

26 June 2020

## Option to Acquire 75% Cu-Ni-PGE Project in the New Norcia Region, Western Australia

### Highlights

- Lachlan Star has entered into a **6-month Option Agreement** with Coobaloo Minerals Pty Ltd (**Coobaloo**), granting the right to purchase up to a 75% interest in the Koojan Project, a highly prospective Copper-Nickel-PGE Project in the New Norcia Region, Western Australia.
- The Koojan Project is approximately 80km north of the recent Julimar Ni-PGE discovery by Chalice Gold Mines and approximately 130km north of Perth.
- The New Norcia Cu-Ni-PGE region is an emerging exploration province with recent exploration activity continuing to discover new zones of mineralisation.
- The Koojan project consists of six exploration licences (two granted, four applications) and one prospecting licence (application) covering an area of approximately 600km<sup>2</sup>.
- Limited historic exploration has covered the licence area and has previously focussed on Bauxite, however exploration in the region has identified mafic-ultramafic intrusive rocks that are anomalous in nickel, copper, cobalt and PGE's.
- Exploration by Coobaloo has returned anomalous samples from handheld XRF analysis in the field with assays up to 2.78% Cu, 0.18% Ni and 1,740ppm Co<sup>1</sup>. This work has been undertaken on a reconnaissance basis and requires follow-up and verification.
- Lachlan Star will pay a A\$50,000 option fee and, subject to a minimum exploration spend of A\$60,000, is entitled to exercise the option to acquire an initial 50% of the Koojan Project.
- 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.
- There will be no changes to the Board as a result of the transaction.
- In conjunction with the transaction, Lachlan Star has received firm commitments to raise A\$500,000 through the issue of 100,000,000 shares at \$0.005 each.

Lachlan Star Limited (ASX:LSA, **Lachlan Star** or the **Company**) is pleased to announce that the Company has entered into a 6 month Option Agreement, in which Lachlan can purchase an initial 50% interest in Coobaloo and its Koojan Copper-Nickel-PGE Project (**Project**) located approximately 80km north of the recent Julimar Ni-PGE discovery by Chalice Gold Mines and approximately 130km north of Perth (**Option Period**). 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.

Lachlan Star Executive Director, Klaus Eckhof said *"the New Norcia region has become a focus for exploration through the recent discovery of the Julimar Ni-PGE-Cu prospect by Chalice Gold Mines Ltd and a*

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<sup>1</sup> Refer full results in Appendix 1

*re-appraisal of the Yarrawindah Brook Ni-PGE mineralisation by Cassini Resources Limited. The Koojan Project is located on the western margin of the Yilgarn Craton, with the Darling fault marking the western edge of the project. This setting is favourable for the formation of significant nickel-copper orebodies with examples including the Nova-Bollinger deposit in the Fraser Range of Western Australia.*

*The project has not historically been explored for copper and nickel mineralisation however Government geological mapping has highlighted numerous mafic-ultramafic intrusive bodies that may be associated with mineralisation. Field reconnaissance completed has demonstrated high grade copper, nickel and cobalt mineralisation. The large landholding acquired by Coobaloo focussed on the possible extension of the geology hosting the recent Julimar Ni-Cu-PGE discovery and the Yarrawindah Ni-Cu-PGE project and the early reconnaissance is validating this approach.*

*Lachlan Star is planning a campaign of geological mapping, geochemical sampling and geophysics to rapidly define targets for drill testing."*

## **Koojan Project**

### *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 Minerals Pty Ltd and covers a contiguous area of 600km<sup>2</sup>. The project is located 80km north of the recent Julimar Ni-PGE-Cu discovery by Chalice Gold Mines Ltd, and is located in a similar geological setting. The Project is located within the Western Gneiss Terrain of the Archaean Yilgarn Craton of south-west Western Australia (**Figure 2**). 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.

