

3 August 2023

## Lachlan Star to Acquire Highly Prospective NSW Copper-Gold Portfolio from DevEx Resources

*Transformational acquisition will see Lachlan Star secure a highly strategic ground position in the world-class Lachlan Fold Belt with multiple advanced exploration targets and significant exploration upside*

- Lachlan Star Limited (ASX: LSA) enters into a share sale agreement to acquire 100% of the extensive NSW copper-gold exploration portfolio owned by DevEx Resources Limited (ASX: DEV, DevEx).
- DevEx, chaired by Tim Goyder, is a strongly-credentialed Australian exploration company with a diversified portfolio. The Company has built up an enviable portfolio of 100% owned tenements within the Lachlan Fold Belt in NSW, many of which are adjacent to major company explorers.
- DevEx has decided to divest the NSW copper-gold portfolio to focus on its uranium and rare earth assets in the NT and Queensland, where it has active drilling programs underway.
- In consideration for the acquisition, LSA will issue 756,727,200 fully-paid LSA shares to DevEx at a deemed issue price of \$0.01 (on a pre-consolidation basis), with a value of \$7.5 million. LSA will also grant a 2% Net Smelter Royalty on any future production from the tenements.
- LSA will also undertake a 1 for 10 consolidation of capital (subject to shareholder approval).
- Following completion under the share sale agreement, DevEx will hold 36.46% of Lachlan Star and will appoint two directors to the LSA Board.
- The transaction creates an opportunity for LSA to explore the numerous advanced exploration targets and multiple outstanding opportunities for the discovery of significant gold and copper-gold mineralisation.
- LSA intends to commence exploration activities in NSW in the December quarter to advance the projects.

Lachlan Star Limited (ASX: LSA; **LSA** or **Company**) is pleased to announce that it has entered into an agreement with DevEx Resources Limited (ASX: DEV; **DevEx**) to acquire a substantial and highly prospective portfolio of copper-gold exploration tenements in the world-class Lachlan Fold Belt of NSW from DevEx.

The Company has entered into a share sale agreement (**Agreement**) with DevEx for the conditional acquisition of TRK Resources Pty Ltd, a wholly owned subsidiary of DevEx which holds

the NSW exploration tenements, for a consideration of \$7.5 million in LSA shares plus a 2% Net Smelter Royalty.

The Agreement covers 11 granted tenements which comprise the Junee, North Cobar and Basin Creek Projects, with a combined area of 1,956km<sup>2</sup> (**Tenements**). DevEx has established this enviable portfolio of 100%-owned tenements over the past four years, with many of the projects located adjacent to major company explorers (refer Figures 1 and 2).

The Tenement portfolio includes numerous advanced exploration targets and multiple outstanding opportunities for the discovery of significant gold and copper-gold mineralisation, similar to those seen elsewhere in the district.

The acquisition of the NSW copper-gold portfolio from DevEx represents a substantial and complementary addition to LSA's existing portfolio, including its Koojan Cu-Ni-PGE (LSA 52.5%: Minerals 260 Limited (**MI6**) currently 30% and with the ability to earn up to 51%) in the New Norcia Region of WA, the Killaloe gold and nickel project near Norseman in WA and the Princhester Magnesite Project located in Queensland.

### Agreement Terms

The consideration under the Agreement is comprised as follows:

1. Within 5 business days following the satisfaction of the conditions to completion, the issue of:
  - (a) 756,727,200 ordinary shares in LSA at a deemed issue price of \$0.01 (on a pre-consolidation basis); or
  - (b) 75,672,720 ordinary shares in LSA at a deemed issue price of \$0.10 (on a post consolidation basis),
 for consideration of \$7.5 million; and
2. A 2% Net Smelter Royalty from any mineral production within the Tenements.

Following completion, DevEx will hold 36.46% of the ordinary share capital of LSA and will appoint two directors to the LSA board.

The transaction is subject to LSA shareholder approval at a meeting expected to be held around late September, which will also include a resolution for the 1 for 10 consolidation of capital. The notice of general meeting will include an independent expert's report opining on whether the transaction is fair and reasonable to existing shareholders.

