

LACHLAN STAR LIMITED

ABN 88 000 759 535

INTERIM FINANCIAL REPORT

31 DECEMBER 2020

CORPORATE DIRECTORY

Directors

G Steinepreis
B Aylward
D Smith
K Eckhof (resigned 27 January 2021)

Company Secretary

D Smith

Auditors

Bentleys Audit and Corporate (WA) Pty Ltd
London House Level 3, 216 St Georges Terrace
Perth WA 6000

Bankers

Westpac Banking Corporation
Level 13 109 St Georges Terrace
Perth, WA, 6000

Registered Office

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Share Registries

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Perth WA 6000

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Securities Exchange Listing

Securities of Lachlan Star Limited are listed on ASX Limited.

ASX Code: LSA - ordinary shares

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DIRECTORS' REPORT

The directors present their report consisting of Lachlan Star Limited ("Lachlan" or "Company") and the entities it controlled at the end of or during the half-year ended 31 December 2020 together with the consolidated financial report for the half-year ended 31 December 2020, and the independent review report thereon.

Directors

The directors of the Company in office at any time during or since the end of the half-year and up to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

G Steinepreis (Non-Executive Chairman)
B Aylward (Non-Executive Director)
D Smith (Non-Executive Director)
K Eckhof (Executive Director) (resigned 27 January 2021)

Corporate

Capital Raising

On 26 June 2020, the Company announced that it had received firm commitments for a placement of 100,000,000 ordinary shares at an issue price of \$0.005 per share. The shares were issued to new and existing professional and sophisticated investors to raise \$500,000 (Placement Shares). On 1 July 2020, the Company announced the issuance of the Placement Shares.

Following the period, the Company announced that it had raised \$3.5 million by way of a two-tranche placement at \$0.017 per share.

Conversion of Options

During the period, 30,000,000 options exercisable at \$0.005 each were converted into ordinary shares, raising \$150,000.

Annual General Meeting

At the Company's Annual General Meeting held on 26 November 2020 all resolutions were passed by way of a poll.

Auditor's Independence Declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 10 and forms part of the directors' report for the half-financial year ended 31 December 2020.

Review of operations

The consolidated entity's net loss after tax for the half-year ended 31 December 2020 was \$573,849 (2019: \$220,288 loss) after recognising corporate compliance and management costs of \$95,146 (2019: \$125,020).

KOOJAN Ni-Cu-PGE PROJECT, WESTERN AUSTRALIA (50%, earning up to 75%)

On 26 June 2020, the Company announced that it had entered into a 6-month Option Agreement, in which Lachlan can purchase an initial 50% interest in Coobaloo Minerals Pty Ltd (**Coobaloo**) and its Koojan Copper-Nickel-PGE Project (**Project**) located approximately 80km north of the recent Julimar Ni-PGE discovery by Chalice Gold Mines Ltd and approximately 130km north of Perth. On 22 December 2020, the Company announced that it had exercised its option over 50% of Coobaloo. Lachlan Star is entitled to a further 25% of Coobaloo by way of spending A\$350,000 (inclusive of the initial expenditure) on the Project within 18 months.

Regional Geological Setting and Rock chip sampling

The Project is located in the New Norcia region of Western Australia (**Figure 1**). The Project is owned by Coobaloo and covers a contiguous area of 600km². The Project is located 80km north of the Julimar Ni-PGE-Cu discovery by Chalice Gold Mines Ltd, and is located in a similar geological setting (**Figure 2**). The 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 geology in the project area consists of laterite duricrust overlying weathered bedrock, with localised areas of outcropping dolerite units and granitic/gneissic units observed. The Project is located within a farming district with extensive seasonal cropping (wheat, barley, canola etc.) and grazing that will impact on the geological exploration at times.

