

30 October 2023

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

Lachlan Star Limited (**Lachlan Star** or the **Company**) is pleased to present its quarterly activities report for the September 2023 quarter.

OPERATIONS

Koojan Cu-Ni-PGE JV Project (LSA 45%) – Minerals 260 Earning 51%

During the quarter, Minerals 260 Limited (**Minerals 260**) completed a Dipole-Dipole Induced Polarisation (DDIP) geophysical survey across the Mallory prospect. At the Mallory prospect, the surveys have defined several coincident chargeable and conductive DDIP anomalies that are interpreted to be detecting possible sulphide mineralization associated with structures (see **Figure 3**). The coincident DDIP anomalies are proximal to copper-gold-silver-cobalt anomalism intersected in RC drilling completed earlier this year, with up to 1,480ppm copper, 98ppb gold, 30g/t silver and 592ppm cobalt recorded.

The DDIP anomalies will be drilled once crops are harvested in the December Quarter, with Reverse Circulation (RC) drilling scheduled for commencement in early 2024.

Lachlan Star and Minerals 260 have a farm-in agreement where Minerals 260 can earn a 51% interest in the Koojan Project held by Coobaloo Minerals (LSA 75%) (**Farm-in**) by spending a total of \$4 million on exploration within 5 years. Upon Minerals 260 earning 51% in the Koojan JV Project, the parties' respective interests will be Minerals 260 (51%), Lachlan Star (24%) and Wavetime Nominees (25%). On 20 December 2022, the Company advised that Minerals 260 had satisfied its Stage 1 Farm-In obligation for the Koojan Joint Venture (KJV), thereby earning a 30% interest in the KJV, by incurring exploration expenditure of \$1,500,000.

The Koojan Project located in the Julimar Mineral Province of south-west Western Australia, approximately 150km north-east of Perth (**Figure 1**). The Koojan Project is located within the Western Gneiss Terrain of the Archaean Yilgarn Craton of south-west Western Australia. The prospective mafic/ultramafic bodies are hosted within the Jimperding Metamorphic belt – a belt up to 70km wide and bounded to the west by the Darling Fault, and to the east by Yilgarn craton units.

