



LACHLAN STAR LIMITED

5 June 2012

## LACHLAN STAR ANNOUNCES DRILL RESULTS FROM ITS CMD GOLD MINE INCLUDING 10M GRADING 3.07 G/T AU, 17M GRADING 2.11 G/T AU AND 26M GRADING 1.09 G/T AU

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Perth, Western Australia: Gold miner, Lachlan Star Limited (“Lachlan” or the “Company”) (ASX and TSX: LSA) is pleased to announce further drill results from its 100% owned CMD Gold Mine in Chile.

Highlights from the drill program include:

### Chisperos Deposit

- 17m grading 2.11 g/t from 12m downhole and 15m grading 1.43 g/t Au from 77m downhole in RCH 2012-84
- 16m grading 1.04 g/t from 16m downhole in RCH 2012-87
- 50m grading 0.84 g/t Au from 32m downhole in RCH 2012-83 including 22m grading 1.26g/t Au
- 26m grading 1.09 g/t Au from 51m downhole in RCH 2012-85
- 17m grading 1.04 g/t from 78m downhole in RCH 2012-93

### Natalia Waste Dump

- 10m grading 1.35 g/t Au from 10m downhole in RCH 2012-73
- 10m grading 1.14 g/t Au from 0m downhole in RCH 2012-74
- 10m grading 0.49 g/t Au from 0m downhole in RCH 2012-77
- 5m grading 0.60 g/t Au from 0m downhole in RCH 2012-80

### Tres Perlas Deposit

- 10m grading 3.07 g/t Au from 164m downhole in DDH 2012-94
- 5m grading 1.30 g/t Au from 0m downhole (El Sauce waste dump) in RCH 2012-64
- 25m grading 0.41 g/t Au from 0m downhole (El Sauce waste dump) and 159m grading 0.37 g/t Au from 50m in RCH 2012-59
- 30m grading 0.41% Cu from 44m in RCH 2012-78
- 6m grading 1.76 g/t Au from 27m downhole in DDH 2012-43
- 13m grading 1.27 g/t from 0m downhole in RCH 2012-70

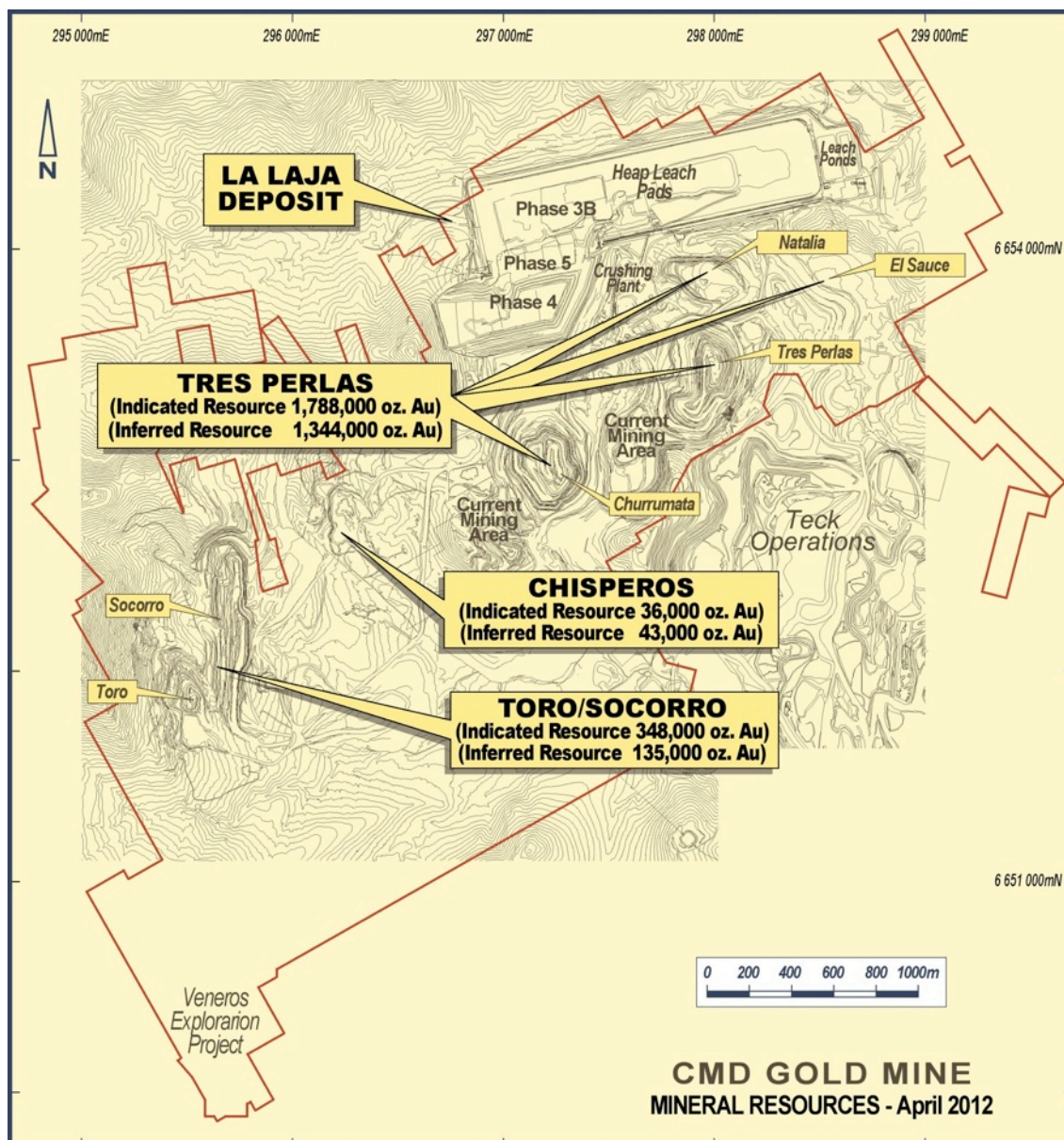
These results have been received after the April 2012 mineral resource update and will be incorporated into new NI 43101 compliant mineral resource estimate shortly.

