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**LACHLAN STAR LIMITED**

**ABN 88 000 759 535**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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**TIME:** 11am (WST)

**DATE:** 10 June 2011

**PLACE:** Lower Ground Floor  
57 Havelock Street  
West Perth WA 6005

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9481 0051.*

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Extraordinary General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11am (WST) on Friday 10th June 2011 at Lower Ground Floor, 57 Havelock Street, West Perth WA 6005.

**HOW TO VOTE**

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You may vote by attending the Extraordinary General Meeting in person, by proxy, or (if you are a body corporate) by an authorised representative.

**YOUR VOTE IS IMPORTANT**

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The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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A Shareholder has the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy may, if it wishes to exercise its rights and powers as a proxy at the AGM, appoint a representative to exercise any of the powers the body corporate may exercise as a proxy at the EGM (see 'Voting by Corporate Representative' section below).

To vote by proxy, please complete and sign the enclosed Proxy Form and return (together with the original of any power of attorney or other authority, if any, or a certified copy of that power of attorney or other authority under which the proxy form is signed):

- (a) to Computershare Investor Services Pty Limited in accordance with the instructions on the Proxy Form;
- (b) by post to Lachlan Star Limited, PO Box 1523, West Perth, Western Australia, 6872;
- (c) by facsimile to the Company on facsimile number (+61 8) 9481 0052;
- (d) in person to the Company at Lower Ground Floor, 57 Havelock Street, West Perth, WA 6005; or
- (e) electronically at the Share Registry website [www.investorvote.com.au](http://www.investorvote.com.au),

by 11:00am (Perth Time) Wednesday 8th June 2011.

For intermediary Online Subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions so that it is received not later than 11am (WST) on Wednesday 8th June 2011.

**Proxy Forms received later than the time specified above will be invalid.**

If you are entitled to cast two or more votes at the meeting, you may appoint two proxies and you may specify the proportion or number of votes each proxy may exercise. Where two proxies are appointed, a separate form should be used for each. You are requested to show on the form a specified proportion of your voting rights which a proxy may exercise. If you appoint two proxies and the appointment does not specify the number or proportion of votes each proxy may exercise, each proxy may exercise half the votes.

#### **VOTING BY CORPORATE REPRESENTATIVE**

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A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint an individual to act as its representative at the EGM in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Share Registrar, Computershare Investor Services Pty Limited, before the EGM or at the registration desk on the day of the AGM. Certificates of appointment of corporate representatives are available at [www.computershare.com.au](http://www.computershare.com.au) or on request by contacting Computershare Investor Services Pty Limited on telephone number 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

#### **ENQUIRIES**

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Shareholders are asked to contact the Company Secretary, Mr Robert Anderson, on (+61 8) 9481 0051 if they have any queries in respect of the matters set out in these documents

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Notice is given that an Extraordinary General Meeting of Shareholders will be held at 11am (WST) on Friday 10th June 2011 at Lower Ground Floor, 57 Havelock Street, West Perth WA 6005.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the EGM. The Explanatory Statement forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5pm (WST) on Wednesday 8th June 2011.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior allotment and issue of 44,200,000 Shares at an issue price of \$0.01 each, to the parties and on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 1 by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – UNLISTED OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior allotment and issue of 10,000,000 Unlisted Options to Argonaut Investments Pty Limited on the terms and conditions set the Explanatory Statement accompanying this Notice of Meeting (including Appendix ‘A’).”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 2 by Argonaut Investments Pty Limited, and any associates of Argonaut Investments Pty Ltd. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## RESOLUTION 3 – CONSOLIDATION OF SHARE CAPITAL

To consider and, if thought fit, to pass the following resolution, with or without amendment, as an **ordinary** resolution:

*“That for the purposes of Section 254H of the Corporations Act, ASX Listing Rule 7.20, ASX Listing Rule 7.22 and for all other purposes, the issued capital of the Company, including the Shares the subject of Resolutions 1, be consolidated on the basis that every sixty (60) Shares be consolidated into one (1) Share, and where this consolidation results in a fraction of a Share being held by a Shareholder, the directors of the Company be authorised to round that fraction up to the nearest whole Share, with the consolidation to take effect on a date to be announced to the ASX in accordance with the requirements of the ASX Listing Rules on the terms and conditions set out in the Explanatory Statement.”*

