



LACHLAN STAR LIMITED

19 January 2012

**LACHLAN STAR ANNOUNCES RECORD DECEMBER 2011 QUARTER PRODUCTION OF 11,326 OUNCES OF GOLD AND 16,835 OUNCES OF GOLD STACKED**

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Perth, Western Australia: Gold miner, Lachlan Star Limited (“Lachlan” or the “Company”) (ASX and TSX: LSA) is pleased to announce that it produced a record 11,326 ounces of gold at its 100% owned CMD Gold Mine in Chile in the December 2011 quarter.

Highlights from the quarter include:

- 11,326 ounces of gold poured, an increase of 10% over the previous quarter
- 16,835 ounces of gold stacked, an increase of 30% over the previous quarter
- Total cost/tonne of ore US\$18.30/t, a decrease of 8% over the previous quarter
- Waste:ore ratio maintained at 3.4:1 despite pre strip of Chisperos pit. Excluding the Chisperos pre strip, strip ratio on other pits was reduced to 2.38:1 (compared to 3.2 previous quarter)

Table 1 contains the full Key Performance Indicators for the quarter.

**Table 1 December 2011 Quarter Key Performance Indicators**

Item	Unit	3 months ended 31-Dec-11	3 months ended 30-Sep-11	% Change
Ore Mined	dmt	949,491	671,411	41%
Waste Mined	dmt	3,271,021	2,163,339	51%
Total Mined	dmt	4,220,512	2,834,750	49%
Waste:Ore Ratio	t:t	3.45	3.22	7%
Ore grade Mined	Au g/t	0.57	0.62	-7%
Gold Mined	Au oz	17,528	13,290	32%
Ore stacked	dmt	967,145	641,588	51%
Stacked Grade	Au g/t	0.54	0.63	-14%
Gold Stacked	Au oz	16,835	12,959	30%
Average stacking rate	dmt/d	10,512	6,974	51%

Item	Unit	3 months ended 31-Dec-11	3 months ended 30-Sep-11	% Change
Gold Produced	Au oz	11,326	10,330	10%
Mining Cost/t moved	US\$/t	\$2.23	\$2.30	-3%
Mining Cost/t ore	US\$/t	\$9.93	\$9.72	2%
Process Cost/t ore stacked	US\$/t	\$6.91	\$8.41	-18%
G+A Cost/t ore	US\$/t	\$1.45	\$1.69	-14%
Total Cost/t ore	US\$/t	\$18.30	\$19.82	-8%

Declan Franzmann, Managing Director, commented “ we continue to increase production at the CMD Gold Mine and drive our costs down through volume increases. The 30% increase in ounces stacked is encouraging as this will result in higher gold production in the coming quarters.”

For and on behalf of the Board



Mick McMullen

Chairman

For further information please visit [www.lachlanstar.com.au](http://www.lachlanstar.com.au) or contact

Mick McMullen

Chairman

Lachlan Star

Tel: +61(0)8 9481 0051

Email: [mick.mcmullen@lachlanstar.com.au](mailto:mick.mcmullen@lachlanstar.com.au)

Declan Franzmann

Managing Director

Lachlan Star

Tel: +61(0)8 9481 0051

Email: [declan.franzmann@lachlanstar.com.au](mailto:declan.franzmann@lachlanstar.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, 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.*

**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.*