Table 1 below contains a list of the most recent drill results for the CMD Gold Mine for holes that have been drilled post the recent mineral resource update. True widths are estimated to be approximately 85% of downhole widths.

## Chisperos Deposit

The Chisperos Deposit is located in the centre of the CMD Gold Mine tenements as shown in Figure 1. The Chisperos Deposit contains an Indicated mineral resource of 36,000 ounces of gold (1.0 Mt grading 1.1 g/t Au) plus inferred mineral resources of 43,000 ounces of gold (1.4 Mt grading 1.0 g/t Au) and is the highest grade resource at the CMD Gold Mine (refer to Table 2).

**FIGURE 1 - Location of Chisperos Deposit**



The drilling into the Chisperos deposit is the first under Lachlan Star's ownership and is aimed at confirming the high grade mineralisation, upgrading Inferred category mineral resources and testing the extension of the historically sparsely drilled deposit.

The results indicate the presence of a mineralized body between 12m and 50m thick at relatively shallow depths with grades averaging between 1 g/t Au and 2 g/t Au. Notable results include the 17m grading 2.11 g/t and 15m grading 1.43 g/t Au in RCH 2012-84 and the broader interval of 50m grading 0.84 g/t Au from 32m downhole in RCH 2012-83 including 22m grading 1.26g/t Au.

## Tres Perlas Deposit

Drilling has moved to the southern end of Tres Perlas, adjacent to the old Churrumata pit where the mineralisation is thinner but higher grade. The results of 10m grading 3.07 g/t Au in DDH 2012-94, 13m grading 1.27 g/t in RCH 2012-70 and 6m grading 1.76 g/t Au in DDH 2012-43 has extended the previously defined mineralization in this area.

The Natalia waste dump that was backfilled into the Natalia pit (now part of the Tres Perlas deposit) by previous operators and a small program of holes has been drilled to test the grade of this material. The Natalia waste dump contains approximately 4 million tonnes and has been assumed to carry zero grade in the mine planning work. Refer to Figure 2 for the location of the Natalia and El Sauce waste dumps.

**FIGURE 2 – Location of Tres Perlas Deposit, El Sauce and Natalia Waste Dumps**



The initial drilling results are highly encouraging given the results of 10m grading 1.35g/t Au and 10m grading 1.14 g/t Au in holes RCH 2012- 73 ad 2012-74 respectively. This material has been blasted and is sitting at surface less than 400m from the crushing plant.