Lachlan Star has completed an initial site visit to the project to review the geological setting and zones of anomalous mineralisation. The visit highlighted that areas of high-grade copper, nickel, cobalt and anomalous PGE mineralisation are associated with mafic intrusive rocks. This will be an immediate focus of the exploration programme to continue to expand and define these areas for evaluation. The reconnaissance rock chip programme has consisted of samples dispatched to SGS and ALS for analysis or has consisted of analysis by handheld XRF in the field. The sampling has returned anomalous results for Copper (up to 2.78% Cu), Nickel (up to 0.18% Ni), Cobalt (up to 1,740ppm Co), as well as anomalous values for zinc, lead and PGE elements (refer **Figure 3** for locations and **Appendix 1** for historical sampling results). The anomalous results require follow-up, and it is noted that in the reconnaissance stage a range of values from below detection to the upper limits were returned.

### *Preliminary Geophysical Review*

The 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 Project where field 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 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 programme.

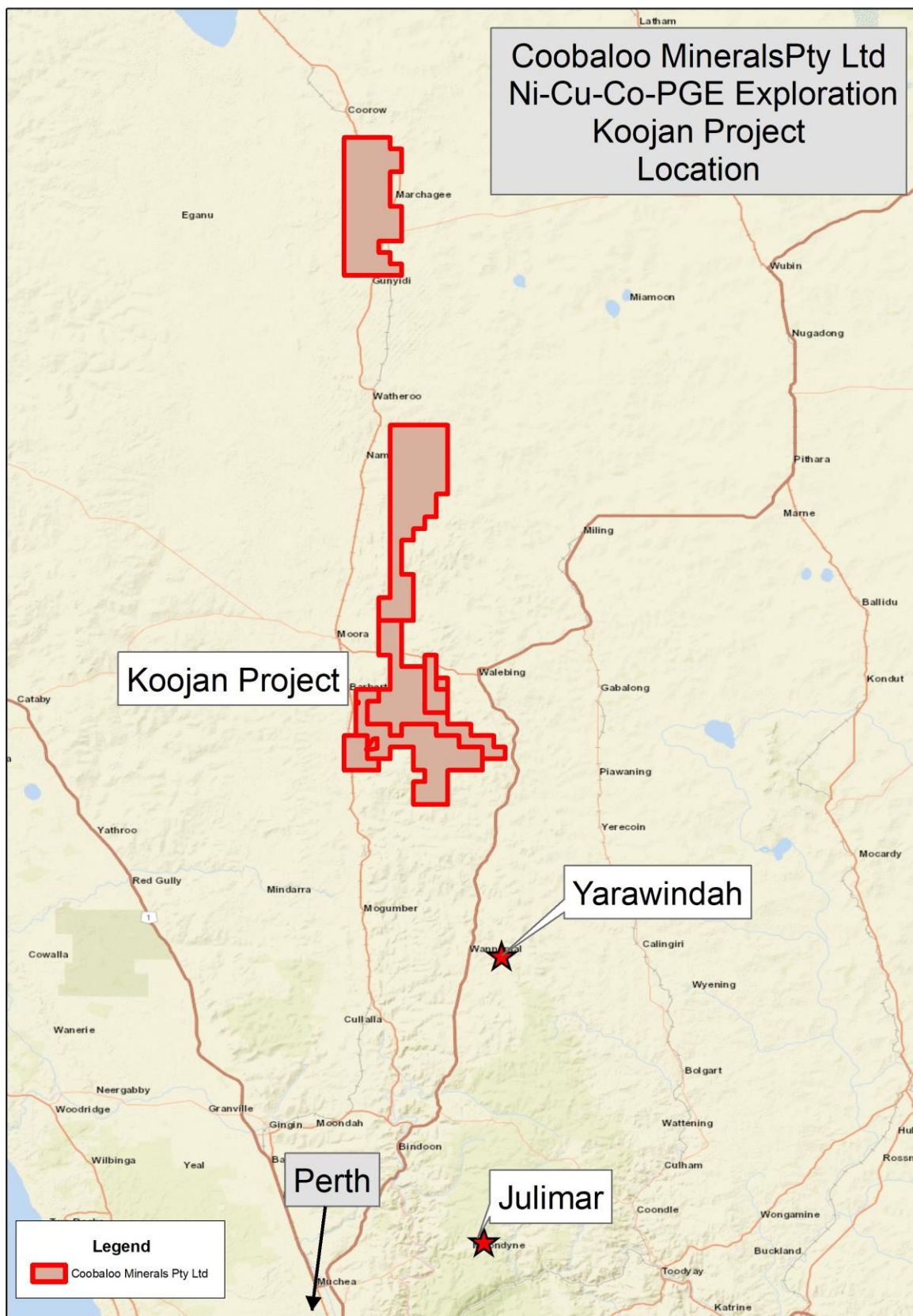
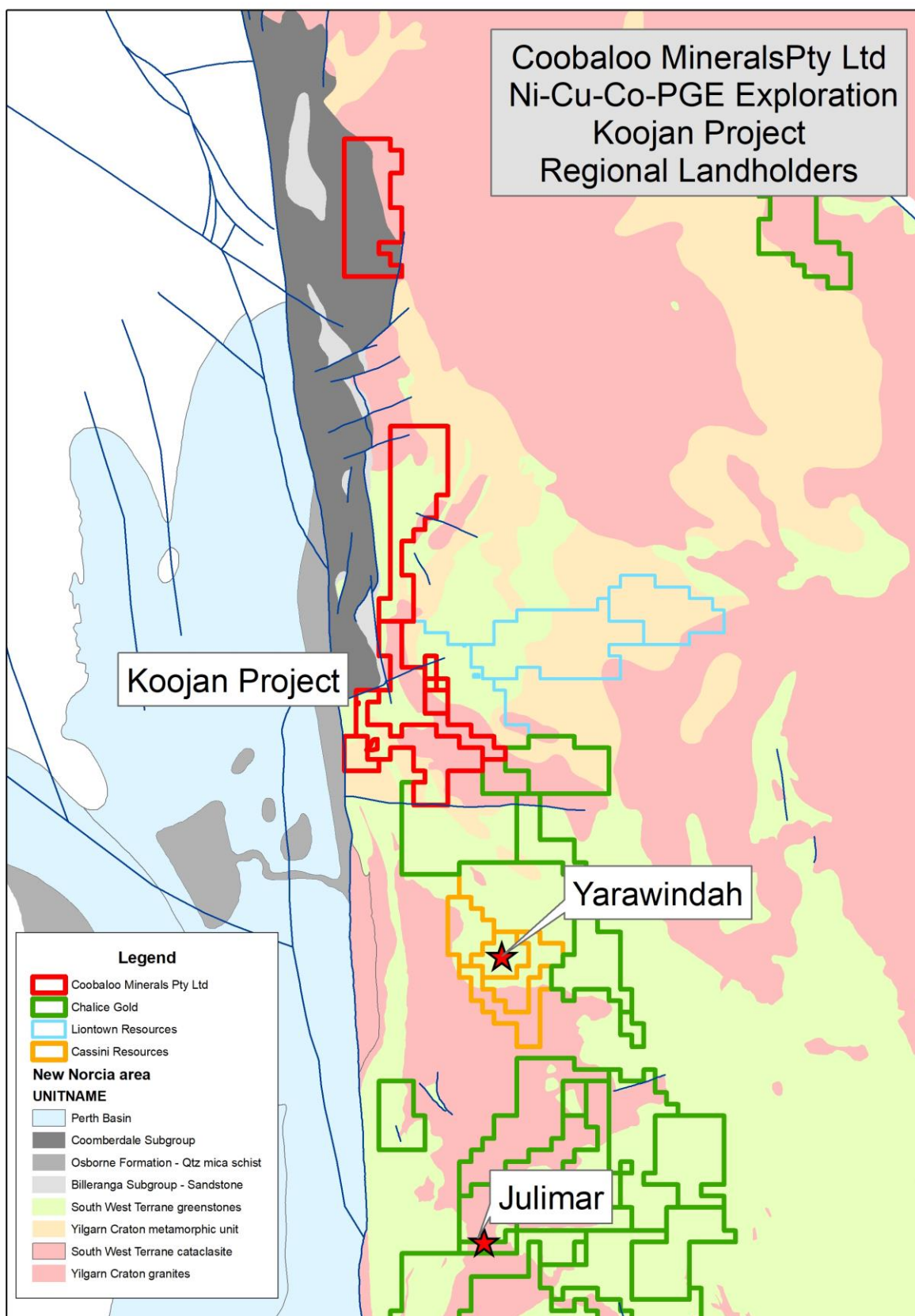


Figure 1: The Koojan Project location



**Figure 2: Regional Geological setting and landholders**



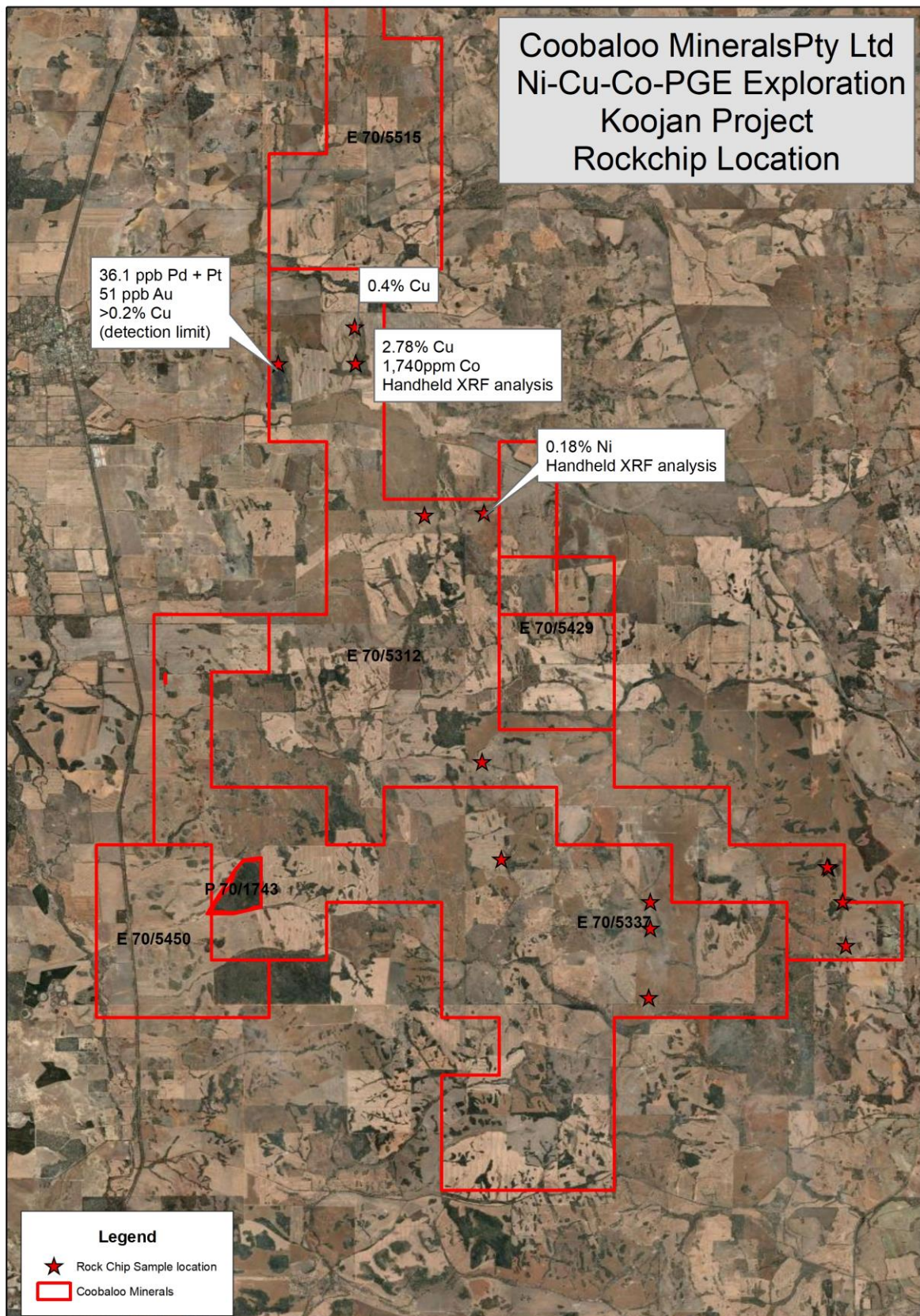


Figure 3: Koojan Project Reconnaissance Rock chip location overlying satellite image.



