



Lachlan Star Limited (Administrators Appointed)

11 May 2015

COMPANY UPDATE

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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.

Transfer of Shares in DMC Newco Pty Ltd ("DMC") to Hamilton Place Associates LLC ("HPA")

In our previous announcement of 26 March 2015, the Administrators advised that HPA had made an application in the Federal Court of Australia seeking the leave of the Court to exercise its security rights over shares held by the Company in DMC Newco Pty Ltd (the Company's Australian-based subsidiary which holds shares in various Chilean subsidiaries which control the CMD Gold Mine). The relevant orders were issued by the Court on 25 March 2015. Further to that announcement, the Administrators confirm that following those orders, on 17 April 2015 HPA exercised their rights as Controller of those shares by way of a transfer of those shares from LSA to HPA, in consideration of the forgiveness of the debt owing by LSA to HPA pursuant to the Credit Agreement dated 13 February 2013.

Chief Executive Officer terminated

Following the orders of the Court on 25 March 2015, on 7 April 2015, the Administrators terminated the employment of Mr Bira De Oliveria, the Company's Chief Executive Officer. Mr De Oliveria had been based in Chile, overseeing the operations of the CMD Gold Mine. Neither CMD nor DMC were subject to the appointment of the Administrators. The Administrators thank Mr De Oliveria for his assistance during the course of the Administration.

Company delisted from TSX

Following the appointment of Administrators to the Company, the Company was delisted from the Toronto Stock Exchange on 25 March 2015.

Update on the Administration Process

The Administrators wish to advise that they are considering a number of proposals to restructure and recapitalise LSA with its remaining assets in Australia. Shareholders are advised to continue to monitor the Company's announcements for progress on this process and the administration generally.

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