Drillholes RCH 2012-59 and RCH 2012-64 were drilled through the El sauce waste dump to target the mineralisation below. The result of 25m grading 0.41 g/t Au from surface was in the El Sauce waste dump, followed by 159m grading 0.37 g/t Au from 10m below the waste dump. RCH 2012-64 returned 5m grading 1.30 g/t Au from surface which is also encouraging considering the result is from the surface of the waste dump.

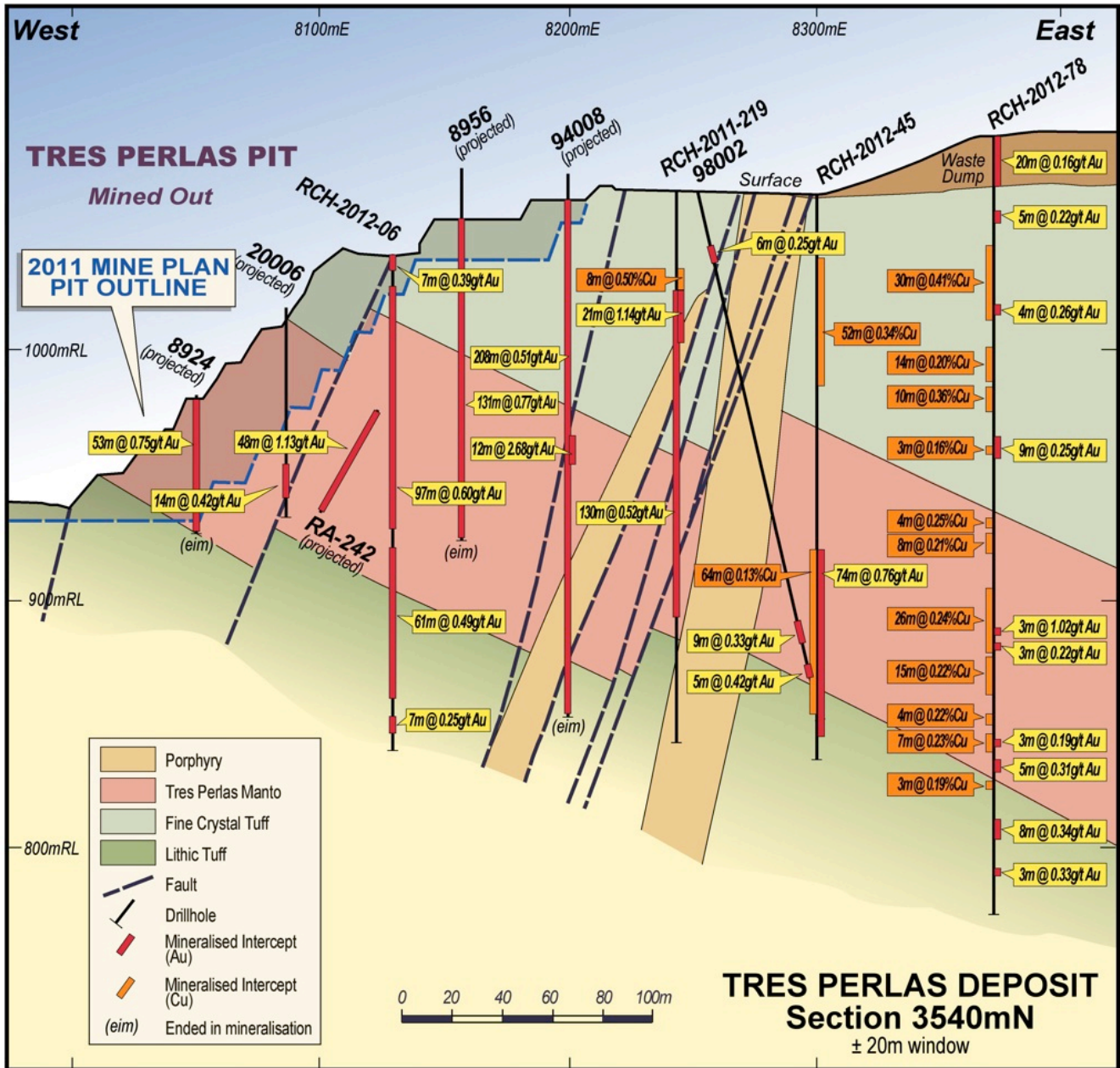
The El Sauce waste dump is above surface, does not require blasting and is approximately 700m from the crushing plant. The El Sauce waste dump contains approximately 13 million tonnes of rock and sits above the highest grade mineralisation remaining on the CMD Gold Mine. The waste dump has been assumed to carry zero grade in the mine planning work.