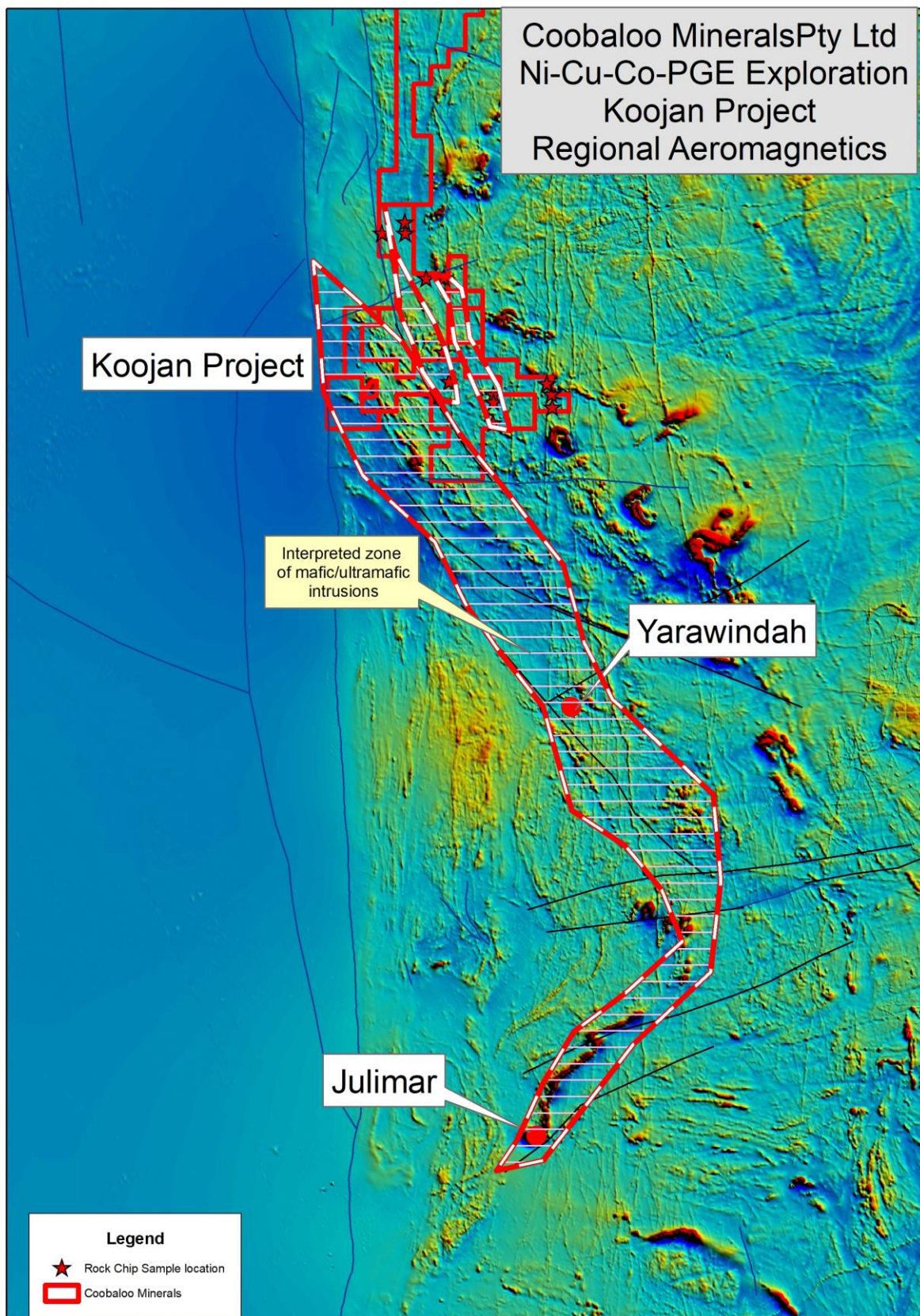


Figure 4: Regional Airborne Magnetic Geophysical survey data

### *Exploration Program*

The initial 6-month exploration program will be focussed on verifying the zones of high grade mineralisation identified in the early reconnaissance work with the aim of moving quickly to drill ready targets. The proposed field programme, to be run concurrently wherever possible, will include:

- Geological Mapping including rock chip and target prioritisation.
- Geochemical sampling – auger drilling on a systematic basis over key areas as well as regional mafic to ultramafic targets.
- Geophysics – a review is continuing however a gravity survey is recommended and a ground EM survey will be reviewed as it has been noted that this approach has been successful at the Julimar prospect and elsewhere in the New Norcia region.
- Review and prioritisation of drill targets with the aim of commencing drilling as soon as possible.

