

**LACHLAN STAR LIMITED**

26 March 2012

**LACHLAN STAR ANNOUNCES DRILL RESULTS FROM ITS CMD GOLD MINE
INCLUDING 175M GRADING 0.89 G/T AU AND
130M GRADING 0.85 G/T AU**

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Perth, Western Australia: Gold miner, Lachlan Star Limited ("Lachlan" or the "Company") (ASX and TSX: LSA) is pleased to announce further drill results from its 100% owned CMD Gold Mine in Chile.

Highlights from the drill program include:

Tres Perlas Deposit

- 175m grading 0.89 g/t from 37m downhole including 24m grading 0.78 g/t Au from 37m downhole, 94m grading 0.96 g/t Au from 87m downhole and 22m grading 1.98 g/t Au from 190m downhole in RCH 2012-46
- 130m grading 0.85 g/t Au from 29m downhole including 20m grading 0.84 g/t Au from 29m downhole and 97m grading 0.95 g/t Au from 62m downhole in RCH 2012-33, ending in mineralisation
- 118m grading 0.52 g/t Au from 82m downhole, including 18m grading 0.84 g/t Au from 82m downhole and 37m grading 0.67 g/t Au from 121m downhole in RCH 2012-40
- 63.8m grading 0.79 g/t Au from 57m downhole in DDH 2012-36

These results are some of the thickest and highest grades drilled to date by Lachlan Star at the CMD Gold Mine.

The holes were drilled into the El Sauce and Natalia areas of the Tres Perlas deposit, with the aim of converting Inferred mineral resources to Indicated category and to demonstrate the presence of mineralisation in the gaps in the mineral resource. The northern portion of the Tres Perlas deposit appears to contain substantially higher gold grades than the rest of the deposit and drilling is focussing on this area.

These results have been received after the February 2012 mineral resource update and will be incorporated into a new NI 43101 Technical Report shortly.

Table 1 below contains a full list of recent drill results for the CMD Gold Mine for holes that have been drilled post the recent mineral resource update. True widths are estimated to be approximately 85% of downhole widths.

Tres Perlas Deposit

The Tres Perlas deposit is located on the eastern side of the CMD Gold Mine tenements as shown in Figure 1. The gold mineralisation at Tres Perlas is up to 200m thick at a cut off grade of 0.15 g/t Au and the February 2012 Coffey mineral resource contains 1,722,000 ounces of gold in the Indicated category and a further 1,255,000 ounces of gold in the Inferred category (Refer to Table 2). The gold mineralisation is open down dip to the south east and along strike to the north east, and sits beneath copper mineralisation that is the extension of the copper deposit being mined at the adjacent Carmen de Andacollo mine by Teck.

FIGURE 1 – Location of Tres Perlas Deposit

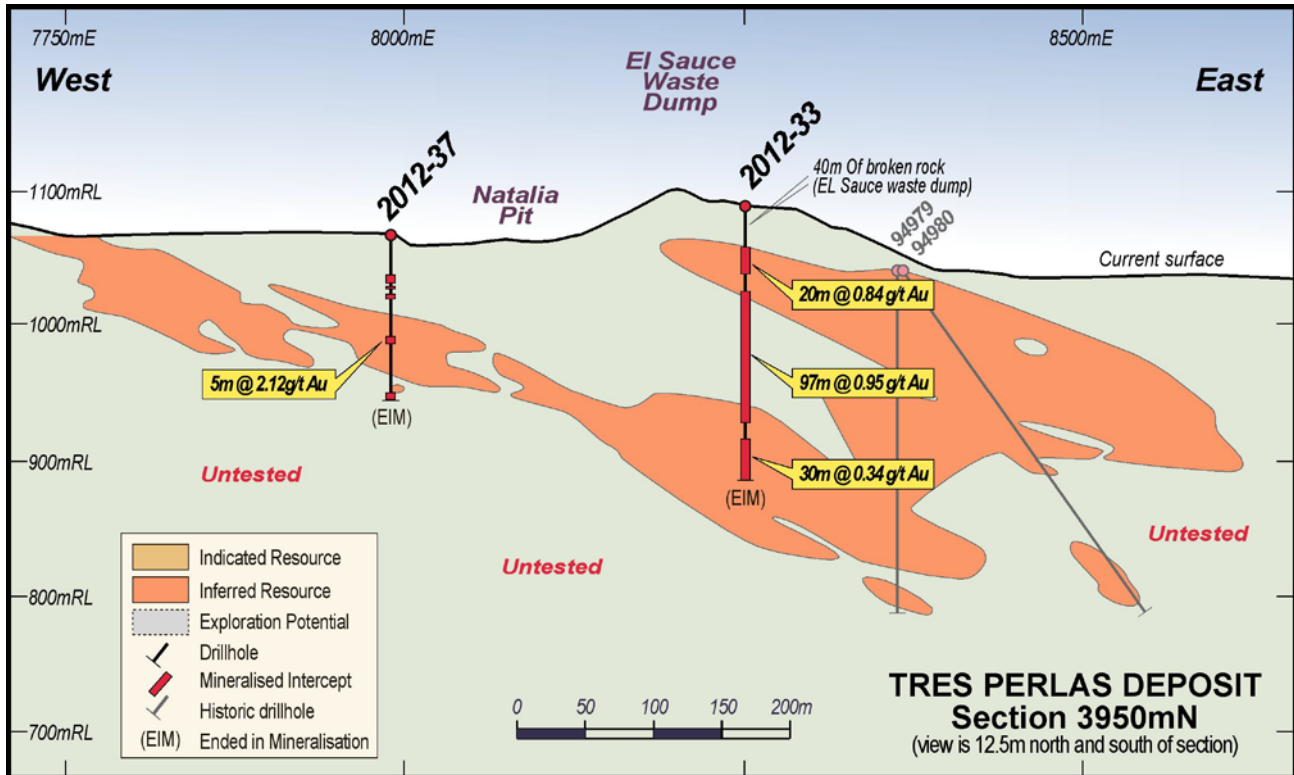


Current drilling is targeted at infilling the gaps in the February 2012 mineral resource estimate. The latest results continue to demonstrate the near surface, bulk tonnage nature of the gold mineralisation around the Tres Perlas deposit.

Drillhole RCH 2012-46 contained three broad zones of mineralisation with increasing grades at depth within the overall interval of 175m grading 0.89 g/t Au. The results of 94m grading 0.96 g/t Au and then 22m grading 1.98 g/t Au are stand out results and confirm the presence of higher grade mineralisation than currently modelled in this area.

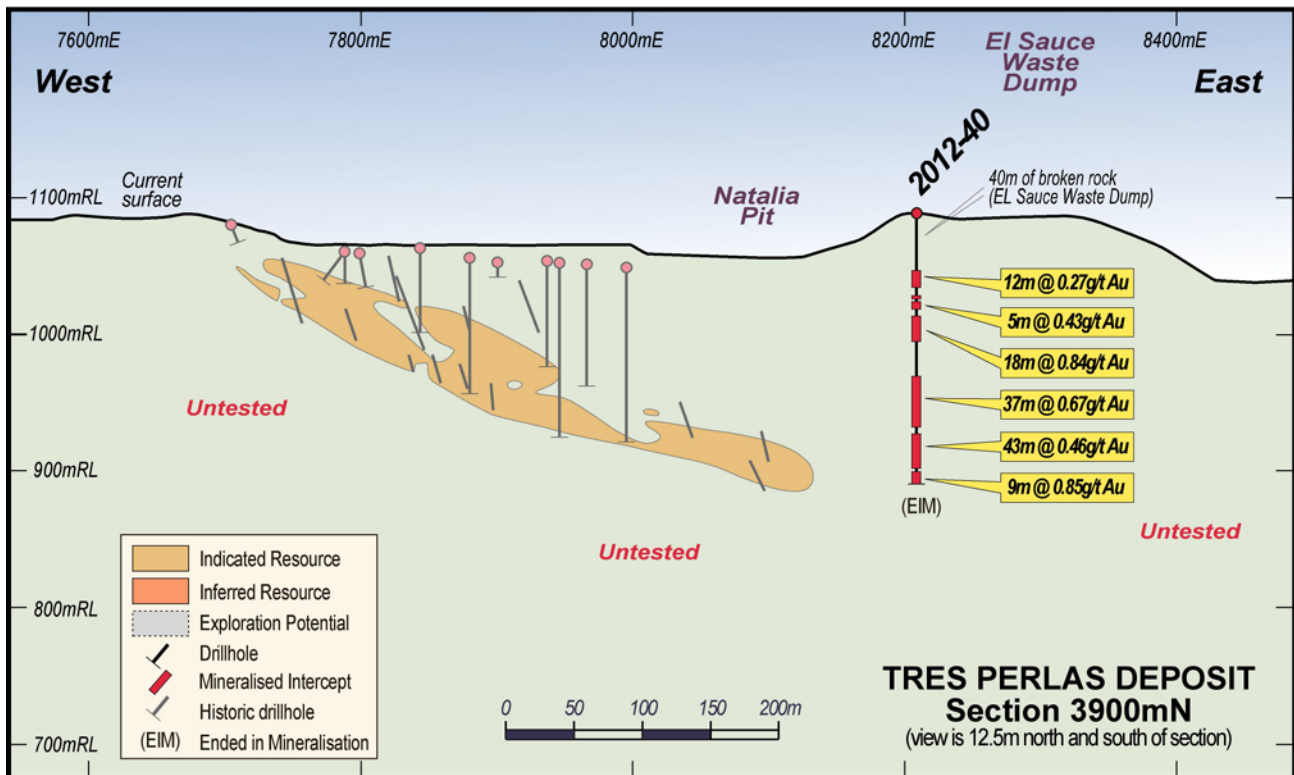
Drillhole RCH 2012-33 was drilled approximately 120m up dip of an historical hole (94979) that returned 71m grading 0.56 g/t Au and 128m grading 0.61 g/t Au as shown in Figure 2. The broad result of 130m grading 0.85 g/t Au (including 20m grading 0.84 g/t Au from 29m downhole and 97m grading 0.95 g/t Au from 62m downhole in RCH 2012-33, ending in mineralisation) confirms the historical drilling, and indicates that the mineralisation is shallower than that contained in the Inferred mineral resource modelled in this area.

