Unhedged Gold Producer

World Class Deposits

Major Exploration Potential

North American Investor Presentation – November 2011

LACHLAN STAR

ASX: LSA

TSX: LSA

www.lachlanstar.com.au

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Caution regarding forward-looking information: *This news release contains forward-looking information regarding the Company's plans to file and obtain receipts for a preliminary prospectus and a final prospectus in certain jurisdictions in Canada. Assumptions upon which such forward-looking information is based include that the Company will be able to satisfy all regulatory requirements with respect to the filing of a preliminary prospectus and a final prospectus and obtain the necessary regulatory approvals, including a receipt in each case. Some of these assumptions are based on factors and events that are not within the Company's control and there is no assurance they will prove to be correct. The forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. The risks include, but are not limited to: risks related to the regulatory review process, risks related to mining operations, including political risks and risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section entitled "Risk Factors" in the Company's Annual Information Form for the year ended June 30, 2011. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in this forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that the Company will file and obtain receipts for a preliminary prospectus and a final prospectus in the anticipated timeframe or at all. Accordingly, readers should not place undue reliance on the forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*

Corporate Overview

Listed on ASX and TSX under stock code “LSA”

100% interest in a major gold project (CMD Gold Mine) in a politically stable country (Chile)

Unhedged gold production operating at 50,000 ounces per annum run rate

Production forecast to increase to 75,000 ounces per annum over next 12 months

Strong balance sheet –A$16m in cash, US$1.3m in unused, unsecured credit facilities, CMD Gold Mine cash flow positive

0.46 million ounces in Indicated mineral resources

0.98 million ounces in Inferred mineral resources

Underutilised 8Mtpa plant with an estimated replacement cost of >$200m

100% interest in the Bushranger copper project in New South Wales with 185,000 tonnes of contained copper in resources –Newmont Farming in to earn 51% over two years

Experienced Management Team

Board of Directors		
Chairman	Mick McMullen	Geologist with over 18 years experience in identifying, financing, developing, and mining operations in Africa, Australia, Europe, Asia and South America. Has been an Executive Director of publicly listed mining companies for over 13 years and been responsible for the development of 2 mines. Has raised over $400 million in debt and equity for mining ventures in the past 6 years.
Managing Director	Declan Franzmann	Brisbane based mining engineer with over 19 years experience in the development and operation of open pit and underground mines in Africa, Asia and Australia.
Director	Scott Perry	Toronto based accountant with over 15 years experience in the financial management of gold mining companies in Australia, Russia and Latin America. Currently Executive VP and CFO for Aurico, a TSX listed gold producing company with operations in Mexico with a market capitalisation of C$3 billion.
Director	Peter Babin	Denver based lawyer with 30 years experience as a lawyer, including 9 years as General Counsel and later President of Royal Gold, a TSX and NASDAQ listed gold royalty company capitalised at US$2.7 billion. Since 2004, he has managed his private interests which include the CMD operation and oil and gas ventures in the US.

Management		
Group Company Secretary and CFO	Bob Anderson	Perth based accountant with over 20 years experience in financial management of Australian companies.
General Manager CMD	Gaston di Parodi	Chemical Engineer with 30 years experience in start-up and operation of gold leaching facilities and leaching consulting.
Finance Manager CMD	Rob Pardo	Accounting and Business degree, with 20 years experience in mining in Chile, Canada and Central America in accounting, financing and administration
Operations Manager CMD	Enrique Sepulveda	Mining Engineer with 25 years experience in operations, design and planning of gold and copper open pit and underground mining.
General Manager	Kees Dekker	Johannesburg based geologist/mineral economist with over 30 years experience in the identification and development of mining projects in Africa and South America across most commodity groups.

Capital Structure

	27 Oct 11	Post Canadian Prospectus	If no Canadian Prospectus by Dec 27 2011
Shares	56.97 m	75.37 m	77.21 m
Warrants +Options	4.85 m ($1.20, $1.50)	15.71 m ($1.20, $1.50)	16.79 m ($1.20, $1.50)
Special Warrants (share+1/2 warrant @ $1.20 strike)	18.4 million	NIL	NIL
Share price	AUD$0.85	AUD$0.85	AUD$0.85
Market Cap	A$48 million	A$64 million	A$65 million
Enterprise Value (EV)	A$51 million	A$51 million	A$52 million
EV/JORC ounces	$35/oz	$35/oz	$36/oz

CMD Quarterly Highlights –KPI's

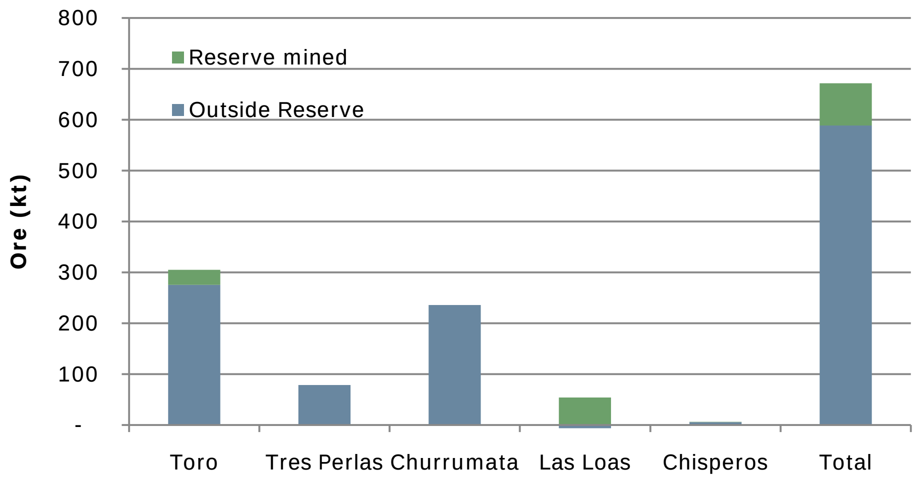
Item	Unit	3 months ended 30-Sep-11	3 months ended 30-Jun-11	% Change
Ore Mined	dmt	671,411	544,335	23%
Waste Mined	dmt	2,163,339	3,553,839	-39%
Total Mined	dmt	2,834,750	4,098,174	-31%
Waste:Ore Ratio	t:t	3.22	6.53	-51%
Ore grade	Au g/t	0.62	0.61	2%
Gold Mined	Au oz	13,290	10,603	25%
Ore stacked	dmt	641,588	544,335	18%
Stacked Grade	Au g/t	0.63	0.61	4%
Gold Stacked	Au oz	13,032	10,603	23%
Average stacking rate	dmt/d	6,974	5,982	17%
Gold Produced	Au oz	10,330	10,134	2%
Mining Cost/t moved	US$/t	$2.30	$1.89	22%
Mining Cost/t ore	US$/t	$9.72	$14.23	-32%
Process Cost/t ore stacked	US$/t	$8.41	$9.36	-10%
G+A Cost/t ore	US$/t	$1.69	$2.18	-23%
Total Cost/t ore	US$/t	$19.82	$25.77	-23%
Average Sales Price	USD/oz	$1,713	$1,510	13%
Cash Cost	USD/oz	$755	$704	7%
Non Cash Process Inventory Adjustment	USD/oz	$198	$137	45%
C1 Cash Cost	USD/oz	$953	$841	13%
CMD Gold Mine Gross Operating Profit (Unaudited)	**US$m**	**$4.08**	**$0.92**	**343%**

* revenues less cost of sales (including waste expensed and amortised), interest and other site expenses and excluding foreign exchange movements, depreciation, exploration and process inventory adjustments

CMD Quarterly Highlights -Costs

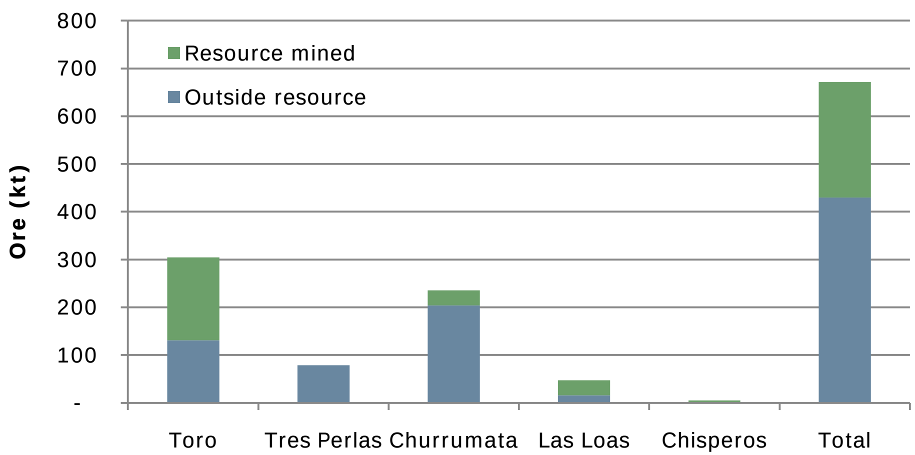
- CMD Gold Mine gross operating profit of US$4.08 million in the September quarter before exploration expenses
- Total costs per ore tonne reduced by 28%
- Cash costs before non cash process inventory adjustment increased by 7% driven by:
  - Mining unit costs increased ($2.30/t) due to one off costs in July and August associated with contractor changeover –down to $1.93/t in September
  - Chilean peso strength (up 4%) – has since declined by 11%
  - Reduced stacking rates (169,000 t of ore) in the month of July due to changeover of explosives supplier – approximately 300,000 t of ore stacked in October
- Process inventory adjustment increased to US$198/ounce due to recovery of high cost ounces (870 ounces at US$1444/ounce) from the leach pad
  - Costs associated with this gold all incurred in previous periods
  - Estimated recoverable gold in the leach pad now 8,700 ounces

