

28 September 2011

LACHLAN STAR ANNOUNCES RECEIPT OF PROCEEDS FROM PRIVATE PLACEMENT

**NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR
INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES**

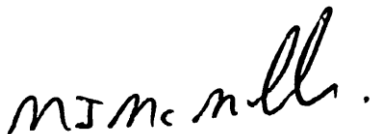
West Perth, Australia – September 28 2011 – Gold miner Lachlan Star Limited (“**Lachlan Star**” or the “**Company**”) (ASX:LSA) is pleased to announce that it has received the net proceeds of the previously announced private placement of Special Warrants following shareholder approval of the issuance of the underlying shares and options that will result from exercise of the Special Warrants.

The Company is well funded following the private placement and continues to ramp up production and exploration activities at its 100% owned CMD Gold Mine in Chile.

The Company’s current capital structure is as follows:

	28 Sep 2011	Post Canadian Prospectus	If no Canadian Prospectus by 27 Dec 2011
Shares	56,967,517	76,460,517	78,300,517
Warrants + unlisted options *	4,847,099 @avg. strike price \$1.23	14,599,099 @avg. strike price \$1.21	15,574,299 @avg. strike price \$1.21
Special Warrants	18,400,000	Nil	Nil
Agent Special Warrants	1,104,000	Nil	Nil

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

James Harris

Professional Public Relations

Tel: +61(0)8 9388 0944

Email: 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.