

30th January 2024

LACHLAN STAR LIMITED QUARTERLY ACTIVITIES REPORT

PERIOD ENDED 31 DECEMBER 2023

Lachlan Star Limited (ASX: LSA, **Lachlan Star** or the **Company**) is pleased to present its activities report for the December 2023 quarter.

HIGHLIGHTS

- Lachlan Star completes acquisition of highly prospective copper-gold exploration tenements in New South Wales, including the Junee and Bauloora North Projects which are adjacent to ground being actively explored by gold major, Newmont Mining Corporation, from DevEx Resources Limited.
- Highly experienced mining executive and geologist Andrew Tyrrell appointed as Chief Executive Officer of the Company. Mr Tyrrell will commence his role with the Company on 1 February 2024.
- Technical evaluation of the expanded project pipeline has commenced, with on-ground exploration activities at North Cobar scheduled to commence in early 2024.

OPERATIONS

New South Wales Projects

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 within the world-class Lachlan Fold Belt of New South Wales (NSW), for consideration of \$7,500,000 million in LSA shares plus a 2% Net Smelter Royalty (**Transaction**). The Transaction was completed on 25 October 2023.

Following completion of the Transaction, the Company commenced a review of the projects, assessing previous work, landholder access agreements, early-stage target generation and proposed work programs. A 'Project Pipeline' was generated to categorise and prioritise the projects in relation to their exploration maturity, phase of activity and targeting criteria. This assessment has helped to develop work schedules and budgets based on prospectivity, land accessibility and tenement conditions.

North Cobar Project (100% LSA)

Prospect mapping, surface geochemistry and a ground gravity survey have been planned for the North Cobar project which will commence in February 2024. DevEx were granted a \$50,000 NSW Government New Frontiers Exploration Program (Round 5) geophysical grant for North Cobar, which was novated to Lachlan Star as part of the sale process.

The project lies immediately north of the Cobar mining centre in central NSW (**Figure 2**) and straddles the northern extension to the Rookery and Endeavor Fault systems, a metalliferous fault network which is associated with several significant gold-base metal mines in the Cobar Superbasin, part of the Central

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Subprovince of the Lachlan Orogen. A series of Cobar-type magnetic and gravity features have been recognised inside the project area which will form the focus for initial work programs.

Junee, Basin Creek and Bauloora North Projects (100% LSA)

The Junee, Basin Creek and Bauloora North projects contain previously identified gold and copper-gold targets which the Company is reviewing with the aim to drill test in late 2024 or early 2025.

The Projects lie over the southern extents of the Macquarie Arc of NSW, Australia's most prolific porphyry copper-gold terrane (**Figure 1**). The Macquarie Arc forms part of the Eastern Subprovince of the Lachlan Fold Belt and broader Lachlan Orogen, which contains over 110 million ounces of gold and 19 million tonnes of copper in current resource and past production¹.