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

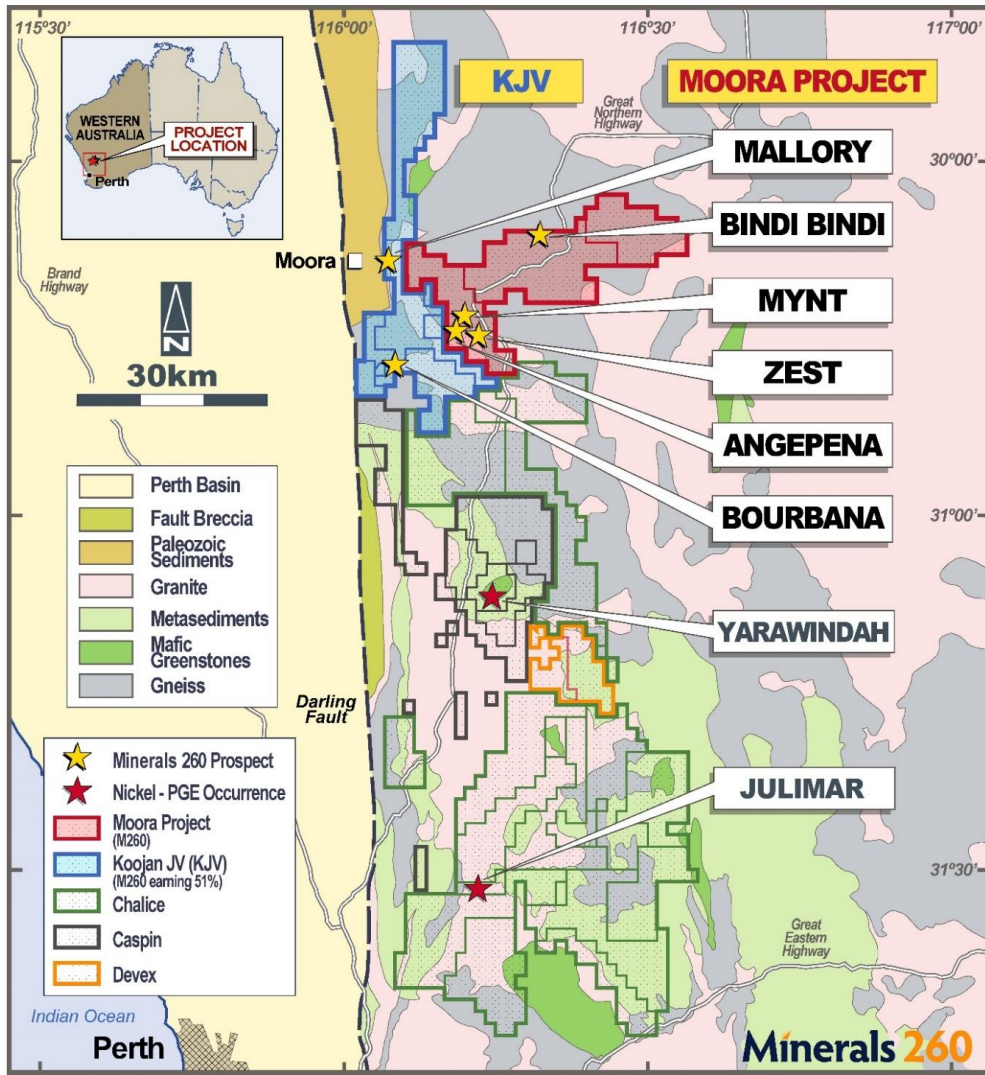


Figure 1: Moora and Koojan JV Projects: Location plan and