

## LACHLAN STAR ANNOUNCES SIGNIFICANT GOLD DRILL RESULTS AND MINING UPDATE

Emerging minerals and exploration company Lachlan Star limited (“Lachlan” or the “Company”) (ASX: LSA) is pleased to announce significant gold assays from the Toro deposit and production update at its 100% owned CMD Gold Mine in Chile.

### Highlights

- Ø Wide intercepts of gold mineralisation at grades well above Reserve grades adjacent to the active Toro 6 pit;
- Ø June quarter gold production of 10,134 ounces of gold , an increase of 20% on the March quarter;
- Ø Change of mining contractor arrangements for Las Loas pit

### Drill Results Summary

- Ø 29m grading 1.76 g/t Au (from 25m downhole) **and** 55 m grading 1.01 g/t Au (from 123 m downhole) in DDH 2011-74;
- Ø 10 m grading 3.35 g/t Au from 16 m downhole in RCH 2011-15
- Ø 30m grading 1.30 g/t Au from 11m downhole in DDH 2011-64, including 6 m @ 4.06 g/t Au from 35 m downhole;
- Ø 14m grading 1.15 g/t Au from 50m downhole in RCH 2011-75

## Exploration

These drill holes are located immediately to the north of the Toro 6 pit which is being mined as shown in Figure 1. As can be seen from Figure 1, the area to the north and west of the Toro 6 pit has hosted significant mining in the past, and the Manto mineralisation around the Toro 6 pit represents a parallel zone of mineralisation.

**Figure 1 – Location of Toro Drill Holes**



These results are significant as they demonstrate the presence of a zone of near surface and relatively high grade Manto mineralisation adjacent to an active mining pit. The red outline shown on Figure 1 is the current pit outline, with the excellent results in 2011-64 (30m grading 1.30 g/t Au) and 2011-74 (23 m grading 1.76 g/t Au and 55 m grading 1.01 g/t Au) located just outside the pit limit.

Drill hole RCH 2011-15 is located further to the north west, along strike of the main Toro pit.

The Company is aggressively exploring the CMD Gold Mine after acquiring it 6 months ago, and drill results are starting to flow as the back log of drilling, sampling and assaying is cleared.

## Mining and Production

Gold production for the June quarter was 10,134 ounces, representing a 20% increase on the March quarter. June production of 4,250 ounces was the highest since the Company acquired the CMD Gold Mine in December 2010.

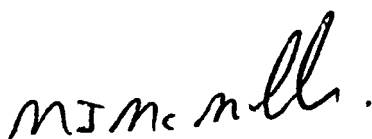
During the quarter, it became evident that one of the two mining contractors at the CMD Gold Mine was unable to mine the required tonnages, and subsequent to the end of the quarter, that mining contract was terminated due to breach of contract. As that contractor was supplying the entire mine site with explosives, the Company has secured supply directly with the explosives supplier, and is continuing mining operations with the other mining contractor.

The change over of explosives supply resulted in reduced earth movement in the latter part of June. Mining at the Las Loas pit has been halted until a new contractor mobilises to site for the mining of that deposit.

In the interim, mining continues at the Tres Perlas, Toro and Churumata pits. These pits have a lower waste:ore ratio than the Las Loas pit, with mining for July to date averaging approximately 7,300 tpd of ore at a waste:ore ratio of 3.1:1. This compares to the Las Loas pit which, on the current benches, has a waste:ore ratio of around 7.5:1.

The reduced mining in the latter part of June will result in lower gold production in the second half of July due to the delayed recovery effect of the heap leach operation. As mine production ramps up again, gold production will continue to increase as was seen in the June quarter.

For and on behalf of the Board



Mick McMullen  
Chairman

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**Table 1– Toro 6 Drill Results**

Hole Id	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/t Au
RCH 2011-64 Incl.	2,024.5	6,108.5	1,142.2	327.5	-89.4	11	41	30	1.3
						11	18	7	0.7
						22	29	7	0.85
						35	41	6	4.06
RCH 2011-65	2,058.9	6,097.4	1,143.7	299.4	-89.5	16	18	2	0.69
						33	34	1	0.59
						87	88	1	0.84
RCH 2011-66	2,047.9	6,055.4	1,147.6	315.7	-89.0	21	22	1	1.09
						58	60	2	0.65
						70	73	3	1.41
RCH 2011-67	2,013.8	6,057.4	1,146.1	153.4	-89.9	2	7	5	0.72
						13	15	2	0.76
						30	33	3	1.8
						49	50	1	1.17
						55	57	2	1.3
						60	64	4	0.5
						93	95	2	0.82
RCH 2011-74	1,979.9	6,126.1	1,136.7	86.3	89.6	25	54	29	1.76
						123	177	54	1.01
						186	195	9	0.86
						217	225	8	0.52
RCH 2011-75	1,959.5	6,167.8	1,134.4	90.0	88.8	12	14	2	0.55
						36	45	9	0.57
						50	64	14	1.15
						76	78	2	0.46

#### **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, the Bushranger copper and gold project in New South Wales and the Princhester magnesite deposit in Queensland.

#### **Competent Persons Statement**

The information in this report that relates to Exploration Results is based on information compiled by 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.