CMD Quarterly Highlights -Mining



- 88% of the ore mined in the September quarter was sourced from outside the mineral Reserve
- All pits significantly outperformed the mineral Reserve estimate except for Las Loas

- 64% of the ore mined in the September quarter was sourced from outside the mineral Resource
- Tonnage overcall achieved with increasing grade Qtr on Qtr



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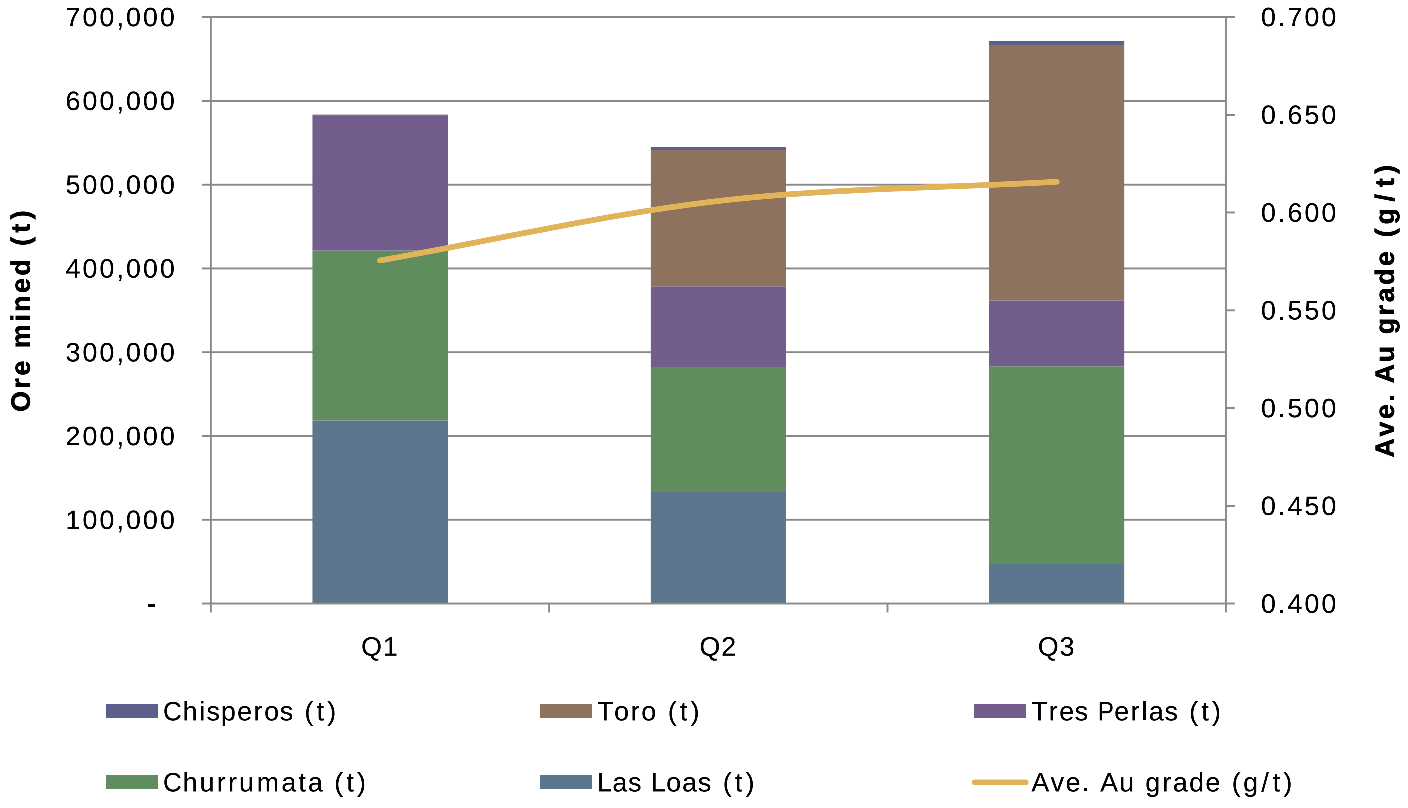
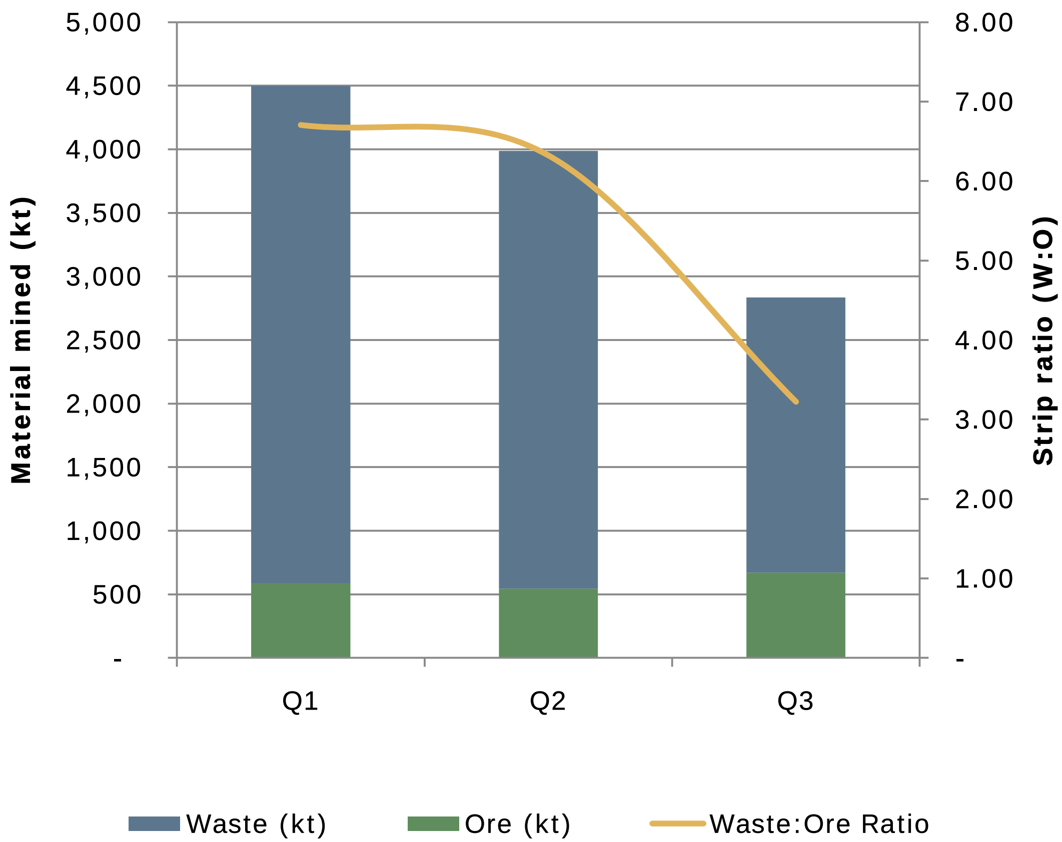
CMD Quarterly Highlights -Mining



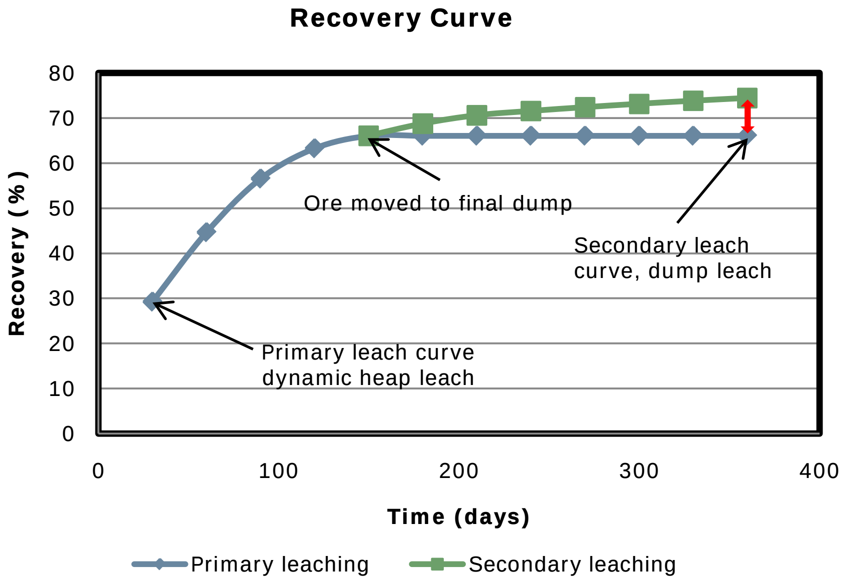
- Number of active mining fronts increased to 5 – increased flexibility and ore sources

CMD Quarterly Highlights -Mining



- Ore tonnes increased, waste:ore ratio reduced from 9:1 in December 2010 to 3.22:1 in Sept Qtr (and 2.6:1 in October)

