

**LACHLAN STAR LIMITED**

2 April 2012

LACHLAN STAR ANNOUNCES DRILL RESULTS FROM ITS CMD GOLD MINE INCLUDING 157M GRADING 0.72 G/T AU AND 139M GRADING 0.68 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

- 157m grading 0.72 g/t from 25m downhole in RCH 2012-44
- 139m grading 0.68 g/t Au from 36m downhole in RCH 2012-51
- 152m grading 0.50 g/t Au from 35m downhole in RCH 2012-49, including 30m grading 1.01 g/t Au from 61m downhole
- 119.1m grading 0.44 g/t Au from 51.9m downhole in DDH2012-42
- 52m grading 0.34% Cu from 25m downhole in DDH 2012-45
- 74m grading 0.76 g/t Au from 142m downhole in DDH 2012-45, with 64m grading 0.13% Cu from 142m downhole

Drillholes DDH 2012-42, RCH 2012-44, RCH 2012-49 and RCH 2012-51 were drilled into the El Sauce area of Tres Perlas and have demonstrated the presence of near surface gold mineralisation beneath the El Sauce waste dump. Drillhole RCH 2012-45 was drilled to the east of the Tres Perlas pit and confirms the down dip extension of both the copper and gold mineralisation towards the Teck Carmen Andacollo mine.

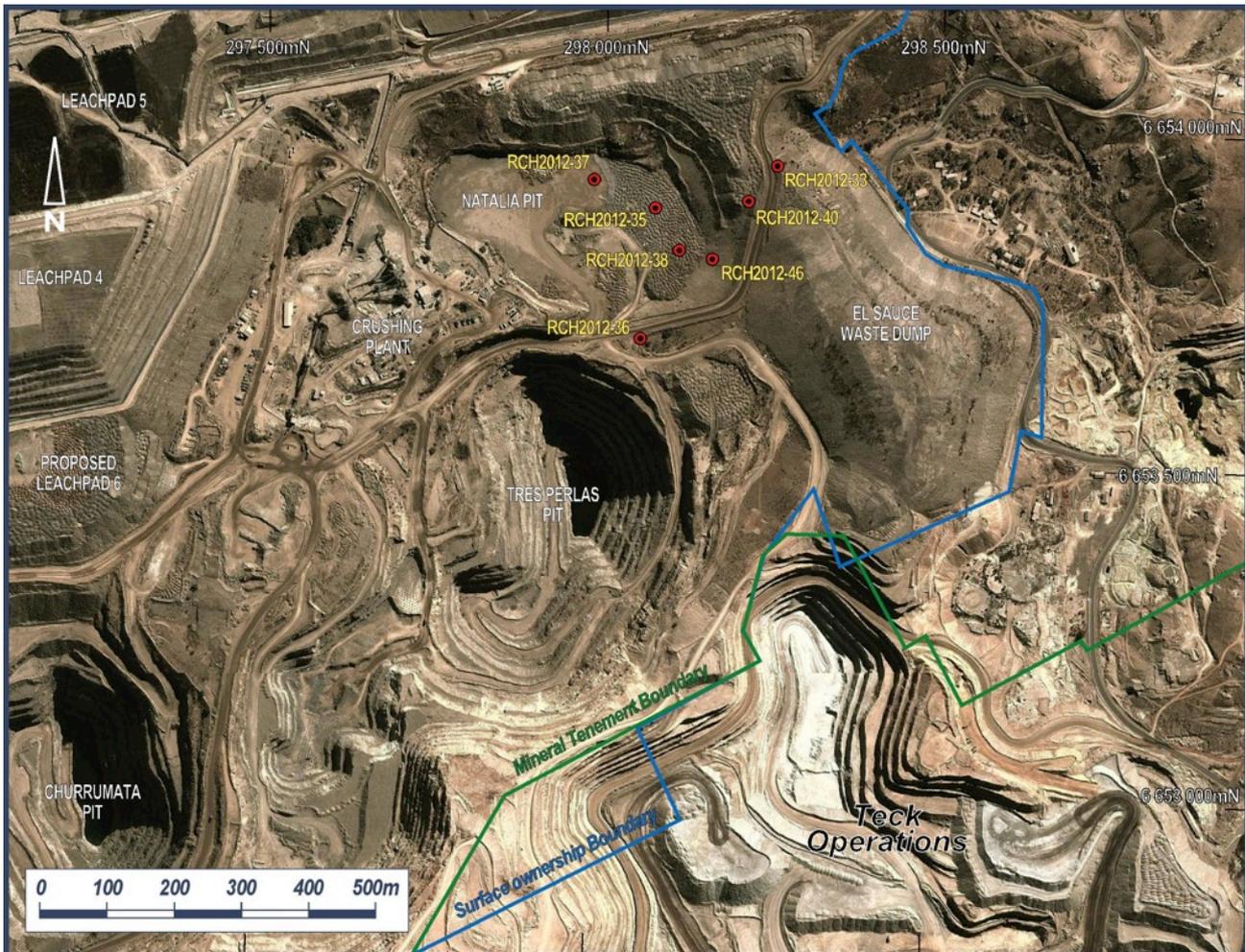
These results have been received after the February 2012 mineral resource update and will be incorporated into a new NI 43101 Technical Report shortly.

Table 1 below contains a list of the most 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 Andacollo mine by Teck.

FIGURE 1 – Location of Tres Perlas Deposit

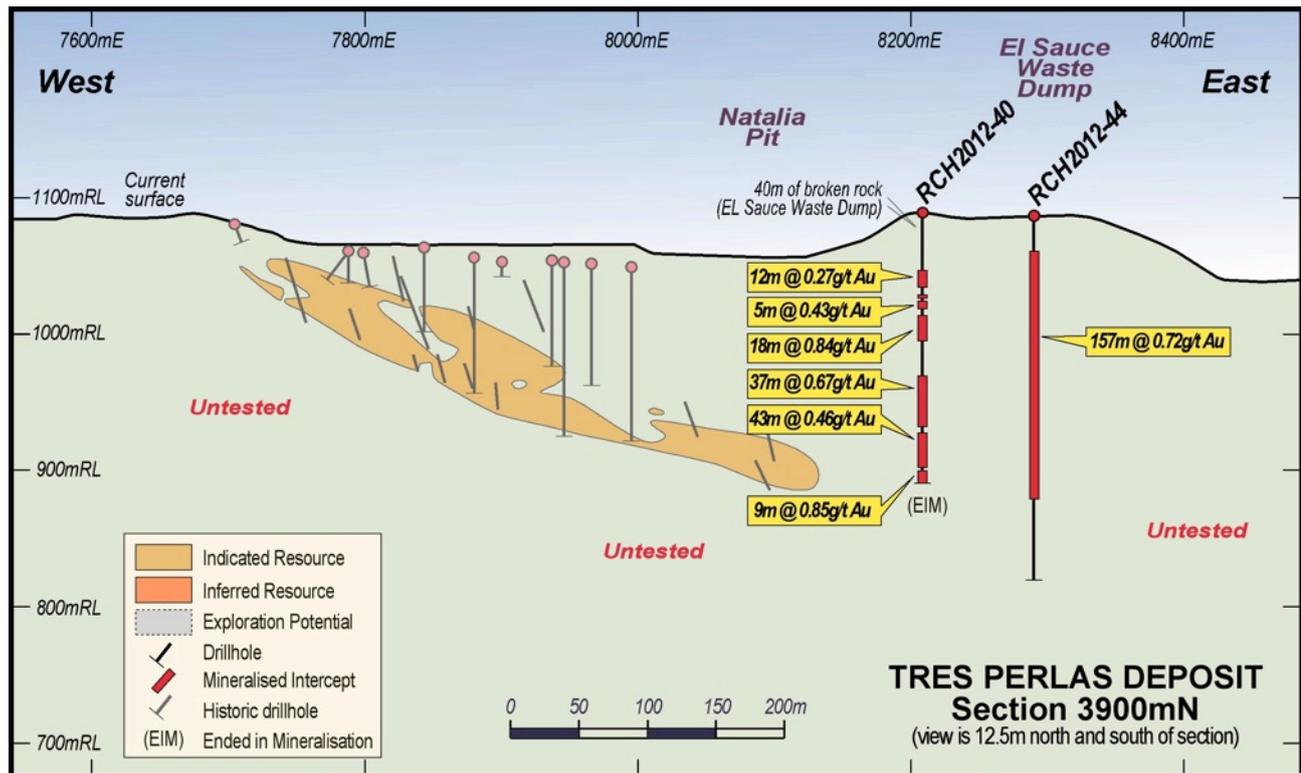


Current drilling is targeted at infilling the gaps in the February 2012 mineral resource estimate. The latest results continue to demonstrate the near surface, bulk tonnage nature of the gold and copper mineralisation around the Tres Perlas deposit.

