

29 October 2021

Reverse Circulation Drilling Commenced
Killaloe gold project, Eastern Goldfields of Western Australia

HIGHLIGHTS

- Reverse Circulation (“RC”) drilling has commenced at the Killaloe project.
- Lachlan Star’s drilling program consists of an initial 1,200m of drilling:
 - Drilling has commenced at the extension of the “Barrel” prospect and historic Gold-Silver workings in E63/1018 with first drill hole to 120m completed
 - Drilling is also proposed to target the western ultramafic sequence with anomalous nickel mineralisation within E63/1018
 - Multiple high-grade gold trends within M63/117 to facilitate mineral resource review

Lachlan Star Limited (**ASX:LSA**, **Lachlan Star** or the **Company**) is pleased to provide an update on the Killaloe gold project in the Eastern Goldfields, with the commencement of Lachlan Star’s maiden drilling program.

Lachlan Star Director, Bernard Aylward said “ *We have identified priority drill targets within the Killaloe gold project located at the southern extension of the highly mineralised Kalgoorlie-Kambalda trend. Recent field reconnaissance and ongoing data review has highlighted numerous prospective targets associated with historical workings, geochemical anomalies and historic exploration drilling.*”

“Our exploration drilling has commenced within the E63/1018 tenement where we are exploring for gold and nickel mineralisation. The program will initially target the extensions of historic workings that have had wide-spaced historic drilling which returned gold anomalism, and then will move to follow-up anomalous nickel and gold mineralisation hosted within the western ultramafic sequence”.

Killaloe Gold Project

The Killaloe Project, located in southeast Western Australia approximately 600km east of Perth and 35km northeast of the historic gold mining town of Norseman, comprises two, largely contiguous exploration licences (E63/1018 and E63/1017) and a separate mining licence (M63/177) covering a total combined area of 94km². There are no other land users and access is generally good although sometimes limited by thick bush and weather events.

Maiden Drill Program

Lachlan Star's maiden drilling program at the Killaloe Project consists of:

- Historic Gold-Silver workings in E63/1018 testing a strike length of over 1,500m previously undrilled
- Targeting the western ultramafic sequence with anomalous nickel mineralisation within E63/1018
- Multiple high-grade gold trends within M63/117 to facilitate mineral resource review

The drilling program will consist of a minimum of 1,200m of RC drilling, with the majority of the drilling expected to be completed on tenement E63/1018.

Drill Targets Tenement E63/1018

Field reconnaissance identified extensions to the historic gold-silver workings on the eastern margins of the tenement. These workings are interpreted to exploit a series of "quartz blows" proximal to the geological contact between sediment and mafic dominated terranes and possibly represent a target for development of high-grade mineralisation proximal to the contact zone.

Drilling has commenced at this target and the first RC drill hole to 120m has been completed.

The drilling program will also target the multiple ultramafic units on the western margin of the tenement, where previous exploration has confirmed the presence of anomalous nickel mineralisation. Lachlan Star's program will test the extensions to the nickel anomalism and will also target gold mineralisation associated with the ultramafic contacts and mineralised shear zones parallel to the lithological boundaries.

Drill Targets Tenement M63/118 – Buldania Gold Workings

Gold mineralisation within tenement M63/117 is interpreted to be controlled by a series of parallel shear zones intruded by quartz veining and associated alteration. Historic gold workings that have exploited the gold mineralised trends and the geological strike approximate an east-west orientation, and historic drilling defined multiple parallel zones that require further testing. Following on from a rock-chip sampling program, the initial drilling program will test the width of the defined gold mineralised zones to confirm geological and structural interpretation on mineralisation controls, which if correct, will be followed-up with deeper drilling to define high-grade gold mineralised shoots similar to the high grade quartz reefs within the Norseman region.

