



LACHLAN STAR LIMITED

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LACHLAN STAR ANNOUNCES DRILL RESULTS FROM CMD GOLD MINE INCLUDING 9M GRADING 6.40 G/T AU, 10M GRADING 2.15 G/T AU, AND 97M GRADING 0.60 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:

Tres Perlas Deposit

- 9 m at 6.40 g/t from 9m downhole and 6m at 0.92 from 37m downhole in RCH 2012-04
- 10 m grading 2.15 g/t Au from 20m downhole and 13m grading 0.69 g/t Au from 107m downhole (ended in mineralisation) in RCH 2012-07
- 7m grading 0.39 g/t Au from 0m downhole, 97 m grading 0.60 g/t Au from 13m downhole and 61m grading 0.49 g/t Au from 118 m downhole in RCH 2012-06 (0-193 m grading 0.49 g/t Au from 0m downhole)

Toro Deposit

- 18 m grading 1.14 g/t Au from 60 m downhole in DDH 2011-169
- 17 m grading 1.11 g/t Au from 69 m downhole in DDH 2011-175

Churumata Deposit

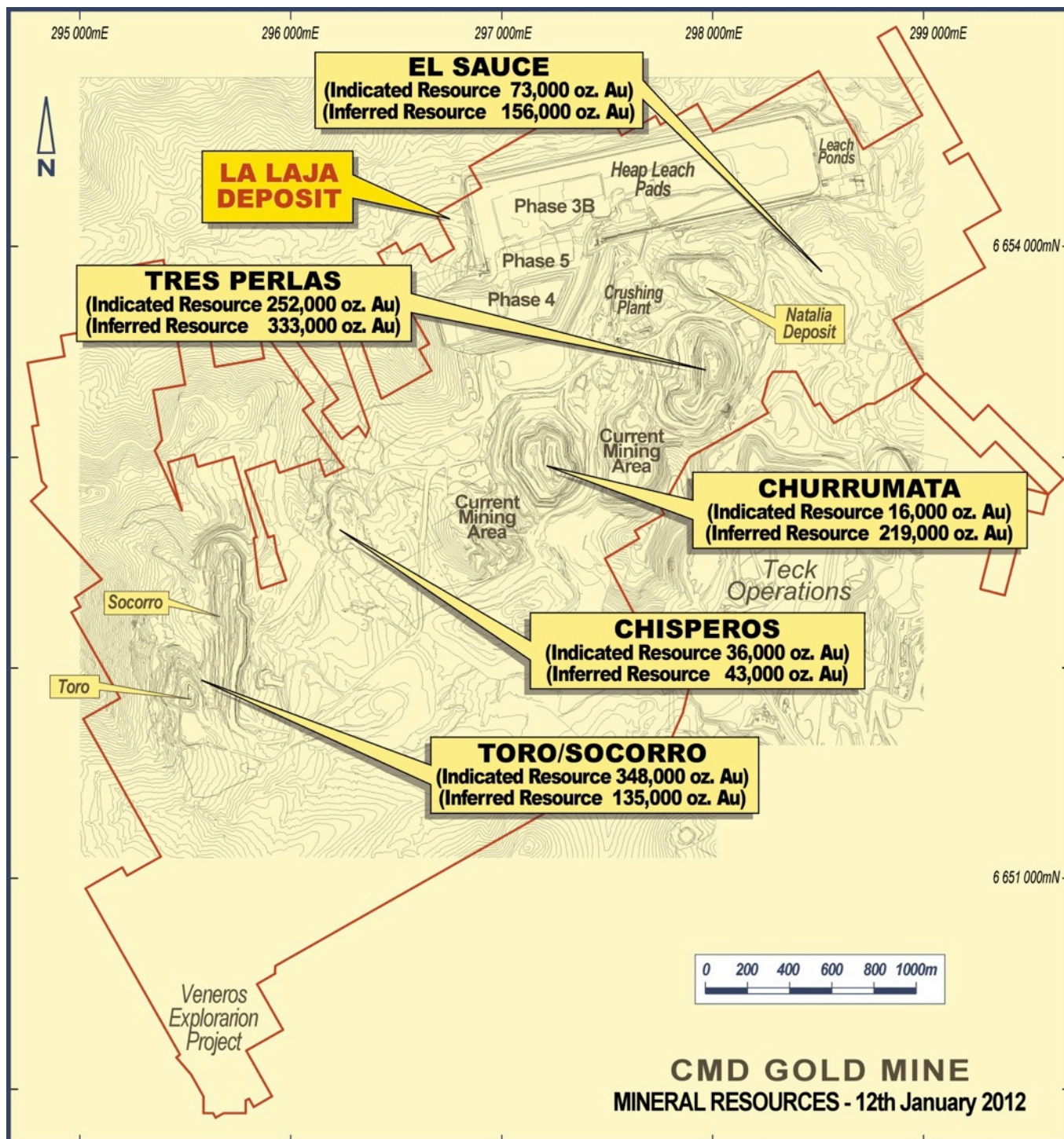
- 7 m grading 1.23 g/t Au from 17 m downhole in DDH 2011-222

Table 1 below contains a full list of recent drill results for the CMD Gold Mine.