Drillholes DDH 2012-42, RCH 2012-44, RCH 2012-49 and RCH 2012-51 all intersected broad zones of gold mineralisation from near surface at grades well above the average mineral resource grade. They were drilled through the El Sauce waste dump to target near surface mineralisation and all intersected gold mineralisation at around the historical surface level.

As can be seen in Figure 2, the result of 157m grading 0.72 g/t Au from 25m confirms the strong mineralisation intersected in RCH 2012-40 and opens up the potential for significant additional new mineral resources below the El Sauce waste dump.

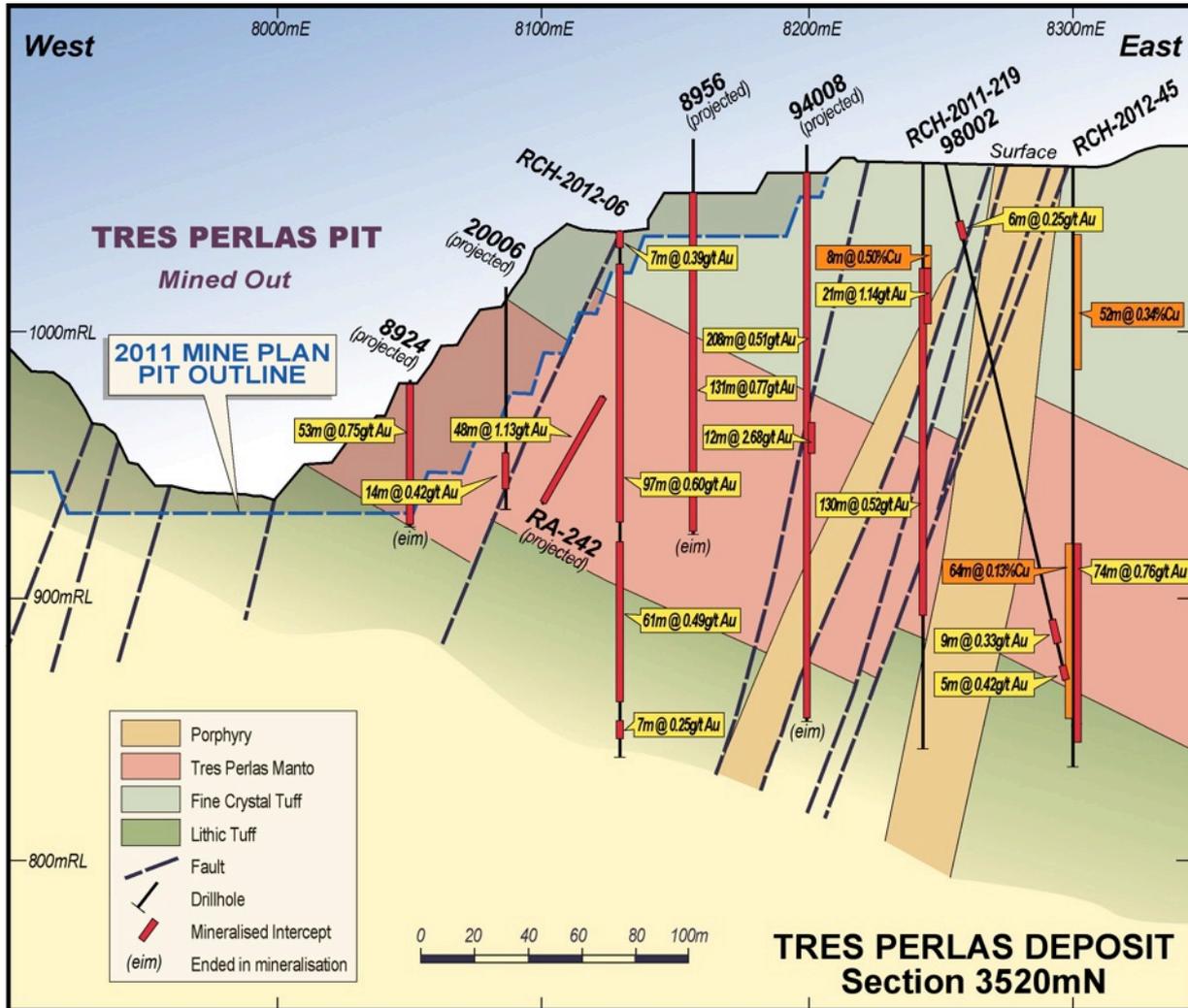
FIGURE 2 – Cross Section 3900m N



Drillhole RCH 2012-45 was drilled to test the down dip extension of both the copper and gold mineralisation around the central part of the Tres Perlas deposit. As can be seen in Figure 3, this hole was drilled approximately 50m to the east of an historical hole that returned limited mineralisation, possibly due to the presence of a barren intrusion.

