



LACHLAN STAR LIMITED

7 December 2012

FINAL ROM TRIAL RESULTS RECEIVED, RECOVERY OF 45% ADOPTED FOR PLANNING

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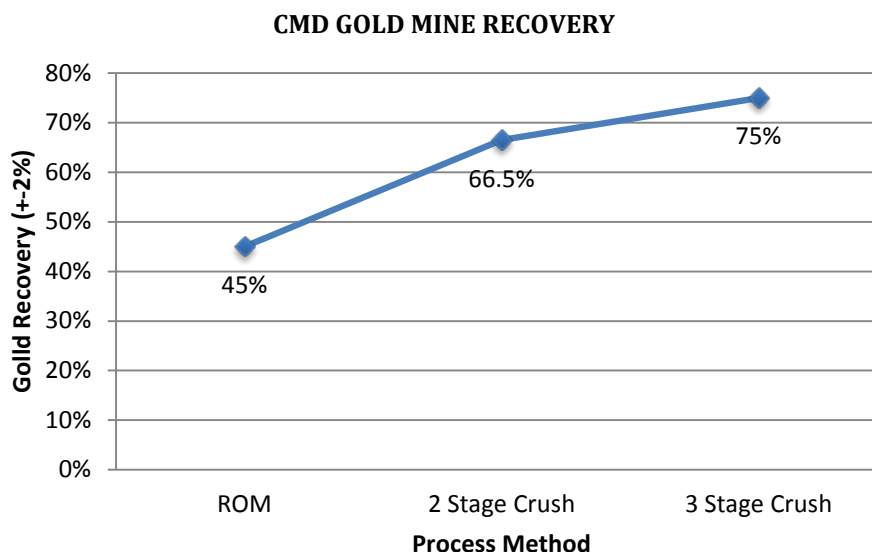
Perth, Western Australia: Gold miner, Lachlan Star Limited (“Lachlan” or the “Company”) (ASX and TSX: LSA) is pleased to announce that based on the final ROM trial results it will be adopting a recovery of 45% for the ROM material. This is in line with previous guidance.

The second 2 Stage Crush trial is ongoing and will be finalised in early 2013.

The recoveries achieved for ROM, 2 Stage Crushing and 3 Stage Crushing process routes are shown in Figure 1, with an accuracy of $\pm 2\%$. As expected, leach kinetics are in general faster with the higher level of crushing. The final 3 Stage Crush recovery is based on the use of a dynamic pad, whilst the ROM and 2 Stage crushing trials have used a static pad.

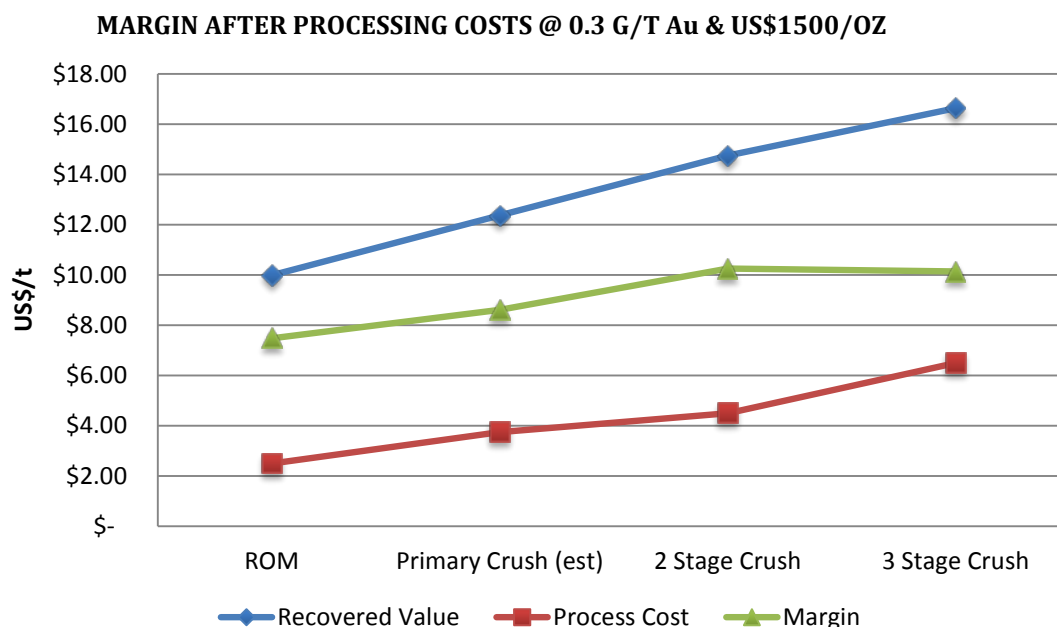
Results have been based on 7,500 tonne trial parcels of lower grade (0.25 g/t Au to 0.30 g/t Au) mineralisation from the Toro and Tres Perlas deposits and are considered indicative of what will be achieved in the operations. Cyanide consumption for the ROM material is lower than the 3 Stage Crushed material at 0.45 kg/t compared to 0.60kg/t respectively.

Figure 1 – CMD Gold Mine Recoveries



An evaluation of the preferred processing method is ongoing however as shown in Figure 2 below, there appears to be advantages in 2 Stage Crushing only as this provides a similar margin to 3 Stage Crushing, but at lower costs. The CMD Gold Mine process plant also has excess capacity in the primary and secondary crushing circuits, which would enable a higher throughput than achievable through the tertiary crushing circuit.

Figure 2 – CMD Gold Mine Margins After Processing Costs



No primary crush recovery trials have been completed and the recovery has been extrapolated from the adjoining data points. The costs for primary crushing have been taken from actual costs on the mine. At lower gold prices or lower grades, the evaluation indicates that less crushing provides a higher net margin and vice versa.

ROM ore from the Tres Perlas pit has been stockpiled since mid August and will be stacked once the pad liner has been laid on Pad 6, which is a shared crushed and ROM pad. Stacking is expected to commence in early 2013, with



irrigation shortly thereafter. ROM Pad 1 has a capacity of approximately 2.5Mt of ore and is expected to be available for use in the June quarter at which time all ROM ore will be stockpiled on this pad, which has a shorter haul distance.

The addition of ROM ore processing is in line with the Company's strategy of increasing throughput at the CMD Gold Mine to reduce unit costs, and to stack more leachable ounces to increase gold production.

For and on behalf of the Board



Mick McMullen
Chairman

For further information please visit www.lachlanstar.com.au or contact:

Mick McMullen
Chairman
Lachlan Star
Tel: +61(0)8 9481 0051
Email: mick.mcmullen@lachlanstar.com.au

Declan Franzmann
Managing Director
Lachlan Star
Tel: +61(0)8 9481 0051
Email: declan.franzmann@lachlanstar.com.au

About Lachlan Star Limited

Lachlan Star Limited is an emerging minerals exploration and development 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.