CMD Quarterly Highlights - Process



- Pad 3 b trial very successful and has increased recovery speed to 65% in 120 days from a previous 2 years
- Converted to dynamic leach pad system which will bring forward gold production, increase overall recoveries and reduce cyanide consumption
- Driving draw down in pad inventory (which results in process inventory adjustment to cash costs)

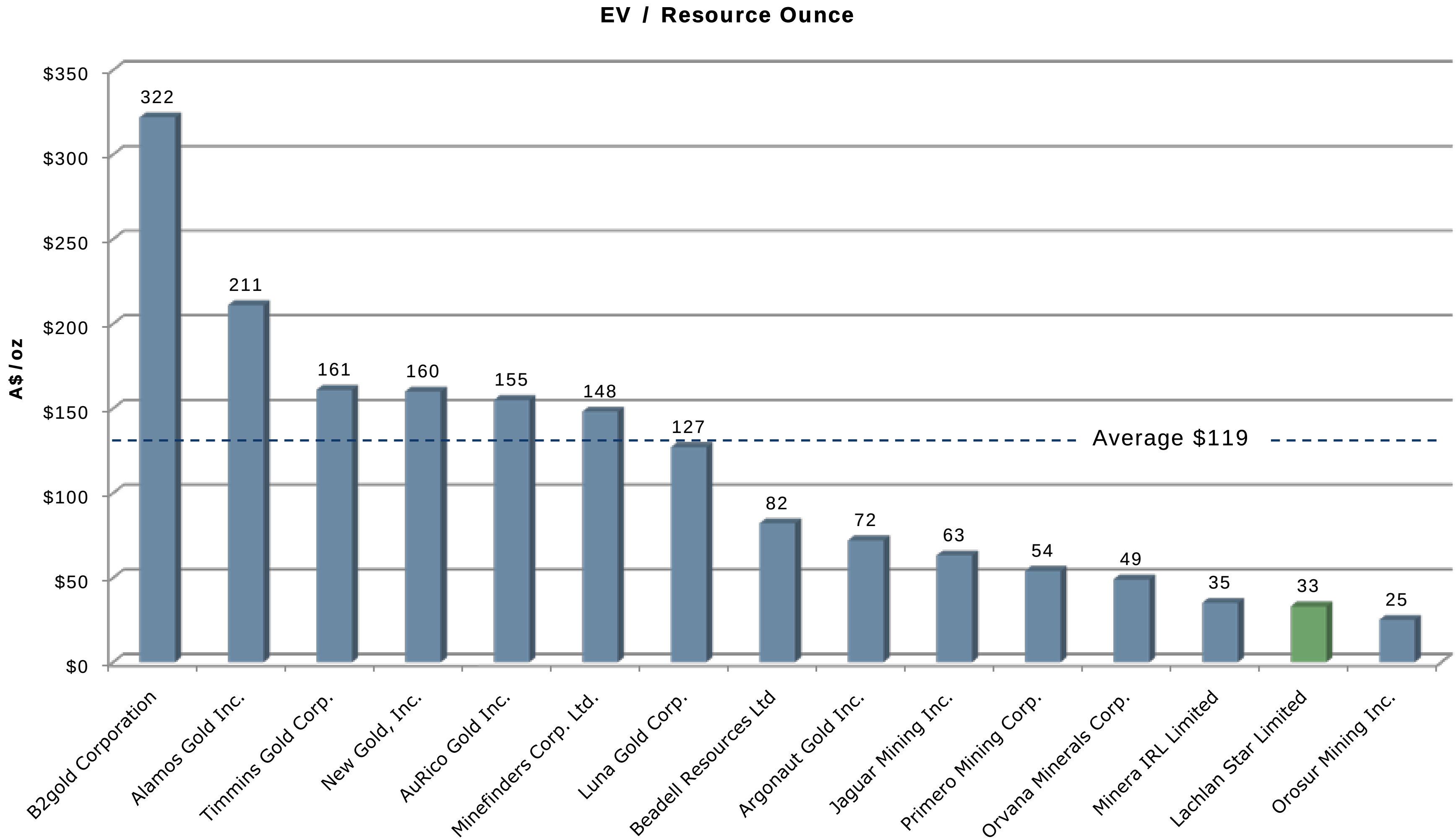
CMD Quarterly Highlights - Process

- Dump leach and two stage crush trial commenced on low grade material (0.15 to 0.30 g/t Au)

- Potential for step change in gold production (increase) and waste:ore ratio (decrease)

- Large tonnage of mineralised material in the grade range 0.15 to 0.30 g/t Au within the current pits but excluded from resource (cut off grade 0.30 g/t Au)

LSA = Low Cost Gold Exposure



Source: Company Releases.
Note: Market data as of 24 Oct 2011

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CMD Location

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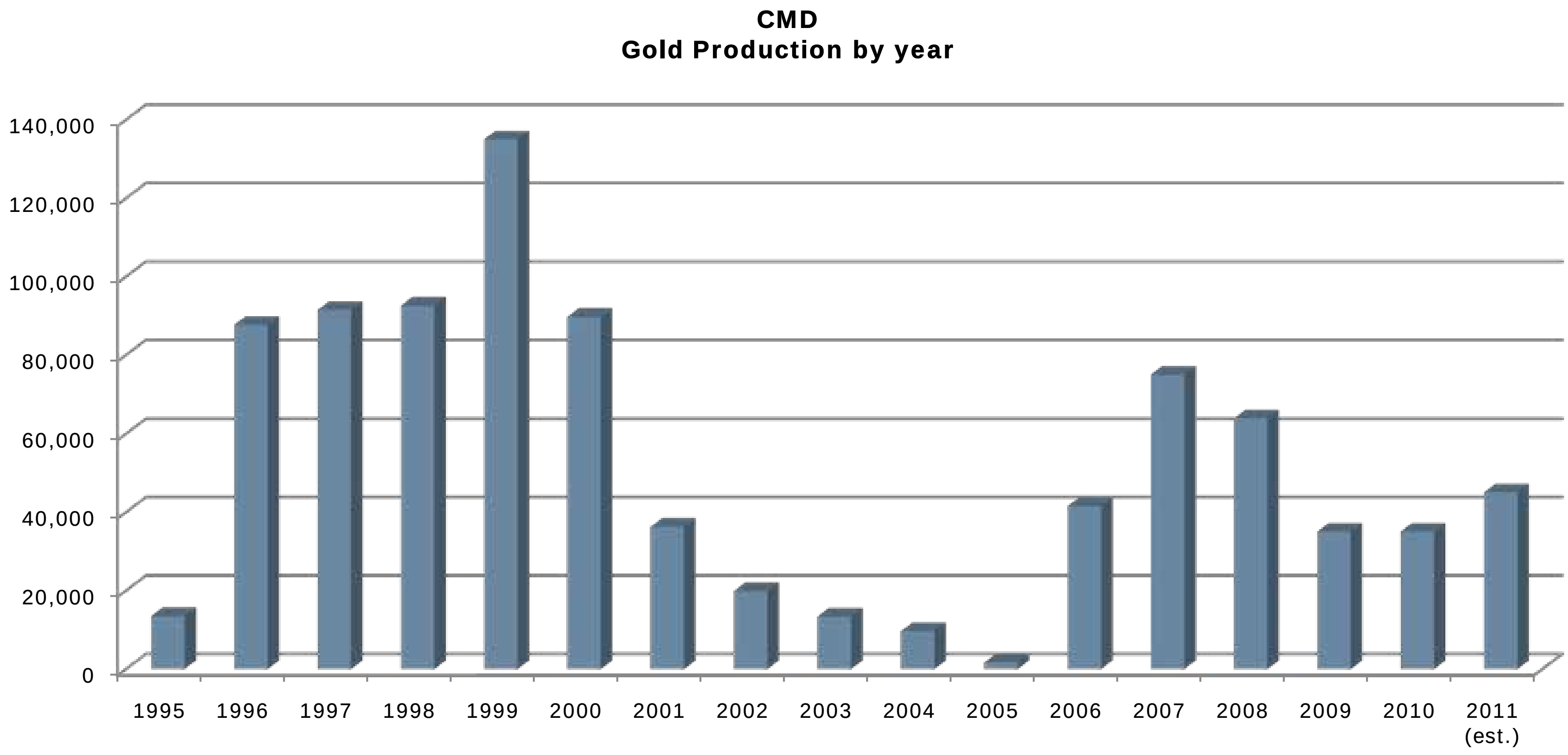
CMD Operations

- Established mine with long history in highly prospective location
- 8Mtpa crushing, stacking & elution plant currently operating at 3.6 Mtpa (up from 1.5Mtpa in Dec 2010) –presently mine constrained
- 100tpd ball mill and CIL circuit
- Copper recovery circuit
- Water rights significantly in excess of current requirements
- Tax losses available of US$75 million plus Capital Repatriation Credit of US$85 million (exempt from 2nd Tier Chilean income tax)