### **Transaction Consideration**

On execution of the terms sheet with Coobaloo, Lachlan Star will pay a cash consideration of A\$50,000 within 7 days of signing.

Subject to Lachlan Star having incurred exploration expenditure totalling A\$60,000 across the Project within a 6-month period, Lachlan Star will have earned the right to exercise the option to acquire an initial 50% ownership of Coobaloo and the Project.

Should Lachlan Star exercise the option to acquire 50% of Coobaloo and the Project, then on or before 23 December 2020, and subject to any required shareholder approvals, Lachlan Star shall issue to the vendors (or their nominee/s) 82.5 million fully paid ordinary shares in Lachlan Star and grant the vendors a 1% Net Smelter Royalty (**NSR**). 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 (Additional Expenditure Commitment).

Additionally, Lachlan Star will have the following obligations:

- (a) Performance Milestone: Following Lachlan Star delineating a JORC Indicated Resource (as defined in JORC 2012) of 50,000t of greater than 2.5% Ni Equivalent (Ni, Cu, Co) at the Project, Lachlan Star will make a milestone payment to the vendors of A\$600,000 which may at the election of Lachlan Star be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Lachlan Star's Share price as traded on the ASX;
- (b) Free-Carry: In the event Lachlan Star has met the Additional Expenditure Commitment, it will free-carry the Vendor's 25% retained interest through to the completion of a Bankable Feasibility Study (Free Carried Period); and
- (c) Conversion of retained interest: Following completion of the Free Carried Period, the Vendor will have a one-time right to elect to convert their retained interest to an additional 1% NSR. If the Vendor decides not to convert their retained interest to an NSR, they shall co-fund their portion of Project expenditure or dilute using the AMPLA standard dilution clause.

### *Royalties*

Lachlan Star and the Vendors will execute a NSR agreement on the exercise of the Option, pursuant to which Lachlan Star will pay the Vendors a 1% NSR in respect of all precious, industrial minerals and base metals produced, sold and proceeds received from the Project.

Lachlan Star has the first right of refusal to purchase the Royalties in the event that the Vendors seek to sell the rights.

### *Conditions Precedent*

The agreement is conditional upon satisfaction or waiver of:

1. Lachlan Star obtaining all necessary shareholder (including for the purposes of Listing Rule 7.1) and regulatory approvals if required to complete the acquisition and issue all consideration;
2. Lachlan Star completing commercial, legal and technical due diligence investigations in respect of the Project to the satisfaction of the Lachlan Star;
3. There being no material adverse change in the business, financial or trading position, or assets, liabilities or profitability or prospects of Coobaloo, or any event reasonably likely to result in such a material adverse change; and
4. There is no material breach, and there are no facts or circumstances that may reasonably be expected to lead to a material breach, of any warranties before Completion; and
5. The Parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law and all third party approvals, consents and necessary documentation required to lawfully complete the matters set out in the terms sheet.

### *Termination*

The Agreement may be terminated in the following circumstances:

- i. If Lachlan Star does not validly exercise the option to acquire the Project on or before 24 December 2020.
- ii. If prior to the exercise of the option by Lachlan Star, the parties agree in writing to terminate the agreement.
- iii. If Lachlan Star fails to meet any of its obligations to make any payment due to vendors or to meet any work commitment under the agreement.

In the event of termination, the vendors shall retain all payments and other compensation received from Lachlan Star prior to the termination.

### **Capital Raising**

In order to fund the proposed acquisition and planned work programs, Lachlan Star has received firm commitments to issue 100,000,000 shares at an issue price of \$0.005 per share to raise up to A\$500,000 (**Placement**) under its existing placement capacity in accordance with Listing Rule 7.1 and 7.1A on or around 1 July 2020. Shaw and Partners Limited has acted as Lead Manager to the Placement.



