LACHLAN STAR LIMITED

(FORMERLY SUBJECT TO DEED OF COMPANY ARRANGEMENT)

ABN 88 000 759 535

Annual Report 30 June 2018

CORPORATE DIRECTORY

DIRECTORS

G Steinepreis (Non-Executive Chairman) – appointed 18 January 2018
B Aylward (Non-Executive Director) – appointed 18 January 2018
D Smith (Non-Executive Director) – appointed 18 January 2018
K Eckhof (Executive Director) – appointed 13 August 2018
DT Franzmann (Non-Executive Director) – resigned 18 January 2018
AJ Cipriano (Non-Executive Director) – resigned 18 January 2018
P Drobeck (Non-Executive Director) – resigned 1 November 2017

COMPANY SECRETARY

D Smith – appointed 19 March 2018
RA Anderson – resigned 19 March 2018

AUDITORS

PricewaterhouseCoopers
Brookfield Place, 125 St Georges Terrace
Perth WA 6000

BANKERS

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

REGISTERED OFFICE

Level 1, 33 Ord Street
West Perth WA 6005
Telephone: +61 89420 9300
Facsimile: +61 89420 9399

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000

Investor Enquiries:	1300 850 505 (within Australia)
Investor Enquiries:	+61 3 9415 4000 (outside Australia)
Facsimile:	+61 3 9473 2500

SECURITIES EXCHANGE LISTING

Securities of Lachlan Star Limited are listed on ASX Limited.
ASX Code: LSA - ordinary shares

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OPERATING AND FINANCIAL REVIEW

FINANCIAL PERFORMANCE

The consolidated entity's loss after tax for the year ended 30 June 2018 was $374,190 (2017: loss of $198,274) after recognising corporate compliance and management costs of $ 68,597 (2017: $120,418).

FINANCIAL POSITION

An analysis of the significant movements in Statement of Financial Position line items is provided below:

CASH AND CASH EQUIVALENTS

As at 30 June 2018 the Group had cash reserves of $2,022,742, an increase of $2,007,535 from 30 June 2017 as set out in the share placement.

TRADE AND OTHER RECEIVABLES

Trade and other receivables have increased by $34,117 since 30 June 2017.

TOTAL LIABILITIES

Total liabilities have decreased by $1,308,712 since 30 June 2017.

The movement in contributed equity since 30 June 2017 is shown below:

	30-Jun-18	
	$	**No.**
Ordinary shares		
1 July 2017	226,058,062	165,393,259
Issued capital	3,488,932	720,786,955
Consolidation of capital	-	(132,314,116)
Reduction in share capital	(226,058,062)	-
Share capital raising costs	(163,378)	-
30 June 2018	**3,325,554**	**753,865,663**

RESERVES

Reserves have increased by $399,000 since 30 June 2018 as a result of new options issues.

CORPORATE

On 12 February 2015 the directors resolved to appoint Administrators and on 13 February 2015 Matthew David Woods and Hayden Leigh White of KPMG were appointed joint and several Administrators of the Company pursuant to section 436A of the Corporations Act 2001 (Cth) ("the Act").

On 7 August 2015 creditors of the Company had resolved that the Company should execute a Deed of Company Arrangement ("DOCA") in accordance with the terms of a DOCA Proposal which had been received by the Administrators providing for the recapitalisation of the Company with the objective of having its shares re-quoted on the ASX. The DOCA Proposal was conditional on a number of Conditions Precedent (the "DOCA Conditions Precedent") including, but not limited to, the granting of appropriate waivers by the ASX with respect to the issuance of placement shares as contemplated by the DOCA, and the granting of a letter setting out the conditions upon which ASX Limited ("ASX") will agree to the shares in the Company being reinstated to official quotation.

On 23 May 2018 the DOCA was effectuated (and deed administrators retiring) and control of the Company was passed over to the new Board of Directors. On 29 May 2018 the Company's securities were readmitted to trading on ASX (ASX:LSA) having raised ~$3.3m by way of a full form prospectus.

REVIEW OF OPERATIONS

Please refer to the "*Corporate"* section above.

PRINCHESTER MAGNESITE PROJECT – ML5831 AND ML5832 (100%)

The Princhester Magnesite Project is located in 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 antinomy.

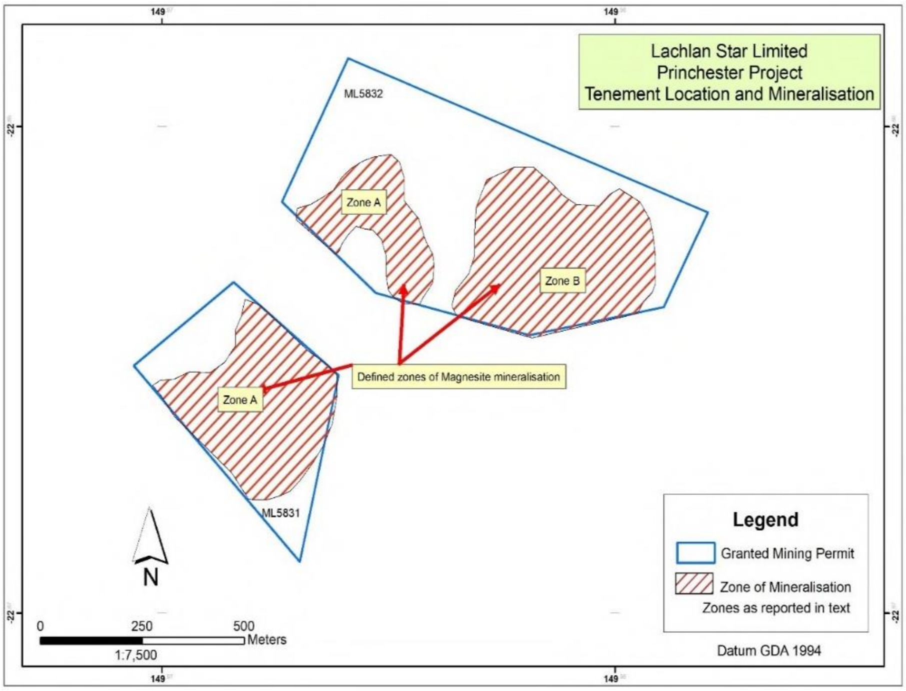
The Marlborough province is bounded to the west by the major Yarrol Fault System, which is marked by serpentinite lenses. In the Marlborough area, these ultramafic rocks form an extensive flat-lying thrust sheet of early Paleozoic ocean floor and upper mantle (harzburgite) material. The terrain within the Princhester Magnesite Project consists of steeply dissected ridges where the serpentinite and associated rocks are deeply weathered and overlain in part by laterite. The harzburgite and serpentinite bodies are elongate north west – south east striking and are concordant with the strike of the enclosing rocks. The harzburgites have mostly been serpentinised and these, as well as the separately emplaced serpentinites have largely been weathered. The magnesite mineralisation is a mixture of magnesite, quartz and magnesia silicates which are associated with serpentinite.

Magnesite (MgCO3) is an ore for magnesium production and the source of a range of industrial minerals. There are two main uses for magnesite. The first is as feedstock in the production of dead-burned magnesia and for refractory brick use in lining furnaces in the steel industry and non-ferrous metal processing units and cement kilns. The second use is for processing to caustic calcined magnesia which is used principally as a food supplement in agribusiness and in fertilisers as well for fillers in paints, paper and plastics. Raw magnesite is used for surface coatings, landscaping, ceramics and as a fire retardant.