CMD Production History

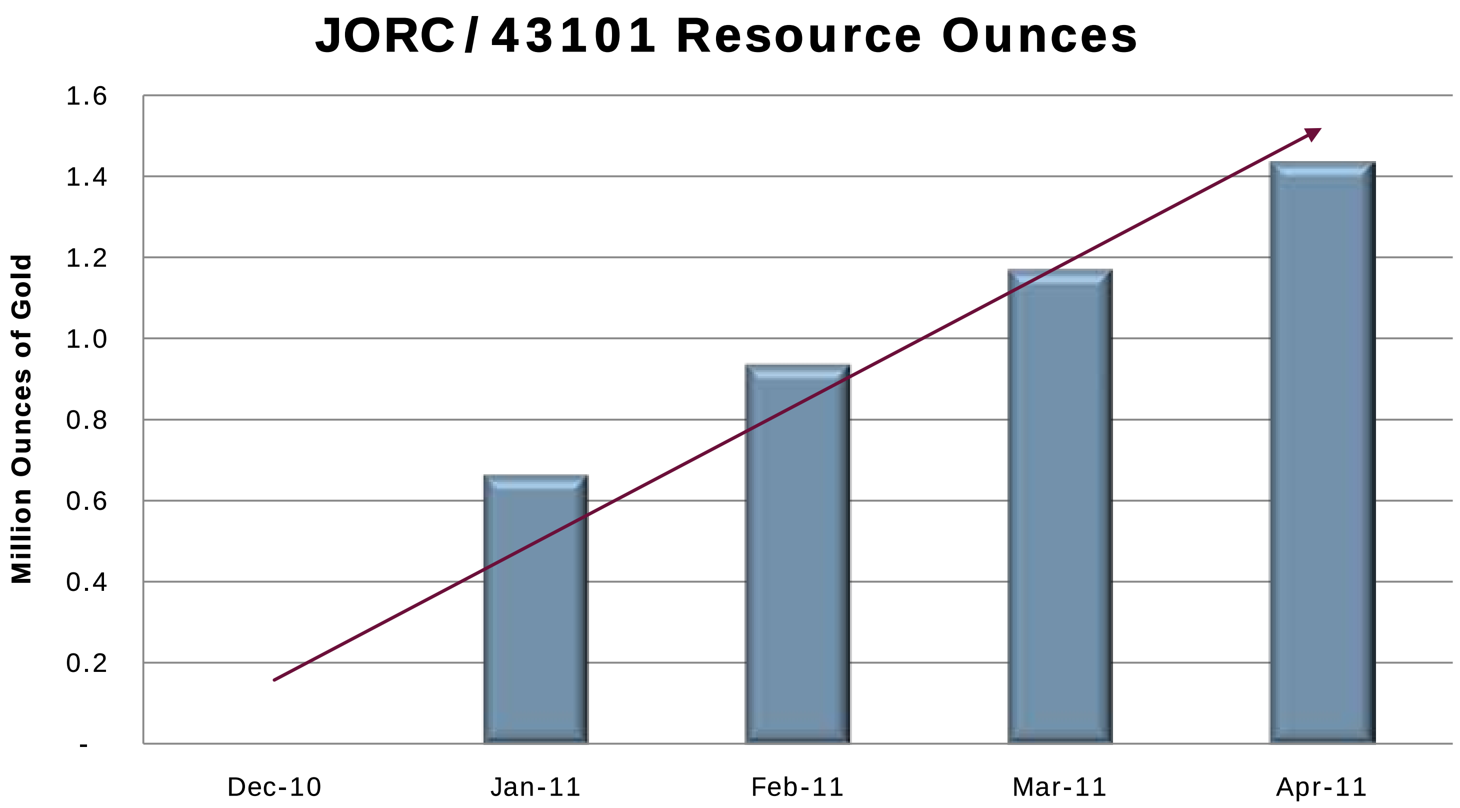


- Past production peaked at 135,000 oz
- ***Objective: return operation to >100,000ozpa producer in 2 to 3 years***

CMD Mine Plan

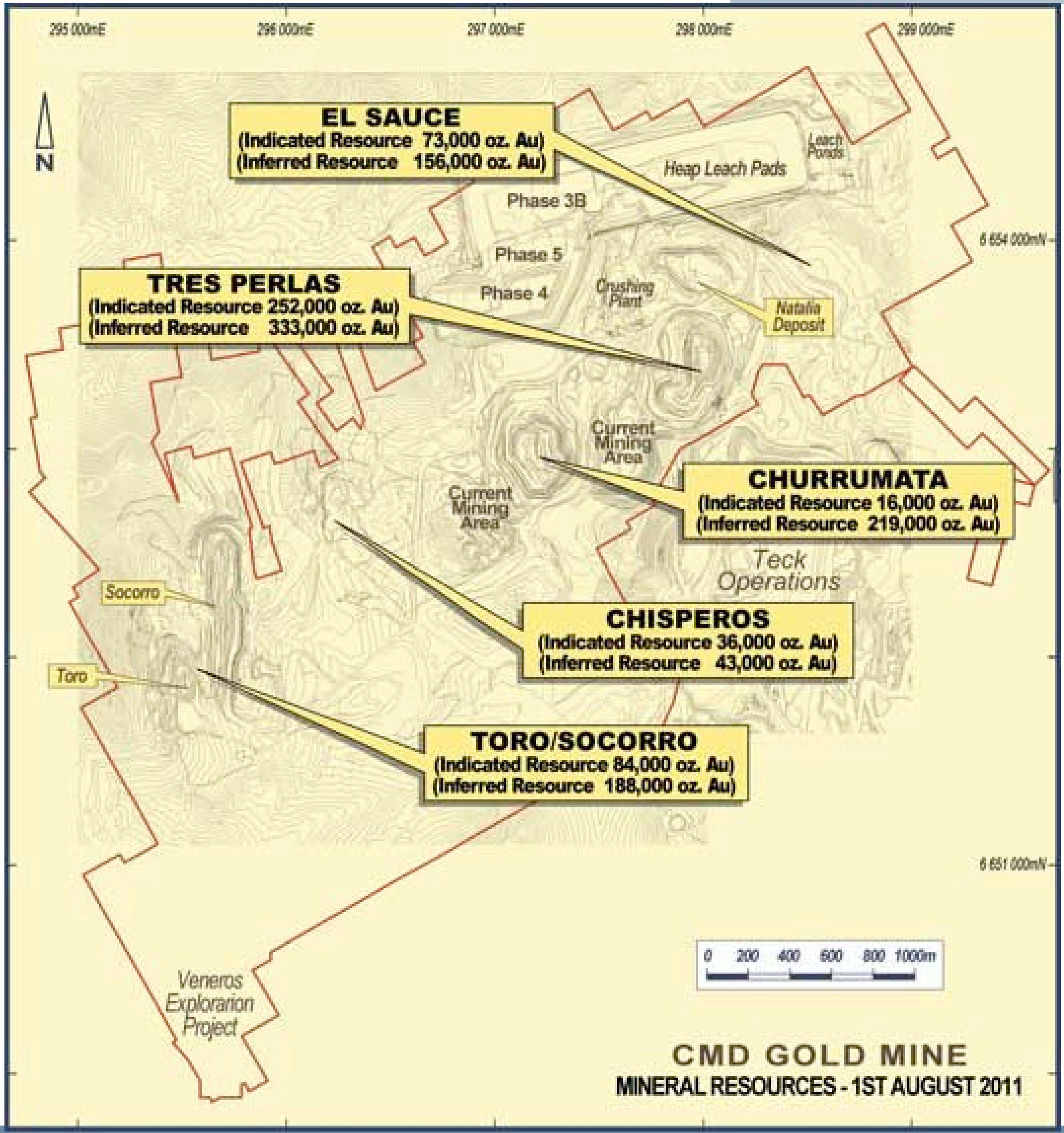
- 157,000 ounces in Probable Mineral Reserves @ US$1250/ounce gold price
- Additional 350,000 ounces of Inferred Mineral Resources within pits – recent drilling aimed at upgrading resource classification to Measured and Indicated categories
- Focus on mining the bulk tonnage, low waste:ore ratio Manto deposits proximal to the crusher
  - Large tonnage overcalls
  - Non selective mining
  - Near surface
  - Short hauls to crusher
  - Multiple ore sources from pits at different stages of life cycle
  - Increase tonnage to the pad to drive down unit costs – under utilised plant and potential for dump leach
  - Low risk
- Targeting 75,000 ounces per annum run rate by 2012

JORC/43101 Mineral Resource Growth



- Targeting significant increase by the end of 2011
- Approximately 33,000 m of drilling to be completed in 2011 – the most drilling for over a decade

CMD Mineral Resources

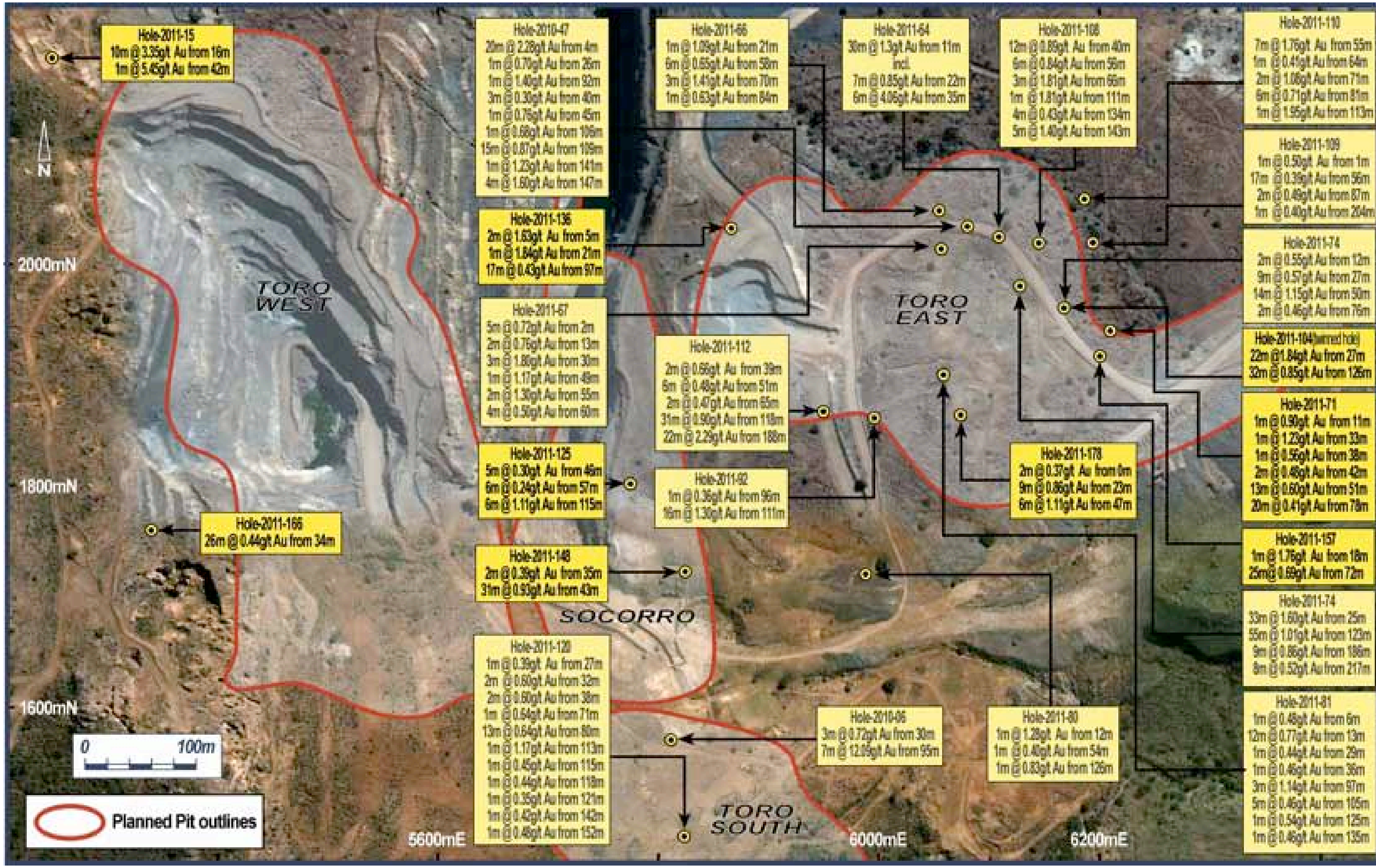


CMD Exploration –Toro Deposit

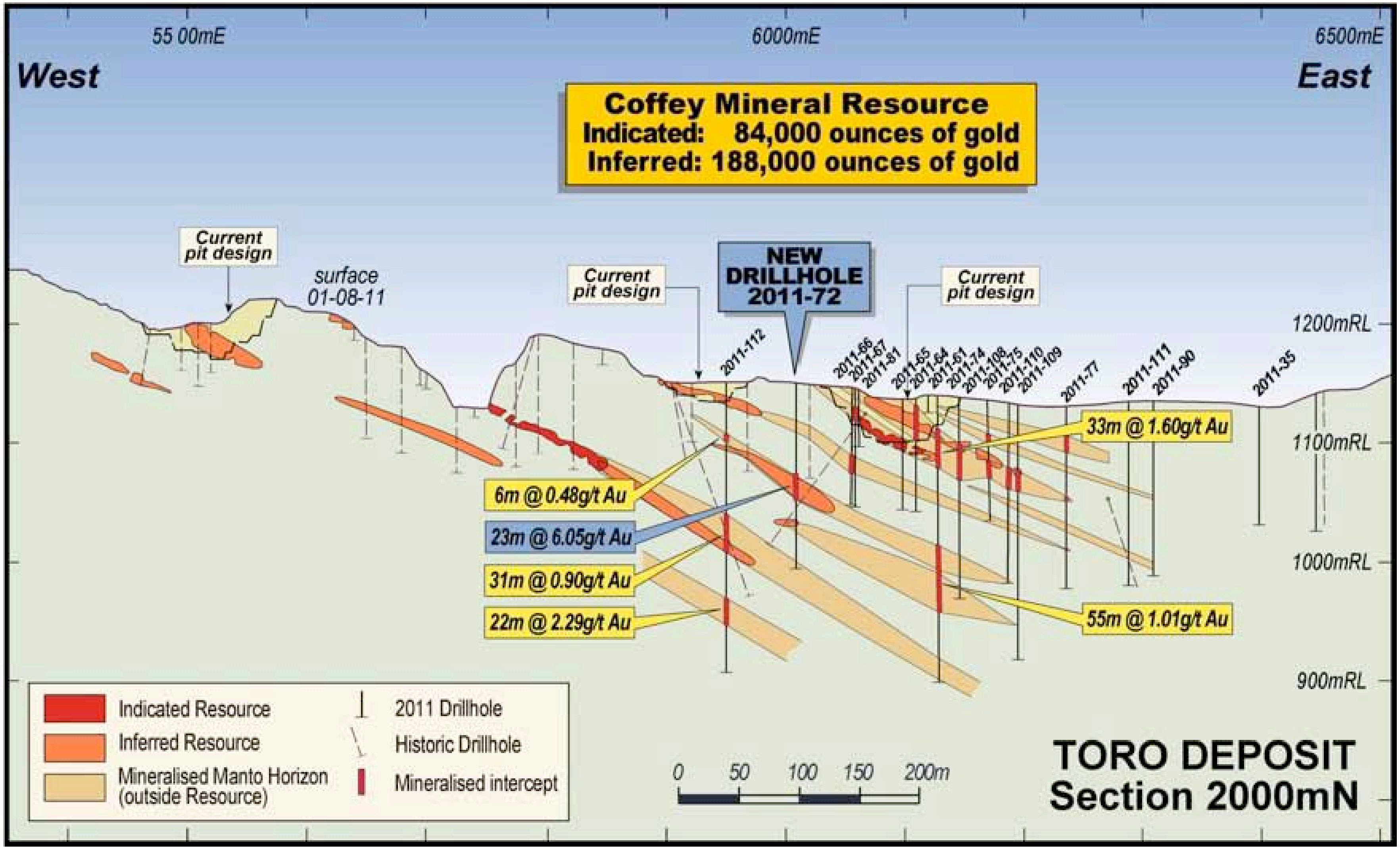
- 3 new pits commenced June quarter
- Drilling around edge of the pits has returned outstanding broad, high grade intercepts from near surface
- 1.44 million ounces in current resources do NOT include any drilling results post 31 March 2011
- New resources to be estimated in December quarter to upgrade category and quantum

- 23 m grading 6.05 g/t Au from 75m downhole in DDH2011-72
- 23m grading 1.76 g/t Au (from 25m downhole) **and** 55 m grading 1.01 g/t Au (from 123 m downhole) in DDH 2011-74;
- 10 m grading 3.35 g/t Au from 16 m downhole in RCH 2011-15
- 30m grading 1.30 g/t Au from 11m downhole in DDH 2011-64, including 6 m @ 4.06 g/t Au from 35 m downhole;

