



**Lachlan Star Limited (Subject
to Deed of Company
Arrangement)**

16 February 2016

COMPANY UPDATE

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**Perth, Western Australia: Lachlan Star Limited ACN 000 759 535 (Subject to Deed of Company Arrangement)
("Lachlan Star" or the "Company") (ASX: LSA).**

We refer to the Deed of Company Arrangement ("DOCA") dated 28 August 2015 between the Company, Ascent Capital Holdings Pty ("Ascent") and the Deed Administrators (collectively, "the Parties"), and to our previous ASX announcements.

Recapitalisation update

As previously advised, the Parties entered into the DOCA on 28 August 2015. The terms of the DOCA provided for a period of 180 days (ie, to 24 February 2016) for the satisfaction or waiver of certain conditions precedent, including but not limited to the granting of appropriate waivers by the ASX with respect to the issuance of placement shares as contemplated by the DOCA, and the granting of a letter setting out the conditions upon which the ASX will agree to the shares in the Company being reinstated to official quotation ("the Conditions Precedent"). At the time of writing, these Conditions Precedent are yet to be satisfied.

Notwithstanding the above, the Deed Administrators and Ascent are continuing to do all things possible to satisfy the Conditions Precedent. Activities undertaken by the Parties in this respect include the following:

- Provision of available Company records by the Deed Administrators to Ascent, and facilitation of access to Company personnel for the purposes of Ascent's development of relevant submissions to the ASX in connection with the Conditions Precedent;
- The lodgement by Ascent of relevant submissions to the ASX in connection with the Conditions Precedent;
- Numerous discussions between Ascent and the ASX with respect to the Conditions Precedent, and the recapitalisation proposal contemplated by the DOCA generally;

- The engaging by Ascent of a qualified geologist to assist in the development a business case with respect to the Company's Princhester Mining Leases (which represent key assets of the Company); and
- General meetings and correspondence as required between the Deed Administrators and Ascent.

This abovementioned investment of time and expense is reflective of the Parties' mutual commitment to the effectuation of the DOCA for the benefit of all stakeholders.

Extension of DOCA

Owing to the factors above, the Company is pleased to advise that on 17 February 2016 the Parties agreed to extend the Due Date of the DOCA by **three months** to 24 May 2016. It is anticipated that this extension will allow for the satisfaction of the abovementioned Conditions Precedent and the ultimate effectuation of the DOCA.

Other matters

- Application for further extension of AGM

As previously advised, the Company applied for, and was granted, an extension of time in which to hold its 2015 Annual General Meeting to 29 February 2016, pursuant to section 250P of the Corporations Act 2001 (Cth.). Owing to the factors noted above, the Administrators advise that they have today requested a further extension of the AGM to 30 June 2016.

- Application for reporting relief

Further, we advise that the Company has concurrently applied to extend the time in which it is required to lodge the Company's interim financial accounts for the period to 31 December 2015 to 30 June 2016. As previously advised, as the Company is under external administration and its shares are suspended from official quotation, we do not consider that there will be any prejudice to members arising from either of the applications noted above.

We will continue to keep the market apprised of developments in connection with the above matters.

Should you have any queries with respect to the above, please do not hesitate to contact myself or Aidan Gordon of my staff on (08) 9263 7421, or alternatively via email to aidangordon@kpmg.com.au.

Matthew Woods
Deed Administrator