FIGURE 2 – Cross Section 3950m N



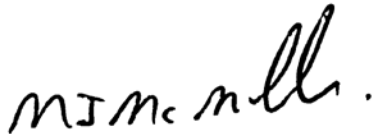
Drillhole RCH 2012-40 was drilled through the El Sauce waste dump to test for mineralisation down dip of the Indicated mineral resource. This hole intersected 118m grading 0.52 g/t Au including higher grade zones of 18m grading 0.84 g/t Au and 37m grading 0.67 g/t Au in an area with no mineral resources currently modelled.

FIGURE 3 – Cross Section 3900m N



Declan Franzmann, Managing Director, commented “it is pleasing that the recent drilling results not only confirm the presence of the Inferred mineral resource, but are also likely to result in additional resources being added to the CMD mineral resources, particularly in the gaps within the current Tres Perlas mineral resource. The grades being encountered around the El Sauce area are higher than recently encountered further to the south. The Special Warrant placement will provide the Company with additional funding to enable the continuation of an aggressive drill out program, on what is becoming a much larger mineralised system than previously envisaged.”

For and on behalf of the Board



Mick McMullen
Chairman

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Table 1 – CMD Gold Mine Drill Results –Post February 2012 Mineral Resource¹

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/t Au			
RCH-2012-033	3960.2	8249.9	1087.9	165.1	-89.8	29	159	130	0.85			
										including		
						29	49	20	0.84			
						62	159	97	0.95			
						171	201	30	0.34			
DDH-2012-035	391.1	8073.0	1056.9	358.5	-89.4	37	48	11	0.28			
						69	110	41	0.29			
						118	129	11	0.38			
RCH-2012-036	3703.8	8048.2	1054.2	270.0	-89.9	0	2	2	0.29			
						13	17	4	0.22			
						37	49	12	0.29			
						57	120.8	63.8	0.79			
RCH-2012-037	3941.4	7994.1	1065.6	108.5	-89.6	27	33	6	0.21			
						36	38	2	0.2			
						41	45	4	0.27			
						73	78	5	2.12			
						115	120	5	0.24			
RCH-2012-038	3839.9	8115.0	1056.1	270.0	-89.7	59	65	6	0.35			
						76	80	4	0.16			
						84	86	2	0.16			
						91	93	2	0.19			
						121	124	3	0.37			
						138	142	4	0.33			
						174	181	7	0.28			
RCH-2012-040	3905.5	8209.6	1089.8	331.7	-89.3	43	55	12	0.27			
						66	71	5	0.43			
						82	200	118	0.52			
										including		
						82	100	18	0.84			
						105	106	1	3.16			
						121	158	37	0.67			
169	200	31	0.53									
RCH-2012-046	3820.5	8154.3	1055.1	312.1	-89.3	13	20	7	0.40			
						37	212	175	0.89			
										including		
						37	61	24	0.78			
						87	181	94	0.96			
						190	212	22	1.98			

¹. Samples assayed at ACTIVATION LABORATORIES LTD in La Serena, Chile, an Accredited Testing Laboratory by the Standards Council of Canada

Table 2 – CMD Gold Mine Indicated and Inferred Mineral Resource^{2,3}

CMD Gold Mine Mineral Resources (Feb 2012)						
Deposit	Indicated			Inferred		
	Tonnes (Mt)	Grade (Au)	Ounces (kozs)	Tonnes (Mt)	Grade (Au)	Ounces (kozs)
Las Loas (April 2011)	2.9	0.8	73	1.5	0.8	37
Toro (Feb 2012)	17.5	0.6	348	11.6	0.5	135
Tres Perlas (Feb 2012)	108.7	0.4	1,265	99.5	0.3	1,040
Chisperos (April 2011)	1.0	1.1	36	1.4	1.0	43
Total	130.1	0.4	1,722	114.0	0.3	1,255

2. Reported above 0.15 g/t Au for all except Las Loas and Chisperos deposits which are reported above 0.30 g/t Au

3. Table contains rounding and may not sum precisely

About Lachlan Star Limited

Lachlan Star Limited is a gold mining 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.

Competent Persons Statement

The information in the news release that relates to the Mineral Resources of Tres Perlas, Chisperos, Las Loas, and Toro is based on information compiled by David Slater, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy. Mr. Slater is employed full time by Coffey Mining Pty Ltd. The information in the news release that relates to exploration results is based on information approved by Declan Franzmann, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy. Mr. Franzmann is employed by Citraen Pty Ltd and is an officer of the Company. Each of Mr. Slater and 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 Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Each of Mr. Slater and Mr. Franzmann consents to the inclusion in the news release of the matters based on his information in the form and context in which it appears.

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.