CONCEPTUAL EXPLORATION TARGET:

Based on the level of exploration work previously undertaken in respect of the MLs, and the size and mineralised nature of the Princhester Magnesite Project, the Company has generated an exploration target tonnage of between 4.13Mt and 5.44Mt of magnesite at grade between 46% to 47% MgO.

Cautionary Statement: The potential quantity and grade as stated, is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target is based on completed exploration drilling and a review of previous attempts to estimate mineralisation. The information relating to estimates of MgO grade are based on historic sample data from drill holes and check samples completed by previous explorers. The grade range is based on a simple arithmetic mean of samples. The tonnage estimate is based on completed exploration drilling and attempts at a coarse block modelling with 100m square blocks defined with drill holes located in each corner. The volume of each block is based on the arithmetic mean of the thickness ofmagnesite intersections in each drill hole, and a tonnage estimated using an assumed SG of 2.2 for magnesite. The Exploration target provides a range of tonnage that reflects the level of exploration drilling and the broad scale attempt to quantify potential mineralisation, and the grade range reflects the sampling.



PRINCHESTER MAGNESITE – EVALUATION OF MODERN CONTEXT

The Princhester magnesite mineralisation can be categorized as a hard rock, cryptocrystalline, low iron magnesite deposit with very low lime content and moderately elevated silica content. It is recognised that there is some heterogeneity within the project with regard to both silica and lime contents and commerciality will be dictated by the size and zonation of these gangue elements.

The Princhester Magnesite Project represents a genuine Exploration Target with a long history of detailed exploration and metallurgical evaluation. Due to the extensive work undertaken to date, the Princhester Magnesite Project represents an opportunity to apply modern analytical techniques to a known deposit. Pursuant to a detailed assessment of Princhester it may be determined that development options be considered. Princhester is in a good location being on the Bruce Highway and in close proximity to Gladstone and Rockhampton.

PROPOSED WORK SCOPE

The following work scope over the next 24 months is proposed in order to best evaluate the potential of the Princhester Magnesite Project and test the viability of the Exploration Target.

- Detailed review of all exploration conducted to date.
- Detailed review of metallurgical testwork conducted to date.
- Pursuant to a positive conclusion on the bullet points above, digitisation of all data associated with the project, particularly focused on building the drilling and assay database should be undertaken. Once complete the database can be interrogated to formulate advanced resource estimations in Micromine/Surpac or similar.

BUSHRANGER COPPER PROJECT - EL 5574 (<10%)

The Company has elected to dilute its interest by not participating in exploration programmes. The Company's current holding is less than 10% and has been converted to a Net Smelter Royalty. This project is carried at a nil value in the Statement of Financial Performance (2017: $Nil).

NEW PROJECT OPPORTUNITIES

In line with the objectives set out in the Company's recapitalisation prospectus, a portion of available funds have been set aside for reviewing new project opportunities, both within the mining industry and in market segments unrelated to the mining industry, as identified by the Company.

ANNUAL STATEMENT OF MINERAL RESOURCES AND ORE RESERVES

The Company's currently does not have any Mineral Resources or Ore Reserves.

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.

Cautionary Statement

The potential quantity and grade as stated, is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target is based on completed exploration drilling and a review of previous attempts to estimate mineralisation. The information relating to estimates of MgO grade are based on historic sample data from drill holes and check samples completed by previous explorers. The grade range is based on a simple arithmetic mean of samples. The tonnage estimate is based on completed exploration drilling and attempts at a coarse block modelling with 100m square blocks defined with drill holes located in each corner. The volume of each block is based on the arithmetic mean of the thickness of magnesite intersections in each drill hole, and a tonnage estimated using an assumed SG of 2.2 for magnesite. The Exploration target provides a range of tonnage that reflects the level of exploration drilling and the broad scale attempt to quantify potential mineralisation, and the grade range reflects the sampling.

DIRECTORS' REPORT

The directors present their report together with the financial report of the consolidated entity, being Lachlan Star Limited ("Company" or "Lachlan") and its subsidiaries ("consolidated entity" or "group"), at the end of and for the year ended 30 June 2018. Lachlan Star Limited is a listed public company incorporated and domiciled in Australia.

DIRECTORS

The names and details of the Company's directors in office at any time during the financial year and up to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Gary Christian Steinepreis – Non-executive Chairman
Appointed 18 January 2018

Mr Steinepreis holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant. He provides corporate, management and accounting advice to a number of companies involved in the resource, technology and leisure industries.

Directorships held in listed entities

Company Name	Appointed	Resigned
CFOAM Limited	30 March 2016	-
Taruga Minerals Limited	15 July 2016	-
Helios Energy Ltd	4 June 2010	11 September 2018
AVZ Minerals Ltd	30 November 2012	21 August 2017
Monto Minerals Ltd	16 June 2009	12 January 2016

Bernard Aylward – Non-executive Director
Appointed 18 January 2018

Mr Aylward is a geologist with over 20 years' experience as a manager and exploration geologist in the mining and exploration industry in a variety of commodities. Mr Aylward's experience includes serving as the Chief Operating Officer of International Goldfields Ltd (ASX: IGS), General Manager of Azumah Resources Ltd (Ghana), and Exploration Manager for Croesus Mining NL.

Mr Aylward has been involved in the discoveries and management of the Bepkong, Julie, Collette and Kunche deposits in Ghana, as well as the Deep South gold deposit, Gladstone North deposit, St Patrick's, Norseman Reef and the Safari Bore gold deposit.

Mr Aylward brings considerable relevant skills and experience to the Board. He is a member of the Australasian Institute of Mining and Metallurgy.

Directorships held in listed entities

Company Name	Appointed	Resigned
Kodal Minerals Plc.	20 May 2016	-
Taruga Minerals Limited	21 October 2011	-

Daniel John Smith – Non-executive Director
Appointed 18 January 2018

Mr Smith is a member of the Australian Institute of Company Directors and the Governance Institute of Australia and has over 10 years' primary and secondary capital markets expertise. As a director of corporate consulting firm Minerva Corporate, he has advised on, and been involved in, over a dozen IPOs, RTOs and capital raisings on both the ASX and NSX. His key focus is on corporate governance and compliance, commercial due diligence and transaction structuring, as well as ongoing investor and stakeholder engagement.

Directorships held in listed entities

Company Name	Appointed	Resigned
Europa Metals Ltd	16 January 2018	-
Hipo Resources Limited	13 June 2018	-
Taruga Minerals	29 August 2014	6 September 2017
CoAssets Limited	18 March 2015	1 March 2017

Klaus Peter Eckhof – Executive Director
Appointed 13 August 2018

Mr Eckhof is a geologist with more than 30 years' experience identifying, exploring and developing mineral deposits around the world. After selling Spinifex Gold to Gallery Gold in 2001 he founded, in late 2003, Moto Goldmines, which acquired the Moto Gold Project in the DRC. There Mr Eckhof and his team raised over $100 million and delineated more than 12 Moz of gold and delivered a feasibility study within four years from the commencement of exploration. Moto Goldmines was subsequently acquired by Randgold Resources for $488m, who poured first gold in September 2013. He and his team also facilitated the Tiger Resources Cu project acquisitions in the DRC and helped funding the initial exploration phase. The project is now since several years in production.
In 2012, Mr Eckhof and his team facilitated the acquisition of the Bisie Tin Project in the DRC by Alphamin Resources where within 4 years one of the highest grade Tin deposits in the world was drilled out and is now going into production. In 2017 he was instrumental of the acquisition of the Manono Tin Project in the DRC for AVZ Minerals which, following 18 months of drilling, confirmed as potentially one of the largest Li resources in the world.