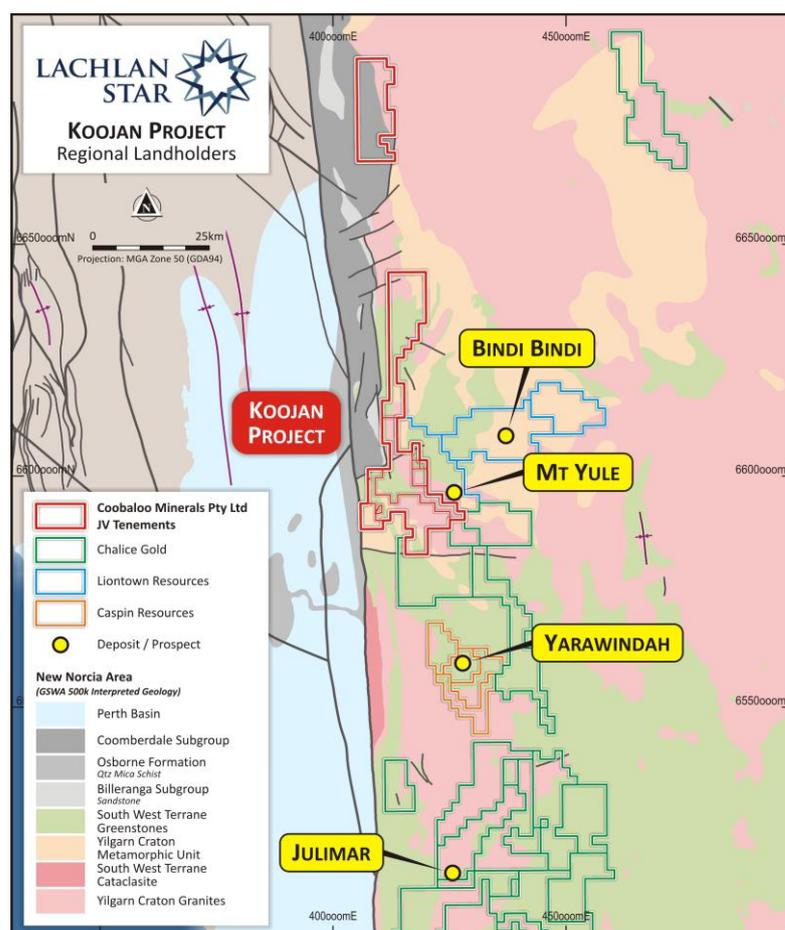


Figure 1: The Koojan Project location – regional geology and major tenement holders

Geological mapping and interpretation

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 filed reconnaissance and Government geological mapping has identified a series of mafic to ultramafic units within the project area.

A further review of regional Gravity survey indicates the Koojan Project is located on the margins of a gravity anomaly and is proximal to major structures and a detailed survey for the project area will be evaluated as exploration identifies key target areas. In addition, as the exploration is at a very early stage, there is no reliable electrical geophysics (EM or IP) identified and this will be included in Lachlan Star's initial exploration program.