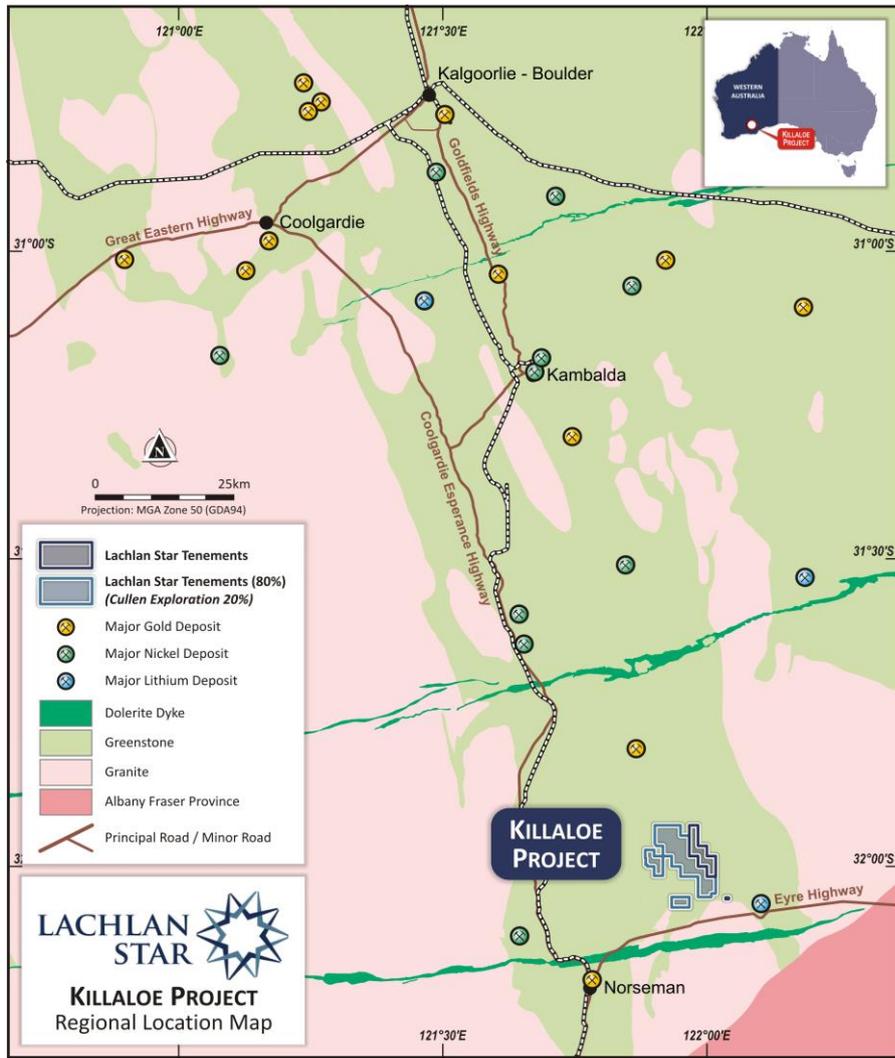


Figure 1: Killaloe Gold Project Location

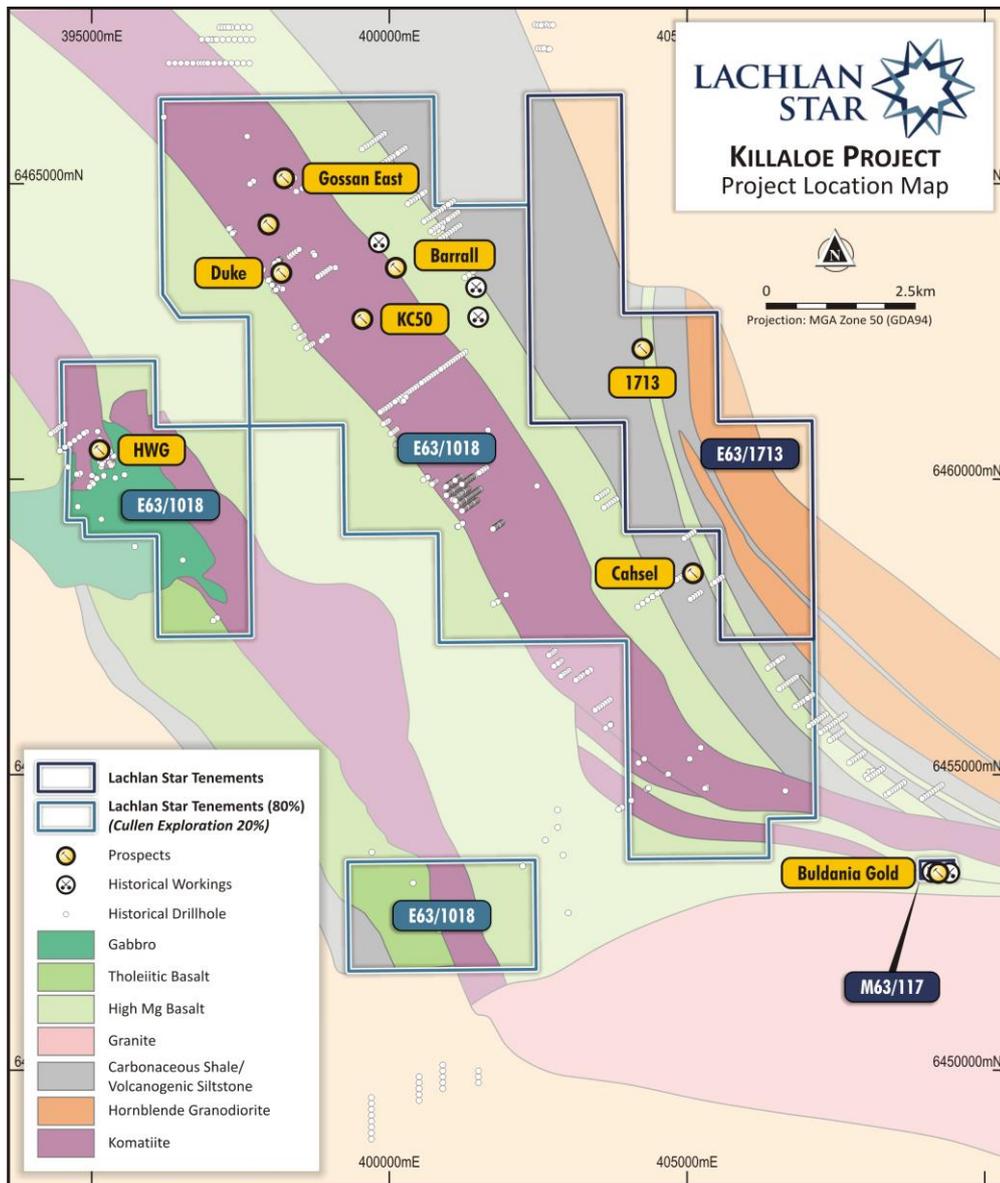


Figure 2: Killaloe Gold Project – geology and prospect location

For more information contact:

Gary Steinepreis
 Director
 +61 8 9420 9300

Dan Smith
 Director and Company Secretary
 +61 417978955

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 for the Killaloe Project 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 – Koojan Joint Venture– JORC Code 2012 Table 1 Criteria

The table below summarises the assessment and reporting criteria used for the Moora Project and reflects the guidelines in Table 1 of *The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code, 2012).

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg 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>	No sampling reported Announcement relates to commencement of RC drilling
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	No sampling reported Announcement relates to commencement of RC drilling
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	
	<i>In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.</i>	
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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>	No drilling is being reported.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling is being reported.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No drilling is being reported.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias</i>	No drilling is being reported.