The broad copper interval of 52m grading 0.34% Cu at the top of the hole confirms the continuation and thickening of the oxide copper deposit from the adjacent Carmen Andacollo mine, which sits on top of the gold mineralisation which had 74m grading 0.76 g/t Au in the sulphide zone. This was also overprinted with 64m grading 0.13% Cu, the combined grade of which compares favourably to the average sulphide grade of the adjacent deposit (0.37% Cu and 0.12 g/t Au).

FIGURE 3 – Cross Section 3520m N



Drilling with three drills is continuing and the updated mineral resource that will be included in the revised NI 43101 Technical Report will be announced shortly.

For and on behalf of the Board

Mick McMullen

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

| Hole ID | Grid_N | Grid_E | Grid_Elev | Azimuth | Dip | From | To | Interval | g/t Au | Cu % |
|--------------|--------|--------|-----------|---------|-------|-------|-------|-----------|--------|------|
| DDH-2012-039 | 3942.6 | 8138.4 | 1068.8 | 450.5 | -88.3 | 169.4 | 181.7 | 12.3 | 0.34 | |
| DDH-2012-041 | 3899.0 | 8150.4 | 1065.0 | 218.4 | -88.9 | 25.4 | 31 | 5.6 | 0.81 | 1.12 |
| | | | | | | 66 | 94 | 28 | 0.81 | |
| | | | | | | 90.5 | 92.1 | 1.6 | | |
| | | | | | | 175 | 179 | 4 | 0.43 | |
| | | | | | | 209 | 212 | 3 | 0.38 | |
| DDH-2012-042 | 3981.7 | 8255.2 | 1085.6 | 347.1 | -89.0 | 51.9 | 171 | 119.1 | 0.44 | |
| | | | | | | | | including | | |
| | | | | | | 51.9 | 95 | 43.1 | 0.52 | |
| | | | | | | 105 | 115 | 10 | 0.94 | |
| | | | | | | 125 | 171 | 46 | 0.40 | |
| RCH-2012-044 | 3897.7 | 8290.6 | 1087.9 | 267.3 | -89.5 | 25 | 182 | 157 | 0.72 | |
| | | | | | | 192 | 194 | 2 | 0.40 | |
| RCH-2012-045 | 3539.8 | 8298.1 | 1062.7 | 225.0 | -90 | 6 | 9 | 3 | 0.37 | 0.34 |
| | | | | | | 25 | 77 | 52 | | |
| | | | | | | 76 | 83 | 7 | 0.19 | |
| | | | | | | 142 | 206 | 64 | | |
| | | | | | | 142 | 216 | 74 | 0.76 | |
| RCH-2012-049 | 4079.1 | 8338.2 | 1086.5 | 285.1 | -89.6 | 2 | 10 | 8 | 0.32 | |
| | | | | | | 35 | 187 | 152 | 0.50 | |
| | | | | | | | | including | | |
| | | | | | | 35 | 52 | 17 | 0.60 | |
| | | | | | | 61 | 91 | 30 | 1.01 | |
| | | | | | | 96 | 100 | 4 | 0.33 | |
| | | | | | | 106 | 111 | 5 | 0.21 | |
| 119 | 172 | 53 | 0.44 | | | | | | | |
| RCH-2012-051 | 3944.6 | 8297.0 | 1077.2 | 128.8 | -89.2 | 36 | 175 | 139 | 0.68 | |
| | | | | | | 181 | 184 | 3 | 0.56 | |
| | | | | | | 43 | 53 | 10 | 0.42 | |
| RCH-2012-053 | 4000.6 | 8203.4 | 1099.0 | 84.0 | -89.2 | 66 | 82 | 16 | 0.42 | |
| | | | | | | | | | 0.42 | |

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.