**For more information contact:**

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This announcement was approved by the Board of Lachlan Star Limited.

**Competent Person's Statement – Exploration Results**

*The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr Bernard Aylward, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Aylward is a Director of Lachlan Star Limited. Mr Aylward has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Aylward consents to the inclusion in this report of the matters based on his information in the form and context in which 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 Star's 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 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.*

*Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.*

**Appendix 1 – Historical Sample Results**

Sample Id	Easting	Northing	Analysis	Ni%	Cu%	Co ppm	Pd ppb	Pt ppb	Au ppb
XRF 1	416565	6604743	Handheld XRF	0.181	not reported	290	-	-	-
XRF2	412969	6609498	Handheld XRF	-	0.12	1,740	-	-	-
XRF3	412961	6609497	Handheld XRF	-	2.78	not reported		-	-
ALS 3	116.0914286	-30.63345976	ALS	-	0.39	3	-	-	-
Cop 1	116.0692428	-30.64407601	SGS	-	>0.20	-	20.6	15.5	51

Notes: Sample locations reported utilising GPS with  $\pm 5m$  accuracy. Handheld XRF locations recorded as GDA94, Zone 50S coordinates. ALS and SGS analysis locations UTM Latitude and Longitude coordinates.

Samples tabled identify anomalous assay report. All other samples (a total of 20 SGS and 5 ALS) were low level or below detection. Samples are not regarded as representative of the whole project and are based on reconnaissance sampling on a non-systematic basis.

## JORC Code, 2012 Edition – Table 1 report template

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li><i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<p>Sampling is rock chip sampling.</p> <p>Samples have been selected from areas of identifiable bedrock outcrop and from weather surface material (possibly transported) and from lateritic material. Sampling is not fully representative of the project area and is a reconnaissance stage with limited coverage of the area.</p> <p>Samples have been analysed at SGS Perth. 20 samples analysed – Au + Pt and Pd analysed by Fire Assay, Multi-element analysis 57 elements, sodium peroxide fusion, ICP-AES finish</p> <p>Samples have been analysed at ALS Perth. 5 sample analysed – Au by Fire Assay, AAS finish. Multi-element analysis 35 elements Aqua Regia digest, ICP-AES finish.</p> <p>Samples have been analysed by handheld XRF. Samples located by GPS <math>\pm 5m</math> accuracy, sample photographed, XRF analysis saved and photographed for reference.</p>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<p>No drilling undertaken.</p> <p>Sampling is surface rock chip sampling</p>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results asses</i></li> <li><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> </ul>	<p>No drill sampling undertaken as no drilling.</p> <p>Sampling is surface rock chip sampling</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	Geological comments regarding rock type, surface expression and location have been made. Samples are rock chip samples and further detailed exploration combined with geological mapping is required. This will then focus the target areas for future geochemical surveys.
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	No sub-sampling was undertaken
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks,</li> </ul>	<p>Samples have been analysed at SGS Perth. 20 samples analysed – Au + Pt and Pd analysed by Fire Assay, Multi-element analysis 57 elements, sodium peroxide fusion, ICP-AES finish</p> <p>Samples have been analysed at ALS Perth. 5 sample analysed – Au by Fire Assay, AAS finish. Multi-element analysis 35 elements Aqua Regia digest, ICP-AES finish.</p> <p>Samples have been analysed by handheld XRF. Samples located by GPS <math>\pm 5m</math> accuracy, sample photographed, XRF analysis saved and</p>



Criteria	JORC Code explanation	Commentary
	<i>duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	photographed for reference.
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	No verification was carried out and no adjustments were made as the release pertains to geochemical rock chip sampling completed on a reconnaissance scale.
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	Rock chip sample locations are recorded using sub-5m accuracy GPS. Coordinates are reported in the GDA94-MGA Zone 50 Grid system.
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<p>Samples are collected on a reconnaissance spacing and are selected based on available outcrop, access and general variation in geology noted. This work is at an early stage and further exploration is required to evaluate the sampling.</p> <p>This sampling is considered suitable as a first pass reconnaissance evaluation to highlight the need for further exploration.</p>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	No grid utilised. Sampling is direct to outcropping geology and point sample locations.
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	Samples were collected on site and transported either to ALS laboratory I Perth or SGS laboratory for analysis, or directly analysed on site by handheld XRF analysis.

