



LACHLAN STAR LIMITED

5 February 2015

UPDATE ON WORKING CAPITAL FACILITY

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Perth, Western Australia: Gold miner, Lachlan Star Limited (“Lachlan Star” or the “Company”) (ASX and TSX: LSA) wishes to advise that, further to its December Quarterly Report released to the market on 2 February 2015, it received a draft of a “Gold Purchase and Sale Agreement” from Hamilton Place Associates LLC (“HPA”) through which HPA would provide the working capital facility referred to in the Quarterly Report. This draft was withdrawn within 24 hours and replaced with a proposal under which HPA would have an option to purchase 100% of the shares in DMC Newco Pty Ltd, the Company’s wholly-owned subsidiary which owns the Chilean operating companies.

The Company is presently working through the terms of this proposal and expects to be in a position to respond to HPA within 24 hours. The Company will provide a further update to the market if and when agreement is reached with HPA on the terms of this proposed transaction. The Company anticipates that any such transaction will be subject to shareholder approval and the receipt of a favourable Independent Expert’s Report.

RA Anderson
Company Secretary

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About Lachlan Star Limited

Lachlan Star Limited is a gold mining company headquartered in Perth, Western Australia. The Company is focused on optimizing free cash flow from its CMD Gold Mine in Chile. Lachlan Star's current projects include a 100% interest in the CMD Gold Mine in Chile, a 49% interest in the Bushranger Copper Project in New South Wales (subject to dilution), and a 100% interest in the Princhester magnesite deposit in Queensland.