regional geology (source MI6 ASX announcement 11/07/2022)

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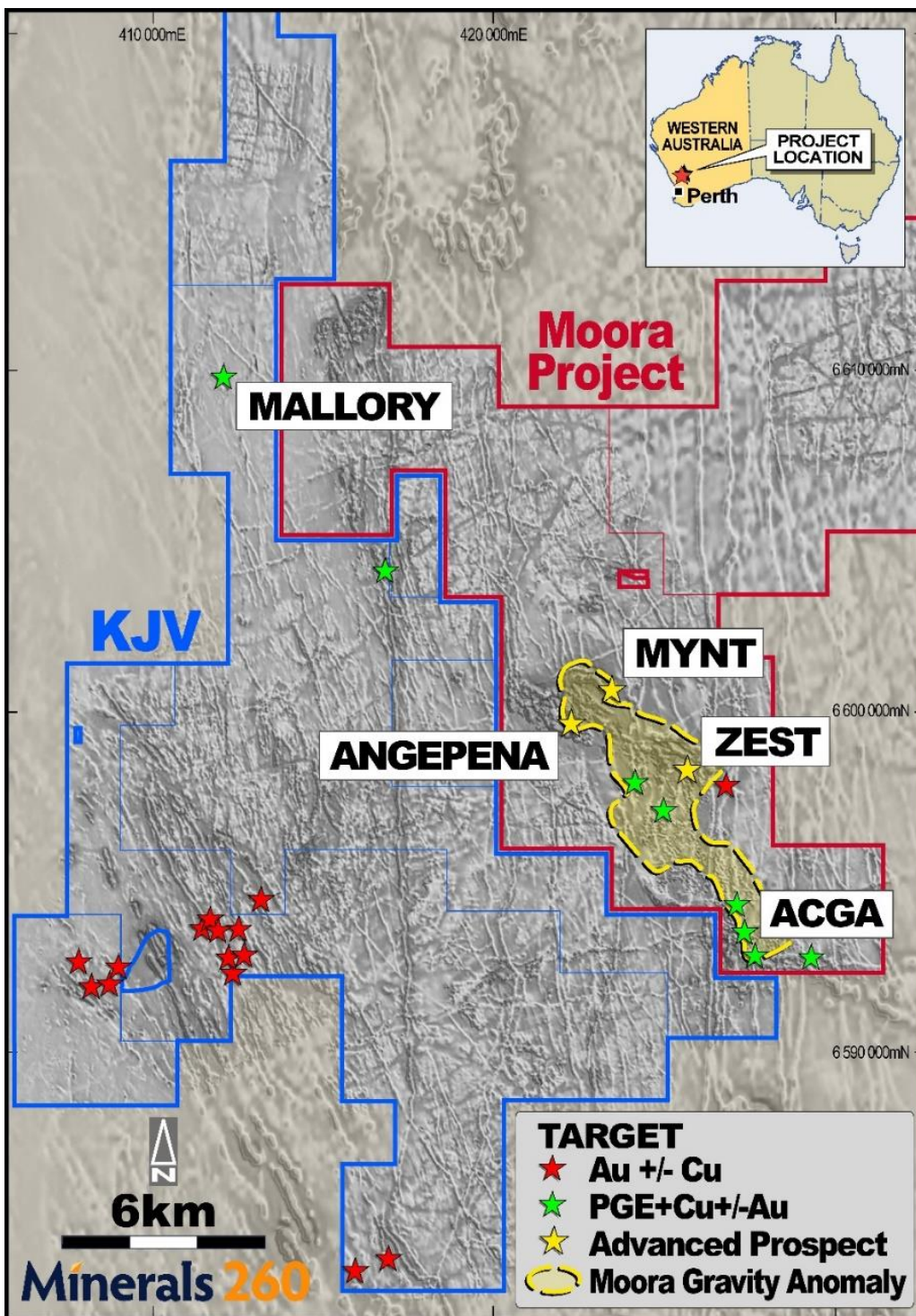