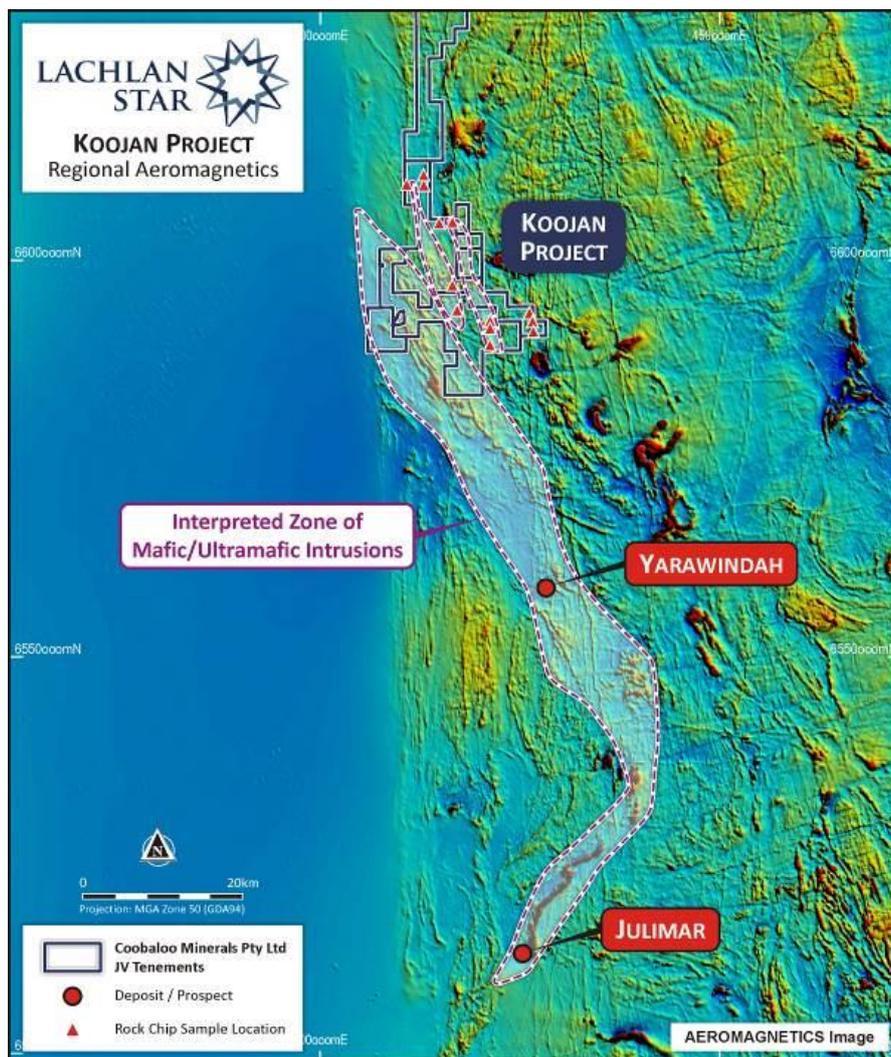


Figure 2: Regional Airborne Magnetic Geophysical survey data

Heli-EM survey

On 21 October 2020, the Company announced the results of a 450-kilometre ElectroMagnetic (**Heli-EM**) survey flown at the Koojan Project. The Survey was undertaken on a 200m line spacing with a planned terrain clearance of 30m. Results of the Survey identified numerous conductive zones and field reconnaissance indicates that several of these are interpreted to be related to the bedrock geology.

Field reconnaissance at the Koojan project confirmed the presence of intrusive mafic to ultramafic rocks. Examination of hand specimens of rock samples has identified sulphide mineralisation and gossanous textures near the EM anomalous areas, further strengthening the prospectivity of the area.

Farm-in with Liontown Resources

On 27 January 2021, Lachlan and Liontown Resources Limited (**Liontown**) signed a binding term sheet which grants Liontown the ability to earn a 51% interest in the Koojan Project (**Farm-in**). The terms of the Farm-in are set out in the announcement dated 27 January 2021.

Killaloe Gold Project

Following period end, on 27 January 2021, Lachlan and Liontown signed a binding term sheet for the acquisition by Lachlan Star of Liontown's Killaloe Gold Project, in the Eastern Goldfields, WA.

The Killaloe Project, located in southeast Western Australia approximately 600km east of Perth and 20-30km northeast of the historic gold mining town of Norseman (**Figure 3**), comprises two, largely contiguous exploration licences (E63/1018 and E63/1713) and a separate mining licence (M63/177) covering a total combined area of 94km². There are no other land users and access is generally good although sometimes limited by thick bush and weather events. EL 63/1018 is subject to an agreement between Liontown and Cullen Exploration Pty Ltd (Cullen), with Cullen owning 20% of this tenement. The other tenements are 100%-owned by LRL (Aust) Pty Ltd, which is a wholly-owned subsidiary of Liontown.

There has been extensive previous exploration by multiple companies since the early 1960s targeting gold and nickel mineralisation. The project is located in the Eastern Goldfields of Western Australia with the interpreted extensions of major structures within the project area. The basement geology of the project consists of a northwest/southeast trending sequence of Archaean greenstones including mafics, ultramafics, volcanoclastic metasediments and granodiorite. Regionally significant, layer parallel structures are interpreted from regional magnetic data and movement along these may have caused structural thickening. Bedrock exposure varies with fresh outcrops separated by large areas of relatively shallow soil cover.

Historic exploration and recent work undertaken by Liontown has identified number of gold and base metal targets that are drill ready and warrant further work. These include:

- Barrall Prospect – A 4km long gold target defined by the alignment of nugget patches and coincident As-Cu-Te anomalism
- 1713 Prospect – A 800m long coincident gold/arsenic anomaly that remains open along strike
- Buldania Prospect – Multiple historic workings where historic drilling (Pre-1983) recorded significant intersections including:
 - o **11m @ 1.7g/t Au** from 18m
 - o **7.6m @ 2.4g/t Au** from 90m
 - o **6m @ 4.7g/t Au** from 210.6m
- A number of other targets partially tested by previous explorers with better intersections including:
 - o **28m @ 2.1g/t Au** (Duke Prospect);
 - o 48m @ 0.3g/t Au (Gossan East Prospect); and
 - o **2m @ 6g/t Au** (Cashel Prospect)

In addition to being prospective for gold, previous work has also recorded significant nickel and zinc mineralisation which warrants further assessment.