Directorships held in listed entities

Company Name	Appointed	Resigned
Okapi Resources Limited	29 May 2017	-
AJN Resources Limited	2 September 2016	-
AVZ Minerals Ltd	12 May 2014	26 June 2018

Declan Thomas Franzmann
Appointed 26 September 2007, resigned 18 January 2018

Mr Franzmann is a mining engineer with more than 24 years mining experience. His previous experience includes operational and technical roles at underground and open pit mines throughout Australia, Asia and Africa. He operates a consulting company providing mine engineering services to a variety of companies and is presently President and Chief Executive Officer of TSX listed African Gold Group Inc.

Peter Drobeck
Appointed 22 November 2012, resigned 1 November 2017

Mr Drobeck is a practicing geologist with 36 years of professional experience focused on exploration, development, and near-mine exploration in the Americas, Asia, Europe and Africa. Past positions have included Sr. Vice-President of Exploration at AuRico Gold Inc., an intermediate gold producer with operations in Mexico, and Vice-President of Exploration at Electrum Ltd., a private exploration company dedicated to grass roots gold discovery world-wide.

Anthony James Cipriano
Appointed 17 February 2014, resigned 18 January 2018

Mr Cipriano is a Chartered Accountant with 28 years' accounting and finance experience. Mr Cipriano was formerly a partner at Deloitte and at the time of his retirement in 2013 he was the Deloitte National Tax Leader for Energy & Resources and leader of its Western Australian Tax Practice. Mr Cipriano has significant experience working across tax, accounting, legal and financial aspects of corporate transactions. He is also a graduate of the Australian Institute of Company Directors.

COMPANY SECRETARY

Mr Robert Anderson was appointed Company Secretary on 15 October 2007 and resigned on 19 March 2018. Mr Daniel Smith was appointed Company Secretary on 19 March 2018.

DIRECTORS' MEETINGS

There were no directors' meetings during the period under review. The Company was under control of the Administrators for the majority of the year.

PRINCIPAL ACTIVITIES

The Company's principal activities revolve around mineral resource exploration. The Company's assets include the Princhester Magnesite project in Queensland, and a net smelter royalty over the Bushranger Copper project in New South Wales.

The Company also intends to monitor other project acquisition opportunities which will generate shareholder value.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity's exploration and mining activities were concentrated in Australia, and in the prior year Australia and Chile. Environmental obligations are regulated under both State and Federal Laws. No environmental breaches have been notified to the Company by government agencies during the year ended 30 June 2018.

DIVIDENDS

No dividends were paid during the year and the directors do not recommend payment of a dividend in respect of the reporting period (2017: Nil).

AUDIT COMMITTEE

The Board considers that the Company is not currently of a size to justify the existence of an Audit Committee.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 15 and forms part of the directors' report for the financial year ended 30 June 2018.

REMUNERATION COMMITTEE

The Board considers that the Company is not currently of a size to justify the existence of a Remuneration Committee.

NON-AUDIT SERVICES

The auditors did not provide any non-audit services during either the period under review or the corresponding period.

EVENTS SUBSEQUENT TO REPORTING DATE

On 13 August 2018 the Company announced the appointment of Mr Klaus Eckhof as an Executive Director of the Company. Mr Eckhof is a geologist with more than 30 years' experience identifying, exploring and developing mineral deposits around the world. As part of Mr Eckhof's appointment as Executive Director, he is entitled to up to 80 million performance rights, subject to shareholder approval.

No other matter or circumstance has arisen since 30 June 2018 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.

INDEMNITY OF DIRECTORS AND COMPANY SECRETARY

Deeds of Access and Indemnity have been executed by the parent entity with each of the current directors and Company Secretary. The deeds require the Company to indemnify each director and the Company Secretary against any legal proceedings, to the extent permitted by law, made against, suffered, paid or incurred by the director or Company Secretary pursuant to, or arising from or in any way connected with the director or Company Secretary being an Officer of the Company or its subsidiaries.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 7 August 2015 creditors of the Company resolved that the Company should execute a Deed of Company Arrangement ("DOCA") in accordance with the terms of a DOCA Proposal which had been received by the Administrators providing for the recapitalisation of the Company with the objective of having its shares re-quoted on the ASX.

The DOCA Proposal was conditional on a number of Conditions Precedent (the "DOCA Conditions Precedent") including, but not limited to, the granting of appropriate waivers by the ASX with respect to the issuance of placement shares as contemplated by the DOCA, and the granting of a letter setting out the conditions upon which ASX Limited ("ASX") will agree to the shares in the Company being reinstated to official quotation.

Upon completion of the Proposal the Company's issued capital was restructured, capital raised through share issuance, the DOCA terminated and a new direction for the Company determined. In accordance with the terms of the DOCA and the Recapitalisation Deed, all existing debts against the Company were released, extinguished and barred, with claims from Admitted Creditors' only able to be met from the Trust Assets. The DOCA was effectuated on 23 May 2018.

Following the recapitalisation of the Company, the Company was in a position to make an application for reinstatement to trading of its Shares on the ASX, subject to compliance with ASX and the Corporations Act regulatory requirements. The Company was reinstated to trading on the ASX on 25 May 2018.

REMUNERATION REPORT

The Remuneration Report is set out on pages 11 to 14 and forms part of this Directors' Report.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year the Company paid a premium to insure the directors and officers of the Company and its controlled entities. The policy prohibits the disclosure of the nature of the liabilities covered and the amount of the premium paid.

LIKELY DEVELOPMENTS

In line with the objectives set out in the Company's recapitalisation prospectus, the Board of Directors intend to undertake exploration activities at the wholly owned Princhester Magnesite project. Additionally, the Company will also consider the acquisition and development of any other investments, both within the mining industry and in market segments unrelated to the mining industry, as identified by the Company and subject always to compliance with the ASX Listing Rules.

OPERATING AND FINANCIAL REVIEW

An operating and financial review for the period is set out on pages 3 to 6 and forms part of this Directors' Report.

DIRECTORS' INTERESTS

At the date of this report, the relevant interests of the directors in securities of the Company are as *follows:*

	Ordinary shares	Share Options
G Steinepreis	78,000,000	32,500,000
K Eckhof	20,000,000	-
B Aylward	2,000,000	2,500,000
D Smith	5,000,000	2,500,000

SHARES UNDER OPTION

The following unissued ordinary shares of the Company are under option:

Expiry Date	Exercise price	Balance at start of year	Issued during the year	Cancelled/ lapsed during the year	Balance at the end of the year
31/12/2021	0.5 cents	-	105,000,000	-	105,000,000

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied for leave to the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001.

Principles used to determine the nature and amount of compensation

The Company was under the control of the Administrators for the majority of the period and there were no executives or employees.

The Company's shares were suspended on ASX as 13 February 2015 and re-instated to trading on 25 May 2018.

Use of remuneration consultants

The Company did not engage remuneration consultants during the current or prior financial year.