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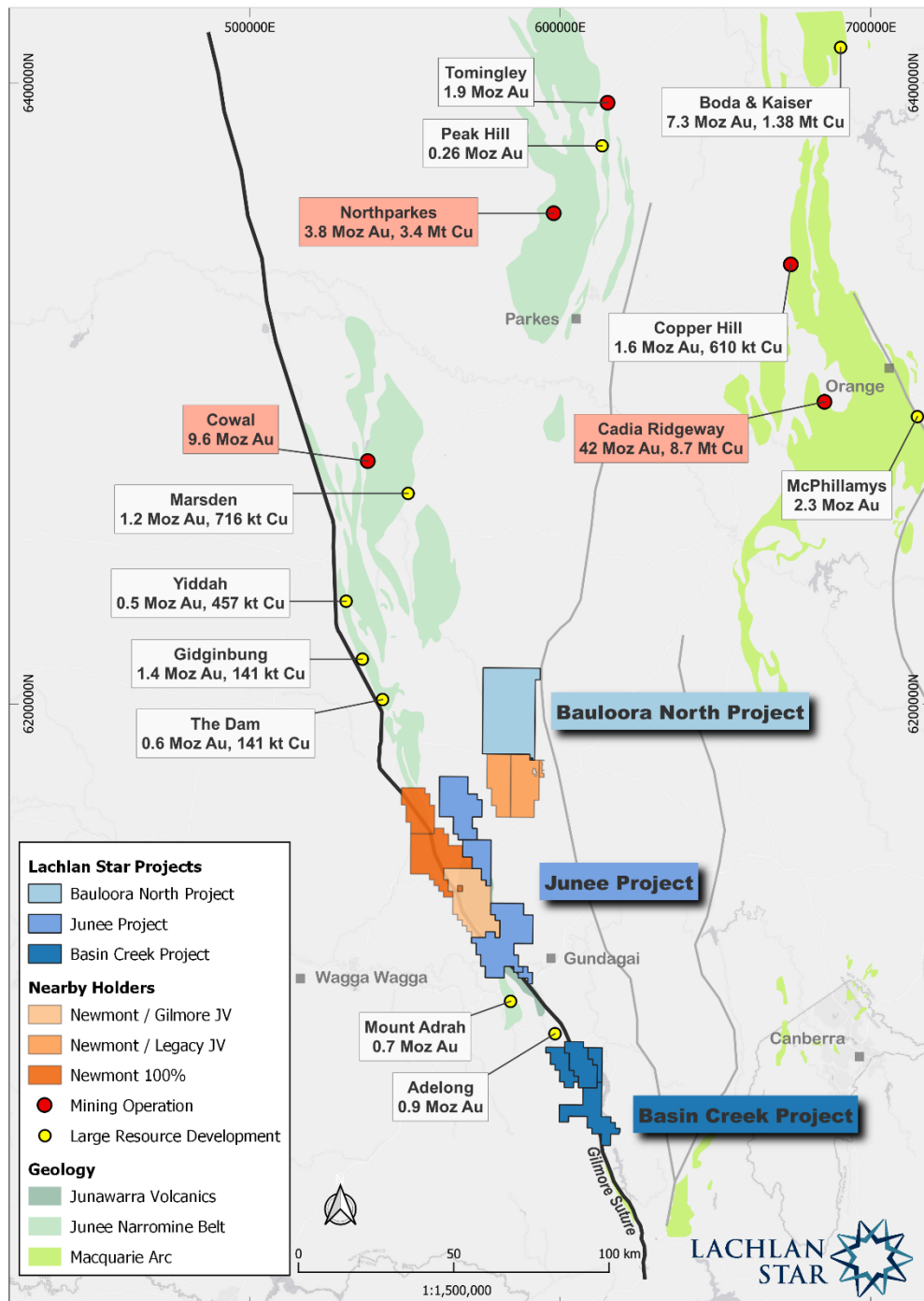


Figure 1 – Location of the Junee, Basin Creek and Bauloora North Projects within the Lachlan Fold Belt



At the Junee Project, the Company is exploring for porphyry copper-gold deposits. Age dating and litho-geochemistry from the area undertaken by the Geological Survey of New South Wales (GSNSW) has identified monzonitic intrusions, such as the copper-gold bearing Cooba monzonite which lies immediately north of the Junee Project. The Cooba monzonite is potassium-rich in nature and of equivalent age to the copper-gold mineralised intrusions of the Cadia-Ridgeway and Northparkes mining operations to the north.

At Bauloora North and Basin Creek the Company is exploring for low sulphidation epithermal gold mineralisation.

Both Junee and Bauloora North are contiguous to land packages being actively explored by gold major, Newmont Mining Corporation, in joint venture with Gilmore Metals Pty Ltd and Legacy Minerals Holdings Limited, respectively (**Figure 1**).