Tres Perlas Deposit

The Tres Perlas deposit is located on the eastern side of the CMD Gold Mine tenements as shown in Figure 1. The gold mineralisation at Tres Perlas is up to 200m thick at a cut off grade of 0.15 g/t Au and the 2011 Coffey mineral resource contains 252,000 ounces of gold in the Indicated category and a further 333,000 ounces of gold in the Inferred category (Refer to Table 2). The gold mineralisation is open down dip to the east, and sits beneath copper mineralisation that is the extension of the copper deposit being mined at the adjacent Carmen de Andacollo mine by Teck.

FIGURE 1 - Location of Tres Perlas, Churrumata and Toro Deposits



Current drilling is targeted to test the down dip and along strike extension of the gold mineralisation identified in historical holes.

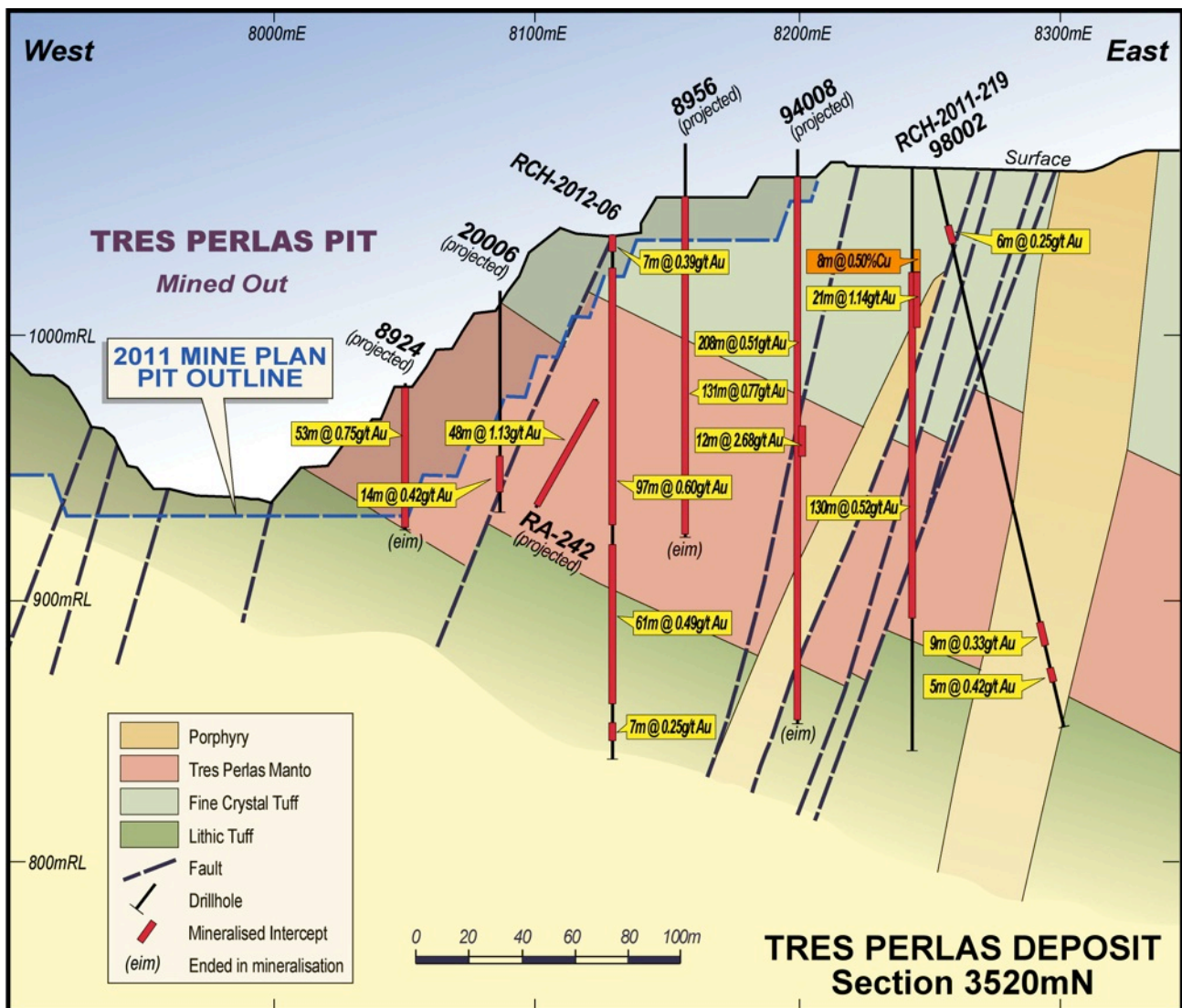
The results of 9m grading 6.4 g/t Au from 9m downhole in RCH 2012-04 and 10m grading 2.15 g/t Au from 20 m downhole in RCH 2012-07 demonstrate the higher grade zones within the broader lower grade mineralised halo. These higher grade pods of mineralisation will provide a useful boost to grade when mined.

