

LACHLAN STAR ANNOUNCES 314% INCREASE IN INDICATED MINERAL RESOURCE OUNCES FOR THE TORO DEPOSIT AT CMD GOLD MINE

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES

Perth, Western Australia: Gold miner, Lachlan Star Limited (“Lachlan” or the “Company”) (ASX and TSX: LSA) is pleased to announce an updated mineral resource for the Toro deposit at its 100% owned CMD Gold Mine in Chile.

The new Toro deposit mineral resource contains 348,000 ounces of gold in the Indicated category, which is a 314% increase over the previous Indicated mineral resource (84,000 ounces). In addition, a further 135,000 ounces of gold are contained in the Inferred category, which is a decrease of 28% compared to the previous Inferred mineral resource (188,000 ounces) as shown in Table 1.

Table 1 – Comparison of New and Previous Toro Mineral Resource Estimates

Classification	Old Mineral Resource (koz)	New Mineral Resource (koz)	% Change
Indicated	84	348	314%
Inferred	188	135	-28%

Table 2 contains a summary of the updated Toro deposit mineral resource.

The new Toro mineral resource has been estimated at a 0.15 g/t Au cut off grade (previously 0.3 g/t Au) to enable mine planning utilising the lower grade material to be processed via a Run of Mine (ROM) dump leach method. The lower grade mineralisation is currently mined as waste and the initial ROM leaching trials indicate that it will be economic to recover gold from this material, which will have a positive impact on both cash flows and gold output.

Total mineral resources for the CMD Gold Mine now contain 725,000 ounces of gold in the Indicated category and 923,000 ounces of gold in the Inferred category as shown in Table 3.

The new mineral resource for the Toro deposit is the first of the 2012 mineral resource updates for the CMD Gold Mine. The Toro deposit is open along strike to both the north and south, and across strike to the east and west in several areas. Work is continuing to update the resources at the other CMD Gold Mine Projects. In addition, there remains substantial potential to expand the mineral resources through infill drilling between the Toro Central and Socorro pits, where there is currently insufficient drilling data to extrapolate the resource between the pits.

The aim of the 2011 drill program was to expand the resource base, and to upgrade the Inferred mineral resources to Indicated category to enable their use in mine planning and mineral reserve estimation. This has been achieved, with a 314% increase in the Indicated category contained ounces.

Drilling in the 2012 program is planned to infill the area between the Toro Central and Socorro pits to prove the concept of a single large pit at Toro, as well as extensional exploration on the near surface open mineralisation.

Exploration has been focussed on the Tres Perlas and Churumata deposits for the past two months, where the gold is contained within a 100m to 200m thick mineralised zone from near surface. Once sufficient assay data has been received for these deposits, these will be the next mineral resource estimates completed for the CMD Gold Mine.

Declan Franzmann, Managing Director, commented " the first of the 2012 mineral resource estimates show an encouraging increase in both overall ounces of gold and confidence level, and will provide a better platform for our mine planning work this year. The approximate 78% increase in total gold ounces is in line with what we have seen in the pits, where we have mined approximately two thirds of our ore in 2011 from outside the old mineral resource."

For and on behalf of the Board

Mick McMullen
Chairman

For further information please visit www.lachlanstar.com.au or contact

Mick McMullen

Declan Franzmann

Chairman

Managing Director

Lachlan Star

Lachlan Star

Tel: +61(0)8 9481 0051

Tel: +61(0)8 9481 0051

Email: mick.mcmullen@lachlanstar.com.au

Email: declan.franzmann@lachlanstar.com.au

Table 2 – Toro Deposit Coffey Mineral Resources

Mineral Resource – January 2012 Toro – Coffey 2012 – Reported above 0.15g/t Au			
Classification	Tonnes (Mt)	Grade (Au)	Ounces (Kozs)
Indicated	17.5	0.6	348
Inferred	11.6	0.4	135

Table 3 – CMD Gold Mine Coffey Mineral Resources¹

Deposit	Indicated			Inferred		
	Tonnes (Mt)	Grade (Au)	Ounces (Kozs)	Tonnes (Mt)	Grade (Au)	Ounces (Kozs)
Los Loas (2011)	2.9	0.8	73	1.5	0.8	37
El Sauce (2011)				7.1	0.7	156
Toro (2012)	17.5	0.6	348	11.6	0.4	135
Tres Perlas (2011)	15.6	0.5	252	19	0.5	333
Churumata (2011)	0.6	0.8	16	8.7	0.8	219
Chisperos (2011)	1.0	1.1	36	1.4	1.0	43
Total	37.6	0.6	725	49.8	0.6	923

¹ Reported above 0.3 g/t Au all except Toro deposit which is reported above 0.15 g/t 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.

Competent Persons Statement

The information in the news release that relates to the Mineral Resources of Tres Perlas, Chisperos, