

6 January 2011

## EXPLORATION RESULTS

Lachlan Star Limited (Lachlan) is pleased to announce the following exploration results from the Churrumata and Toro deposits. Highlights include:

- 12 m at 6.9 g/t Au from 9 m down hole in CHU 18 within a broader intersection of 22m at 3.9 g/t Au from 8 m down hole.
- 15 m at 1.0 g/t Au from surface in CHU 19
- 8 m at 1.2 g/t Au from 36 m in TR 08

A complete list of results is included in Table 1 at the end of this report.

### Churrumata

Drilling at Churrumata has targeted both vein (narrower, high grade) and Manto style (broader, lower grade) styles of mineralisation. The Company's strategy is to define higher grade vein mineralisation to be processed through the CIL circuit at CMD, while the lower grade Manto style mineralisation will be processed via the heap leach facility.

CHU 018 was drilled to test the up dip extension of the Mariposa Vein intersected in existing hole #95551 which returned **22m at 5.16g/t including 11m at 8.64 g/t Au** from 161m. CHU 018 was successful in intersecting the vein and returned 22m at 3.9 g/t Au including **12 m at 6.9 g/t Au** from near surface. This indicates that the vein is continuous over a strike length of at least 100 m and has an estimated true width of 10m.

Further drilling of this high grade structure is underway with a view of incorporating it into the resource estimate that is currently being completed for the Churrumata deposit.

CHU 019 targeted near surface Manto style mineralisation and returned 15 m at 1.0 g/t Au from surface. This follows the previously reported results of 8 m at 1.2 g/t Au in CHU 06 and 42 m at 0.6 g/t Au in CHU 05 which are typical of the Manto style of mineralisation in the area.

### Toro

Drilling has been targeted predominately at Manto mineralisation, with TR 08 returning 8 m at 1.2 g/t Au from 36 m. This follows the previously reported 10 m at 2.3 g/t Au from 4m in TR 07 and **8 m at 10.6 g/t Au** from 94 m in TR 10.

Drill hole TR 10 intersected a high grade vein which included **1 m at 71.9 g/t Au** and further work is underway to understand the context of this high grade structure.

## Other Deposits

In addition to the follow up drilling at Churrumata and Toro, drilling is underway at the Chisperos, Socorro and Los Loas deposits. The aim of this drilling is to confirm the mine plan for the next 12 months, and to extend the mineralisation envelope.

An initial drill program has also been completed over the Veneros prospect in the south-western portion of the CMD tenements. Initial indications are that near surface Manto mineralisation is present and results will be released once they have been compiled.

## Resources

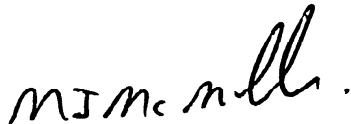
Work is well advanced on preparing resource estimates covering the exploration targets<sup>1</sup> shown in Table 2.

Project	Potential Quantity (Mt)		Potential Grade (g/t Au)	
	lower	upper	lower	upper
Las Loas	8.2	10.9	1.06	1.1
Churrumata	12.1	16.2	0.75	0.76
Tres Perlas	13.5	22.1	0.53	0.54
Chisperos	5.8	7.1	0.55	0.57
Toro	13.3	21.2	0.53	0.55
Socorro	0.5	2.3	0.65	0.8
Totals	53.3	79.8	0.65	0.68

**Table 2 – Exploration Targets<sup>1</sup>**

Declan Franzmann (Executive Director) commented “the exploration effort is just starting to ramp up as we endeavour to expand the mineralisation at the CMD project with a view to announcing JORC compliant resources in the near term. The high grade results from the Mariposa vein are very encouraging, as are the initial indications from new prospects such as Veneros which appears to host near surface Manto mineralisation and has had almost no previous exploration on it.”