Voting and comments made at the Company's Annual General Meeting

The Company received evidence 99.59% of "yes" proxy votes on its remuneration report for the 2017 financial year, inclusive of discretionary proxy votes. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

AGREEMENTS IN RESPECT OF CASH REMUNERATION OF DIRECTORS:

Executive Directors

Klaus Eckhof

Mr Klaus Eckhof and the Company entered into an executive services agreement dated 11 August 2018, pursuant to which the Company will pay Mr Eckhof an annual fee of $90,000 as an executive director of the Company.

Non-executive Directors

The Company's constitution provides that the Non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate sum determined by a general meeting. The aggregate remuneration has been set at an amount of $325,000 per annum.

Mr Gary Steinepreis is on a contract dated 7 August 2018, which provides for a fixed fee of $2,000 per month.

Mr Bernard Aylward is on a contract dated 7 August 2018, which provides for a fixed fee of $2,000 per month.

Mr Daniel Smith (through Minerva Corporate Pty Ltd) is on a contract dated 7 August 2018 which provided for a fixed fee of $2,000 per month.

Loans to and other transactions with key management personnel

Current trade and other payables include $33,000 (2017: $200,049) to key management personnel at reporting date in respect of outstanding fees and termination expenses.

The consolidated entity did not have any other loans or transactions with related parties during the current year.

Directors' and other key management personnel remuneration, Company and consolidated entity

Details of the nature and amount of each major element of the remuneration of each director of the Company and each of the named Company and consolidated entity key management personnel receiving the highest remuneration are as follows:

Name	Short term salary and fees ($)	Share based payments - options ($)	Share based payments - shares ($)	Post-employment (superannuation contributions) ($)	Total ($)	Proportion of remuneration performance related (%)	Value of options as a % of remuneration (%)
Directors Non-Executive							
Mr G Steinepreis	10,000	-	-	-	10,000	-	-
Mr B Alyward	10,000	-	-	-	10,000	-	-
Mr D Smith	10,000	-	-	-	10,000	-	-
Total	**30,000**	**-**	**-**	**-**	**30,000**	**-**	**-**

Notes

(i) Director and other key management personnel fees are paid to the individual or their related entity

Share options

The movement during the reporting period in the number of options in Lachlan Star Limited held, directly, indirectly or beneficially by each key management person are as follows. All share options on issue at 30 June 2018 were vested and exercisable at that date.

No options over unissued ordinary shares of the Company were issued in the prior period. The following options over unissued ordinary shares of the Company were granted to key management personnel during the period:

2018	Opening Balance	Received as Remuneration	Received During Year on Exercise of Options	Net Change Other (i)	Closing Balance
Directors					
G Steinepreis	-	-	-	32,500,000	32,500,000
B Aylward	-	-	-	2,500,000	2,500,000
D Smith	-	-	-	2,500,000	2,500,000
Total	**-**	**-**	**-**	**37,500,000**	**37,500,000**

(i) Options were issued to the DOCA proponent and Key Management Personnel in accordance with the effectuated DOCA proposal

The fair value of options is calculated at the date of grant using the Black-Scholes Option Pricing Model. The following factors and assumptions were used in determining the fair value of options issued during the period.

2018 Grant date	Expiry date	Fair value per option	Exercise price at issue date	Price of shares at grant date	Expected volatility	Risk free interest rate	Dividend yield
23/05/2018	31/12/2021	$0.0038	$0.005	$0.005	120%	1.5%	0%

No options have been granted since the end of the financial year, nor have any options held by key management personnel been exercised during or since the end of the reporting period. During the reporting period there was no forfeiture or vesting of options granted in previous periods.

The movement during the current and prior reporting period, by value, of options over ordinary shares for key management personnel and granted as part of their remuneration is detailed below:

2018	Value of Options				
Director	Granted in year ($)	Exercised in year ($)	Forfeited in year ($)	Cancelled / expired in year ($)	Total value in year ($)
G Steinepreis	123,500	-	-	-	123,500
B Aylward	9,500	-	-	-	9,500
D Smith	9,500	-	-	-	9,500

The value of options granted during the year is the fair value of the options at grant date using the Black-Scholes Option Pricing Model. The value of options exercised during the year is calculated as the market price of shares of the Company on ASX Limited as at close of trading on the date the options were exercised, after deducting the price paid to exercise the options

2017	Value of Options				
Director	Granted in year ($)	Exercised in year ($)	Forfeited in year ($)	Cancelled / expired in year ($)	Total value in year ($)
P Drobeck	-	-	-	-	-
DT Franzmann	-	-	-	-	-
AJ Cipriano	-	-	-	-	-
Executive Officer					
RA Anderson	-	-	-	-	-

Ordinary Shares

The movement during the reporting period in the number of ordinary shares in Lachlan Star Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2018					
Directors	**Opening Balance**	**Net acquired / (disposed)**	**Granted as compensation**	**Net Change Other**	**Closing Balance**
G Steinepreis	-	78,000,000	-	-	78,000,000
B Aylward	-	2,000,000	-		2,000,000
D Smith	-	5,000,000	-	-	5,000,000
Total	-	**85,000,000**	-	**-**	**85,000,000**

No ordinary shares were granted to key management personnel during the current or prior periods.

End of Audited Remuneration Report

Signed in accordance with a resolution of the directors.

Mr Daniel Smith
Perth, Western Australia
28 September 2018

Auditor's Independence Declaration

As lead auditor for the audit of Lachlan Star Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Lachlan Star Limited and the entities it controlled during the period.

Craig Heatley
Partner
PricewaterhouseCoopers

Perth
28 September 2018

PricewaterhouseCoopers, ABN 52 780 433 757
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T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	30-Jun-18 $	30-Jun-17 $
Revenue from continuing operations		-	-
Finance income		2,203	-
Expenses			
Corporate compliance and management		(68,597)	(120,418)
Other expenses		(29,081)	(7,480)
Project evaluation fees		(53,282)	-
DOCA loss	5	(185,868)	
Finance expense		(148)	(116)
Administrator's fees and expenses		(39,417)	(70,260)
Loss from continuing operations before income tax		**(374,190)**	**(198,274)**
Income tax benefit	**3**	-	-
Loss from continuing operations after income tax	**15(c)**	**(374,190)**	**(198,274)**
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		**(374,190)**	**(198,274)**

Loss per share from continuing operations attributable to the ordinary equity holders of the Company:	**Cents**	**Cents**
Basic and diluted loss per share	(0.18)	(0.1)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

		30-Jun-18	30-Jun-17
Current Assets	**Notes**	**$**	**$**
Cash & cash equivalents	**11(b)**	2,022,742	15,207
Trade & other receivables	**6**	75,701	41,584
Total Current Assets		**2,098,443**	**56,791**
TOTAL ASSETS		**2,098,443**	**56,791**
Current Liabilities			
Trade & other payables	**7**	56,159	1,364,871
Total Current Liabilities		**56,159**	**1,364,871**
TOTAL LIABILITIES		**56,159**	**1,364,871**
NET ASSETS		**2,042,284**	**(1,308,080)**
Equity			
Contributed equity	**15(a)**	3,325,554	226,058,062
Reserves		399,000	-
Accumulated losses	**15(c)**	(1,682,270)	(227,366,142)
TOTAL EQUITY		**2,042,284**	**(1,308,080)**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital $	Share-based Payment Reserve $	Options Premium Reserve $	Accumulated Losses $	Total $
At 1 July 2017	**226,058,062**	**-**	**-**	**(227,366,142)**	**(1,308,080)**
Loss for the year	-	-	-	(374,190)	(374,190)
Total comprehensive loss for the year	**-**	**-**	**-**	**(374,190)**	**(374,190)**
Transactions with owners in their capacity as owners:					
Share-based payment – proponent options	-	-	399,000	-	399,000
Shares issued during the period	3,488,932	-	-	-	3,488,932
Reduction of share capital	(226,058,062)	-	-	226,058,062	-
Cost of share issue	(163,378)	-	-	-	**(163,378)**
At 30 June 2018	**3,325,554**	**-**	**399,000**	**(1,682,270)**	**2,042,284**