	<i>may have occurred due to preferential loss/gain of fine/coarse material.</i>	
Logging	<i>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.</i>	No logging to report
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	
	<i>The total length and percentage of the relevant intersections logged.</i>	
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No sub-sampling has been undertaken.
	<i>If non-core, whether rifled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	
	<i>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.</i>	
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	No sampling undertaken.
	<i>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.</i>	Not used for reporting
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established</i>	Not applicable
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Announcement relates to commencement of RC drilling. No sampling
	<i>The use of twinned holes.</i>	No drilling
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	No data reported.
	<i>Discuss any adjustment to assay data.</i>	None required
Location of data points	<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>	No location data reported. Announcement is for commencement of drilling
	<i>Specification of the grid system used</i>	
	<i>Quality and adequacy of topographic control.</i>	
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	No sampling reported
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological</i>	No data reported. Announcement is for maiden drilling program and will initially be wide-spaced

	<i>and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	requiring follow-up prior to MRE preparation.
	<i>Whether sample compositing has been applied.</i>	None undertaken.
Orientation of data in relation to geological structure	<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>	No sampling reported
	<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>	
Sample security	<i>The measures taken to ensure sample security.</i>	No sampling reported
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No sampling reported

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>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.</i>	<p>The Killaloe Project is located ~600km east of Perth and 20-30km ENE of Norseman in Western Australia. The Project area totals ~94km² and comprises 2 granted exploration licences (EL 63/1018 and 1713) and 1 granted mining lease (M63/177).</p> <p>EL 63/1018 is subject to an agreement between LRL (Aust) Pty Ltd and Cullen Exploration Pty Ltd, with Cullen owning 20% of this tenement. All other tenements are 100%-owned by LRL (Aust) Pty Ltd, which is a wholly-owned subsidiary of Liontown Resources.</p> <p>There is a 1% NSR for all minerals produced by Lachlan Star payable to Liontown Resources Limited.</p> <p>The Tenements are covered by the Ngadju Determined Native Title Claim (WCD2014/004). Liontown has an Access Agreement with the Ngadju which will apply to Lachlan Star's exploration activities.</p>
	<i>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.</i>	All tenements are in good standing.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Prior to Lachlan Star acquiring the Killaloe Project, multiple phases of exploration were completed for gold and nickel. Target definition comprised geological, geochemical and geophysical surveys followed by various drilling programs using assorted techniques.</p> <p>The most recent activity by Liontown primarily focussed on lithium – no drill targets were defined.</p> <p>Subsequent auger sampling by Liontown across unexplored areas of the Project has defined a number of gold anomalies which have not yet been assessed by drilling.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Killaloe Project is underlain by a NW/SE trending sequence of Archaean greenstones interpreted to be situated between regionally significant structures, the Zuleika Shear and the Lefroy Fault, which are thought to control the location of major gold deposits to the north. The Zuleika Shear intersects the western part of the project area while the Lefroy Fault is located approximately 10km to the east.

		<p>Locally the Project is largely underlain by basaltic and ultramafic units with the latter being clearly distinguished by a high magnetic response.</p> <p>Carbonaceous shale, volcanogenic sediments and a hornblende granodiorite comprise the bedrock geology in the eastern part of the Project.</p> <p>Within ML63/177, high grade gold (>5g/t) is hosted by multiple (5-6), narrow (0.5-1.5m), E/W trending, cherty mylonite zones within broader (~10m), lower grade (>0.5g/t) haloes. Mineralisation is hosted by a weakly oxidised, E/W trending, steeply dipping mafic sequence.</p>
Drillhole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</p> <ul style="list-style-type: none"> • easting and northing of the drillhole collar • elevation or RL (elevation above sea level in metres) of the drillhole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. 	Announcement is for the commencement of drilling. No data currently available for reporting
Data aggregation methods	<p>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.</p>	None completed.
Relationship between mineralisation widths and intercept lengths	<p>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</p> <p>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').</p>	No drilling intersections reported.
Diagrams	<p>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.</p>	Appropriate figures are presented in the announcement
Balanced reporting	<p>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.</p>	No results or data reported
Other substantive exploration data	<p>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.</p>	All meaningful and material data reported
Further work	<p>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</p>	<ul style="list-style-type: none"> • Complete reconnaissance drilling program • Potential ground geophysical survey • Follow-up drilling program.