
LACHLAN STAR LIMITED

ACN 000 759 535

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00am WST

DATE: 10 October 2023

PLACE: Ascent Capital
Level 1, 33 Ord Street, West Perth WA 6005

The business of the Meeting affects your shareholding and your vote is important.

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.

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 10.00am on 8 October 2023.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

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

"That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every 10 Shares be consolidated into 1 Share;*
- (b) every 10 Options be consolidated into 1 Option; and*
- (c) every 10 Performance Rights be consolidated into 1 Performance Right,*

and, where this Consolidation results in a fraction of a Security being held, the Company be authorised to round that fraction down to the nearest whole number."

2. RESOLUTION 2 – APPROVAL OF TRK RESOURCES ACQUISITION AND ISSUE OF NEW SHARES TO DEVEX RESOURCES LIMITED

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

*"That, for the purposes of section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for the Company to acquire TRK Resources Pty Ltd and to issue up to 756,727,200 Shares (pre-Consolidation basis) or 75,672,720 Shares (post Consolidation basis) (**New Shares**) to DevEx Resources Limited (or its nominee) (**DevEx**) in consideration for the acquisition on the terms and conditions set out in the Explanatory Statement, which will result in DevEx's voting power increasing from 0% to 36.46% in the capital of the Company."*

A voting exclusion statement applies to this Resolution. Please see below.

Expert's Report:

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 Item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company.

The opinion of the Independent Expert is that the issue of the New Shares and the resulting increase voting power of DevEx in the Company is fair and reasonable to the non-associated Shareholders.

Dated: 8 September 2023

By order of the Board

A handwritten signature in black ink, appearing to read 'Daniel Smith', written in a cursive style.

**Daniel Smith
Non-executive Director**

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 2 – Approval of issue to securities to DevEx Resources Limited

No votes may be cast in favour of this Resolution by:

- (a) the person proposing to make the acquisition and their associates; or
- (b) the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by DevEx Resources Limited (if applicable) and any of its associates.

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 by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9226 1524.

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

1.1 Background

Resolution 1 seeks Shareholder approval to consolidate the Company's issued capital on the basis that:

- (a) every 10 Shares be consolidated into 1 Share (subject to rounding);
- (b) every 10 Options be consolidated into 1 Option (subject to rounding); and
- (c) Every 10 Performance Rights be consolidated into 1 Performance Right (subject to rounding).

1.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

1.2 Fractional entitlements

Not all security holders will hold that number of Securities which can be evenly divided by 10. Fractional entitlements will be rounded down to the nearest whole number.

1.3 Taxation

It is not considered that any taxation implications will exist for security holders arising from the Consolidation. However, security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

1.4 Holding statements

From the date two Business Days after the Effective Date (as set out in the timetable in Section 1.6 below), all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

1.5 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

	Shares	Unquoted Options ^{1, 2}	Unquoted Performance Rights ²
Pre-Consolidation	1,319,012,709	17,000,000	10,000,000
Post Consolidation (Resolution 1) ²	131,901,271	1,700,000	1,000,000
Completion of all Resolutions³	207,573,991	1,700,000	1,000,000

Notes:

1. The terms of these Options are set out in the table below.
2. Assumes no Options are exercised or Performance Rights vest.
3. Subject to rounding.

The effect the Consolidation will have on the terms of the Options is as set out in the tables below:

Options – pre-Consolidation

Terms	Number
Options exercisable at \$0.022 by 23 November 2023	17,000,000
Total	17,000,000

Options – post-Consolidation

Terms	Number
Options exercisable at \$0.22 by 23 November 2023	1,700,000
Total	1,700,000

1.6 Indicative timetable*

If Resolution 1 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the Listing Rules):

Action	Date
Company announces Consolidation.	3 August 2023
Company sends out the Notice of Meeting	8 September 2023
Shareholders pass Resolution 1 to approve the Consolidation.	10 October 2023
Company announces Effective Date of Consolidation.	10 October 2023
Effective Date of Consolidation	10 October 2023
Last day for pre-Consolidation trading.	11 October 2023
Post-Consolidation trading commences on a deferred settlement basis.	12 October 2023
Record Date.	13 October 2023
Last day for the Company to register transfers on a pre-Consolidation basis.	13 October 2023
First day for the Company to update its register and send holding statements to security holders reflecting the change in the number of Securities they hold.	16 October 2023
Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of Securities they hold and to notify ASX that this has occurred.	20 October 2023

