

9 May 2011

## LACHLAN STAR ANNOUNCES \$2.85 MILLION PLACEMENT

**Emerging minerals and exploration company Lachlan Star Limited (“Lachlan” or the “Company”) (ASX: LSA)** is pleased to announce that it has entered into agreements for a share placement of \$2.85 million to S708 Sophisticated and Accredited Investors in Canada and Europe at an issue price of 1.4c per share (Placement Share), with an attaching unlisted 2 year option having a strike price of 2c per option (Placement Option).

The Share and Option Placements are within the Company’s 15% capacity to issue equity securities within a 12 month period without shareholder approval. The Placement Shares will not be subject to ASX escrow conditions.

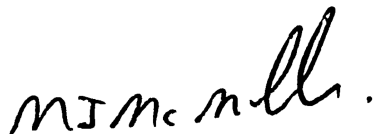
A total of 204 million Placement Shares and 204 million Placement Options will be issued under the placement, with an additional 12.2 million broker options to be issued on the same terms as the Placement Options. Broker fees payable for the placement will be in the normal range expected for such a transaction.

The Placement Shares and Placement Options are expected to be issued within ten working days. Once issued, the Company will have a total of 3.4 billion shares and 291 million options on issue, pre the 1 for 60 share consolidation announced last week, or 56.97 million shares and 4.85 million options post the consolidation.

The proceeds of the placement will be used for mine pre strip and general working capital at the Company’s 100% owned CMD Gold Mine in Chile.

Mick McMullen, Chairman, commented, “This placement will provide additional funding to be used for mine expansion in Chile. The placement has been done to key shareholders in the Canadian and European markets that will further enhance our visibility in those markets.”

For and on behalf of the Board



Mick McMullen  
Chairman

For further information please visit [www.lachlanstar.com.au](http://www.lachlanstar.com.au) or contact:

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

James Harris  
Professional Public Relations  
Tel: +61(0)8 9388 0944  
Email: [james.harris@ppr.com.au](mailto:james.harris@ppr.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, the Bushranger copper and gold project in New South Wales and the Princhester magnesite deposit in Queensland.*