CMD Exploration –Toro Deposit



CMD Exploration –Toro Deposit



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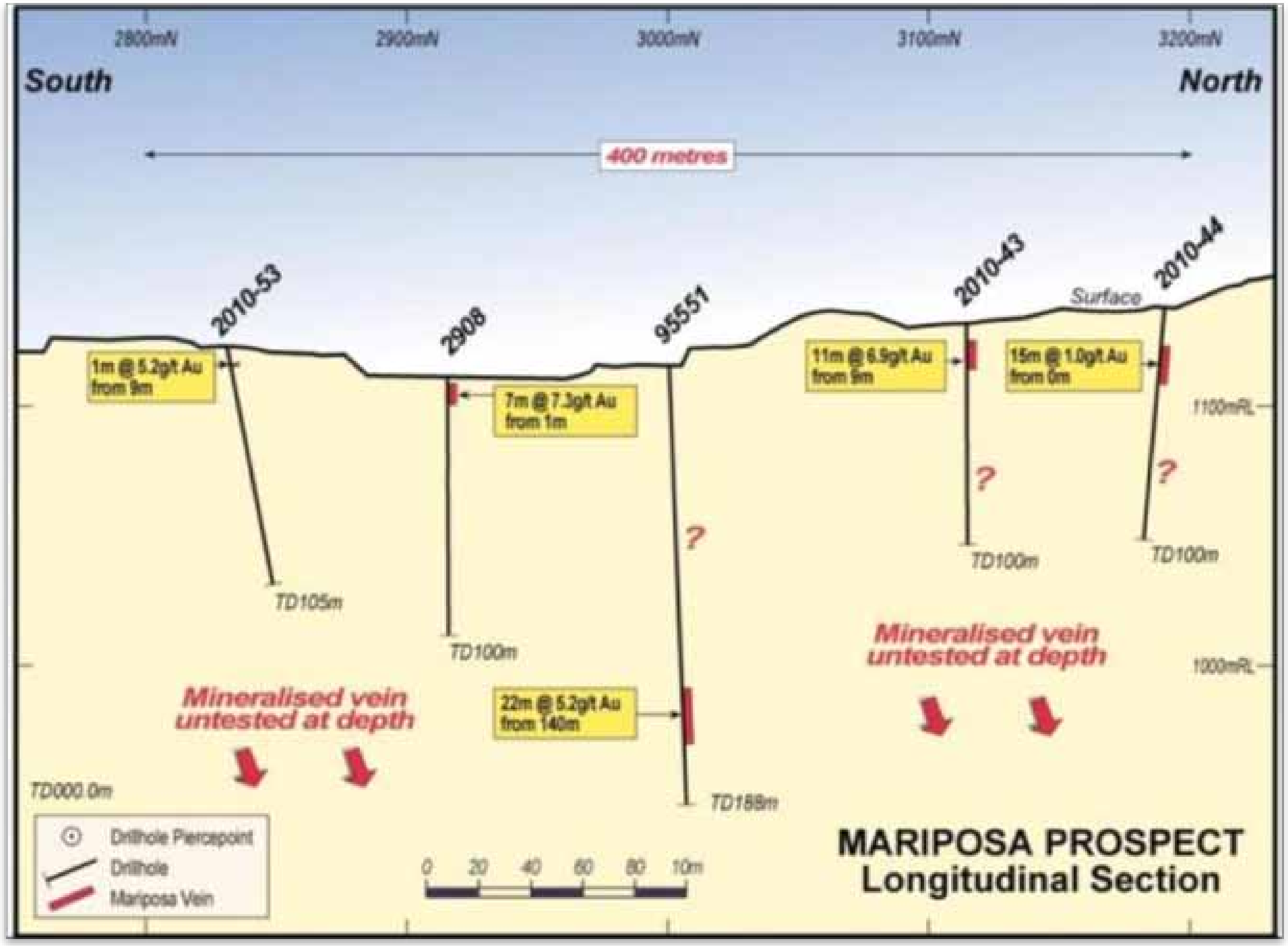
CMD Exploration –Toro Deposit

Mineralised Mantos

Cabanas Toro Socorro Floridor Chisperos

CMD Exploration –Mariposa Prospect

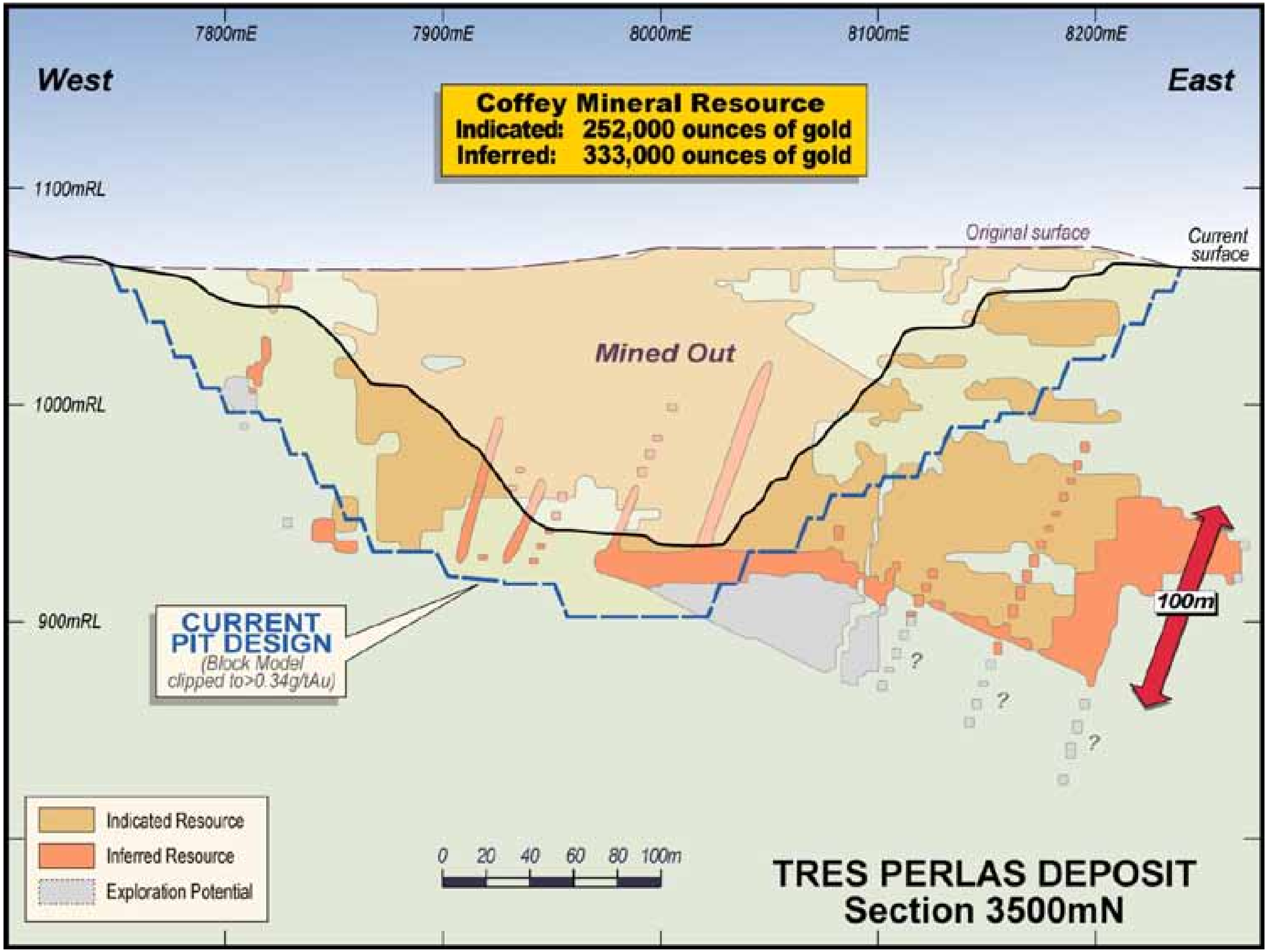
- High grade vein drilled over 400m
- Very limited drilling at depth
- 1.5km strike length mapped on surface
- 7m grading 7.3 g/t Au from 1 m downhole in RCH 2908
- 11 m grading 6.9 g/t Au from 9m downhole in RCH 2010-43
- 22m grading 5.2 g/t Au from 140m downhole in DDH 95551