	Issued Capital $	Share-based Payment Reserve $	Options Premium Reserve $	Accumulated Losses $	Total $
At 1 July 2016	**226,058,062**	**-**	**-**	**(227,167,868)**	**(1,109,806)**
Loss for the year	-	-	-	(198,274)	(198,274)
Total comprehensive loss for the year	**-**	**-**	**-**	**(198,274)**	**(198,274)**
At 30 June 2017	**226,058,062**	**-**	**-**	**(227,366,142)**	**(1,308,080)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Note	30-Jun-18 $	30-Jun-17 $
Cash Flows From Operating Activities			
Receipts From Customers And GST Recovered		-	4,358
Payments To Suppliers And Employees		(144,729)	(63,079)
Interest Received		2,203	-
Interest Paid		-	(116)
Net Cash Outflow From Operating Activities		**(142,526)**	**(58,837)**
Cash Flows From Financing Activities			
Contributed Equity		3,328,933	-
Cost Of Capital		1,224,268	-
Funding From DOCA Proponent		45,397	-
Net Cash Inflow From Financing Activities		**2,150,062**	**-**
Net Increase/(Decrease) In Cash And Cash Equivalents		2,007,535	(58,837)
Cash And Cash Equivalents At Beginning Of Year		15,207	74,044
Effects Of Exchange Rate Changes		-	-
Cash And Cash Equivalents At End Of Year	**12**	**2,022,742**	**15,207**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Lachlan Star Limited and its subsidiaries.

(A) BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ("AASs") (including Australian Accounting Interpretations), as adopted by the Australian Accounting Standards Board ("AASB"), other authoritative pronouncements of the AASB, Urgent Issues Group Interpretations, and the Corporations Act 2001. Lachlan is a for-profit entity for the purposes of preparing the financial statements. Compliance with Australian Accounting Standards ensures that the consolidated financial report of Lachlan Star Limited complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The functional and presentation currency of the Company is Australian dollars. The financial report was authorised for issue by the board of on 28 September 2018. Lachlan Star Limited is a company limited by shares, incorporated and domiciled in Australia.

BASIS OF MEASUREMENT

The financial report is prepared on a historical cost basis as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

During the year the Deed of Company Arrangement (DOCA) Proposal to recapitalise the Company was effectuated after all related ASX conditions precedent were satisfied. Upon completion of the Proposal the Company's issued capital was restructured, additional capital raised through share issuance, the DOCA terminated and a new direction for the Company determined. In accordance with the terms of the DOCA and the Recapitalisation Deed, all existing debts against the Company were released, extinguished and barred, with claims from Admitted Creditors' only able to be met from the Trust Assets. The DOCA was effectuated on 23 May 2018.

Following the recapitalisation of the Company, the Company was in a position to make an application for reinstatement to trading of its Shares on the ASX, subject to compliance with the ASX and the Corporations Act regulatory requirements. The Company was reinstated to trading on the ASX on 25 May 2018.

Excluding a one-off net loss arising on effectuation of the DOCA of $185,868, the Group incurred a net loss of $188,322 for the year ended 30 June 2018 (30 June 2017: loss $198,274) and a net cash outflow from operating activities of $142,526 (30 June 2017: outflow $58,837). As at 30 June 2018, the Group had a net current asset surplus of $2,042,284 (30 June 2017: deficit $1,308,080), including unrestricted cash of $2,022,742 (30 June 2017: US$15,207).

During the next twelve months, the Group plans to commence exploration activities on the Princhester Magnesite project as well as evaluating potential opportunities both within and outside of the mineral exploration sector. Whilst the directors are satisfied that there is sufficient capital to meet current estimated expenditure commitments and working capital requirements, the expenditure requirements will increase as the project progresses to the extent that may lead to the requirement to access additional funding.

As a result of the above, there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Company's Board and management have a strong track-record in raising capital by way of debt or equity and therefore consider that despite this uncertainty in the future expenditure requirements, the Company is able to operate as a going concern.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) BASIS OF PREPARATION (CONTINUED)

The financial report therefore does not include any adjustments relating to the recoverability or classification of the recorded assets nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

The Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis on the basis that the above can be reasonably expected to be accomplished.

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.

The 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 and judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are:

(i) Functional currency

Companies in the consolidated entity have to determine their functional currencies based on the primary economic environment in which each entity operates. In order to do that management has to analyse several factors, including which currency mainly influences sales prices of product sold by the entity, which currency influences the main expenses of providing services, in which currency the entity has received financing, and in which currency it keeps its receipts from operating activities.

For Lachlan Star Limited and its subsidiaries management have determined that the Australian dollar is the functional currency for those companies given their recurring revenue and expenditure is mostly in Australian dollars.

(ii) Income taxes

The consolidated entity is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax liabilities based on the group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) PRINCIPLES OF CONSOLIDATION

Subsidiaries

The consolidated financial report comprises the financial statements of the Company and its controlled entities. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to effect those returns through its power to direct the activities of the entity. All inter- company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Where a subsidiary enters or leaves the consolidated entity during the year, its operating results are included or excluded from the date control was obtained or until the date control ceased. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those applied by the parent entity.

(C) RECEIVABLES

Trade and other receivables are initially stated at fair value and subsequently measured at amortised cost, less impairment losses. Trade receivables comprise amounts due from customers for metal sales in the ordinary course of business.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the impairment loss is recognised within other expenses in the statement of profit or loss and other comprehensive income. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

(D) EARNINGS PER SHARE

The consolidated entity presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the result attributable to equity holders of the Company by the weighted number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential ordinary shares, which comprise share options granted.

(E) SHARE BASED PAYMENTS

Fair value of shares and share options granted as compensation is recognised as an expense with a corresponding increase in equity. Fair value is measured at grant date and recognised over the period during which the grantees become unconditionally entitled to the shares or share options. Fair value of share grants at grant date is determined by the share price at that time. The fair value of share options at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, any vesting and performance criteria, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option. Upon the exercise of the option, the balance of the share-based payments reserve relating to the option is transferred to contribute equity. There are no non-market conditions attached to share options granted.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) INCOME TAX

The charge for current income tax expense is based on the result for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the profit or loss except where it relates to items recognised directly in equity, in which case it is recognised in equity. Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the consolidated entity intends to settle its current tax assets and liabilities on a net basis.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is considered probable.

(G) GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of goods and services tax (“GST”) except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The cash flow statement discloses the GST component of investing and financing activities as operating cash flows.

(H) EMPLOYEE BENEFITS

Provision is made for the consolidated entity’s liability for employee benefits and termination indemnities arising from services rendered by employees to balance date.

(i) Share-based payments

Share-based compensation in the form of options is measured using an option pricing model and is expensed or charged to contributed equity over the vesting period of the options with a corresponding credit to the share based payments reserve.