Trial mining of the low grade dumps has commenced based on the grade of the material drilled to date and this will enable an accurate grade to be established for the material mined from the dump. This material has a zero waste:ore ratio and will be fed to the plant to supplement ore mined from the open pits.

Drilling of the hanging wall at the Tres Perlas deposit to test the copper mineralisation on the boundary with the adjoining Teck mine has returned a result of 30m grading 0.41% Cu (oxide) in RCH 2012-78 (refer Figure 3). In addition, the hole returned potentially economic Cu-Au intervals further down the hole that confirm the presence of the Cu mineralisation seen in the adjacent hole RCH 2012-45 (drilled 40m to the south). This hole was collared in the El Sauce waste dump and the top 20m of the hole returned 0.16 g/t Au.

As drilling is progressing towards the east (closer to the structures controlling the Cu mineralisation at the adjoining Teck mine), the mineralisation being found is transitioning from predominately Au to being a mix of oxide Cu near surface and Cu-Au at depth which is to be expected given this is what is being mined at the adjacent operation. Drill hole RCH 2012-78 was collared 170 m to the north of the Teck boundary. This result is the Cu intersection most distant from the Teck boundary and demonstrates the continuity of the Cu mineralisation over a substantial distance.

FIGURE 3 – Section 3520m N



For and on behalf of the Board

*Mick McMullen*

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Chairman

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**Table 1 – CMD Gold Mine Drill Results –Post April 2012 Mineral Resource <sup>1</sup>**

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-059	3859.0	8191.1	1069.7	338.2	-88.6	0	25	25	0.41	
						31	38	7	0.21	
						50	209	159	0.37	
						including				
						50	82	32	0.33	
						86	91	5	0.26	
						94	112	18	0.27	
						117	119	2		0.20
						118	122	4	0.62	
						130	147	17	0.31	
						139	141	2		0.35
						155	169	14	1.01	
						162	164	2		0.28
						172	190	18	0.53	
						197	205	8	1.22	
						207	209	2	0.49	
RCH-2012-066	3114.1	6851.8	1136.1	90.8	-58	5	7	2	0.35	
						19	48	29	0.71	
						including				
						19	28	9	0.75	
						40	48	8	1.70	
50	54	4	0.21							
RCH-2012-068	3157.3	6862.8	1137.8	88.5	-58.5	26	29	3	0.25	
						35	43	8	0.36	
						55	48	-7	0.24	
						50	54	4	0.43	
RCH-2012-069	2913.0	7224	975.7	0.0	-90	7	9	2	0.33	
						65	67	2		0.33
RCH-2012-070	3121.6	7073.9	1151.1	85.2	-72.9	0	13	13	1.27	
						40	43	3	0.67	
						55	64	9	0.18	
						79	81	2	0.49	

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-072	2620.0	7108.4	1104.1	89.9	-58.8	59	61	2	0.66	
						86	89	3	0.25	
						102	105	3	0.64	
RCH-2012-073	3843.2	8247.0	1083.5	272.5	-89.5	0	5	5	0.19	
						10	20	10	1.35	
						35	40	5	0.23	
RCH-2012-074	3769.0	8116.9	1053.3	203.2	-89.8	0	10	10	1.14	
RCH-2012-075	3793.0	8109.3	1054.4	238.2	-89.7	0	15	15	0.19	
						20	45	25	0.28	
RCH-2012-076	3809.4	8127.5	1054.1	114.3	-89.4	0	5	5	0.4	
						10	25	15	0.32	
						30	40	10	0.18	
RCH-2012-077	3819.8	8112.7	1054.6	296.6	-90	0	10	10	0.49	
						25	30	5	0.17	
						35	45	10	0.21	
RCH-2012-080	3811.2	8092.7	1055.1	42.6	-89.3	0	5	5	0.6	
						20	25	5	0.34	
DDH-2012-43	2645.0	6640.2	1108.4	46.6	-60.4	27	33	6	1.76	
						39	42	3	0.24	
						47	55	8	0.34	
						108	110	2	0.47	
						140.9	142	1.1	7.27	
						179	202	23	0.35	
						207	214.2	7.2		0.26
						208	214.2	6.2	0.26	
220.25	223.9	3.65	0.35							
DDH-2012-061	2554.3	6796.7	1137.3	100.5	-89.4	8.5	21.2	12.7		0.21
						32.2	41	8.8	0.93	
						43	48	5	0.45	
						53	56	3	0.45	
						68	70	2	0.30	
						75	77	2	0.32	
						86	90	4	0.42	
						94.5	98	3.5	1.04	
						106	108	2	1.43	
						120	129	9	0.87	
						131	133	2	0.20	
						139	141	2	0.24	
						197	201	4	1.35	
DDH-2012-062	3619.6	8239.8	1064.4	346	-89.4	19	28.5	9.5	0.22	
						27.5	32.7	5.2	0.24	
						35.7	38.7	3	0.29	
						50.2	97.6	47.4	0.31	
						102.6	114.7	12.1	0.23	
						134.7	137.7	3	0.30	
						147.7	156.7	9	0.26	
						157.3	163.7	6.4	0.18	
						196.7	222	25.3	0.32	
						225	231	6	0.22	
						236	242	6	0.47	
RCH-2012-064	4103.0	8103.4	1092.7	276.1	-89.6	0	5	5	1.30	
						21	27	6	0.36	
						35	45	10	0.54	
						59	64	5	0.48	

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-071	2660.0	7149.2	1104.2	316.6	-89.5	40	48	8	0.57	
						101	104	3		0.24
						154	195	41	0.51	
						including				
						154	160	6	0.48	
						162	166	4	0.56	
						177	180	3	0.20	
						184	195	11	1.20	
						198	201	3	0.32	
						RCH-2012-078	3570.9	8372.2	1086.4	172.9
30	35	5	0.22							
44	74	30		0.41						
68	72	4	0.26							
85	99	14		0.20						
101	111	10		0.36						
121	130	9	0.25							
154	168	14		0.21						
182	208	26		0.24						
204	207	3	0.22							
210	225	15		0.22						
233	248	15		0.18						
243	246	3	0.19							
251	256	5	0.31							
275	281	6	0.34							
295	298	3	0.33							
RCH-2012-079	3605.9	8343.2	1081.8	137.2	-88.9	0	25	25	0.23	
						35	38	3	0.20	
						44	47	3	0.25	
						97	111	14	0.27	
						118	123	5	0.29	
						169	192	23		0.25
						197	200	3		0.18
						202	239	37	0.67	
						210	214	4		0.34
						218	222	4		0.22
						250	269	19	0.43	
						273	285	12	0.32	
RCH-2012-081	3420.6	8328.9	1079	243.4	-89.4	10	14	4	0.24	
						10	26	16		0.24
						37	52	15		0.46
						50	52	2	1.45	
						61	78	17	0.77	
						79	83	4		0.20
						101	111	10		0.36
						125	133	8		0.20
						163	167	4	0.44	
						217	220	3	0.37	
						229	232	3		0.32
						234	238	4	0.18	
						239	246	7		0.21
RCH-2012-083	2654.4	6264.5	1099.9	93.5	-63.9	21	23	2	0.99	
						32	82	50	0.84	
						including				
						32	54	22	1.26	
						58	64	6	0.76	
						73	82	9	1.04	