2. RESOLUTION 2 - APPROVAL OF TRK RESOURCES ACQUISITION AND ISSUE OF NEW SHARES TO DEVEX RESOURCES LIMITED

2.1 Background to the Acquisition and Share Issue

Lachlan Star Limited (ACN 000 759 535) (**LSA** or the **Company**) is an Australian minerals exploration company that currently holds two Western Australian Projects being the Koojan Cu-Ni-PGE (LSA 52.5%: Minerals 260 Limited (**MI6**) currently 30% (with the ability to earn up to 51%) and Wavetime Nominees Pty Ltd 17.5%) and the Killaloe Precious and Base Metal Project. The Company also holds two mining leases (currently subject to renewal) located in Queensland, which comprise the Pinchester Magnesite Project.

On 3 August 2023, the Company announced that it had entered into a share sale agreement (**Share Sale Agreement**) with DevEx Resources Limited (ACN 009 799 553) (**DevEx**) and DevEx's wholly owned subsidiary TRK Resources Pty Ltd (ACN 116 543 081) (**TRK Resources**), whereby the Company agreed to acquire all of the shares in TRK Resources.

TRK Resources holds the legal interest in 11 exploration licences in New South Wales comprising the Basin Creek Project, North Cobar Project and June Project.

Completion under the Share Sale Agreement is conditional on (among other things), LSA obtaining all necessary regulatory and Shareholder approvals to give effect to the transaction contemplated, including the Company obtaining Shareholder approval pursuant to Item 7 of section 611 of the Corporations Act for the issue of 75,672,720 Shares at a deemed issue price of \$0.10 (on a post Consolidation basis) or 756,727,200 Shares at a deemed issue price of \$0.01 (on a pre Consolidation basis) to DevEx (or its Nominee/s) (**New Shares**) in consideration for the acquisition of all of the shares in TRK Resources.

Following completion under the Share Sale Agreement, DevEx will appoint two directors to the Company's board.

A summary of the material terms of the Share Sale Agreement is set out in Schedule 1.

Importantly for Shareholders, the Company has engaged BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045) (**BDO**) as an independent expert to opine on the fairness and reasonableness of the issue of Shares to DevEx. BDO have opined that the issue of the Shares as described above is fair and reasonable to the Shareholders of the Company. Shareholders are encouraged to read the Independent Expert's Report enclosed with this Notice of Meeting to understand the reasons behind this opinion.

2.2 General

The Corporations Act includes provisions intended to prevent persons acquiring a voting power in a company above 20% without satisfying certain criteria outlined in the Corporations Act. Section 2.3 below summarises the relevant provisions of the Corporations Act and outlines the exception that permits a person to acquire a voting power greater than 20%.

Resolution 2 seeks Shareholder approval for the purpose of Item 7 of section 611 of the Corporations Act to allow the Company to complete the acquisition of TRK Resources and to issue the New Shares to DevEx (or its Nominee) under the terms of the Share Sale Agreement. The issue of the New Shares to DevEx (or its Nominee) will result in DevEx's voting power in the Company increasing from 0% at the date of this Notice up to 36.46% (assuming no Existing Options are exercised, or Performance Rights converted).

Pursuant to ASX Listing Rule 7.2 (Exception 8), Listing Rule 7.1 does not apply to an issue of securities approved for the purpose of Item 7 of section 611 of the Corporations Act. Accordingly, if Shareholders approve the issue of securities pursuant to Resolution 2, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and the additional 10% annual capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

2.3 Item 7 of Section 611 of the Corporations Act

(a) Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%.

(Prohibition).

(b) **Voting Power**

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) **Associates**

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

- (a) pursuant to section 12(2) of the Corporations Act the first person is a body corporate and the second person is:
 - (i) a body corporate the first person controls;
 - (ii) a body corporate that controls the first person; or
 - (iii) a body corporate that is controlled by an entity that controls the person;
- (b) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's Board or the conduct of the company's affairs; or
- (c) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the Board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

(d) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (i) are the holder of the securities;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (iv) a body corporate in which the person's voting power is above 20%; or
- (v) a body corporate that the person controls.

(e) **Control**

The Corporations Act defines "control" and "relevant agreement" very broadly as follows:

- (i) Under section 50AA of the Corporations Act control means the capacity to determine the outcome of decisions about the financial and operating policies of the Company.
- (ii) Under section 9 of the Corporations Act, a relevant agreement includes an agreement, arrangement or understanding whether written or oral, formal or informal and whether or not having legal or equitable force.