(I) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(J) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to an equity transaction are shown as a deduction from equity, net of any recognised income tax benefit.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(K) FOREIGN CURRENCY

(i) Functional and presentation currency

The functional currency of each of the consolidated entity's entities is measured using the currency of the primary economic environment in which that entity operates (the "functional" currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate at balance sheet date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the profit and loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as available-for- sale financial assets are recognized in profit or loss.

(L) TRADE AND OTHER PAYABLES

Trade and other payables are initially stated at fair value and subsequently measured at amortised cost. The amounts are unsecured and usually paid within 90 days of recognition.

(M) COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

(N) REVENUE RECOGNITION

Revenue is recognised and measured at the fair value of consideration received or receivable to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest

Revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(O) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has considered what impact AASB 9 Financial Instruments and AASB 15 Revenue from Contracts will have on the financial statements, when applied next year, and have concluded that they will have no impact. The Group is in the process of determining what impact AASB 16 Leases will have on the financial statements when applied in future periods.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(P) PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity, Lachlan Star Limited, disclosed in Note 12 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Lachlan Star Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Tax consolidation

The Company and its wholly-owned Australian resident controlled entities have formed a tax-consolidated group and are therefore taxed as a single entity. Lachlan Star Limited is the head entity of the tax-consolidated group. In future periods the members of the group will, if required, enter into a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(Q) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

(R) PROVISIONS

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(S) CONTINGENCIES

Contingent liabilities are defined as possible obligations resulting from past events whose existence depends on future events, obligations that are not recognised because it is not probable that they will lead to an outflow of resources, or obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position other than as part of a business combination, but are disclosed in the notes to the financial statements, with the exception of contingent liabilities where the probability of the liability occurring is remote

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(T) FINANCIAL LIABILITIES (INCLUDING BORROWINGS)

Financial liabilities within the scope of AASB 139 are classified as financial liabilities at fair value through the profit or loss, borrowings, payables or as derivatives as hedging instruments in an effective hedge, as appropriate. The consolidated entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of borrowings, less directly attributable transaction costs. The subsequent measurement of financial liabilities depend on their classification.

After initial recognition, borrowings and payables are subsequently measured at amortised cost using the effective interest rate method or at fair value. Gains and losses are recognised in other comprehensive income when the liabilities are derecognised as well as through the effective interest rate method amortisation process. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include recent arm's length market transactions, references to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

2. EARNINGS PER SHARE

	30-Jun-18 $	30-Jun-17 $
Loss attributable to ordinary shareholders	(374,191)	(198,274)
Weighted average number of ordinary shares	207,355,396	165,393,259
Basic loss per share (cents per share)	(0.18)	(0.1)

All potential ordinary shares, being options to acquire ordinary shares, are not considered dilutive in the calculation of the diluted loss per share as the exercise of the options would not increase the loss per share.

3. INCOME TAX BENEFIT

(a) Income tax expense:	30-Jun-18 $	30-Jun-17 $
Current income tax	-	-
Deferred income tax	-	-
Current income tax benefit	-	-
	-	-

(b) Reconciliation of Income tax expense to prima facie tax payable:		
Loss before income tax	(374,190)	(198,274)
Prima facie income tax at 30% (2017: 27.5%)	(112,257)	(54,525)
Revenue losses not recognised	284,086	54,525
Other deferred tax balances not recognised	182,253	-
Other non-allowable items	69,913	-
Other non-assessable items	(423,995)	-
Income tax expense/(benefit)	-	-

4. AUDITORS' REMUNERATION

	30-Jun-18 $	30-Jun-17 $
Audit Services		
PWC – Statutory audit and review:	23,360	6,000
Total audit services provided to the Group	**23,360**	**6,000**

5. DOCA LOSS

	30-Jun-18 $	30-Jun-17 $
Current		
DOCA effectuation payment	(675,000)	-
DOCA expenses reimbursed	(173,800)	-
DOCA recapitalisation fee	(100,000)	-
DOCA legal fees	(91,382)	-
DOCA – payables extinguished	1,413,314	-
DOCA – Share-based creditor trust settlement	(160,000)	-
DOCA - Share options to KMP and proponent	(399,000)	-
	(185,868)	**-**

All payments and extinguishment of liabilities are in accordance with the Deed of Company Administration effectuated on 23 May 2018.

6. TRADE AND OTHER RECEIVABLES

	30-Jun-18 $	30-Jun-17 $
Current		
Other receivables and prepayments - third parties	75,701	41,584
	75,701	**41,584**

7. TRADE AND OTHER PAYABLES

	30-Jun-18 $	30-Jun-17 $
Current		
Trade payables – third parties	41,159	205,802
Non-trade payables and accrued expenses – third parties	15,000	959,020
Non-trade payables and accrued expenses – related parties	-	200,049
	56,159	**1,364,871**

Trade and other payables are non-interest bearing liabilities stated at cost and are predominantly settled within 30 days.

The carrying amounts of trade and other payable are assumed to be the same as their fair values, due to their short term nature.

8. RELATED PARTY DISCLOSURES

Lachlan Star Limited is the ultimate parent entity.

TRANSACTIONS WITH OTHER RELATED PARTIES

Lachlan Star Limited director and company secretary, Mr Daniel Smith, is a director of Minerva Corporate Pty Ltd. Minerva Corporate Pty Ltd provided accounting consultancy services to Lachlan Star Limited. Monthly fees for accounting services to Minerva Corporate Pty Ltd of $2,000 commenced on 1 June 2018. An amount of $2,200 was included in trade payables at 30 June 2018.

Lachlan Star Limited director and shareholder, Mr Gary Steinepreis is director of Ascent Capital Pty Ltd. Ascent Capital Pty Ltd acted as the proponent to the Deed Of Company Administration to Lachlan Star Limited. A one-off fee of $100,000 was made on effectuation of the DOCA and the re-listing of Lachlan Star Limited on the Australian Stock Exchange. An amount of $nil was included in trade payables at 30 June 2018.

The transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

9. CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2018 or 30 June 2017.

10. SEGMENT INFORMATION

A. Identification of reporting segments

The Company identifies operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is reviewed by the directors'. The Company has currently no identifiable operating segments.

11. RECONCILIATION OF (LOSS) AFTER INCOME TAX TO NET CASH FLOWS USED IN OPERATING ACTIVITIES

	30-Jun-18 $	30-Jun-17 $
(a) Cash flows generated from / (used in) operating activities		
Net loss after income tax	(374,190)	(198,274)
Non- Cash Items adjustment		
Share-based payments - proponent options	399,000	-
Share-based payments – creditors trust shares issued	160,000	-
DOCA-payables extinguished	(1,413,319)	-
Changes in assets and liabilities:		
(Increase) / decrease in receivables	(34,117)	(331)
Increase / (decrease) in payables	1,120,100	139,768
Net cash inflow/(outflow) from operating activities	**(142,526)**	**(58,837)**
(b) Reconciliation of cash and cash equivalents		
Cash at bank and at call	2,022,742	15,207
(c) Non cash financing and investing activities		

The consolidated entity's exposure to interest rate risk is discussed in Note 19. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

12. PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	30-Jun-18 $	30-Jun-17 $
Current Assets	2,098,443	56,791
Non-Current Assets	-	-
Total Assets	2,098,443	56,791
Current Liabilities	56,159	1,364,839
Non-Current Liabilities	-	-
Total liabilities	56,159	1,364,839
Contributed equity	3,325,554	226,058,062
Reserves	399,000	-
Accumulated losses	(1,682,270)	(227,366,110)
Net Assets/(Liabilities)	**2,042,284**	**(1,308,048)**
Profit/(Loss) for the year	(374,190)	(198,274)
Other comprehensive loss for the year	-	-
Total comprehensive profit/(loss) for the year	**(374,190)**	**(198,274)**

The parent entity did not have any contingent liabilities or capital commitments as at 30 June 2018 or 30 June 2017.