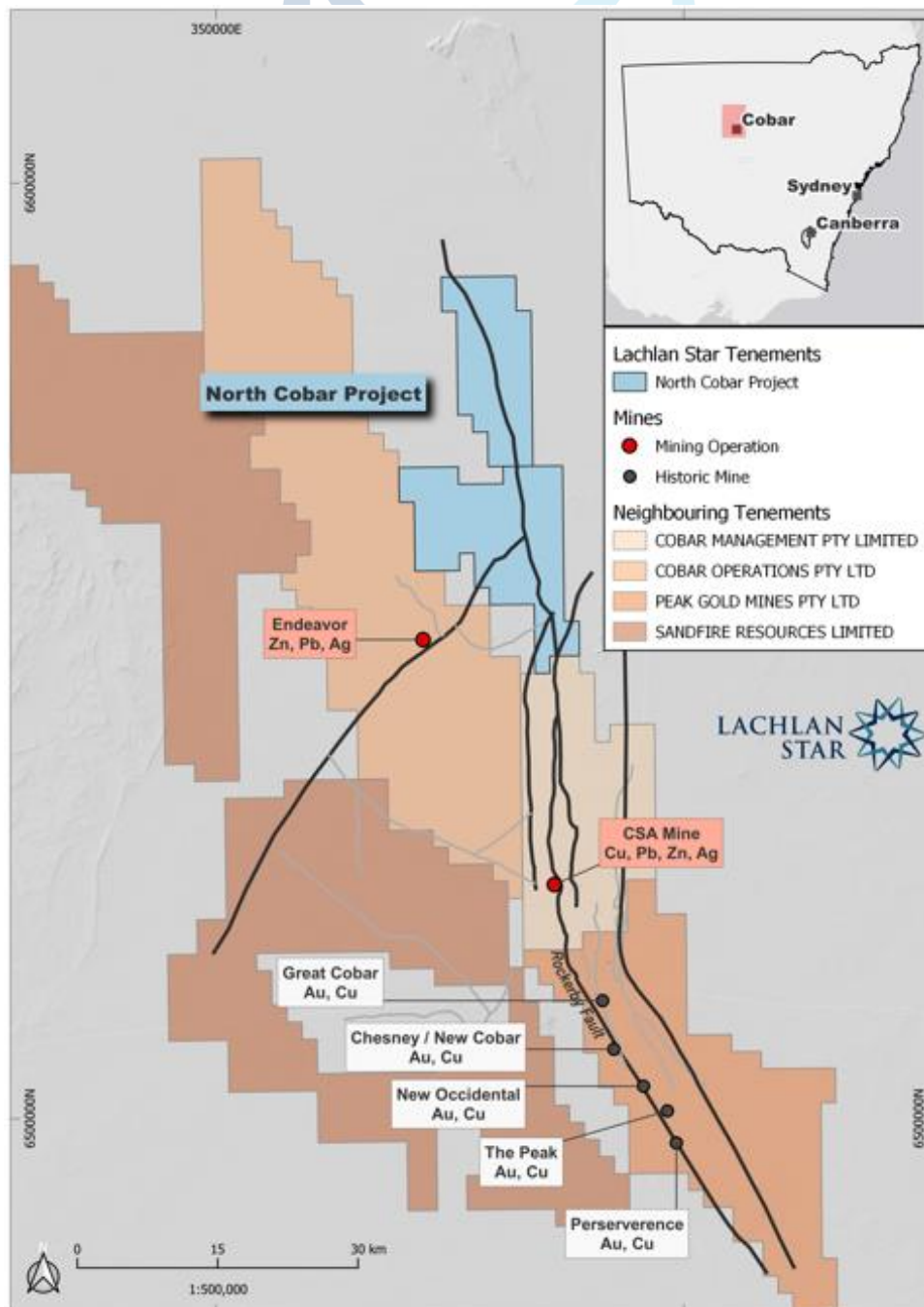


Figure 2 – Central Cobar Mining District with location of the North Cobar Project



Koojan Cu-Ni-PGE JV Project (LSA 45%) – Minerals 260 (30%, Earning 51%)

During the September Quarter, Minerals 260 Limited (**Minerals 260**, ASX: MI6) completed a Dipole-Dipole Induced Polarisation (DDIP) geophysical survey across the Mallory prospect (**Figure 4**). At the Mallory prospect, the surveys have defined several coincident chargeable and conductive DDIP anomalies that are interpreted to be detecting sulphide mineralization associated with structures (**Figure 3**). The coincident DDIP anomalies are proximal to copper-gold-silver-cobalt anomalism intersected in previous drilling, with up to 1,480ppm copper, 98ppb gold, 30g/t silver and 592ppm cobalt being recorded.

Subsequent to the December Quarter, two RC holes were completed for 336m testing the largest anomalies. Assays are pending for both holes and results are expected to be released in early Q2 2024.