Lachlan Star is planning a work program for the Killaloe project. A total of 550 auger geochemical samples have recently been collected that cover the majority of tenement E63/1713 and results are expected within in the March quarter. The program planned by Lachlan Star will consist of aircore drilling to follow-up defined structural zones and reverse circulation drilling at the Buldania Gold prospect to follow-up and define the high-grade gold mineralisation and determine the potential for gold mineralisation.

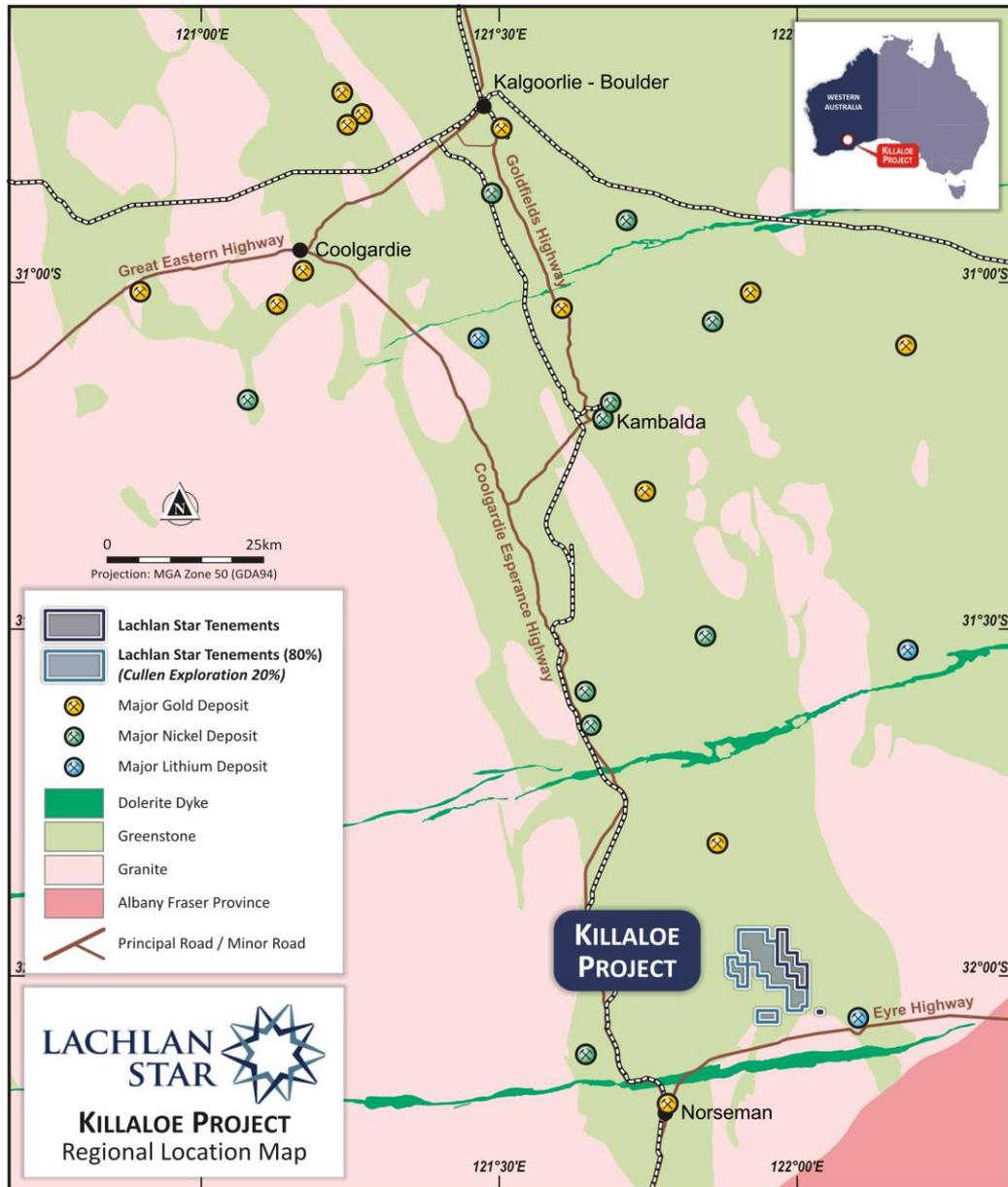


Figure 3: Killaloe Gold Project Location

PRINCHESTER MAGNESITE PROJECT, QUEENSLAND (100%)

The Princhester Magnesite Project is located 85km northwest of Rockhampton, Queensland and comprises two granted Mining Leases (ML), ML5831 and ML5832. The ML's are close to the Bruce Highway and are within 2 kilometres of the main north coast railway line. The project sits within the northern New England Orogen, and within the Marlborough Province. The New England Orogen is a significant mineral province in eastern Australia, extending from Port Macquarie, New South Wales, in the south to north of Mackay, Queensland.

The New England Orogen mineralisation includes significant gold mineralisation (Mount Morgan, Gympie) and various mineral deposit styles including mesothermal and epithermal gold, VMS, epithermal silver and lateritic nickel. The New England Orogen also contains economically important commodities including tin, sapphires, diamonds, molybdenum, tungsten, magnesite, cobalt and antimony.

Competent Persons Statement

The information in this report that relates to exploration results, including the exploration target, is based on information compiled by Mr Bernard Aylward. Mr Aylward is a Non-Executive Director of the Company. Mr Aylward is a member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Aylward consents to the inclusion in the announcement of matters based on his information in the form and context it appears.

Forward Looking Statements and Important Notice

This report contains forecasts, projections and forward-looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations and estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Lachlan Stars' control.

Actual results and developments will almost certainly differ materially from those expressed or implied. Lachlan Star has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this announcement. To the maximum extent permitted by applicable laws, Lachlan Star makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and without prejudice, to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.

Subsequent Events

On 27 January 2021, the Company announce that it had entered into two separate binding term sheets with Liantown Resources Limited (**Liantown**) (ASX:LTR) concerning:

- a) The farm-in to the Koojan Project by Liantown, by meeting certain expenditure commitments over a 5-year period; and
- b) The acquisition by Lachlan Star, of Liantown's interest in the Killaloe Gold Project, in the Eastern Goldfields, Western Australia.

On 27 January 2021, Mr Klaus Eckhof resigned as a director of the Company. As part of Mr Eckhof's resignation, the parties agreed that Mr Eckhof would retain 20 million performance rights, with the remaining 60 million being cancelled.

On 29 January 2021, the Company announced that it had 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 Tranche 1 Placement shares were issued on 8 February 2021.

On 25 February 2021, the Company despatched a notice to convene a general meeting, to amongst other things, approve the second tranche of the Placement and the acquisition of Killaloe. The general meeting will be held 31 March 2021.

No other matter or circumstance has arisen since 31 December 2020 that in the opinion of the directors has significantly affected, or may significantly affect in future financial years (i) the consolidated entity's operations, or (ii) the results of those operations, or (iii) the consolidated entity's state of affairs.



Daniel Smith
Director

Perth 10 March 2021

**Bentleys Audit & Corporate
(WA) Pty Ltd**

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the review of the financial statements of Lachlan Star Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



DOUG BELL CA
Partner

Dated at Perth this 10th day of March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		31-Dec-20	31-Dec-19
	Note	\$	\$
Revenue from continuing operations			
Finance income		408	1,085
Expenses			
Corporate compliance and management		(95,146)	(125,020)
Other expenses	7	(90,620)	(50,847)
Project evaluation fees		(175,822)	-
Finance expense		(65)	(104)
Share Based Payment Expense		(212,604)	(45,402)
Loss from continuing operations before income tax		(573,849)	(220,288)
Income tax expense		-	-
Loss from continuing operations after income tax		(573,849)	(220,288)
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		(573,849)	(220,288)
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:		<u>Cents</u>	<u>Cents</u>
Basic and diluted loss per share		(0.06)	(0.03)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the consolidated interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