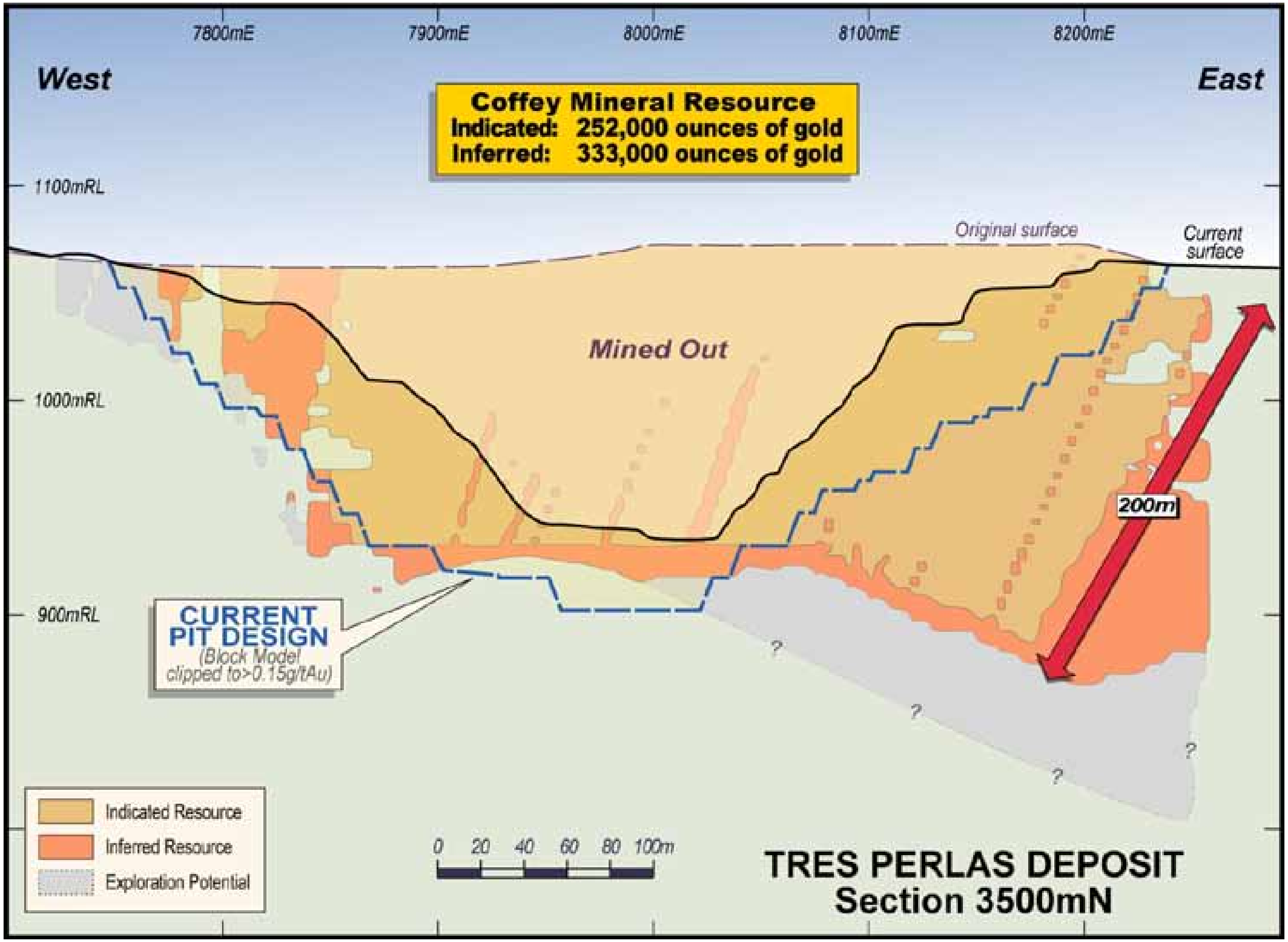
CMD Exploration –Tres Perlas Deposit

- Tres Perlas was the main ore source for the CMD Gold Mine during the initial phase
- Consists of a thick (circa 100 m) Manto that is open down dip
- Large tonnage potential down dip, with the copper mineralisation from the adjacent Teck mine interpreted to sit on top of the gold Manto
- Drilling ongoing with the aim being to define additional mineralisation to support the cut back of the common pit wall boundary with Teck
- Current mine plan mines a small portion of the potential mineralisation at low waste:ore ratio
- Potential to significantly expand the mineable tonnage through dump leaching and exploration down dip

CMD Exploration –Tres Perlas Deposit



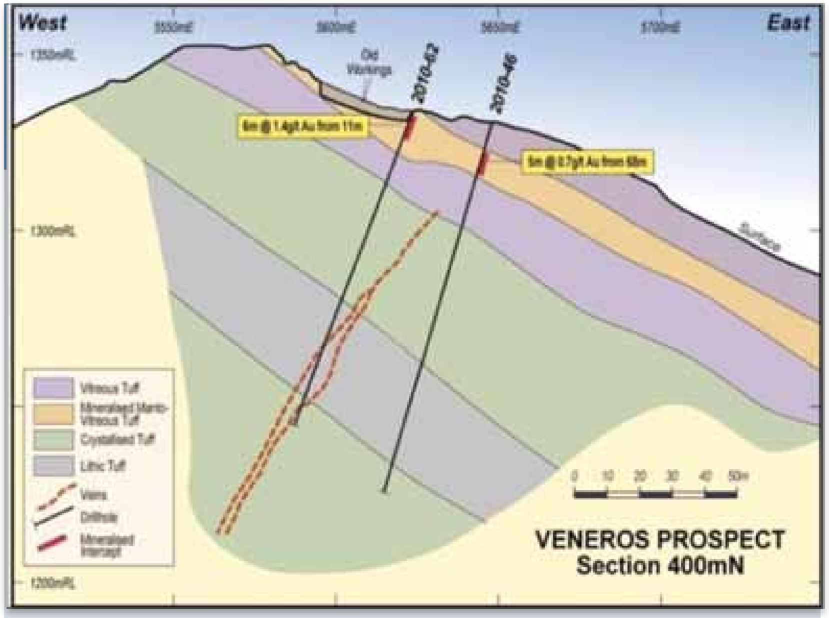
CMD Exploration –Tres Perlas Deposit



CMD Exploration –Veneros Prospect

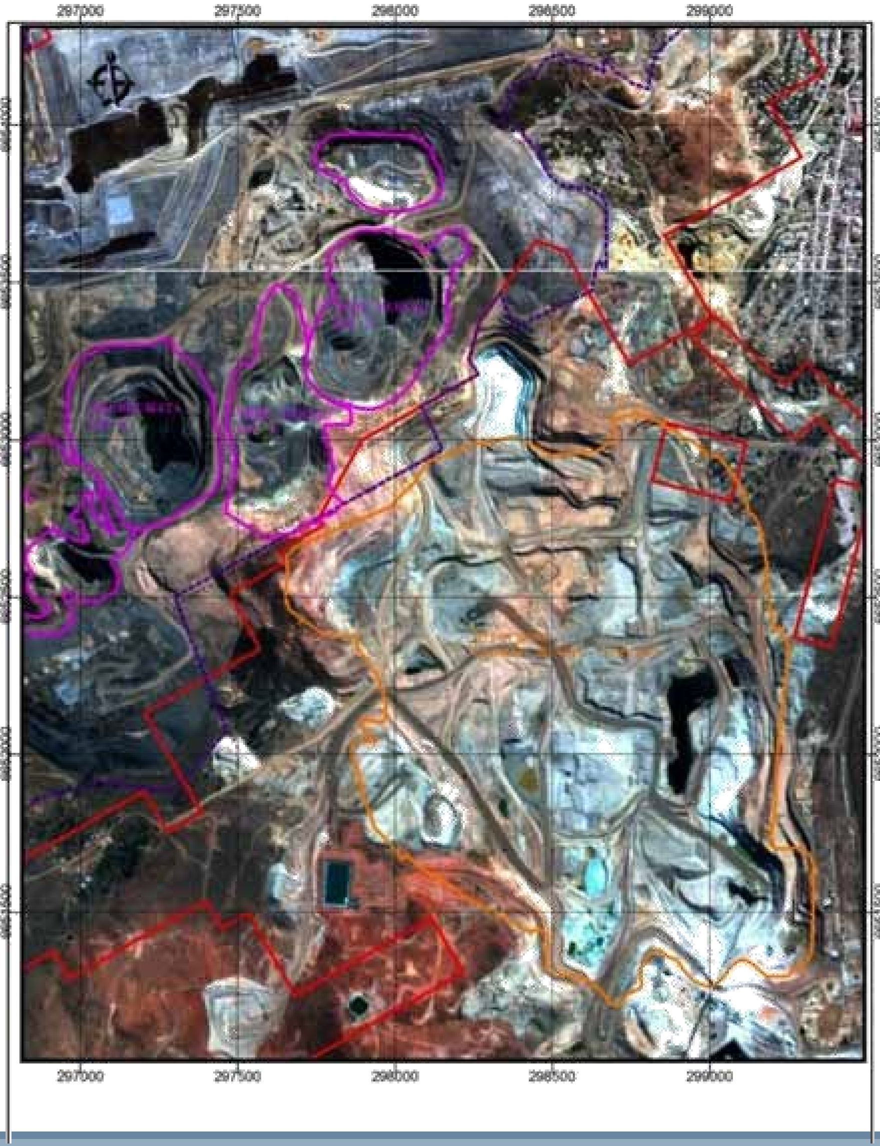
Encouraging near surface drill results including:

- 6 m grading 3.1 g/t Au from 22 m downhole in DTH-2011-41
- 8 m grading 1.2 g/t Au from 29 m downhole in DTH-2011-43
- 15 m grading 0.8 g/t Au from 7 m downhole in DTH-2011-53
- 15 m grading 0.7 g/t Au from 15 m downhole in DTH-2011-48
- Recent drilling at base of hill intersected 20m of Manto