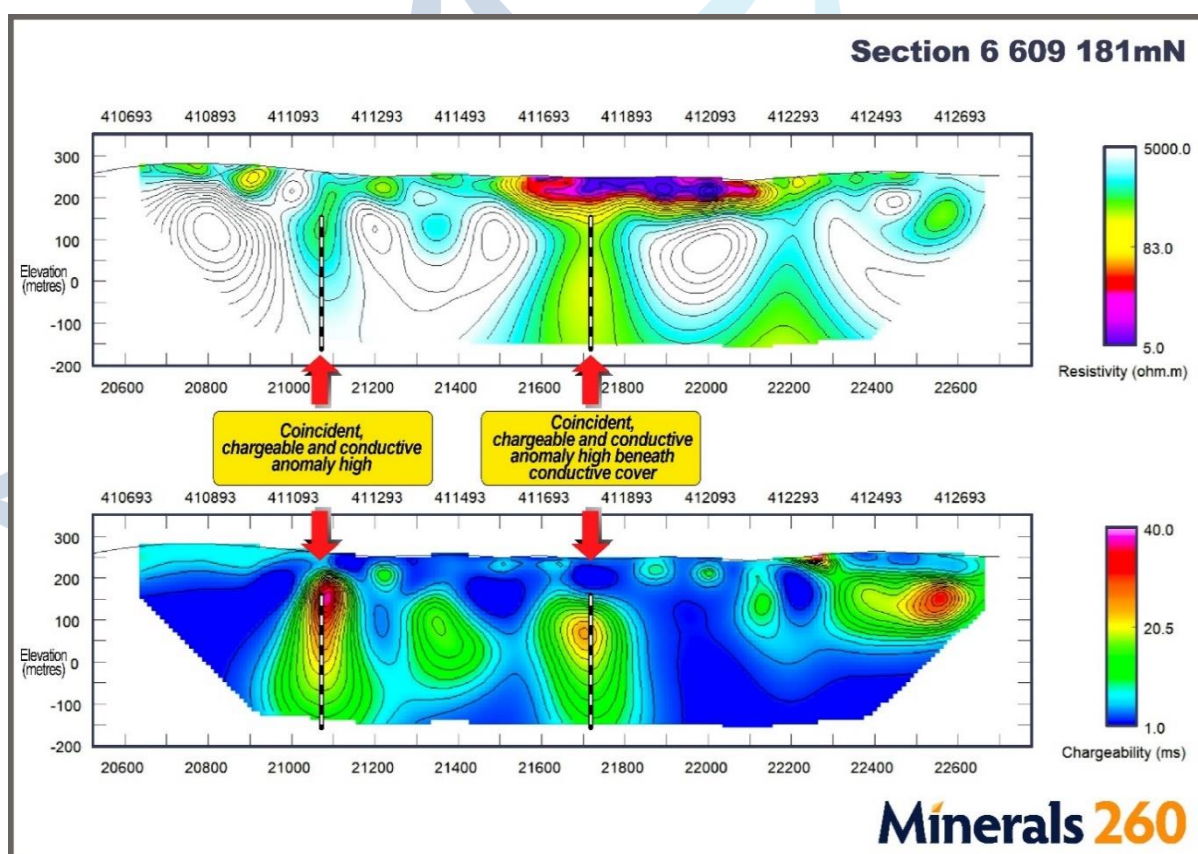


Figure 3 - Koojan Project – Mallory DDIP sections showing coincident conductive and chargeability anomalies.