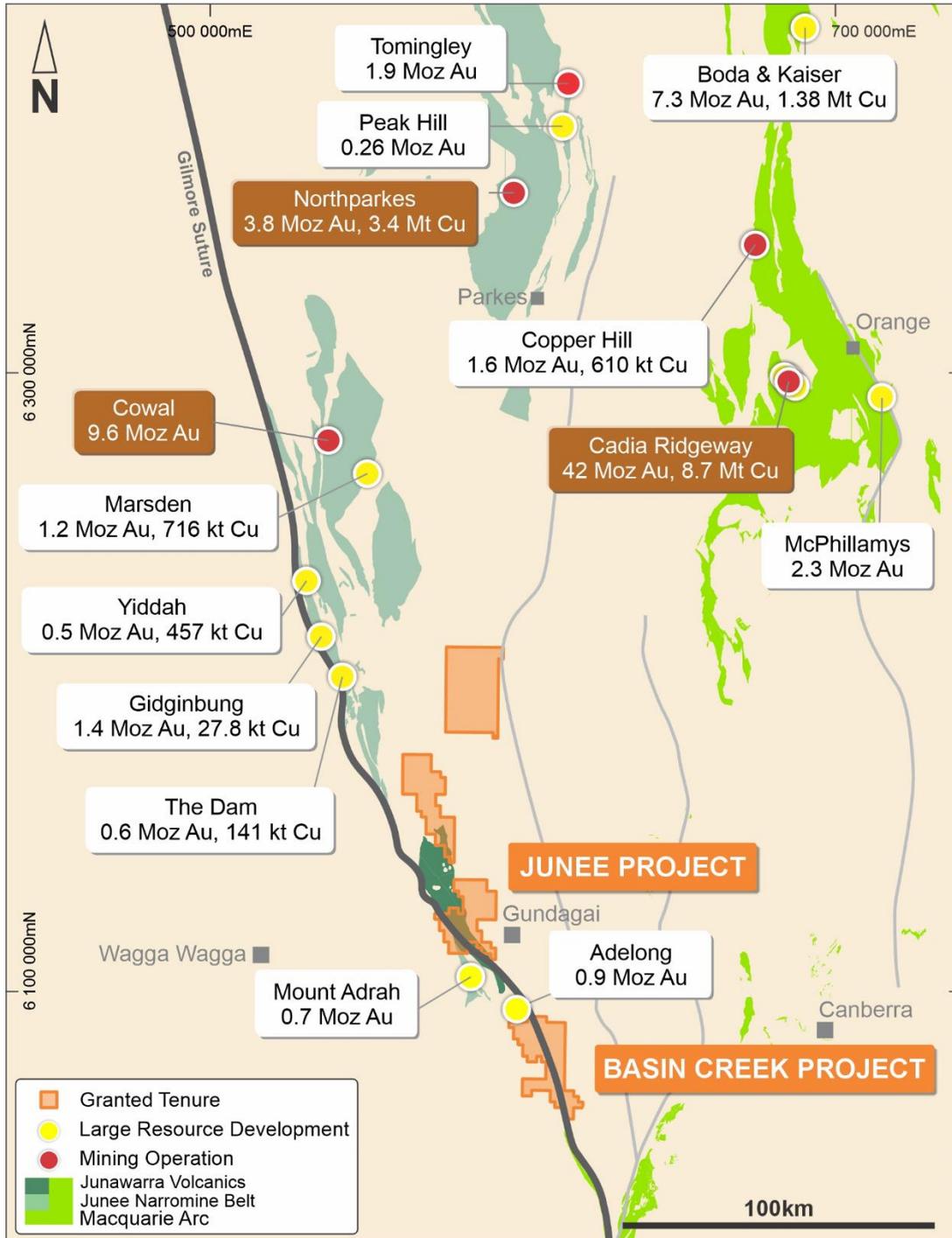
The Agreement contains additional conditions precedent, warranties and indemnities that are typical for an agreement of this nature.

ASX has confirmed that the transaction does not require re-compliance with Chapters 1 and 2 of the Listing Rules.

### About the NSW Assets

Over the past four years DevEx has built up a significant portfolio of 100%-owned tenements within the Lachlan Fold Belt, many of which lie adjacent to major company explorers.

These projects represent great exploration opportunities for the discovery of significant gold and copper-gold mineralisation.



