



LACHLAN STAR LIMITED

15 January 2013

RESUMPTION OF MAXIMUM PRODUCTION RATE AT HIGH GRADE CHISPEROS PIT AND OWNER MINING FLEET COMMENCES OPERATIONS

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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:

- Mining restrictions imposed on the high grade Chisperos Pit have been resolved after the relocation and energising of the adjacent power line that had prevented full access to this pit since March 2012.
- Delivery of the owner mining fleet has been completed and the fleet has commenced work in the bulk tonnage Tres Perlas Pit, which will materially reduce mining unit rates.

Chisperos

Limited blasting in the Chisperos pit was recommenced in December after a reduction in the extent of the exclusion zone around the old power line, and with the energising of the new power line on 10 January 2013, the Company now has full and unfettered mining access to the Chisperos pit.

The Chisperos deposit is the highest grade deposit at the CMD Gold Mine with an average resource grade of 1.1 g/t Au (refer to Table 1) and will provide a substantial proportion of the ounces to be mined during calendar 2013. Blasting has been curtailed in this pit since March 2012, as a result of damage to the adjacent power line. This occurred close to the completion of waste prestripping of the pit and means that high grade ore production will be quickly re-established from Chisperos. During this time the Company has had to mine other lower grade and higher waste:ore ratio pits until access was re-established at Chisperos.

Contractor mining will now focus on rapidly advancing the Chisperos pit while the owner mining fleet ramps up production in the Tres Perlas pit.

Owner Mining Fleet

Delivery of the owner operated fleet has been completed and four of the seven Komatsu HD 785 trucks are operating in the Tres Perlas pit, with the remaining equipment expected to be operating by the end of January once all operators have been certified to operate the equipment (Figures 1 and 2).

All of the ancillary equipment (e.g., dozers, grader) has been delivered and is operational. The Company continues to employ two mining contractors to ensure a smooth transition and to maintain total movement rates.

Once the owner mining fleet is fully operational the Company will use this fleet in the bulk tonnage Tres Perlas pit, and continue mining the smaller Chisperos, Churumata and Toro pits with a contractor using the smaller 30t truck fleet.

The owner operated drill fleet is also operating with 3 x DM30 IR and 2 x Tamrock/Terex drill rigs that have been bought and leased over the past year (Figure 3).

The Company expects that the owner operated fleet will deliver a reduction on the unit mining cost in the range of US\$0.35 to US\$0.45/t moved.

Figure 1 - Owner Mining Truck being Loaded in Tres Perlas Pit

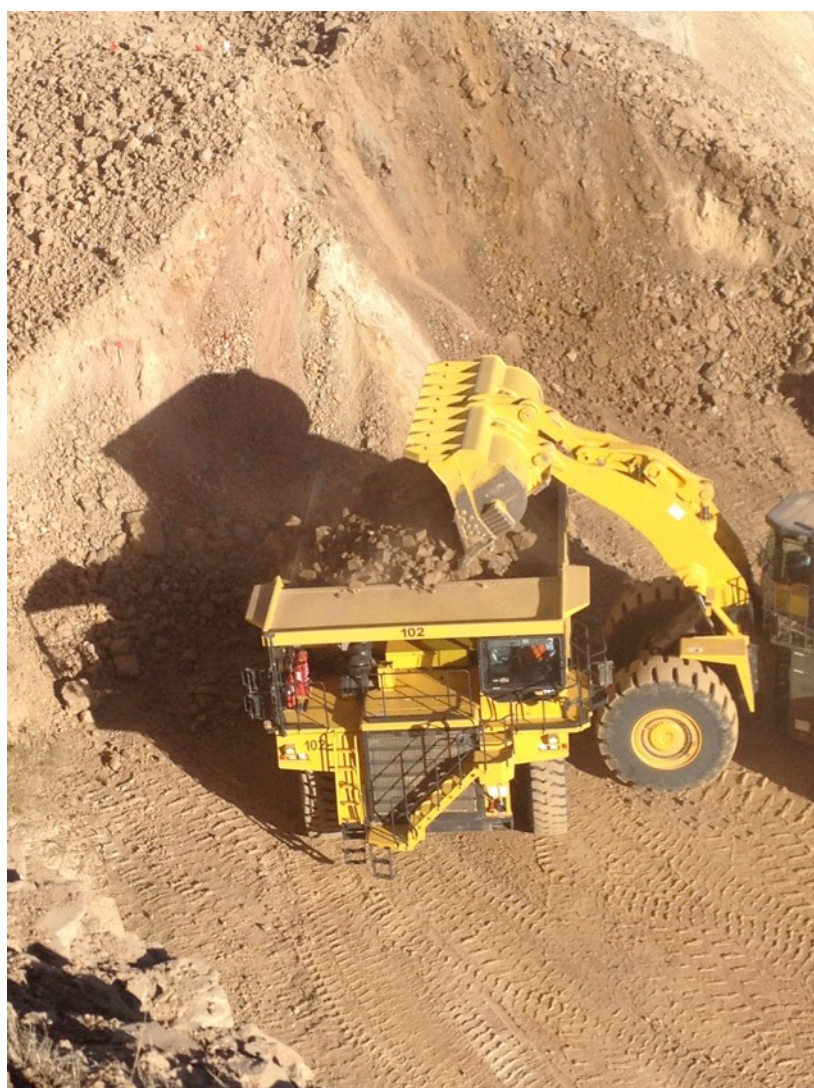



Figure 2 – Owner Mining Truck in Tres Perlas Pit



Figure 3 – Owner Mining Drill and Blast Rigs Operating in Tres Perlas Pit



For and on behalf of the Board



Mick McMullen
Chairman

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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.

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 Fellow 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.

Table 1 – CMD Gold Mine Indicated and Inferred Mineral Resource¹

| CMD Gold Mine | | | | | | |
|------------------------------------|--------------|------------|---------------|--------------|------------|---------------|
| Mineral Resources (September 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 | 38 |
| Toro (Feb 2012) | 17.5 | 0.6 | 348 | 11.6 | 0.4 | 135 |
| Tres Perlas (Sept 2012) | 130.1 | 0.4 | 1,602 | 99.4 | 0.4 | 1,138 |
| Chisperos (April 2011) | 1.0 | 1.1 | 36 | 1.4 | 1.0 | 43 |
| Total | 151.5 | 0.4 | 2,058 | 113.9 | 0.4 | 1,354 |

1. Reported above 0.15 g/t Au for all except Las Loas and Chisperos deposits which are reported above 0.30 g/t Au
2. Table contains rounding and may not sum precisely