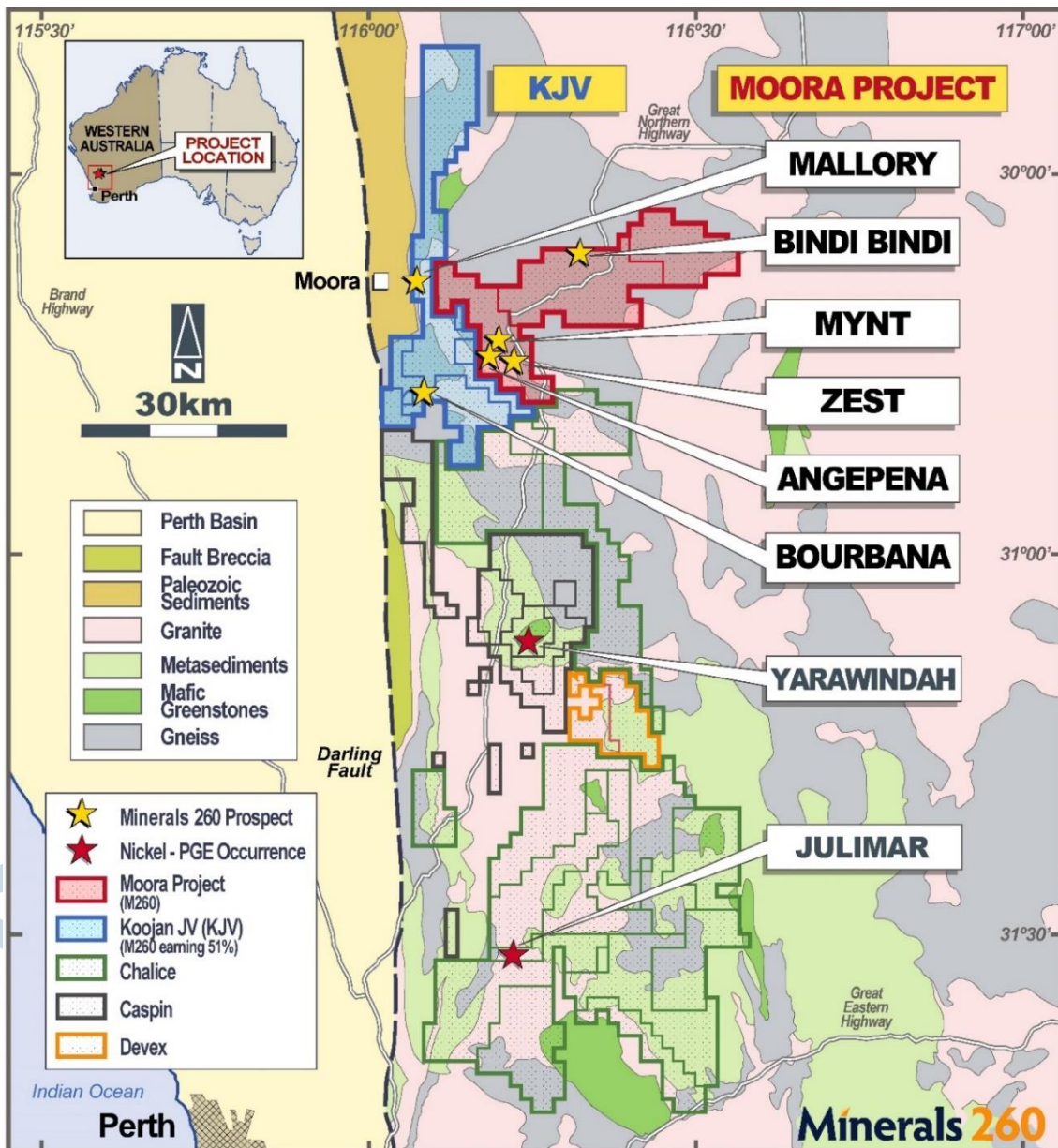


Figure 4 - Moora and Koojan JV Projects: Location plan and regional geology (source M16 ASX announcement 11/07/2022)

Other Projects

No significant activities were completed during the December Quarter on the Killaloe Gold project located in southern area of the Eastern Goldfields, Western Australia; or at the Princhester Magnesite project located north-west of Rockhampton, Queensland.



CORPORATE

CEO Appointment

Highly experienced mining executive and geologist Andrew Tyrrell was appointed as Chief Executive Officer of the Company. Mr Tyrrell will commence his role with the Company on 1 February 2024.

Option Expiry

During the Quarter, 1,700,000 unlisted options exercisable at \$0.22 each expired.

Annual General Meeting

All resolutions at the Company's Annual General Meeting held 29 November 2023 were carried by way of a poll.

Summary of exploration Expenditure

There was \$207,000 in exploration expenditure incurred during the December 2023 Quarter.

Cash Position

As at 31 December 2023, the Company had approximately \$2.65 million of cash.

Note 6 to Appendix 5B

Payments reported to related parties of the entity and their associates under section 6.1 consist of fees paid to Directors and/or their associates for director, consulting, company secretarial and accounting services.

This announcement has been authorised for release by the Board.

Competent Person's Statements – Exploration Results

The Information in this report that relates to Exploration Results for the Koojan JV 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 December 2023 quarterly activities report, dated 29 January 2024, 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.



Annexure 1: Lachlan Star Limited – tenements held directly by Lachlan Star or subsidiary company as at 31 December 2023

Tenements	Held at end of quarter	State
EL8939 (Basin Creek)	100%	New South Wales
EL9013 (Basin Creek)	100%	New South Wales
EL9049 (Basin Creek)	100%	New South Wales
EL9461 (Basin Creek)	100%	New South Wales
EL8622 (Junee)	100%	New South Wales
EL8767 (Junee)	100%	New South Wales
EL8835 (Junee)	100%	New South Wales
EL8851 (Junee)	100%	New South Wales
EL9448 (Bauloora North)	100%	New South Wales
EL9051 (Cobar)	100%	New South Wales
EL9520 (Cobar)	100%	New South Wales
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 (Bushranger)	Nil (Company retains a 2% NSR)	Queensland

ⁱ 'Future of Minerals in NSW Report, March 2020. State of NSW, Dept of Planning, Industry and Environment'

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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")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(217)	(447)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	22
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)	(22)	(21)
1.9 Net cash from / (used in) operating activities	(229)	(446)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(4)	(4)
(d) exploration & evaluation	(203)	(262)
(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 (6 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	(207)	(266)
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	3,091	3,367
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(229)	(446)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(207)	(266)
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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,655	2,655

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	78	74
5.2	Call deposits	2,577	3,017
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)	2,655	3,091

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	70
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 - \$52,000 Company secretarial and accounting fees - \$18,000</p>		

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)	(229)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(207)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(436)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,655
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,655
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.09
<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 January 2024

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.

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