(f) **Background on DevEx**

- (i) DevEx is an Australian exploration company with mining projects in Western Australia, the Northern Territory, Queensland and New South Wales.
- (ii) DevEx does not currently have any shareholding in the Company and does not presently have any associates who hold any Shares in the Company. Its only interest in the Company presently is that which it may acquire through the issue of the New Shares.
- (iii) Notwithstanding 2.3(f)(ii) above, the Company advises that Mr Tim Goyder, Chairman and Non-Executive Director of DevEx, holds a 16.69% interest in DevEx. Mr Goyder also indirectly holds 5,000,000 Shares in the Company, through Lotaka Pty Ltd, an entity which Mr Goyder is the sole shareholder and sole director.
- (iv) No associates of DevEx currently have or will have a relevant interest in the Company, and there is no proposal to issue any Shares or other securities to any associate of DevEx under the proposal set out in this Notice of Meeting.

(g) **Agreements in relation to shares**

Section 608(8) of the Corporations Act states that if at a particular time all the following conditions are satisfied:

- (i) a person has a relevant interest in issued securities;
- (ii) the person (whether before or after acquiring the relevant interest);
 - (A) has entered or enters into an agreement with another person with respect to the securities; or
 - (B) has given or gives another person an enforceable right, or has been or is given an enforceable right by another person, in relation to the securities (whether the right is

enforceable presently or in the future and whether or not on the fulfilment of a condition); or

(C) has granted or grants an option to, or has been or is granted an option by, another person with respect to the securities;

(iii) the other person would have a relevant interest in the securities if the agreement were performed, the right enforced or the option exercised,

(iv) the other person is taken to already have a relevant interest in the securities.

(h) **Effect of section 608(8) on the issue of shares**

The effect of section 608(8) on the proposed Issue is as follows:

(i) DevEx will acquire a relevant interest in the New Shares when Shareholder approval to Resolution 2 is granted;

Note: Although the Share Sale Agreement was executed before Shareholder approval was granted, the acquisition of the relevant interest will not occur until Shareholder approval has been given, and in the case of the New Shares the subject of Resolution 2, until those Shares are issued to DevEx.

2.4 Reason Section 611 Approval is Required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Following the issue of the New Shares, DevEx will have a relevant interest in 756,727,200 Shares (on a pre-Consolidation basis) or 75,672,720 Shares (on a post Consolidation basis) in the Company, representing 36.46% voting power in the Company. This assumes that no other Shares are issued, Existing Options are exercised, or Performance Rights are converted.

Accordingly, Resolution 2 seeks Shareholder approval for the purpose of section 611 Item 7 and all other purposes to enable the Company to issue the New Shares to DevEx.

2.5 Specific Information required by section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by BDO which accompanies this Notice of Meeting.

(a) **Identity of the Acquirer and its Associates**

It is proposed that DevEx will be issued the New Shares and in accordance with the terms of the Share Sale Agreement as set out in Schedule 1.

No associates of DevEx currently have or will have a relevant interest in the Company.

(b) **Relevant Interest and Voting Power**

(i) **Relevant Interest**

The relevant interests of DevEx in voting shares in the capital of the Company (both curr and following the issue of the New Shares to DevEx) as contemplated by this Notice are set out in the table below:

Party	Capacity	Relevant interest at the date of this Notice of Meeting	Relevant Interest after the issue of the New Shares
DevEx	Direct holder of Shares	0%	36.46%

DevEx does not have any contract, arrangement or understanding relating to the controlling or influencing of the composition of the Company's Board or the conduct of the Company's affairs.

The Share Sale Agreement and the Royalty Deed are the only relevant agreements between the Company and DevEx in relation to the Company and this does not affect or relate to the control or influence of the Company's Board or the Company's affairs, except to the extent that the Share Sale Agreement permits, noting that provision is made in the Share Sale Agreement for the appointment of two directors nominated by DevEx to the Company's Board of Directors.

(ii) **Voting Power**

The voting power of DevEx (both current, and following the issue of the New Securities to DevEx as contemplated by this Notice) is set out in the table below:

Party	Voting Power as at the date of this Notice of Meeting	Voting Power after Shareholder approval of Resolution 2	Voting Power after the issue of the New Shares
DevEx	0%	0%	36.46%

Further details on the voting power of DevEx are set out in the Independent Expert's Report prepared by BDO.

(iii) **Summary of increases**

From the table above it can be seen that the maximum relevant interest that DevEx will hold after completion of the issue of the New Shares, and the maximum voting power that DevEx will hold is 36.46%. This represents a maximum increase in voting power of 36.46%.

(iv) **Assumptions**

Note that the following assumptions have been made in calculating the above:

- (A) the Company has 1,319,012,709 Shares on issue (on a pre-Consolidation basis) as at the date of this Notice of Meeting;
- (B) the Company does not issue any additional Shares; and
- (C) no Existing Options are exercised or Performance Rights are converted.

(a) **Reasons for the proposed issue of securities**

As set out in section 2.1 of this Explanatory Statement, the reason for the issue of the issue of Shares to DevEx is to satisfy its consideration obligations under the Share Sale Agreement so that it can wholly acquire TRK Resources (being the holder of 11 exploration licences in New South Wales).

(b) **Date of proposed issue of securities**

The New Shares the subject of Resolution 2 will be issued on a date after the Meeting which is five Business Days following the satisfaction or waiver of the conditions precedent to the Share Sale Agreement.

(c) **Material terms of proposed issue of securities**

As set out in Section 2.1 of this Explanatory Statement, the purpose of the issue of the Shares to DevEx is to comply with the Company's consideration obligations under the Share Sale Agreement. The Company is proposing to issue 756,727,200 Shares at a deemed issue price of \$0.01 (on a pre-Consolidation basis) or 75,672,720 Shares at a deemed issue price of \$0.10 per Shares (on a post Consolidation basis) to DevEx.

(d) **DevEx's Intentions**

DevEx does not presently have any representatives on the Company's Board. However, under the Share Sale Agreement, DevEx will nominate two directors to be appointed to the Company's Board at Completion. Other than as noted above or as disclosed elsewhere in this Explanatory Statement, the Company understands that DevEx:

- (i) has no present intention of making any significant changes to the business of the Company;
- (ii) has no present intention to inject further capital into the Company;
- (iii) has no present intention of making changes regarding the future employment of the present employees of the Company;
- (iv) does not intend to redeploy any fixed assets of the Company;
- (v) does not intend to transfer any property between the Company and DevEx or any of DevEx Associates;

- (vi) has no intention to change the Company's existing policies in relation to financial matters or dividends; and
- (vii) intends to appoint 2 directors to the Board.

These intentions are based on information concerning the Company, its business and the business environment which is known to DevEx at the date of this document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(a) **Interests and Recommendations of Directors**

None of the current Board members have a material personal interest in the outcome of Resolution 2.

All of the Directors are of the opinion that the acquisition of TRK Resources and the issue of the New Shares to DevEx is in the best interests of Shareholders, accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 2. The Director's recommendations are based on the reasons outlined in section 2.6 below.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 2.

(b) **Capital Structure**

The Company currently has 3,570 Shareholders at the date of this Notice of Meeting.

The Company has the following substantial Shareholders, holding more than 5% of the Company's Shares:

Shareholder	No. of Shares	%
Gary Steinepreis ¹	116,382,352	8.82%

Notes:

1. Comprising:
 - (a) 48,882,352 Shares in the capital of the Company held by Oakhurst Enterprises Pty Ltd, an entity which Gary Steinepreis has an interest;
 - (b) 42,500,000 Shares in the capital of the Company held LeisureWest Consulting Pty Ltd, an entity which Gary Steinepreis has an interest;
 - (c) 10,000,000 Shares in the capital of the Company directly held by Gary Steinepreis;
 - (d) 10,000,000 Shares in the capital of the Company directly held by Jacqueline Steinepreis, the spouse of Gary Steinepreis; and

(e) 5,000,000 Shares in the capital of the Company held by GC & JM Steinepreis <Gypsy Super Fund A/C>, a trust which Gary Steinepreis has an interest.

Below is a table showing the Company's current capital structure and the possible capital structure on completion of the issue of the New Shares.

	Shares	Unquoted Options	Unquoted Performance Rights
Balance at the date of this Notice	1,319,012,709	17,000,000 ¹	10,000,000
Balance on issue if Resolution 1 approved by Shareholders	131,901,271	1,700,000	1,000,000
Shares to be issued under Resolution 2 (assuming Resolution 1 is approved by Shareholders)	75,672,720	Nil	Nil
Total (on a post consolidation basis)	207,573,991	1,700,000	1,000,000

Notes:

1. Exercisable at \$0.022 each on or before 27 November 2023.

Assumptions:

- no additional Shares are issued by the Company;
- none of the Existing Options expire, or are converted, prior to the issue of the New Shares under Resolution 2; and
- None of the Performance Rights are converted, prior to the issue of the New Shares under Resolution 2

2.6 Advantages of the Issue – Resolution 2

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 2:

- the Issue of Shares to DevEx will enable the Company to acquire DevEx's wholly owned subsidiary TRK Resources, the holder of granted mining tenure in New South Wales;
- DevEx will add value to the Company's strategic goals and the Company will leverage off DevEx who will assist the Company through the appointment of two directors to the LSA Board and support with the core objective to increase Shareholder value;
- the issue of Shares to DevEx will complete the Company's obligations under the Share Sale Agreement and will not require renegotiation of its terms; and
- BDO has concluded that the Issue of the New Shares is fair and reasonable to the non-associated shareholders.

2.7 Disadvantages of the Issue – Resolution 2

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 2:

- (a) the Issue of the Shares to DevEx will increase the voting power of DevEx from 0% to 36.46%, reducing the voting power of non-associated Shareholders in aggregate by the same amount; and
- (b) there is no guarantee that the Company's Shares will not fall in value as a result of the Issue of the New Shares to DevEx.

2.8 Independent Expert's Report – Resolution 2

The Independent Expert's Report prepared by BDO (a copy of which is attached as Annexure A to this Explanatory Statement) assesses whether the transactions contemplated by Resolution 2 are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transaction contemplated by Resolution 2 is fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert notes that the advantages of the proposal raised in Resolution 2 to the Company and existing Shareholders are as follows:

- (a) The proposed transaction is fair for shareholders;
- (b) There is no cash element as part of the consideration;
- (c) Diversification of projects and geographies; and
- (d) Presence of a strategic investor on the Company's shareholder registry.

The disadvantages noted by the Independent Expert are as follows:

- (a) Dilution of existing Shareholders' interest and reduced level of control over the Company;
- (b) future takeover bids may be deferred; and
- (c) substantial number of shares may be sold on the open market.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

2.9 ASX Listing Rule 7.1

Approval under ASX Listing Rule 7.1 is not required for the issue of New Shares as approval is being obtained for the purposes of Item 7 of section 611 of the Corporations Act, which is an exception to ASX Listing Rule 7.1 Accordingly, the issue of the New Shares to DevEx will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

2.10 Pro forma balance sheet

A pro forma balance sheet of the Company and TRK Resources can be found in the Experts Report at sections 10.1.2 and 6.3 respectively.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Lachlan Star Limited (ACN 00759 535).

Completion means completion under the Share Sale Agreement.

Consolidation means the consolidation of the Company's securities on a 10 for 1 basis, approval of which is sought pursuant to Resolution 1.

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

Directors means the current directors of the Company.

Effective Date means the date on which the Company announces the Consolidation of the Company's capital in accordance with the indicative timetable in section 1.6.

Existing Option means an Option which has been issued by the Company prior to the date of this Notice of Meeting.

Explanatory Statement means the explanatory statement accompanying the Notice.

Independent Expert Report means the Independent Experts Report prepared by BDO which is attached to this Notice as Annexure A.

Issue means the proposed issue of New Securities to DevEx as outlined in section 2.1 of the Explanatory Statement.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

New Share means a Share being issued by the Company pursuant to the Issue outlined in section 2.1 of the Explanatory Statement.

Notice means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Performance Right means a right to acquire a Share, subject to the satisfaction of any vesting conditions.

Prohibition is defined in clause 2.3(a) of the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Royalty Deed means the royalty deed between TRK Resources and DevEx dated 3 August 2023.

Section means a section of the Explanatory Statement.

Securities includes a Share, a right to a Share or Option, an Option, a convertibly security, and any security that ASX decides to classify as a Security.

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

Shareholder means a registered holder of a Share.

