

21 February 2022

Sale of Princhester Magnesite Project

Lachlan Star Limited (**ASX:LSA**, **Lachlan Star** or the **Company**) is pleased to announce that it has entered into a binding term sheet (**Term Sheet**) with Green Critical Minerals Pty Ltd (**GCM**) regarding the sale of a 100% interest in the Company's Princhester Magnesite Project (**Transaction**). Consideration for Transaction is \$100,000 in cash and the repayment of the Company's security deposits and environmental bonds (\$35,000).

The Princhester Magnesite Project is located 85km north west of Rockhampton, Queensland and comprises two granted Mining Leases (**ML**), ML5831 and ML5832. The ML's are close to the Bruce Highway and are within 2 kilometres of the main north coast railway line (**Figure 1**).

The key terms of the Term Sheet are as follows:

- At completion, GCM will pay a cash consideration of:
 - A\$100,000; and
 - Either replace or pay Lachlan Star for the security deposits held of \$35,000 made up of \$5,000 on the Mining Leases and \$30,000 under the financial provisioning scheme.
- Completion is conditional upon:
 - Lachlan Star obtaining regulatory approval for disposal of the Mining Licences; and
 - The Queensland Department of Resources giving approval for the transfer of the Mining Licences to the Purchaser.

The Term Sheet contains representations and warranties typical for a transaction of this nature. The Transaction is expected to complete by 30 April 2022.

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.



Figure 1: Location of Princhester Project, Queensland