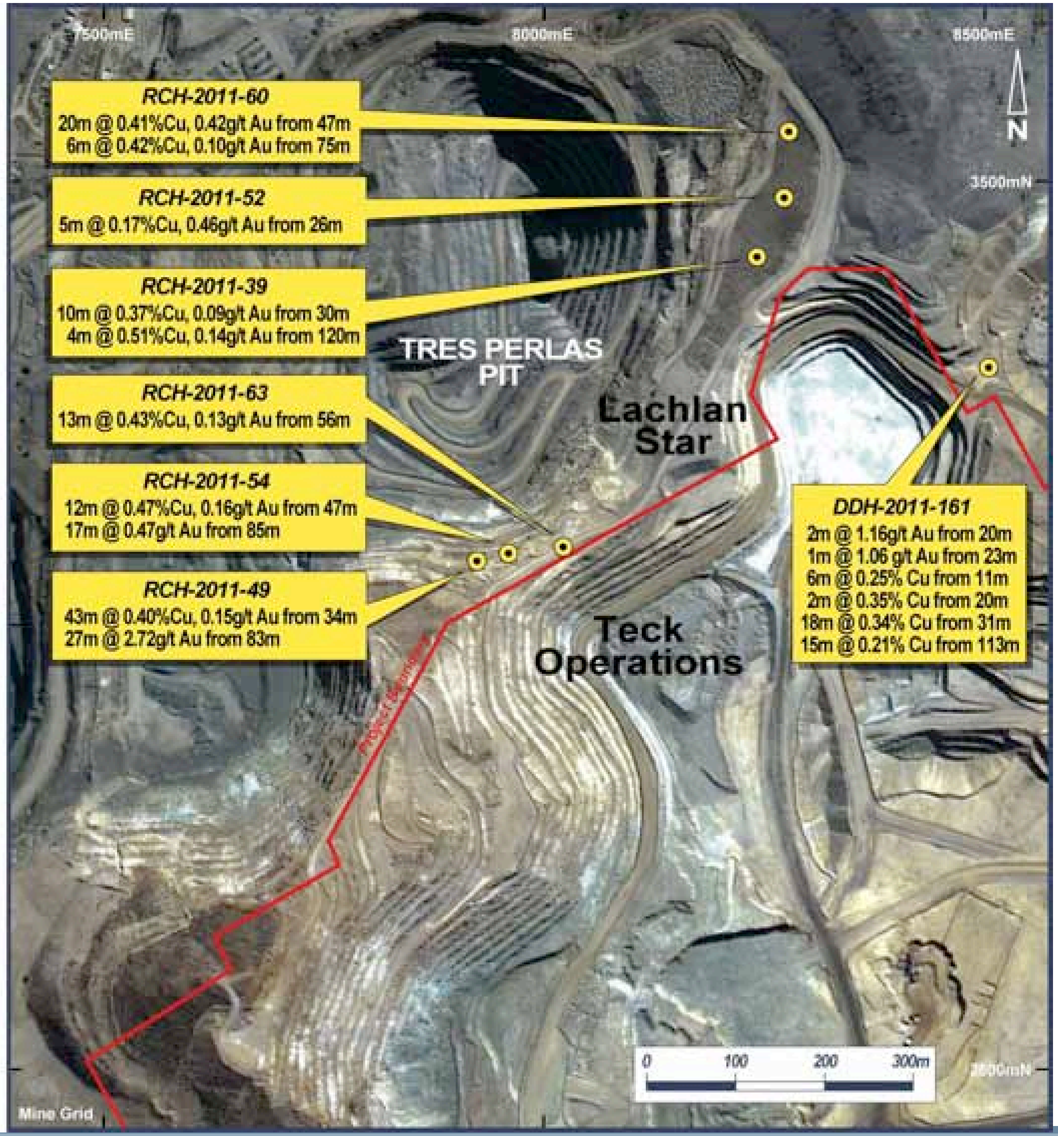
- Typical Manto style mineralisation
- Attractive target due to:
    1. outcropping mineralisation
    2. potential for very low strip ratio when mined

CMD Copper Potential



- Located immediately adjacent to Teck Andacollo mine
- Teck deposit hosts resources of 535 Mt grading 0.37 % Cu and 0.12 g/t Au
- Teck have recently commissioned their 20Mtpa concentrator and announced a study into doubling production
- Limited copper exploration on CMD tenements – first results received which indicate copper-gold mineralisation at similar grades to that being mined by Teck

CMD Copper Potential



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Company Strategy

- Increase crushed ore tonnages stacked onto the pad
- Investigate dump leach potential and if viable, commence dump leaching of low grade in pit material currently mined as waste
- Continue to progress mining to low waste:ore ratio pits
- Aggressively explore the CMD Gold Mine tenements to expand the known mineral resources to support a larger scale operation
- Define the copper mineralisation on the CMD Gold Mine and determine the optimum path for realising its value
- Consolidate near mine regional targets
- Build on our expertise in Latin America to expand the business

CMD Mineral Reserves

CMD Mineral Reserves May 2011			
	Probable Reserve		
Deposit	Tonnes (Mt)	Grade (Au)	Ounces (Kozs)
Las Loas	1.2	0.7	25
Toro/Socorro	2.4	0.8	61
Tres Perlas	1.0	0.8	27
Churramata	0.4	0.9	11
Chisperos	0.9	1.1	33
Total	5.8	0.8	157

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CMD Mineral Resources

CMD Mineral Resources (August 2011) above 0.3 g/t Au						
	Indicated			Inferred		
Deposit	Tonnes (Mt)	Grade (Au)	Ounces (Kozs)	Tonnes (Mt)	Grade (Au)	Ounces (Kozs)
Las Loas	2.9	0.8	73	1.5	0.8	37
El Sauce				7.1	0.7	156
Toro/Socorro	3.3	0.8	84	8.1	0.7	188
Tres Perlas	15.6	0.5	252	19	0.5	333
Churramata	0.6	0.8	16	8.7	0.8	219
Chisperos	1.0	1.1	36	1.4	1.0	43
Total	23.4	0.6	461	46.3	0.7	976

Lachlan Star's Other Assets

Bushranger (100% reducing to 49%, New South Wales)

- Scoping Study indicates economic project – refer below for pre capital (A$98m) results
- Newmont Farming in to earn 51% over two years

Bushranger Pit Optimisation Results					
Cu Price (US$/t)	Mineral Inventory (Mt)	Cu Grade (%)	Waste (Mt)	Waste:Ore Ratio	Net Operating Cashflow (A$M)
7,500	10.6	0.43	28.7	2.7	112
10,000	23.1	0.39	87.8	3.8	344

Lachlan Star's Other Assets

Bushranger (100% reducing to 49%, New South Wales)

Bushranger Mineral Resources (October 2011) above 0.2 % Cu						
		Indicated			Inferred	
Deposit	Tonnes (Mt)	Grade (Cu %)	Cu Tonnes	Tonnes (Mt)	Grade (Cu %)	Cu Tonnes
Bushranger	24.9	0.4	94,620	27.6	0.3	91,080

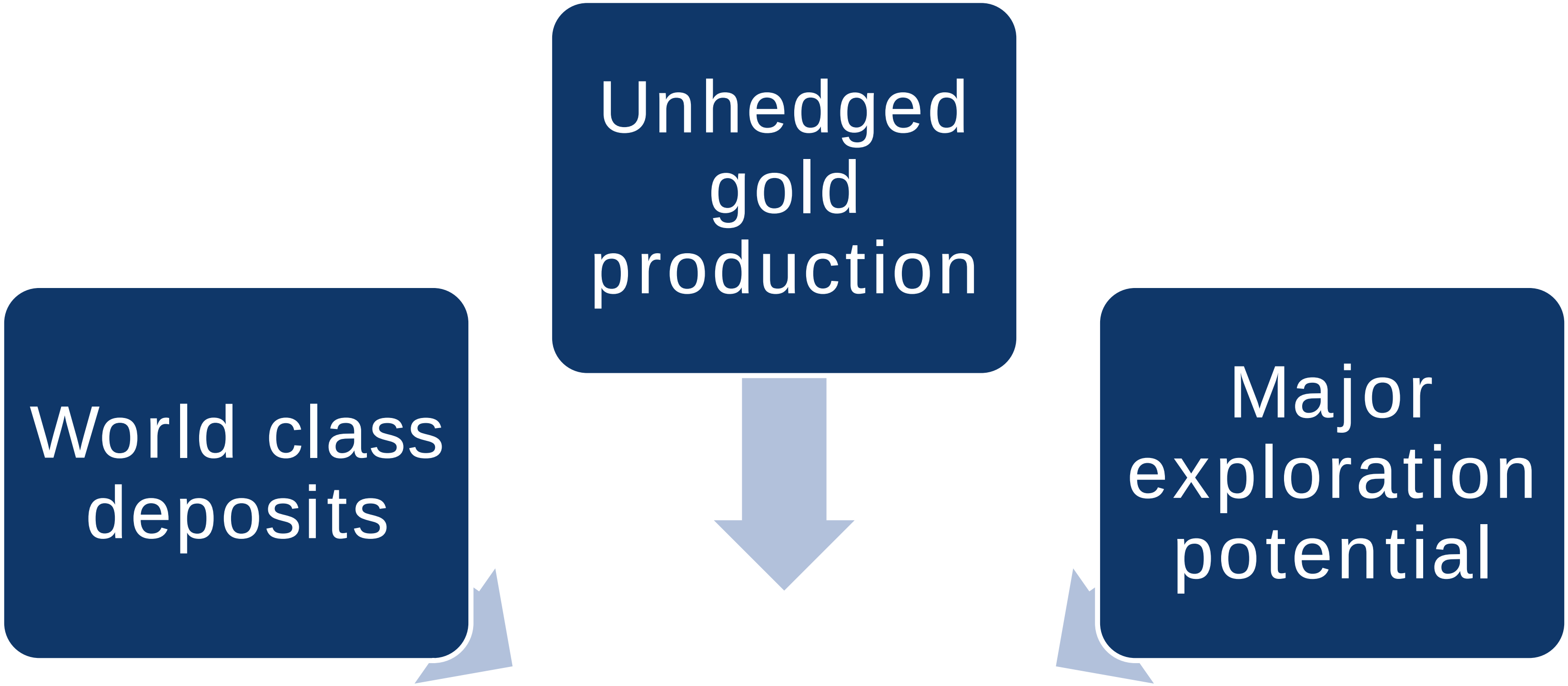
Competent Persons Statement

Competent Persons Statement

The information in this report that relates to the Mineral Resources of Tres Perlas, Chisperos, Las Loas, El Sauce, Churrumata and Toro/Socorro is based on information compiled by David Slater, who is a Member of The Australasian Institute of Mining and Metallurgy. David Slater is employed full time by Coffey Mining Pty Ltd. David Slater 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 Reserves". David Slater consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Mr Michael McMullen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr McMullen is employed by McMullen Geological Services Pty Ltd. Mr McMullen 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr McMullen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.'

The information in this report that relates to the Mineral Reserves at the CMD Gold Mine is based on information compiled by Declan Franzmann, who is a Member of The Australian Institute of Mining and Metallurgy. Mr Franzmann is employed by Citraen Pty Ltd. 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr Franzmann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



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