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LACHLAN STAR ANNOUNCES ROM DUMP LEACH TRIAL RESULTS FROM CMD GOLD MINE

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WEST PERTH, AUSTRALIA – Gold miner, Lachlan Star Limited (“Lachlan” or the “Company”) (ASX and TSX: LSA) is pleased to announce the initial results from the large scale trial of Run of Mine (ROM) dump leaching of low grade mineralisation at its 100% owned CMD Gold Mine in Chile.

Highlights from the trial include:

- 38% recovery after 38 days for uncrushed Run of Mine (ROM) dump leach material grading 0.20 g/t Au and still leaching
- 55% recovery after 45 days for two stage crushed material grading 0.20 g/t Au and still leaching
- Low reagent consumption

The trials are being conducted on approximately 7,500 tonnes of each type of material and are aimed at determining the optimal processing method for the low grade gold mineralisation (0.15 to 0.30 g/t Au) at the CMD Gold Mine. The cut off grade for the current mineral reserve is between 0.30 g/t Au and 0.34 g/t Au depending on the deposit using a gold price of US\$1250/oz, which is based on three stage crushing of the ore. The processing costs associated with ROM dump leaching are materially lower than the current processing route (although with potentially lower recoveries), which may enable the cut off grades for the mineral reserves to be reduced.

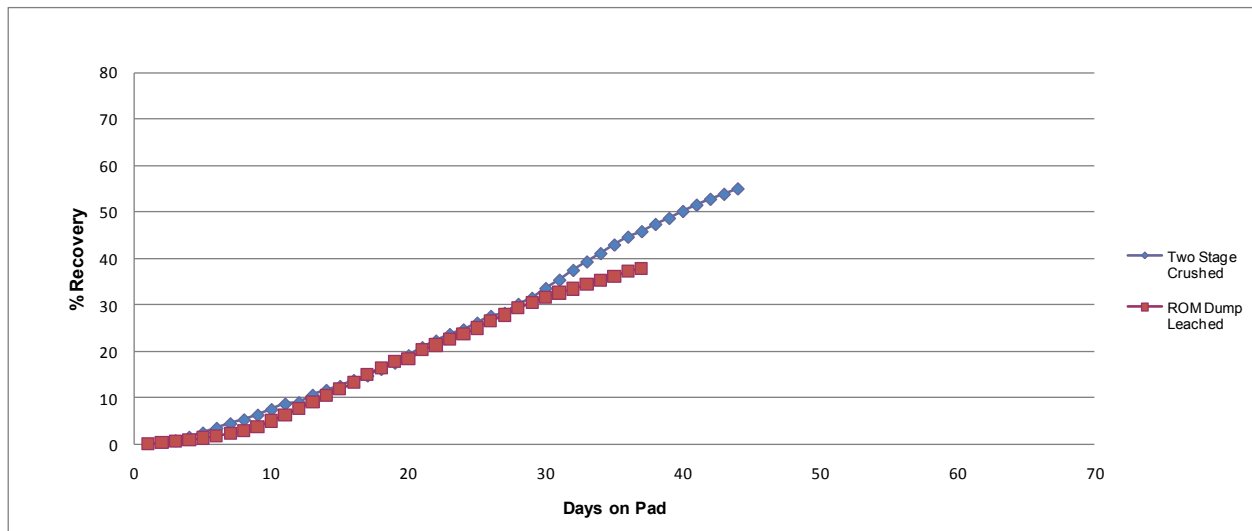
The Company is working on a strategy to maximise the economic returns from the large amount of low grade gold mineralisation that is currently mined as waste in the pits. This strategy is likely to revolve around the ROM dump leaching of the low grade material, and continuing to crush the +0.30 g/t Au mineralisation. This strategy is employed by several of the Company’s peers with operations in Latin America, most notably by Argonaut Gold at their El Castillo mine in Mexico.

As can be seen in Figure 1, the recovery of gold from the two stage crushed material is faster than the uncrushed ROM material, however both types of mineralisation are displaying relatively rapid leaching

times and are continuing to leach gold. The Company is currently adjusting the actual recoveries by a factor of 80% for now to account for any scale up issues that may occur and to ensure a degree of conservatism in the results (Figure 1 illustrates actual recoveries).

Reagent consumption is low for both types of material. Preliminary process costs indicate that a recovery of 35% is required to justify a 0.15 g/t Au cut off grade for the ROM material, and 40% to 45% for the two stage crushed material.

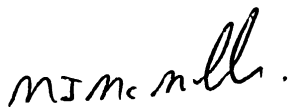
FIGURE 1 - Actual ROM Dump and Two Stage Crush Leach Trial Results



The recoveries achieved to date for the low grade mineralisation are also encouraging in that it was previously assumed that the mineralisation displayed a fixed tail grade of 0.18 g/t Au, meaning that this grade of gold was unrecoverable. Given the head grade of 0.20 g/t Au for these tests, and the recovery achieved, the fixed tail is clearly much lower. This means that recoveries from material in the 0.30 g/t Au to 0.50 g/t Au range that were previously assumed to be between 40% and 64% respectively, are likely to be much higher given the actual recoveries achieved in these large scale tests.

Declan Franzmann, Managing Director, commented “ the initial results of these tests are very encouraging. There is a large amount of gold mineralisation between 0.15 g/t Au and our current mineral reserve cut off grades of around 0.3 g/t Au that is currently mined and sent to the waste dumps. If the final results of these tests indicate that this material is economic to process, the potential for the CMD Gold Mine to increase gold production is excellent, and to do so at reduced waste:ore ratios. The drill results released today from the Tres Perlas and Toro Deposits (refer separate news release dated today) demonstrate the existing of broad zones of lower grade mineralisation around higher grade zones and our goal is to extract value from this mineralisation. The objective of this work and our exploration program is to increase tonnages stacked and to drive unit costs down”.

For and on behalf of the Board



Mick McMullen
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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 Reserves of Tres Perlas, Chisperos, Las Loas, El Sauce, Churrumata and Toro/Socorro is based on information compiled 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. 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. 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.