**Figure 1** – Location of the Junee and Basin Creek Projects within the Lachlan Fold Belt

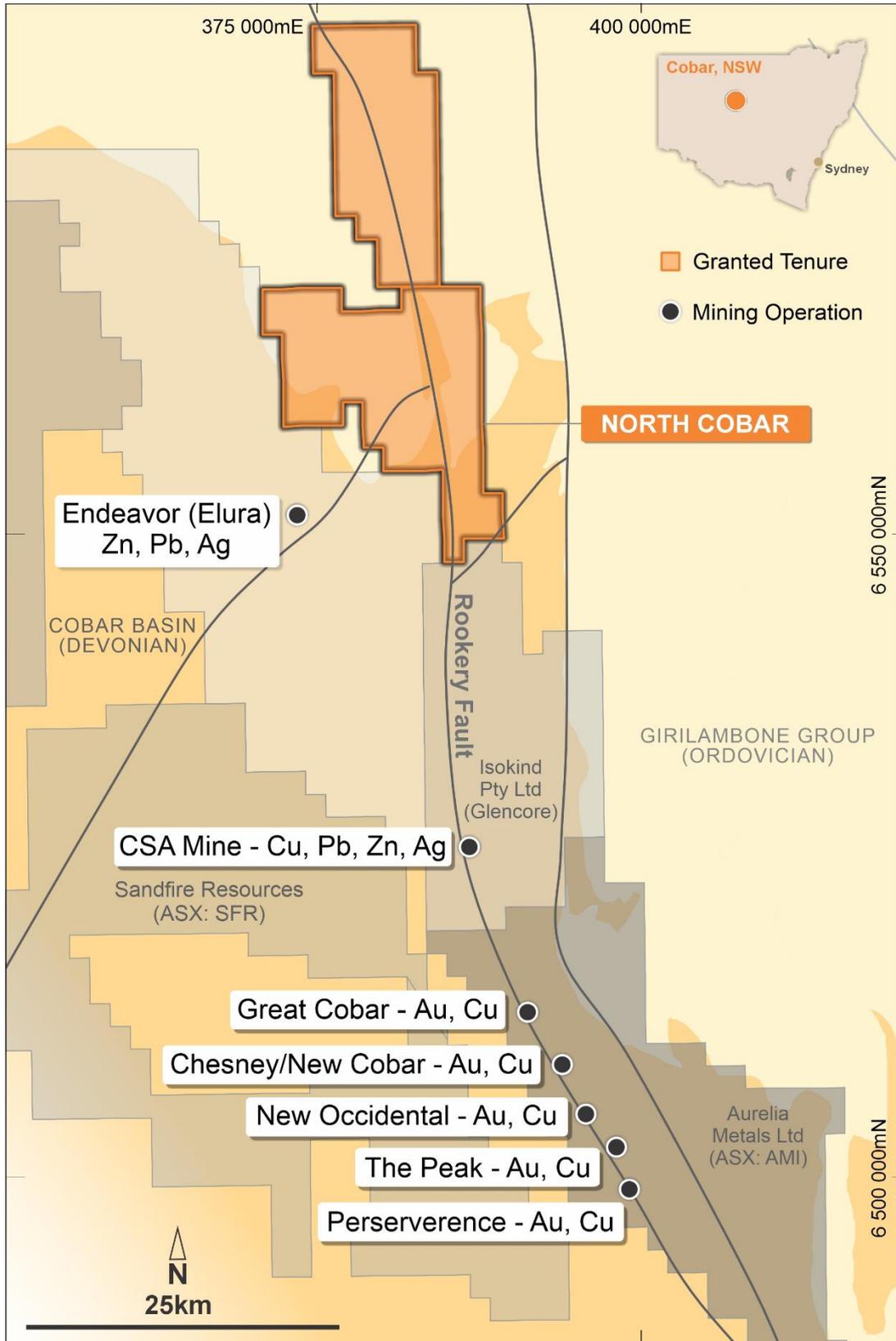


Figure 2 – Central Cobar Mining District

The **Junee Project-Basin Creek Projects** lie on the southern extension of the Macquarie Arc of NSW – Australia’s largest porphyry copper-gold terrane. Age dating and chemistry from the area undertaken by the Geological Survey of New South Wales (GSNSW) identified monzonitic intrusions, such as the copper-gold bearing Cooba monzonite, which are high-potassium in nature and the same age as the copper-gold mineralised intrusions at the major Cadia-Ridgeway and Northparkes mining operations to the north.

Early signs of several copper-gold systems have been encountered in both historical and recent drilling.

In the Cobar Region of NSW, DevEx’s **North Cobar Project** lies on the northern extension to the Rookery and Endeavor Fault systems, a metalliferous fault network which hosts several significant gold-base metal mines in the Cobar Region. A series of drill ready *Cobar-type* magnetic and gravity targets have been recognised inside the project area.

### **Management Comment**

Commenting on the transaction, LSA Chairman, Gary Steinepreis, said:

*“We are delighted to have reached agreement with DevEx to acquire this extensive and highly strategic NSW portfolio as part of a scrip-based transaction that will see DevEx emerge as our major shareholder, post-completion.*

*DevEx has been a first mover in several of Australia’s premier exploration terranes. The NSW portfolio includes the Junee Project located in Australia’s copper-gold porphyry heartland and the North Cobar Project, located along strike from the world-class Cobar mining centre.*

*The NSW projects have delivered exciting early-stage results with a significant amount of drilling already completed. We believe these assets have outstanding potential to yield a world-class discovery and we are looking forward to getting on the ground later this year to start testing the targets identified through our due diligence process.”*

This announcement has been authorised for release by the Board.

### **For further information, please contact:**

Gary Steinepreis, Chairman  
Dan Smith, Director  
Lachlan Star Limited  
Telephone +61 8 9226 1524

### **FORWARD LOOKING STATEMENT**

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.