Hole 2012-07 was terminated in mineralisation (bottom 13m grading 0.69 g/t Au) due to drilling difficulties and will be redrilled to determine the full potential of the mineralisation in this area. Both these holes were drilled 300m to the south of previously announced drilling and demonstrate the potential for increases in the mineral resources.

The result of 7m grading 0.39 g.t Au, 97m grading 0.60 g/t Au from 13m and 61m grading 0.49 g/t Au from 118 m in RCH 212-06 continues to demonstrate the very thick mineralisation from near surface in the area adjacent to the existing Tres Perlas pit. The top 193m of this hole averaged 0.49 g/t Au. This hole is significant because it confirms the large mineralised intercepts of the adjacent holes, and it extends the depth of mineralisation in the area by an additional 61m.

As seen in Figure 2, the gold mineralisation is from surface and continues to depths of 193m. Waste to ore ratios for this mineralisation is low.

FIGURE 2 – Tres Perlas Deposit Section 3520mN



The results from the Tres Perlas drilling are significant in that they continue to demonstrate the presence of near surface bulk tonnage gold and copper mineralisation. The current mine plan for Tres Perlas is based around a limited cut back of the pit walls, however, the exploration drill results from this area continues to indicate the significant potential that Tres Perlas may have on the mine plan.

Toro Deposit

The Toro Deposit is located at the western side of the CMD Gold Mine tenements as shown in Figure 1 above and is being mined in three active pits.

Exploration at the CMD Gold Mine has been focussed on expanding the mineral resources and upgrading the confidence level of the resources. The Toro mineral resource was recently updated and now contains 348,000 ounces of gold in the Indicated category and 135,000 ounces of gold in the Inferred category (Refer to Table 2). Total combined gold ounces have increased by 78% over the previous resource estimate.

The result of 18 m grading 1.14 g/t Au from 60 m downhole in DDH 2011-169 and 17m grading 1.11 g/t Au from 69 m downhole in DDH 2011-175 continues to demonstrate the potential for new mineralisation within the Toro area. Both holes were drilled at the southern end of the current mineralisation envelope and show good grades over thick intervals from near surface.

Churrumata Deposit

The Churrumata deposit is located to the south west of the Tres Perlas deposit (refer Figure 1) and has been a major ore source for the CMD Gold Mine in the past.

The result of 7 m grading 1.23 g/t Au from 17 m downhole in DDH 2011-222 is the northern extension of mineralisation that is currently being mined in the Churrumata West Pit, as shown in Figure 1.

Declan Franzmann, Managing Director, commented “the aggressive exploration campaign started in 2011 continues unabated in 2012. This investment will be realised in the 2012 mineral resource update, which will have a significant positive impact on life of mine planning for the CMD Gold Mine.”

For and on behalf of the Board

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Chairman

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Table 1 – CMD Gold Mine Drill Results ¹