Share Sale Agreement is defined in section 2.1 of the Explanatory Statement.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SUMMARY OF THE SHARE SALE AGREEMENT

Agreement	Share Sale Agreement dated 3 August 2023
Parties	DevEx Resources Ltd (Seller), TRK Resources Pty Ltd (TRK) and Lachlan Star Limited (Buyer)
Tenements held by TRK	EL8939, EL9013, EL9049, EL9461, EL9051, EL9520, EL8622, EL8767, EL8835, EL8851, EL9448
Consideration	<p>In consideration for the acquisition of all of the Shares in TRK, the Buyer has agreed to issue the Seller (or its nominee):</p> <p>(a) 75,672,720 Buyer Shares at a deemed issue price of \$0.10 per Buyer Share on a post consolidation basis; or</p> <p>(b) 756,727,200 Buyer Shares at a deemed issue price of \$0.01 per Buyer Share on a pre- consolidation basis.</p>
Royalty	TRK has agreed to grant to the Seller, a 2% net smelter royalty to be paid in accordance with and subject to the terms and conditions in the royalty agreement.
Conditions	<p>The Buyer and the Seller are only obliged to complete the sale if the following conditions are satisfied or waived by the party/parties as being entitled to the benefit of that condition under the SSA:</p> <p>(a) (Good Standing of Tenements) - All Tenements held by TRK being in Good Standing.</p> <p>(b) (Shareholder approval) – The Buyer receiving approval from its shareholders pursuant to section 611 item 7 of the Corporations Act, to the issue of the LSA Shares.</p> <p>(c) (Regulatory Approval) - The Parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or any other law to allow the Parties to lawfully complete the matters set out in this Agreement.</p> <p>(d) (ASX Confirmation) – The Buyer receiving confirmation from ASX that it will not apply ASX Listing Rule 11.1.3 in respect of the matters set out in this Agreement, and ASX not changing that confirmation.</p> <p>(e) (Third Party Approvals) - The Parties obtaining all third-party approvals and consents, including the consent of the Minister responsible for the Mining Act (if required), necessary to lawfully complete the matters set out in this Agreement.</p> <p>(f) (Deeds of Assignment and Assumption) – The Seller, the Buyer and, if necessary, under the Third-Party Agreements, the relevant third party, executing a deed of assignment and assumption in relation to each Third Party Agreement,</p> <p>(g) (Royalty Agreement): The execution by the Seller and TRK (or its nominee) of the Royalty Agreement.</p>
Sale and Purchase	<p>Subject to clause 2(a) with effect from Completion, the Seller agrees to sell, and the Buyer agrees to buy the Sale Shares, together with all rights accruing, or attaching to the Sale Shares, free from any Encumbrances, in consideration for the payment of the Consideration to the Seller, and otherwise on and subject to the terms of this Agreement. At Completion, TRK will be sold on a cash free debt free basis (with the exception of the Security Deposit, which will continue to be held by the Department), and otherwise on and subject to the terms of this Agreement.</p> <p>The 'Security Deposit' means \$129,000 deposited on behalf of TRK with the NSW Department of Planning and Environment – resources & Energy and held as security against TRK's obligations in respect of the Tenements</p>

Completion	<p>Completion to take place on the Completion Date.</p> <p>The 'Completion Date' means that date which is 5 Business days following the satisfaction or waiver of the Conditions, or such other date as agreed in writing by the parties.</p>
Board Representation	<p>Subject to Completion and the Seller holding a Relevant Interest in Buyer Shares, the Seller will nominate:</p> <p>(a) Two directors to the LSA Board including any person to replace those directors from time to time if the specified interest represents not less than 20% of the Buyer Shares on issue; or</p> <p>(b) One director to the LSA Board including any person to replace that director from time to time if the Specified Interest represents not less than 10% (but less than 20%) of the Buyer Shares on issue.</p>
Tenement Outgoings	<p>In the event that any payments are payable by TRK in relation to the Tenements for the current Tenement Year, it is acknowledged and agreed that the Seller pays all the proportion of that payment attributable up to and including the period prior to Completion and the Buyer pays the proportion attributable after Completion.</p>
Dispute Resolution	<p>The Agreement is subject to dispute resolution processes and where permitted, a dispute may be determined by an expert.</p>

ANNEXURE A – INDEPENDENT EXPERT’S REPORT



Need assistance?



Phone:

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



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Sunday, 8 October 2023.**

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/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at 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: 182963

For Intermediary Online subscribers (custodians) go to 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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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.

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 Ascent Capital, Level 1, 33 Ord Street, West Perth, WA 6005 on Tuesday, 10 October 2023 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

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
Resolution 1 Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval of TRK Resources Acquisition and Issue of New Shares to DevEx Resources Limited	<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

