

10 January 2011

## FIRST JORC RESOURCES FOR CMD GOLD MINE

Lachlan Star Limited (Lachlan) is pleased to announce the first JORC Resource estimate for its 100% owned CMD Gold Mine in Chile totalling **664,000 ounces of gold**. These Resources have been estimated by the independent consultant Coffey Mining.

The Resource estimate covers the Tres Perlas and Chisperos deposits only and is shown in Table 1 below. Further Resource Statements will be provided for the remaining projects once they have been completed by Coffey Mining.

**Table 1**

CMD Mineral Resources (Jan 2010) above 0.3 g/t Au									
Deposit	Indicated			Inferred			Total		
	Tonnes (Mt)	Grade (Au)	Ounces (Kozs)	Tonnes (Mt)	Grade (Au)	Ounces (Kozs)	Tonnes (Mt)	Grade (Au)	Ounces (Kozs)
Tres Perlas	15.6	0.5	252	19	0.5	333	35	0.5	585
Chisperos	1.0	1.1	36	1.4	1.0	43	2.4	1.0	79
<b>Total</b>	<b>16.6</b>	<b>0.5</b>	<b>288</b>	<b>20.8</b>	<b>0.6</b>	<b>376</b>	<b>37.3</b>	<b>0.6</b>	<b>664</b>

The combined resource of 664,000 ounces for Tres Perlas and Chisperos is 150,000 ounces (29%) higher than previously stated exploration target<sup>1</sup> and is at a slightly higher grade than that contained in the exploration target<sup>1</sup>. The resources do not incorporate the results of the drilling from the recently completed 2010 program. Resource estimates for the remaining deposits are being prepared and will be released as and when they become available. The remaining exploration targets are shown in Table 2 below.

Project	Potential Quantity (Mt)		Potential Grade (g/t Au)	
	lower	upper	lower	upper
Las Loas	8.2	10.9	1.06	1.10
Churrumata	12.1	16.2	0.75	0.76
Toro	13.3	21.2	0.53	0.55
Socorro	0.5	2.3	0.65	0.80
<b>Totals</b>	<b>34.1</b>	<b>50.6</b>	<b>0.74</b>	<b>0.75</b>

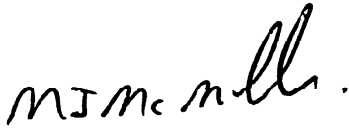
**Table 2 – Exploration Targets<sup>1</sup>**

In addition, there is significant gold mineralisation at the El Sauce, Natalia and Veneros prospects that may, subject to further evaluation work, host Resources.

An aggressive exploration program is underway to explore and expand the known mineralisation at the CMD Gold Mine, with a view to delineating sufficient Resources and Reserves to support a 100,000 ounce per annum operation.

Mick McMullen (Chairman) commented “the first JORC Resources from the CMD Gold Mine have been completed in a short time frame. Lachlan only assumed management control of the operation in late November 2010 and already we are seeing substantial potential for this asset. The 664,000 ounce Resource is significantly larger than expected and bodes well for the prospectivity of the area. As we estimate Resources for the other deposits at the CMD Gold Mine, we feel that investors will be able to benchmark the Company against its peers which should lead to a significant value uplift for shareholders.”

For and on behalf of the Board



Mick McMullen  
Chairman

**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 Luiri Gold Limited.*

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

**Competent Persons Statement**

*The information in this report that relates to the Mineral Resources of Tres Perlas and Chisperos 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 and Exploration Targets is based on information compiled 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*

*<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*