		31-Dec-20	30-Jun-20
Current Assets	Note	\$	\$
Cash & cash equivalents		1,525,850	1,782,182
Trade & other receivables		81,932	48,268
Total Current Assets		1,607,782	1,830,450
Non-Current Assets			
Exploration & Evaluation	4	1,365,880	33,607
Total Non-Current Assets		1,365,880	33,607
TOTAL ASSETS		2,973,662	1,864,057
Current Liabilities			
Trade & other payables		83,369	73,988
Total Current Liabilities		83,369	73,988
TOTAL LIABILITIES		83,369	73,988
NET ASSETS		2,890,293	1,790,069
Equity			
Contributed equity	8	5,256,273	3,794,804
Reserves		756,941	544,337
Accumulated losses		(3,122,921)	(2,549,072)
TOTAL EQUITY		2,890,293	1,790,069

The consolidated statement of financial position should be read in conjunction with the notes to the consolidated interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital \$	Share- based Payment Reserve \$	Options Premium Reserve \$	Accumulated Losses \$	Total \$
At 1 July 2019	3,325,554	55,026	399,000	(2,101,970)	1,677,610
Loss for the year	-	-	-	(220,288)	(220,288)
Total comprehensive loss for the year	-	-	-	(220,288)	(220,288)
Transactions with owners in their capacity as owners:					
Share-based payment	-	45,402	-	-	45,402
At 31 December 2019	3,325,554	100,428	399,000	(2,322,258)	1,502,724
At 1 July 2020	3,794,804	145,337	399,000	(2,549,072)	1,790,069
Loss for the year	-	-	-	(573,849)	(573,849)
Total comprehensive loss for the year	-	-	-	(573,849)	(573,849)
Transactions with owners in their capacity as owners:					
Exercise of options	150,000				150,000
Issue of shares (net of costs)	1,311,469				1,311,469
Share-based payment	-	212,604	-	-	212,604
At 31 December 2020	5,256,273	357,941	399,000	(3,122,921)	2,890,293

The consolidated statement of changes in equity should be read in conjunction with the notes to the consolidated interim financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS

	31-Dec-20	31-Dec-19
	\$	\$
Cash Flows from Operating Activities		
Payments to Suppliers and Employees	(174,580)	(134,690)
Interest Received	408	1,085
Net Cash Outflow from Operating Activities	(174,172)	(133,605)
Cash Flow from Investing Activities		
Exploration and Evaluation expenditure	(227,630)	(62,034)
Net Cash Outflow from Operating Activities	(227,630)	(62,034)
Cash Flow from Financing Activities		
Proceeds from issue of shares	150,000	-
Share transaction costs	(4,530)	-
Net Cash Outflow from Financing Activities	145,470	-
Net Decrease In Cash and Cash Equivalents	(256,332)	(195,639)
Cash and Cash Equivalents at beginning of the period	1,782,182	1,593,617
Cash and Cash Equivalents at end of the period	1,525,850	1,397,978

The consolidated statement of cash flows should be read in conjunction with the notes to the consolidated interim financial report.

LACHLAN STAR LIMITED
31 DECEMBER 2020 INTERIM FINANCIAL REPORT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

Lachlan Star Limited ("Lachlan" or "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2020 comprises the Company and its subsidiaries (together referred to as the "consolidated entity" or "group").

2. Basis of preparation

Statement of compliance

The consolidated interim financial report is a general-purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134: "*Interim Financial Reporting*".

The consolidated interim financial report does not include all of the information required in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as in the annual financial report. It is recommended that this financial report be read in conjunction with the annual financial report as at and for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The functional and presentation currency of the Company is Australian dollars. The financial report was authorised for issue by the on 10th March 2021. Lachlan Star Limited is a company limited by shares, incorporated and domiciled in Australia.

Use of estimates and judgements

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In the current period there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year or judgements, which have significant effect on the amounts recognised in the financial statements.

3. Accounting policies

In the period ended 31 December 2020 the group reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and are effective for annual reporting periods beginning on or after 1 July 2020.

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2020 and the corresponding interim reporting period.

4. Exploration and evaluation

	Six months ended 31 December 2020	Twelve months ended 30 June 2020
	\$	\$
Opening balance	33,607	11,598
Project acquisition costs (i)	1,320,000	-
Capitalised exploration	12,273	22,009
Acquisition costs in respect of areas of interest in the exploration phase	<u>1,365,880</u>	<u>33,607</u>

LACHLAN STAR LIMITED
31 DECEMBER 2020 INTERIM FINANCIAL REPORT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Exploration and evaluation (continued)

The recoverability of deferred project acquisition costs is dependent upon the successful development and commercial exploitation, or alternately the sale of the areas of interest.

