Income Tax Assessment Act 1997, which enables tax deferral on performance rights, applies (subject to the conditions in that Act) to the Performance Rights.

- (u) **(No other rights)** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

## Schedule 2: Coobaloo Agreement

The Company entered in an agreement with Coobaloo Minerals Pty Ltd (**Coobaloo**) and Wavetime Nominees Pty Ltd (ACN 151 741 187) ATF The A & T Nixon Family Trust (87 232 685 643) (**Vendor**) on 26 June 2020 (**Coobaloo Agreement**) for the acquisition of Coobaloo. The material terms of the Coobaloo Agreement are as follows:

- (a) (**Option**): the Vendor granted the Company the sole and exclusive right and option, to acquire an initial 50% interest in Coobaloo (including the right title and interest in the tenements of the Koojan project (**Project**), subject to the Company:
  - (i) making a cash payment of \$50,000 to Coobaloo within 7 days of executing the Coobaloo Agreement (**Option Fee**);
  - (ii) by no later than 23 December 2020 make minimum expenditures of \$60,000 on the Project (**Initial Expenditure**).
- (b) (**Conditions Precedent**) The agreement is conditional upon satisfaction or waiver of:
  - (i) the Company obtaining all necessary shareholder (including for the purposes of Listing Rule 7.1) and regulatory approvals if required to complete the acquisition and issue all consideration;
  - (ii) the Company completing commercial, legal and technical due diligence investigations in respect of the Project to the satisfaction of the Company;
  - (iii) there being no material adverse change in the business, financial or trading position, or assets, liabilities or profitability or prospects of Coobaloo, or any event reasonably likely to result in such a material adverse change; and
  - (iv) there is no material breach, and there are no facts or circumstances that may reasonably be expected to lead to a material breach, of any warranties before Completion; and
  - (v) the parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law and all third party approvals, consents and necessary documentation required to lawfully complete the matters Acquisition.
- (c) (**Exercise of Option**): the Company may at any time after satisfaction of the Conditions Precedent, exercise the Option by delivering a notice to Coobaloo. If and when the Option is exercised, a 50% right, title and interest in the Project will vest in the Company.
- (d) (**Additional Expenditure Commitment**): the Company is entitled to a further 25% interest in Coobaloo and the Project by making additional expenditures of \$350,000 (inclusive of the Initial Expenditure) within 18 months of execution.
- (e) (**Consideration**): Subject to valid exercise of the Option and satisfaction of the Conditions Precedent, the Company will:
- (f) (**Consideration Shares**) issue 82,500,000 Shares to the Vendor (that will be subject to any ASX imposed restrictions)
- (g) (**Performance Milestone**): Subject to the Company delineating a JORC Indicated Resource (as defined in JORC 2012) of 50,000t of greater than 2.5% Ni Equivalent (Ni, Cu, Co) at the Project, make a milestone payment to the Vendor of \$600,000 (which may at the election of the Company be paid in either cash or Shares at a deemed issue price of the volume weighted average price (**VWAP**) of the Company's Shares over 14 consecutive trading days).
- (h) (**Free Carry**): in the event that the Company achieves the Additional Expenditure Commitment and acquires the additional 25%, the Company is required to free carry the

Vendor's remaining 25% interest through to a bank feasibility study (**Free Carried Period**).

- (i) (**Conversion of retained interest**) Following completion of the Free Carried Period, the Vendor will have a one-time right to elect to convert their retained interest to an additional 1% NSR. If the Vendor decides not to convert their retained interest to an NSR, they shall co-fund their portion of Project expenditure or dilute using the AMPLA standard dilution clause.
- (j) (**Royalty**) The parties will execute a NSR agreement on the exercise of the Option, pursuant to which the Company will grant to the Vendor a 1% NSR in respect of all precious, industrial minerals and base metals produced, sold and proceeds received from the Project. The Company has the first right of refusal to purchase the Royalty in the event that the Vendor seek to sell the rights.
- (k) (**Termination**) The Coobaloo Agreement will terminate if the Conditions Precedent are not satisfied or waived on or before the date of expiry of the option period (being six months of payment of the Option Fee).

The Coobaloo Agreement is otherwise contains terms and conditions standard for an agreement of its nature including warranties, indemnities, and confidentiality provisions.



LSA

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (WST) on Monday, 29 March 2021.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Lachlan Star Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Lachlan Star Limited to be held at the offices of Ascent Capital, 33 Ord Street, West Perth, WA 6005 on Wednesday, 31 March 2021 at 10:00 AM (WST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 9 (except where I/we have indicated a different voting intention in step 2) even though Item 9 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 9 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Ratification of Tranche 1 Placement – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Tranche 1 Placement – Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to Issue Shares – Tranche 2 Placement – Unrelated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue of Shares – Coobaloo Vendor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to Issue Shares – Liontown Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Participation of Gary Steinepreis in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Participation of Bernard Aylward in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Participation of Daniel Smith in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Issue of Performance Rights to Bernard Aylward	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address   
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