Criteria	JORC Code explanation	Commentary
<b>Audits reviews</b>	<b>or</b> • <i>The results of any audits or reviews of sampling techniques and data.</i>	No audits completed.

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<p>Lachlan Star has signed a six-month Option agreement with Coobaloo Minerals Pty Ltd to review and potentially acquire up to 75% of the Coobaloo Minerals Pty Ltd tenements in the New Norcia region. The terms of the Option agreement are fully described in the attached announcement.</p> <p>Granted tenements are E70/5312 and E70/5337. Tenements are recently granted and in good standing with secure title.</p> <p>Application tenements are E70/5429, 5450, 5515, 5516 and P70/1743. Grant is pending and all compliance will now be managed by Lachlan Star.</p>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p>The Coobaloo Minerals tenements in the New Norcia region are referred to as the Koojan Project.</p> <p>The option over the Koojan project has been acquired to explore for Base metals (copper, nickel, cobalt and zinc) and precious metals (gold and platinum group metals). This style of mineralisation has not been explored for historically in the project area, and Lachlan Star is continuing a review of all historical exploration reporting.</p> <p>Within the New Norcia region there is historic and current exploration for the mafic to ultramafic hosted Ni-Cu-Co-PGE mineralisation and this is proving successful at the Chalice Gold Mines Limited Julimar discovery and the Cassini Resources Limited Yarrowindah prospect.</p> <p>Within the project area historical exploration has focussed on the Bauxite exploration with drilling completed. This work will be assessed to assist in the geological interpretation and analysis of depth of weathering.</p>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<p>The Koojan project is considered prospective for Cu-Ni-Co-PGE mineralisation, with the geological model defined as mafic to ultramafic intrusive hosted mineralisation.</p>



Criteria	JORC Code explanation	Commentary
		<p>This style of mineralisation is recognised in the New Norcia region and demonstrated by the Yarrowindah prospect currently being explored by Cassini Minerals Ltd and the Julimar prospect being explored by Chalice Gold Mines Limited.</p> <p>The geological model is appropriate as the geological setting of proximity to a craton margin (Yilgarn Craton), association with structural complexity and recognition of intrusive mafic and ultramafic units. The Government geological mapping has identified mafic and ultramafic units within the project area, and field reconnaissance completed by Lachlan Star has observed these units in the field. In addition, the early stage reconnaissance rock chip sampling completed by Coobaloo Minerals Pty Ltd has demonstrated the presence of anomalous nickel, copper, cobalt and PGE within the project area that requires further work and verification.</p> <p>The proposed exploration program has been designed to target this style of mineralisation and includes geological mapping, detailed geochemical sampling and geophysical surveys designed to highlight areas of significant sulphide mineralisation. This approach has been demonstrated to be successful in the New Norcia region.</p>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<p>No drill hole data. Samples are rock chip samples and are located appropriately on plans within announcement.</p>

Criteria	JORC Code explanation	Commentary
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	No data aggregation
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></li> </ul>	Samples are surface rock chip samples. Sample are point samples and no attempt is made to correlate to mineralisation.
<b>Diagrams</b>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	Appropriate diagrams of location, surface features and results are provided in the report.
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<p>The announcement reports the commencement of Option agreement and summarises reconnaissance rock chip sampling undertaken by tenement holders.</p> <p>Lachlan Star intends to undertake a systematic exploration program to evaluate the project.</p>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	No additional exploration data to be reported.

Criteria	JORC Code explanation	Commentary
<b>Further work</b>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<p>An exploration program consisting of:</p> <p>Geological mapping, interpretation and Rock chip sampling</p> <p>Geochemical sampling to consist of grid based auger geochemical sampling and multi-element analysis</p> <p>Geophysical survey possibly to include gravity survey and ground EM survey.</p> <p>Review and prioritisation of potential drill targets with the aim of commencing drilling</p>