Figure 2: Moora and Koojan JV Projects: Magnetic image showing drill targets. (M16 ASX Announcement 20 December 2022)

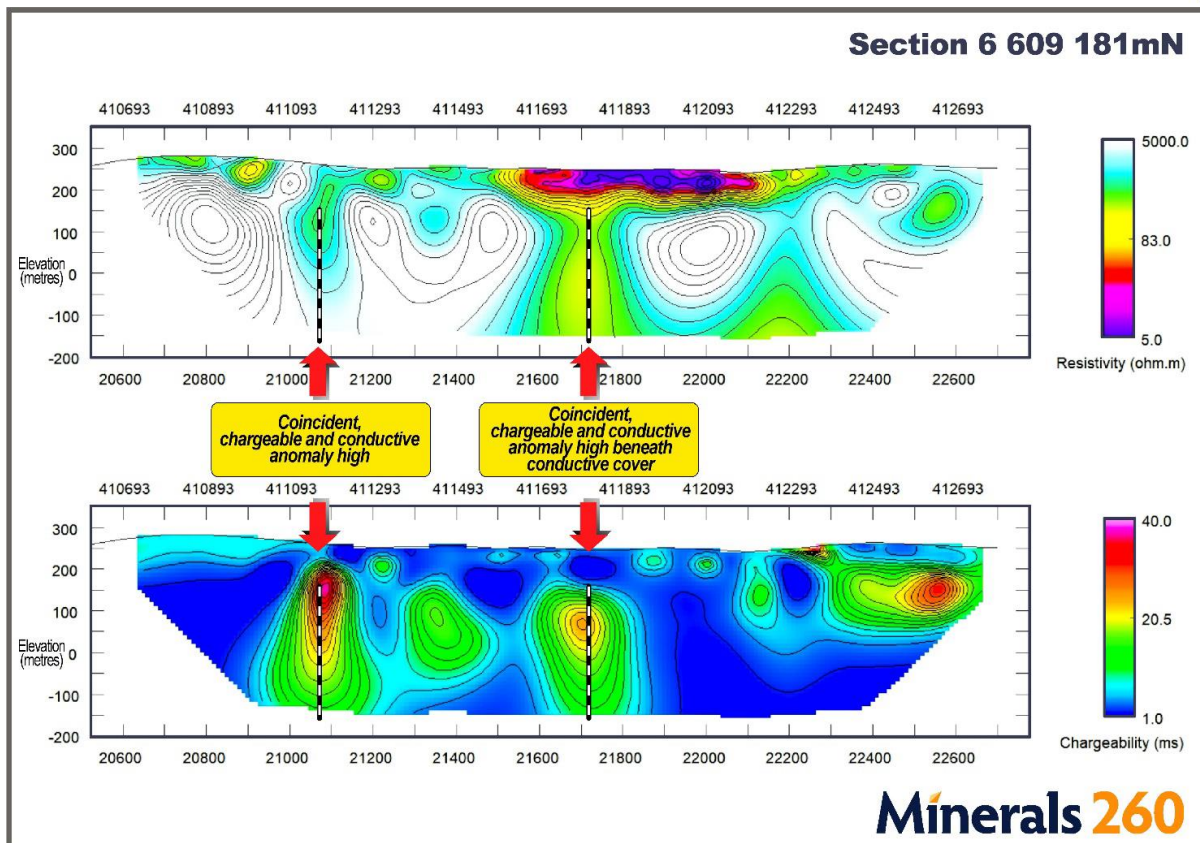


Figure 3: Koojan Project – Mallory DDIP sections showing coincident conductive and chargeability anomalies.

Other Projects

No significant activities were completed during the Quarter on the Killaloe Gold Project located in south-east Western Australia and the Princhester Magnesite Project located north-west of Rockhampton, Queensland.

CORPORATE

Acquisition of TRK Resources

On 2 August 2023, the Company announced it had 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, for consideration of \$7.5 million in LSA shares plus a 2% Net Smelter Royalty (**Transaction**).

The Agreement covered 11 granted tenements which comprise the Junee, North Cobar and Basin Creek Projects, with a combined area of 1,956km².

On 25 October 2023, the Company announced the Transaction had completed and consequently that Mr Brendan Bradley and Ms Stacey Apostolou had joined the board as non-executive directors, with Mr Bernard Aylward resigning at the same time.

Consolidation of Capital

On 17 October 2023, the Company announced completion of the consolidation of issued capital on the basis of 1 security for every 10 securities .

Summary of exploration Expenditure

There was \$58,000 in exploration expenditure incurred during the September 2023 quarter.

Cash Position

As at 30 September 2023, the Company had approximately \$3.1 million of cash and nil debt. The Company retains sufficient funding to carry out its activities over the coming quarters.

Note 6 to Appendix 5B

Payments to related parties of the entity and their associates: during the September quarter \$34,000 was paid to Directors and associates for director, consulting, company secretarial and accounting fees.

This announcement has been authorised for release by Dan Smith, on behalf of the Board.

Competent Person's Statement – Exploration Results

The Information in this report that relates to Exploration Results for the Koojan Project is extracted from the ASX announcements of Minerals 260 titled: "Minerals 260 to accelerate exploration at Aston Project after defining new lithium trend", dated 4 September 2023 and the Company's March 2023 quarterly report, dated 18 April 2023, which are available at www.minerals260.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the above original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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Annexure 1: Lachlan Star Limited – tenements held directly by Lachlan Star or subsidiary company as at 30 September 2023

Tenements	Held at end of quarter	State
E70/5337 (Koojan)	45%	Western Australia
E70/5312 (Koojan)	45%	Western Australia
E70/5429 (Koojan)	45%	Western Australia
E70/5515 (Koojan)	45%	Western Australia
E70/5450 (Koojan)	45%	Western Australia
P70/1743 (Koojan)	45%	Western Australia
M63/177 (Killaloe)	100%	Western Australia
E63/1018 (Killaloe)	80%	Western Australia
E63/1713 (Killaloe)	100%	Western Australia
ML5831 (Princhester)	100%	Queensland
ML5832 (Princhester)	100%	Queensland
EL5574 (Busranger)	Nil (Company retains a 2% NSR)	Queensland

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Lachlan Star Limited

ABN

88 000 759 535

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(231)	(231)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	1	1
1.9 Net cash from / (used in) operating activities	(218)	(218)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(58)	(58)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(58)	(58)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,367	3,367
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(218)	(218)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(58)	(58)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,091	3,091

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	74	12
5.2	Call deposits	3,017	3,492
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,091	3,355

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	34
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Consulting fees and directors' fees - \$24,000 Company secretarial and accounting fees - \$10,500</p>		

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end	[]	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	[]	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(218)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(58)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(276)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,091
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,091
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	11.20
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2023

Authorised by:
Daniel Smith
Director

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.