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## RESOLUTION 4 – ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

*“That for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue of up to 20,833,333 Shares (post the consolidation the subject of Resolution 3) at an issue price of not less than 80% of the volume weighted average market price of the Company’s Shares calculated over the last five days on which sales of the Company’s ordinary shares were recorded before either:*

- (a) the date of issue; or*
- (b) if any prospectus is issued (in Australia or elsewhere) in relation to the Shares, the date of that prospectus,*

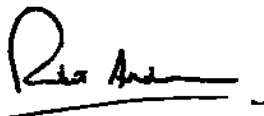
*on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** For the purposes of Listing Rule 7.3 and for other purposes, the Company will disregard any votes cast on this Resolution 4 by any person who may participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity of an ordinary security holder) if the Resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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Dated: 5th May 2011

By order of the Board



Mr Robert Anderson  
Company Secretary

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 11am (WST) on Friday 10th June 2011 at Lower Ground Floor, 57 Havelock Street, West Perth WA 6005.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – SHARES

#### 1.1 General

On 31 December 2010 and 11 January 2011 the Company issued 44,200,000 Shares at an issue price of \$0.01 per Share (**Share Issue**). Of these Shares, 9,200,000 were issued to management at the Company's Compania Minera Dayton (**CMD**) gold mine in Chile, as a means of incentivising senior staff and aligning their interests with shareholder interests. The remainder of the Shares were issued to institutional and sophisticated investors.

None of the subscribers pursuant to this issue were related parties of the Company.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to the specified exceptions and adjustments set out in the Listing Rules, issue or agree to issue more than 15% of its issued capital in any 12 month period.

ASX Listing Rule 7.4 provides that where Shareholders subsequently approve a previous issue of securities made without approval under ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

If Resolution 1 is approved, the Company will not have to count the Shares issued under the Share Issue in the 15% limit of securities that can be issued without Shareholder approval in ASX Listing Rule 7.1 and accordingly the Company's capacity to issue securities within the 15% limit will be refreshed in respect of the 44,200,000 Shares. The Directors consider it prudent to maintain future funding flexibility as part of the Company's capital management strategy. This can be done by seeking Shareholder ratification of the Shares issued under the Share Issue.

If Resolution 1 is not approved, it will have no effect upon the Shares issued under the Share Issue.

## 1.2 Technical information required by ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 44,200,000 Shares were allotted on 31 December 2010 and 11 January 2011;
- (b) the issue price was \$0.01 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to institutional and sophisticated investors and senior managers of CMD, none of whom were related parties of the Company; and
- (e) the funds raised from this issue will be used for working capital purposes.

*All Directors recommend that Shareholders vote in favour of this resolution.*

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## 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – UNLISTED OPTIONS

### 2.1 General

On 23 December 2010 the Company issued 10,000,000 Unlisted Options to Argonaut Investments Pty Limited at an issue price of \$0.001 each as an equity raising fee (**Unlisted Option Issue**). Argonaut Investments Pty Limited is not a related party of the Company.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Unlisted Options (**Unlisted Option Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to the specified exceptions and adjustments set out in the Listing Rules, issue or agree to issue more than 15% of its issued capital in any 12 month period.

ASX Listing Rule 7.4 provides that where Shareholders subsequently approve a previous issue of securities made without approval under ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.



If Resolution 2 is approved, the Company will not have to count the Unlisted Options issued under the Unlisted Option Issue in the 15% limit of securities that can be issued without Shareholder approval in ASX Listing Rule 7.1 and accordingly the Company's capacity to issue securities within the 15% limit will be refreshed in respect of the 10,000,000 Unlisted Options. The Directors consider it prudent to maintain future funding flexibility as part of the Company's capital management strategy. This can be done by seeking Shareholder ratification of the Unlisted Options issued under the Unlisted Option Issue.

If Resolution 2 is not approved, it will have no effect upon the Unlisted Options issued under the Unlisted Option Issue.

## **2.2 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- a) 10,000,000 Unlisted Options were issued on 23 December 2010;
- b) the issue price was \$0.001 per Unlisted Option;
- c) the Company raised \$10,000 from the issue of the Unlisted Options and if all the Unlisted Options are exercised the Company will receive \$200,000;
- d) Shares issued on exercise of the Unlisted Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- e) the Unlisted Options were allotted and issued to Argonaut Investments Pty Limited;
- f) the Unlisted Options were issued on the terms and conditions set out in Annexure "A" to this Explanatory Memorandum; and
- g) the funds raised from the issue and exercise of the Unlisted Options will be used for working capital purposes.

*All Directors recommend that Shareholders vote in favour of this resolution.*

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### 3. RESOLUTION 3 – CONSOLIDATION OF SHARE CAPITAL

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

ASX Listing Rule 7.20 provides that if an entity proposes to reorganise its capital, it must advise shareholders of certain matters, which are set out in this Explanatory Statement.

#### a) Background

Prior to the issue of the Shares the subject of Resolution 4, the Company has 3,214,001,057 Shares on issue. The Directors believe that approval of a share consolidation will provide a number of advantages for Lachlan including:

- Aligning Lachlan Star's profile closer to TSX-listed peers with gold producing assets in the Americas which typically have less than 100 million shares on issue;
- Widening the range of institutions with mandates to invest in quoted companies with less than 100 million shares on issue and higher share prices;
- Reducing the share price volatility given the minimum share price movement of A\$0.001 permitted by the ASX at the current share price represents a greater percentage of the Company's share price than if it were trading at a higher share price;
- Reducing future administrative and compliance costs associated with handling a large number of shares on issue.

The Directors believe that a consolidation of Shares would also enable a more appropriate share price for a listed entity with the Company's asset portfolio.

Resolution 3 seeks shareholder approval to consolidate the Company's issued share capital by consolidating every 60 Shares into 1 Share. For example, a holding of 48,000 Shares before the consolidation, would result in a holding of 800 Shares after the consolidation. All other things being equal, the Company's Share price should increase to reflect the consolidation and the smaller number of Shares on issue.

If this Resolution 3 is passed, the number of Shares on issue will be reduced from 3,214,001,057 to 53,566,684, subject to rounding, (prior to the issue of Shares the subject of Resolution 4).

#### b) Rounding

Where any Shareholders and Option holders have a holding which is not a multiple of 60 and would otherwise result in a fractional entitlement post-consolidation, the Company proposes to round up that holding to the next whole number.

#### c) Options

The Company has Options on issue to a number of directors, consultants and employees. In accordance with the Option terms and ASX Listing Rule 7.22, these options will be consolidated on the same basis as the Shares: that is, every 60 Options will be consolidated into 1 Option and their exercise price amended in inverse proportions to the consolidation ratio.

The effect of the consolidation on the number and exercise price of these options is set out below:

<b>Expiry</b>	<b>Pre consolidation</b>		<b>Post consolidation</b>	
	<b>Number</b>	<b>Exercise price</b>	<b>Number</b>	<b>Exercise price</b>
18/11/11	22,500,000	\$0.02	375,000	\$1.20
18/11/12	22,500,000	\$0.025	375,000	\$1.50
31/12/12	10,000,000	\$0.02	166,667	\$1.20
31/12/13	10,000,000	\$0.02	166,667	\$1.20
31/12/13	10,000,000	\$0.025	166,667	\$1.50

#### d) Holding statements

From the date of the consolidation, all existing holding statements and certificates for Shares and Options will cease to have any effect, except as evidence of entitlement to a certain number of Shares or Options on a post-consolidation basis. After the consolidation becomes effective, new holding statements and certificates will be issued to Shareholders and Optionholders (as applicable). Shareholders and Optionholders are responsible for verifying their shareholdings and optionholdings (as applicable) after the consolidation.

#### e) Taxation implications

Shareholders and Optionholders are urged to seek their own tax advice on the effect of the consolidation. The Company, Directors, the Company's share registry provider and other advisers do not accept any responsibility for Shareholders' or Optionholders' taxation implications arising from the consolidation.

f) Indicative timetable

<b>Event</b>	<b>Date</b>
Announcement of proposed consolidation	5/5/11
Record date to determine eligibility to vote at the Extraordinary General Meeting	8/6/11
Extraordinary General Meeting, including resolution to approve share consolidation	10/6/11
Announcement of approval of consolidation	10/6/11
Last day for ASX trading of shares on a pre-consolidated basis	14/6/11
Trading in consolidated shares, on a deferred settlement basis, starts	15/6/11
Last day for Company to register share transfers on a pre-consolidated basis	21/6/11
First day for Company to register share transfers on a consolidated basis and first day for Company to issue holding statements or certificates for Shares and Options (as applicable) on a consolidated basis	22/6/11
Company announces to ASX that despatch of the new holding statements has occurred	28/6/11
Deferred settlement trading ends	28/6/11
Normal T+3 trading in consolidated shares starts	29/6/11
Settlement of trades conducted on a deferred settlement basis and first settlement of trades conducted on the normal T+3 basis	4/7/11

This timetable is indicative only and subject to change so as to comply with the ASX Listing Rules.

*All Directors recommend that shareholders vote in favour of this resolution.*

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## 4. RESOLUTION 4 – ISSUE OF SHARES

### 4.1 GENERAL

Resolution 4 has been proposed so that Shareholders may approve, for the purpose of ASX Listing Rule 7.1, the allotment and issue of up to 20,833,333 Shares (approximately 38.9% of the Company's issued capital post the consolidation the subject of Resolution 3) at an issue price per Share of no less than 80% of the volume weighted average market price of the Company's shares calculated over the last 5 days on which sales of the Company's ordinary shares were recorded before either:

- (a) the date of issue; or
- (b) if any prospectus is issued (in Australia or elsewhere) in relation to the Shares, the date of that prospectus ("**Placement**").

The Placement will be made to clients of broking firms participating in the issue or, if a prospectus is issued, successful applicants under that prospectus.

ASX Listing Rule 7.1 provides that, in general, a company must not issue or agree to issue, more than 15% of its issued capital in any 12 month period (subject to qualifications and adjustments set out in the ASX Listing Rules). The issue of Shares will exceed the 15% threshold (post the consolidation the subject of Resolution 3) and accordingly, Resolution 4 has been proposed so that shareholders can approve the proposed issue of Shares.

### 4.2 Information required by ASX Listing Rule 7.3

For the purpose of ASX Listing Rule 7.1 and in compliance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 20,833,333;
- (b) the Shares will be issued no later than 3 months after the date of the EGM (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price per Share will be no less than 80% of the 5 day volume weighted average price prior to either:
  - (i) the date of the Share issue; or
  - (ii) if a prospectus is issued (in Australia or elsewhere) in relation to the Shares, the date of that prospectus;
- (d) the Shares will be allotted and issued to clients of broking firms participating in the issue or, if a prospectus is issued, successful applicants under that prospectus;

- (e) the Shares issued will be fully paid ordinary shares in the Company and will rank equally in all respects with the Company's existing Shares; and
- (f) the intended use of the funds raised by the Placement is primarily for mining operations and general working capital at the Company's 100% owned CMD Gold Mine in Chile.

### 4.3 Capital Structure of the Company

If the Company issues all of the 20,833,333 Shares the subject of Resolution 4, then, subject to the passing of Resolution 3, the Company will have the following capital structure:

	Shares	Options
At the date of EGM	3,214,001,057	75,000,000
Consolidation pursuant to Resolution 3 (after rounding)	53,566,684	1,250,001
Share issue pursuant to Resolution 4	20,833,333	-
Total	74,400,017	1,250,001

Unlisted Options		
Expiry	Number	Exercise price
18/11/11	375,000	\$1.20
18/11/12	375,000	\$1.50
31/12/12	166,667	\$1.20
31/12/13	166,667	\$1.20
31/12/13	166,667	\$1.50

*All Directors recommend that Shareholders vote in favour of this resolution.*

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### ENQUIRIES

Shareholders are asked to contact the Company Secretary, Mr Robert Anderson, on (+61 8) 9481 0051 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**Extraordinary General Meeting** or **EGM** means the meeting convened by this Notice of Meeting.