The Company and its wholly-owned Australian resident controlled entities have formed a tax-consolidated group and are therefore taxed as a single entity. Lachlan Star Limited is the head entity of the tax-consolidated group. In future periods the members of the group will, if required, enter into a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

13. CONSOLIDATED ENTITIES

Name	**Country of incorporation**	**2018**	**2017**
Legal Parent			
Lachlan Star Limited	Australia		
Legal Subsidiaries			
Ord Investments Pty Ltd	Australia	100%	100%

14. EVENTS SUBSEQUENT TO REPORTING DATE

On 13 August 2018 the Company announced the appointment of Mr Klaus Eckhof as an Executive Director of the Company. Mr Eckhof is a geologist with more than 30 years' experience identifying, exploring and developing mineral deposits around the world. As part of Mr Eckhof's appointment as Executive Director, he is entitled to up to 80 million performance rights, subject to shareholder approval.

No other matters or circumstances have arisen since 30 June 2018 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.

15. CAPITAL AND RESERVES

(A) CONTRIBUTED EQUITY:

	30-Jun-18 Number	30-Jun-18 $	30-Jun-17 Number	30-Jun-17 $
Ordinary shares				
Balance at the beginning of the year	165,393,259	226,058,062	165,393,259	226,058,062
Shares issued during the year	720,786,520	3,488,932	-	-
Consolidation of share capital	(132,314,116)	-	-	-
Reduction in share capital	-	(226,058,062)	-	-
Share capital raising costs	-	(163,378)	-	-
Balance at the end of the year	**753,865,663**	**3,325,554**	**165,393,259**	**226,058,062**

Ordinary shares have the right to one vote per share at meetings of the Company, to receive dividends as declared and in the event of a winding-up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on, shares held. Ordinary shares have been fully paid, have no par value, and the Company does not have a limited amount of authorised capital.

(B) OPTIONS PREMIUM RESERVE

Movements in the options premium reserve are set out in the statement of changes in equity on page 18. 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) ACCUMULATED LOSSES

	30-Jun-18 $	30-Jun-17 $
Accumulated losses at the beginning of the financial year	(227,366,142)	(227,167,868)
Re-allocate historical share capital issued on effectuation of DOCA	226,058,062	-
(Loss) for the period	(374,190)	(198,274)
Accumulated losses at the end of the financial year	**(1,682,270)**	**(227,366,142)**

16. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or contingent liabilities at 30 June 2018 or 30 June 2017.

17. SHARE OPTIONS

The number and weighted average exercise price of share options is as follows:

	2018	2018	2018	2017	2017	2017
	Weighted average exercise price	Number of Options	Expiry date	Weighted average exercise price	Number of Options	Expiry date
Outstanding 1 July	-	-		1.3 cents	2,050,000	
Expired/cancelled during the period issued	-	-		1.3 cents	2,050,000	
Issued during the period	0.5 cents	105,000,000	31 Dec 2021			
Outstanding at 30 June	0.5 cents	105,000,000	31 Dec 2021	-	-	-

105,000,000 listed options were issued during the year to the Deed of Company Administration proponents. The options have an exercise price of 0.5 cents each and expire on 31 December 2021. The option value was calculated using the Black-Scholes Model. The value of the options has been determined using the Black-Scholes Model as they were issued in accordance with an agreement rather than on receipt of a vendor invoice. The option reserve records items recognised on valuation of director, employee and contractor share options as well as share options issued during the course of a business combination.

There are no other options on issue at 30 June 2018.

The assessed fair values of the options were determined using a Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Dividend Yield	-
Expected volatility (%)	120
Risk-free interest rate (%)	1.5
Expected life of options (years)	3.6
Option exercise price	0.005
Share price at grant date	0.005
Value of option ($)	0.0038

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation is as follows:

	30-Jun-18 $	30-Jun-17 $
Short-term benefits	30,000	-
Post-employment benefits	-	-
Share-based payments	-	-
	30,000	**-**

Current trade and other payables of $33,000 (2017: $200,049) were payable to key management personnel at reporting date in respect of outstanding fees and expenses.

19. FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to credit risk, market risk (including interest rate risk, foreign exchange risk and price risk), and liquidity risk. This note presents qualitative and quantitative information about the consolidated entity's exposure to each of the above risks, its objectives, policies and procedures for managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The consolidated entity's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not currently use derivative financial instruments to hedge financial risk exposures and therefore it is exposed to daily movements in interest rates and exchange rates, however these risks are currently negligible. The consolidated entity uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates and ageing analysis for credit risk.

There are no formal targets set for return on capital. There were no changes to the consolidated entity's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

(A) CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the consolidated entity. Exposure to credit risk is considered minimal but is monitored on an ongoing basis.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) CREDIT RISK (CONTINUED)

Cash transactions are limited to financial institutions considered to have a suitable credit rating. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position at balance date. The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure.

None of the receivables as at 30 June 2018 are past due or impaired.

The consolidated entity's maximum exposure to credit risk at the reporting date was:

	30-Jun-18 $	30-Jun-17 $
Carrying amount:		
Cash and cash equivalents	2,022,742	15,207
Trade and other receivables	75,701	41,584
	2,098,443	**56,791**

(B) MARKET RISK

(i) Cash flow and fair value interest rate risk

The significance and management of the risks to the consolidated entity is dependent on a number of factors including (i) interest rates (current and forward) and the currencies that are held; (ii) level of cash and liquid investments and borrowings; (iii) maturity dates of investments and loans; and (iv) proportion of investments and borrowings with fixed rate or floating rates.

The risk is managed by the consolidated entity maintaining an appropriate mix between fixed and floating rate investments. The consolidated entity's exposure to interest rate risk is considered minimal. The effective interest rates of financial assets and financial liabilities with interest obligations at the reporting date are as follows.

	Variable rate instruments at call	Fixed rate instruments	Weighted average interest rate	Variable rate instruments at call	Fixed rate instruments	Weighted average interest rate
	2018 ($)	2018 ($)	2018	2017 ($)	2017 ($)	2017
Financial assets						
Cash and cash equivalents	2,022,742	-	-	15,207	-	-

The values above were the carrying amount of the consolidated entity's interest bearing financial instruments at 30 June 2018 and 30 June 2017.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) MARKET RISK (CONTINUED)

(ii) Foreign exchange risk

The consolidated entity's exposure to foreign exchange risk at statement of financial position date was as follows, based on carrying amounts in A$:

	2018 A$	2018 CDN$	2018 Totals A$	2017 A$	2017 CDN$	2017 Totals A$
Cash and cash equivalents	2,022,742	-	2,022,742	15,207	-	15,207
Trade and other receivables	75,701	-	75,701	41,584	-	41,584
Trade and other payables	(56,159)	-	(56,159)	(1,342,367)	(22,504)	(1,364,871)
	(2,042,284)	**-**	**(2,042,284)**	**(1,285,576)**	**(22,504)**	**(1,308,080)**

(iii) Price risk

There was no price risk in the current or prior period.