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-084	2700.3	6276.7	1100.6	293.0	-89.3	12	29	17	2.11	
						38	41	3	0.23	
						77	92	15	1.43	
						96	99	3	0.19	
						105	110	5	0.27	
RCH-2012-085	2676.4	6301.5	1100.6	0.0	-90.0	31	43	12	0.35	
						51	77	26	1.09	
						including				
						51	61	10	1.28	
						66	70	4	0.68	
RCH-2012-086	2698.1	7238.5	1118.9	63.4	-89.7	67	80	13	0.37	
						83	95	12	0.52	
						97	102	5	0.30	
						116	122	6	0.65	
						126	136	10	0.77	
RCH-2012-087	2674.8	6138.7	1151.7	328.5	-89.0	142	155	13	0.59	
						160	163	3	0.67	
						5	12	7	0.40	
						16	32	16	1.04	
						18	19	1	8.00	
RCH-2012-088	2700.4	6105.0	1160.7	254.5	-89.3	58	70	12	0.79	
RCH-2012-090	2648.3	6117.6	1151.5	88.1	-67.0	49	54	5	1.05	
RCH-2012-091	2588.5	6173.5	1143	95	-72.1	0	5	5	0.18	
						19	25	6	0.27	
						35	37	2	0.18	
						48	50	2	0.23	
RCH-2012-093	2438	6216	1132.8	212.5	-89.7	65	71	6	0.21	
						78	95	17	1.04	
						147	158	11	0.26	
						168	172	4	1.21	
RCH-2012-095	2459.6	6321.3	1127.2	347.9	-89.1	119	121	2	1.71	
						141	144	3	0.28	
RCH-2012-092	3179.6	6960.3	1127.9	317.5	-89.6	177	182	5	0.31	
RCH-2012-094	2640.2	7170.1	1105.2	91.4	-73.8	48	60	12	0.21	
						77	88	11	0.43	
						103	112	9	0.89	
						154	157	3	1.39	
						164	174	10	3.07	

<sup>1</sup>. Samples assayed at ACTIVATION LABORATORIES LTD in La Serena, Chile, an Accredited Testing Laboratory by the Standards Council of Canada

**Table 2 – CMD Gold Mine Indicated and Inferred Mineral Resource<sup>2,3</sup>**

CMD Gold Mine Mineral Resources (April 2012)						
Deposit	Indicated			Inferred		
	Tonnes (Mt)	Grade (Au)	Ounces (kozs)	Tonnes (Mt)	Grade (Au)	Ounces (kozs)
Las Loas (April 2011)	2.9	0.8	73	1.5	0.8	38
Toro (Feb 2012)	17.5	0.6	348	11.6	0.4	135
Tres Perlas (April 2012)	112.6	0.4	1,332	104.3	0.3	1,126
Chisperos (April 2011)	1.0	1.1	36	1.4	1.0	43
<b>Total</b>	<b>133.9</b>	<b>0.4</b>	<b>1,788</b>	<b>118.8</b>	<b>0.4</b>	<b>1,342</b>

2. Reported above 0.15 g/t Au for all except Las Loas and Chisperos deposits which are reported above 0.30 g/t Au

3. Table contains rounding and may not sum precisely

#### **About Lachlan Star Limited**

Lachlan Star Limited is a gold mining company headquartered in Perth, Western Australia. The Company is focused on acquiring and developing assets within the gold and copper sectors within Australia and Chile. The company has a board of directors and management team with an impressive track record of advancing resource projects through to production.

Lachlan Star's current projects include a 100% interest in the CMD Gold Mine in Chile, a 100% interest in the Bushranger Copper Project in New South Wales (subject to Newmont earning 51%) and a 100% interest in the Princhester magnesite deposit in Queensland.

#### **Competent Persons Statement**

The information in the news release that relates to the Mineral Resources of Tres Perlas, Chisperos, Las Loas, and Toro is based on information compiled by David Slater, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy. Mr. Slater is employed full time by Coffey Mining Pty Ltd. The information in the news release that relates to exploration results is based on information approved by Declan Franzmann, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy. Mr. Franzmann is employed by Citraen Pty Ltd and is an officer of the Company. Each of Mr. Slater and Mr. Franzmann has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Each of Mr. Slater and Mr. Franzmann consents to the inclusion in the news release of the matters based on his information in the form and context in which it appears.

**Caution Regarding Forward Looking Information:** This report contains forward-looking information, which is based on assumptions and judgments of management regarding future events and results. Such forward-looking information includes but is not limited to information with respect to future exploration and drilling, procurement of financing and procurement of necessary regulatory approvals.

Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of gold, the actual results of current exploration, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. The Company believes that the assumptions and expectations reflected in the forward-looking information are reasonable. Assumptions have been made regarding, among other things, the Company's ability to carry on its exploration and development activities, the timely receipt of required approvals, the price of gold, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers should not place undue reliance on forward-looking information. Lachlan Star does not undertake to update any forward-looking information, except in accordance with applicable securities laws.