



Lachlan Star Limited (Administrators Appointed)

9 June 2015

COMPANY UPDATE

NOT FOR DISTRIBUTION TO UNITED STATES NEWswire SERVICES OR FOR RELEASE,
PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR DIRECTLY, IN WHOLE
OR IN PART, IN OR INTO THE UNITED STATES

Perth, Western Australia: Lachlan Star Limited ACN 000 759 535 (Administrators Appointed) (“Lachlan Star” or the “Company”) (ASX: LSA).

The Administrators provide the following update with respect to the Company.

Company update and further extension of convening period.

We refer to our announcement of 5 March 2015 advising of an extension to the convening period with respect to the Company, and to our various further announcements since that date. We set out a further update with respect to the Company under the following headings:

1. Administration update
2. Further extension of convening period

1 Administration update

As variously described in our previous announcements, the Administrators have been focused on pursuing proposals for the recapitalisation or restructure of the Company and/or sale of some/all of its assets. Key tasks undertaken in this regard have included the following:

- Preparing and circulating an information memorandum to interested parties with respect to the abovementioned opportunity;
- Attending to numerous discussions and meetings with interested parties;
- Giving due consideration to indicative non-binding proposals received;
- Evaluating the preferred offer structure of initial indicative non-binding proposals received;
- Attending to matters arising from the Company's secured creditor exercising its security rights over shares held by the Company in DMC Newco Pty Ltd, the Company's Australian subsidiary which indirectly holds the majority of the shares in the CMD Gold Mine, in Chile;
- Calling for revised indicative non-binding proposals in light of actions taken by the secured creditor as described above;
- Conducting preliminary investigations into the conduct of the Company and its officers prior to the appointment, and making initial assessments of the merits of potential actions;
- Attending to statutory and ASX compliance, administrative matters and general tasks to maintain and/or collect certain Company assets; and
- Preparing an application to the Supreme Court of Western Australia for the purposes of further extending the convening period pursuant to section 439A(6) of the Corporations Act 2001 ("the Act") (refer below).

2 Further extension of convening period

In light of the matters described above, we wish to advise that the Administrators have sought, and today obtained orders from Master Sanderson in the Supreme Court of Western Australia in the matter COR 41 of 2015, for a further extension of the convening period with respect to the Company from 12 June 2015 (per Orders obtained on 5 March 2015) to 31 July 2015, pursuant to section 439A(6) of the Act ("the Second Orders"). A copy of the Second Orders is available from my office upon request.

The effect of the Second Orders is that the second meeting of creditors of the Company may now be convened at any time up to and including 31 July 2015 and be held at any time up to and including 5 August 2015. The purpose of this extension is to allow the Administrators to continue to liaise with interested parties in order to further progress development of the various indicative non-binding restructuring and/or recapitalisation proposals that the Administrators are currently dealing with, having regard to the Company's creditor structure in light of the share transfer and debt forgiveness described above.

Notwithstanding the extension to 31 July 2015, the Administrators intend to finalise negotiations with interested parties and call and hold the second meeting as soon as is practicable.

We advise that the Second Orders grant liberty to any person who can demonstrate sufficient interest, including any creditor of the Company or the Australian Securities and Investments Commission, to apply to the court to modify or discharge the Second Orders.

Should you require and further information with respect to the above, please contact Aidan Gordon of my office on +61 8 92637421, or alternatively via email to aidangordon@kpmg.com.au

Matthew Woods
Voluntary Administrator