The consolidated entity is not exposed to equity securities price risk at 30 June 2018 or 30 June 2017.

(C) LIQUIDITY RISK

The following are the contractual maturities of consolidated financial liabilities:

	30-Jun-18 $	30-Jun-17 $
Trade and other payables:		
Carrying amounts	56,159	1,364,871
Contractual cashflows	56,159	1,364,871
Payable 6 months or less	56,159	1,364,871

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

(D) FAIR VALUES

The carrying amounts of consolidated financial assets and financial liabilities shown in the statement of financial position approximate their fair values. The basis for determining fair values is disclosed in Note 1(t). AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

There were no financial assets and liabilities measured and recognised at fair value at 30 June 2018 or 30 June 2017.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Lachlan Star Limited:

   (a) the financial statements and notes set out on pages 16 to 37 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

      (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements*;* and

   (b) subject to Note 1(a) 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 has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the directors.

Mr Daniel Smith
Perth, Western Australia
28 September 2018

Independent auditor's report

To the members of Lachlan Star Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Lachlan Star Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2018
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1a in the financial report, which indicates that excluding the one-off net loss on effectuation of the deed of company arrangement of $185,868, the Group incurred a net loss after tax of $188,322 and a net cash outflow from operating activities of $142,526 during the year ended 30 June 2018. As a result, the Group may need to access additional funding to meet the future expenditure requirements for the Group's current exploration project to ensure that it can continue its normal exploration activities.

These conditions, along with other matters set forth in Note 1a, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality

- For the purpose of our audit we used overall Group materiality of $20,423, which represents approximately 1% of the Group's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group net assets because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the directors.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Effectuation of the deed of company arrangement (DOCA) *(Refer to note 5) [$(185,868)]* On 23 May 2018, the Company announced the effectuation of the (DOCA) dated 28 August 2015. As a result all existing debts against the Group were extinguished and the Group's issued capital was restructured. A loss of $185,868 was recorded in the consolidated statement of profit or loss and other comprehensive income, reflecting the debt extinguishment net of other DOCA-related expenses. This was a key audit matter because of the magnitude and one-off nature of the item impacting the financial report.	We performed the following procedures, amongst others: - Read key DOCA-related documents to obtain an understanding of its key terms. - Assessed the completeness and carrying value of liabilities subject to the DOCA which were extinguished by agreeing them to accounting records and source documents. - Agreed all DOCA-related payments by the Group to supporting evidence, including agreeing all actual cash outflows to bank statements. - Recalculated the loss recorded on effectuation. - Considered the appropriateness and sufficiency of disclosure in the financial report in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Corporate Directory, Operating and Financial Review, Directors' Report and Additional Shareholder Information. We expect the remaining other information to be made available to us after the date of this auditor's report, including the Corporate Governance Statement.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received as identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 11 to 14 of the directors' report for the year ended 30 June 2018.

In our opinion, the remuneration report of Lachlan Star Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Craig Heatley
Partner

Perth
28 September 2018

ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the ASX Limited ("ASX") Listing Rules and not disclosed elsewhere in this report is set out below.

(A)SHAREHOLDINGS AS AT 25 SEPTEMBER 2018

SUBSTANTIAL SHAREHOLDERS

The following shareholders have lodged substantial shareholder notices with ASX:

Name of Shareholder	**Number of shares**	**% held**
Croesus Mining Pty Ltd <Steinepreis Super Fund A/C> and <Second Super Fund A/C>, N&J Mitchell Holdings Pty Ltd <Mitchell Unit A/C>, Linda Louise Steinepreis, Carly Louise Steinepreis, Elizabeth Louise Steinepreis & Judith Elizabeth Steinepreis	80,000,000	10.61%
Oakhurst Nominees Pty Ltd, Leisure West Consulting Pty Ltd & Gary Steinepreis	78,000,000	10.35%
Talltree Holdings Pty Ltd, Talltree Holdings Pty Ltd <D Steinepreis Family A/C>, Talltree Holdings Pty Ltd <Nerd Family Super Fund>, Sarah Jessica Steinepreis, Hill Farm Donnybrook Pty Ltd	55,600,000	7.37%

VOTING RIGHTS

The voting rights attaching to Ordinary Shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. No options have any voting rights.

(A)SHAREHOLDINGS AS AT 25 SEPTEMBER 2018

TWENTY LARGEST SHAREHOLDERS

	Name of Shareholder	**Number of shares**	**% held**
1.	OAKHURST ENTERPRISES PTY LTD	43,000,000	*5.70*
2.	CROESUS MINING PTY LTD <STEINEPREIS SUPER FUND A/C>	38,000,000	*5.04*
3.	DR ANDREAS FRIEDRICH REITMEIER	35,000,000	*4.64*
4.	DR MANUELA REITMEIER	34,000,000	*4.51*
5.	MARK GASSON	30,000,000	*3.98*
6.	LEISUREWEST CONSULTING PTY LTD <LEISUREWEST A/C>	30,000,000	*3.98*
7.	SUNSHORE HOLDINGS PTY LTD	28,000,000	*3.71*
8.	VIMINALE PTY LTD	27,454,500	*3.64*
9.	RANCHLAND HOLDINGS PTY LTD <R C STEINEPREIS FAMILY A/C>	25,000,000	*3.32*
10.	MR KLAUS PETER ECKHOF	20,000,000	*2.65*
11.	MOUTIER PTY LTD	20,000,000	*2.65*
12.	TALLTREE HOLDINGS PTY LTD <D STEINEPREIS FAMILY A/C>	20,000,000	*2.65*
13.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,191,032	*2.02*
14.	CROESUS MINING PTY LTD <STEINEPREIS SUPER FUND A/C>	15,000,000	*1.99*
15.	DJ CARMICHAEL PTY LTD	11,600,000	*1.54*
16.	CITICORP NOMINEES PTY LIMITED	10,026,130	*1.33*
17.	MR JOHN HENDERSON MANSON + MRS KAREN ANN-MARIE MANSON <MAYFLOWER A/C>	10,000,000	*1.33*
18.	RIDGEBACK HOLDINGS PTY LTD <THE FERGUSON FAMILY A/C>	10,000,000	*1.33*
19.	MRS SARAH JESSICA STEINEPREIS	10,000,000	*1.33*
20.	TALLTREE HOLDINGS PTY LTD <NERD FAMILY SUPER FUND A/C>	10,000,000	*1.33*
	Total	442,271,662	58.67

(A)SHAREHOLDINGS AS AT 25 SEPTEMBER 2018 (CONTINUED)

Distribution of equity security holders

Size of Holding			Number of shareholders	Number of fully paid shares
1	to	1,000	1,071	188,499
1,001	to	5,000	160	390,906
5,001	to	10,000	46	344,097
10,001	to	100,000	173	8,011,335
100,001	and	over	401	744,930,826
			1,851	753,865,663

The number of shareholdings held in less than marketable parcels is 1,353.

(B)UNLISTED OPTION HOLDINGS AS AT 25 SEPTEMBER 2018

There are 105,000,000 unlisted options exercisable at $0.005 each on or before 31 December 2021.

(C)ON-MARKET BUYBACK

There is no current on-market buyback.

(D)INTEREST IN MINING AND EXPLORATION PERMITS

Exploration / Mining Lease	Location	% interest
ML 5831	Princhester, Queensland	100%
ML 5832	Princhester, Queensland	100%
EL 5574	Bushranger, New South Wales	Net Smelter Royalty