**ASX** means ASX Limited.

**Board** means the current board of directors of the Company.

**Company** means Lachlan Star Limited (ABN 88 000 759 535).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** mean the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Notice of Meeting** or **Notice of Extraordinary General Meeting** means this notice of extraordinary general meeting including the Explanatory Statement.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the Company.

**Shareholder** means a holder of a Share.

**Share Registrar** means Computershare Investor Services Pty Limited.

**Unlisted Option** means an unlisted Option.

**WST** means the time in Perth, Western Australia.

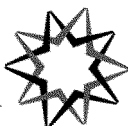
## ANNEXURE "A"

### TERMS AND CONDITIONS OF 2¢ OPTIONS

1. The options will be issued for \$0.001 each.
2. A certificate will be issued for the options.
3. The options will expire on 31 December 2012 ("**expiry date**") and may be exercised at any time prior to the expiry date.
4. Subject to conditions 12 and 13, each option is a right in favour of the option holder to subscribe for 1 fully paid ordinary share in the capital of the Company ("**share**").
5. The exercise price of the options is \$0.02 ("**exercise price**") each and will be payable in full on exercise.
6. Options are exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to exercise all or a specified number of the options held by the option holder accompanied by a option certificate and a cheque made payable to the Company for the subscription price for the exercise of the specified options. An exercise of only some of the options will not affect the rights of the option holder to the balance of the options held by him.
7. The Company will allot the resultant shares and deliver the holding statement within 5 business days after the exercise of the option.
8. The options will be transferable but will not be listed for official quotation on ASX Limited ("**ASX**").
9. There will be no participating entitlements inherent in the options to participate in new issues of capital that may be offered to shareholders during the currency of the options. Prior to any new pro-rata issue of securities to shareholders, holders of options will be notified by the Company in accordance with the requirements of the ASX Listing Rules.
10. In the event the Company proceeds with a pro-rata issue (except a bonus issue) of the securities to the holders of shares after the date of issue of the options, the exercise price of the options will be adjusted in accordance with a formula set out in ASX Listing Rule 6.22.2, with such adjustment to take effect on and from the final date of allotment of the securities comprised in that issue.



11. In the event of a bonus issue of securities, the number of shares over which the options are exercisable may be increased by the number of shares that the option holders would have received if the options had been exercised before the record date for the bonus issue.
12. In the event of a reconstruction, including the consolidation, subdivision, reduction or return of issue capital of the Company prior to the expiry date, all rights of an option holder are to be changed in a manner consistent with the ASX Listing Rules.
13. There is no right to a change in the exercise price of the options or to the number of shares over which the options are exercisable in the event of a new issue of capital (other than a bonus issue or a pro rata issue) during the currency of the options.
14. Shares allotted pursuant to an exercise of options will rank, from the date of allotment, equally with existing ordinary fully paid shares of the Company in all respects.
15. In accordance with the ASX Listing Rules the Company will apply for Official Quotation of all shares allotted pursuant to an exercise of options.



000001 000 LSA  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

**[www.investorvote.com.au](http://www.investorvote.com.au)**



**Cast your proxy vote**



**Access the annual report**



**Review and update your securityholding**

**Your secure access information is:**

**Control Number: 999999**

**SRN/HIN: 1999999999**

**PIN: 99999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 11:00am (WST) Wednesday 8 June 2011**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark



to indicate your directions

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Lachlan Star Limited hereby appoint



the Chairman  
of the Meeting OR



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Lachlan Star Limited to be held at Lower Ground Floor, 57 Havelock Street, West Perth WA 6005 on Friday, 10 June 2011 at 11:00am (WST) and at any adjournment of that meeting.

### STEP 2

#### Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue - Unlisted Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Consolidation of Share Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

LSA

999999A

Computershare +