

29 January 2021

\$3.5m Raised Through Heavily Supported Placement

Lachlan Star Limited (ASX:LSA **Lachlan Star** or **Company**) is pleased to announce it has received binding commitments to raise \$3.5 million (before costs) through a two-tranche placement of 205,882,342 new shares at an issue price of \$0.017 per share (**Placement**). The Placement was well supported.

The Placement price of \$0.017 represents a 26.1% discount to the last closing price on 25 January 2021 of \$0.023 and a 24% discount to the 15-day VWAP of \$0.022. Tranche 1 of the Placement will consist of 143,466,406 shares issued under the Company's existing Listing Rule 7.1 and 7.1A capacity (**Tranche 1**) with the remaining 62,415,936 shares to be issued subject to shareholder approval at a General Meeting to be convened on or about 5 March, 2021 (**Tranche 2**). The Placement shares rank equally with the Company's existing fully paid ordinary shares.

The net proceeds of the Placement will be utilised towards ongoing exploration activities at the Koojan Cu-Ni-PGE project, due diligence and exploration at the recently announced acquisition of the Killaloe gold project and for general working capital.

Bell Potter Securities Limited and Shaw and Partners acted as Joint Lead Managers to the Placement. The Company and the Lead Managers are pleased to have secured commitments, from new sophisticated and institutional investors as well as clients of the Joint Lead Managers, to participate in the Placement. As far as the Company is aware, no securities were issued or agreed to be issued in the Placement to any related party of the Company.

Subject to shareholder approval, the directors of the Company (or their nominees) will apply for up to \$200,000 worth of shares on the same terms as the Placement.

An Appendix 3B for the proposed issue of the Placement shares will follow. This announcement effectively lifts the trading halt which the Company requested on Wednesday, 27 January 2021.

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

Dan Smith
Company Secretary
Lachlan Star Limited