| Hole ID | Grid_N | Grid_E | Grid_Elev | Azimuth | Dip | From | To | Interval | g/t Au |
|---------------------|--------|--------|-----------|---------|-------|-------|-------|----------|--------|
| DDH-2011-117 | 2500.2 | 6262.0 | 1132.2 | 0.0 | -86.8 | 53 | 57 | 4 | 0.71 |
| | | | | | | 81 | 83 | 2 | 0.80 |
| | | | | | | 108 | 111 | 3 | 0.90 |
| | | | | | | 118 | 121 | 3 | 0.39 |
| DDH-2011-126 | 2930.8 | 6643.4 | 1124.4 | 297.4 | -89.3 | 186.8 | 195.6 | 8.8 | 0.36 |
| DDH-2011-127 | 2941.2 | 6684.0 | 1124.6 | 58.6 | -89.4 | 35.4 | 37 | 1.6 | 0.17 |
| | | | | | | 72.5 | 73.5 | 1 | 2.30 |
| | | | | | | 80.5 | 93 | 12.5 | 0.40 |
| | | | | | | 121 | 128 | 7 | 0.27 |
| DDH-2011-169 | 1510.0 | 5832.6 | 1140.2 | 267.9 | -64.6 | 5 | 16 | 11 | 0.53 |
| | | | | | | 41 | 44 | 3 | 0.20 |
| | | | | | | 50 | 52 | 2 | 0.47 |
| | | | | | | 60 | 78 | 18 | 1.14 |
| DDH-2011-175 | 1461.3 | 5797.0 | 1160.1 | 56.3 | -89.6 | 69 | 86 | 17 | 1.11 |
| DDH-2011-221 | 3038.6 | 6776.6 | 1138.0 | 93.0 | -59.1 | 47 | 53 | 6 | 0.17 |
| | | | | | | 128 | 130 | 2 | 2.81 |
| | | | | | | 139 | 143 | 4 | 0.45 |
| DDH-2011-222 | 3032.6 | 6707.1 | 1129.4 | 314.1 | -88.8 | 17 | 24 | 7 | 1.23 |
| | | | | | | 32 | 34 | 2 | 0.96 |
| | | | | | | 41 | 45 | 4 | 0.71 |
| | | | | | | 48 | 50 | 2 | 0.28 |
| RCH-2012-02 | 3517.8 | 7769.4 | 1061.8 | 150.7 | -88.7 | 70 | 72 | 2 | 0.52 |
| RCH-2012-03 | 3559.8 | 7750.0 | 1071.8 | 215.9 | -88.4 | 0 | 2 | 2 | 0.23 |
| | | | | | | 9 | 22 | 13 | 0.42 |
| | | | | | | 35 | 38 | 3 | 0.99 |
| | | | | | | 42 | 45 | 3 | 0.28 |
| RCH-2012-04 | 3241.0 | 7839.0 | 981.9 | 0.0 | -90.0 | 2 | 4 | 2 | 0.23 |
| | | | | | | 9 | 18 | 9 | 6.40 |
| | | | | | | 21 | 23 | 2 | 0.17 |
| | | | | | | 26 | 31 | 5 | 0.35 |
| | | | | | | 37 | 43 | 6 | 0.92 |
| | | | | | | 49 | 50 | 1 | 0.34 |
| RCH-2012-05 | 3259.2 | 7991.2 | 1001.9 | 53.8 | -85.8 | 0 | 1 | 1 | 0.21 |
| | | | | | | 29 | 35 | 6 | 0.22 |
| | | | | | | 41 | 43 | 2 | 0.42 |
| RCH-2012-06 | 3520.3 | 8129.8 | 1037.6 | 1.3 | -86.5 | 0 | 7 | 7 | 0.39 |
| | | | | | | 13 | 110 | 97 | 0.60 |
| | | | | | | 118 | 179 | 61 | 0.49 |
| | | | | | | 186 | 193 | 7 | 0.25 |

| Hole ID | Grid_N | Grid_E | Grid_Elev | Azimuth | Dip | From | To | Interval | g/t Au |
|-------------|--------|--------|-----------|---------|-------|------|-----|----------|--------|
| RCH-2012-07 | 3284.3 | 8145.0 | 1066.3 | 0.0 | -90.0 | 0 | 6 | 6 | 0.25 |
| | | | | | | 20 | 30 | 10 | 2.15 |
| | | | | | | 43 | 45 | 2 | 0.19 |
| | | | | | | 67 | 69 | 2 | 0.20 |
| | | | | | | 71 | 73 | 2 | 0.18 |
| | | | | | | 82 | 103 | 21 | 0.25 |
| | | | | | | 107 | 120 | 13 | 0.69 |

Table 2 – CMD Gold Mine Coffey Mineral Resources (Jan 2012) ²

| Deposit | Indicated | | | Inferred | | |
|-------------|------------|-----------|--------------|------------|-----------|--------------|
| | Tonnes(Mt) | Grade(Au) | Ounces(Kozs) | Tonnes(Mt) | Grade(Au) | Ounces(Kozs) |
| Las Loas | 2.86 | 0.8 | 73 | 1.5 | 0.8 | 37 |
| El Sauce | 0 | - | 0 | 7.1 | 0.7 | 156 |
| Toro | 17.5 | 0.6 | 348 | 11.6 | 0.36 | 135 |
| Tres Perlas | 15.6 | 0.5 | 252 | 19 | 0.5 | 333 |
| Churumata | 0.6 | 0.8 | 16 | 8.7 | 0.8 | 219 |
| Chisperos | 1.0 | 1.1 | 36 | 1.4 | 1.0 | 43 |
| Total | 37.6 | 0.6 | 725 | 49.8 | 0.6 | 923 |

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

². Reported above 0.3 g/t Au all except Toro deposit, which is reported above 0.15 g/t 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, El Sauce, Churumata and Toro/Socorro 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.