(i) On 22 December 2020 the Company exercised its option to acquire an initial 50% of the Koojan Cu-Ni-PGE Project by the issue 82,500,000 shares in the Company valued at \$1,320,000.

5. Contingent assets and liabilities

There have been no changes of a material nature in contingent liabilities or contingent assets since the last annual reporting date.

6. Subsequent events

On 27 January 2021, the Company announce that it had entered into two separate binding term sheets with Liontown Resources Limited (**Liontown**) (ASX:LTR) concerning:

- a) The farm-in to the Koojan Project by Liontown, by meeting certain expenditure commitments over a 5-year period; and
- b) The acquisition by Lachlan Star, of Liontown's interest in the Killaloe Gold Project, in the Eastern Goldfields, Western Australia.

On 27 January 2021, Mr Klaus Eckhof resigned as a director of the Company. As part of Mr Eckhof's resignation, the parties agreed that Mr Eckhof would retain 20 million performance rights, with the remaining 60 million being cancelled.

On 29 January 2021, the Company announced that it had 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 Tranche 1 Placement shares were issued on 8 February 2021.

On 25 February 2021, the Company dispatched a notice to convene a general meeting, to amongst other things, approve the second tranche of the Placement and the acquisition of Killaloe. The general meeting will be held 31 March 2021.

No other matter or circumstance has arisen since 31 December 2020 that in the opinion of the directors has significantly affected, or may significantly affect in future financial years (i) the consolidated entity's operations, or (ii) the results of those operations, or (iii) the consolidated entity's state of affairs.

	31 December 2020	31 December 2019
	\$	\$
7. Expenses		
Other expenses		
Accounting and audit fees	36,376	27,215
Insurance	7,887	-
Office rental, communications and consumables	20,766	19,321
Travelling expenses	-	3,483
Legal expenses	25,472	-
Other expenses	119	828
	<u>90,620</u>	<u>50,847</u>

LACHLAN STAR LIMITED
31 DECEMBER 2020 INTERIM FINANCIAL REPORT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. Contributed equity

	Number	\$
(a) Ordinary shares		
1 July 2020	853,865,663	3,794,804
Shares issued during the period ¹	82,500,000	1,320,000
Exercise of options	30,000,000	150,000
Share capital raising costs		(8,531)
31 December 2020	966,365,663	5,256,273
1 July 2019	753,865,663	3,325,554
31 December 2019	753,865,663	3,325,554

¹ On 22 December 2020, the Company announced that it had exercised its option over 50% of Coobaloo. Lachlan Star. The consideration payable for the option exercise was the issue of 82,500,000 shares in the Company to the vendors of Coobaloo.

(b) Options

Movements in the options premium reserve are set out in the statement of changes in equity on page 13. This reserve represents the fair value at grant of share options issued. The fair value is recognised as an expense over the vesting period. The reserve is reversed to contribute equity when shares are issued on exercise of the options or when the options are cancelled or expire.

(c) Performance Rights

As at the reporting date the company had the 80,000,000 performance rights on issue (30/06/20: 80,000,000).

9. Share based payments

Option Valuation

The following options were issued to directors during the period:

Number	Grant Date	Expiry Date	Exercise Price \$	Fair Value at grant date \$	Vesting date
17,000,000	27/11/20	27/11/23	0.022	167,202	27/11/20

The fair value of the equity-settled share options is estimated as at the date of grant using the Black-scholes model taking into account the terms and conditions upon which the options were granted.

10. Segment information

(a) Description of segments

The consolidated entity reports one segment, being mineral exploration, in assessing performance and determining the allocation of resources. In determining operating segments, the consolidated entity has had regard to the information and reports the chief operating decision maker uses to make strategic decisions regarding resources.

DIRECTORS' DECLARATION

In the opinion of the directors of Lachlan Star Limited (the "Company"):

- (a) the financial statements and notes as set out on pages 11 to 17 are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Daniel Smith
Director

Perth, 10th March 2021

Independent Auditor's Review Report

To the Members of Lachlan Star Limited

Conclusion

We have reviewed the accompanying half-year financial report of Lachlan Star Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lachlan Star Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Independent Auditor's Review Report

To the Members of Lachlan Star Limited (Continued)



Responsibility of the Directors for the Financial Report

The directors of Lachlan Star Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 10th day of March 2021