For and on behalf of the Board



Mick McMullen  
Chairman

**Table 1 –Exploration Results**

<b>Toro</b>								
Hole_ID	Grid_E	Grid_N	Dip	Grid_Az	From (m)	To (m)	Interval (m)	Gold (g/t)
TR 01	5,403	1,781	-56.1	257.7			NSR	
TR 02	5,476	1,603	-67.5	254.5			No Assays	
TR 03	5,535	1,383	-54.9	278	16.0	17.0	1.0	0.4
					25.0	27.0	2.0	0.7
					29.0	31.0	2.0	0.4
					57.0	58.0	1.0	1.3
TR 04	5,636	1,377	-63.6	270			No Assays	
TR 05	5,401	2,271	-60.9	256.4	6.0	10.0	4.0	0.9
TR 06	5,596	1,194	-60	270	9.0	10.0	1.0	0.9
					59.0	61.0	2.0	0.5
TR 07	5,500	1,716	-60	249.3	4.0	14.0	10.0	2.3
					31.0	33.0	2.0	0.5
TR 08	5,595	1,189	-58.5	256.6	36.0	44.0	8.0	1.2
					51.0	58.0	7.0	0.9
					95.0	100.0	5.0	0.6
TR 09	5,608	1,188	-55.5	250.5	54.0	58.0	4.0	1.1
					87.0	88.0	1.0	1.9
TR 10	5,811	1,162	-61.2	245	21.0	26.0	5.0	0.5
					30.0	36.0	6.0	0.6
					69.0	76.0	7.0	0.4
					94.0	102.0	8.0	10.6
TR 11	5,590	1,190	-57.3	245.3	56.0	59.0	3.0	1.1
					92.0	93.0	1.0	0.7
TR 12	6,081	2,034	-49.4	237.9			No Assays	
TR 13	6,045	2,060	-62.2	264.5	88.0	91.0	3.0	0.7

Churrumata								
Hole_ID	Grid_E	Grid_N	Dip	Grid_Az	From (m)	To (m)	Interval (m)	Gold (g/t)
CHU 01	6,876	2,968	-90	0	22.0	28.0	6.0	0.8
CHU 02	6,786	2,860	-64.8	90.6	23.0	25.0	2.0	1.2
					124.0	138.0	14.0	0.6
CHU 03	6,795	2,899	-90	0	36.0	41.0	5.0	0.6
					54.0	55.0	1.0	5.0
CHU 04	6,834	2,933	-90	0	15.0	17.0	2.0	0.6
					36.0	38.0	2.0	0.4
					80.0	84.0	4.0	0.5
CHU 05	6,868	2,862	-90	0	-	8.0	8.0	0.5
					55.0	97.0	42.0	0.6
CHU 06	6,875	2,880	-90	0	3.0	11.0	8.0	1.2
					40.0	59.0	19.0	0.7
					65.0	66.0	1.0	1.1
CHU 07	6,773	2,830	-62.3	67.4	9.0	10.0	1.0	5.2
CHU 08	6,755	2,772	-60	100	43.0	46.0	3.0	0.6
					49.0	50.0	1.0	1.3
					57.0	67.0	10.0	0.7
					73.0	81.0	8.0	0.5
					112.0	114.0	2.0	0.7
					147.0	150.0	3.0	0.6
165.0	170.0	5.0	0.8					
CHU 17	6,866	3,009	-70.4	258.9			No Assays	
CHU 18	6,885	3,115	-60	90	8.0	30.0	22.0	3.9
CHU 19	6,914	3,190	-59.9	99.1	-	15.0	15.0	1.0

- NSR – No significant Result
- No Assays – results not received yet

**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, copper and bulk commodities sectors within Australia and overseas. 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 NSW and the Princhester magnesite deposit in QLD as well as a 26.4% holding in Luiiri Gold Limited.

Visit: [www.lachlanstar.com.au](http://www.lachlanstar.com.au)

**Competent Persons Statement**

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled Mr Michael McMullen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr McMullen is a 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*

<sup>1</sup>*For the exploration targets, any statement referring to potential quantity and grade of the target is expressed as ranges. The potential quantity and grade is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource*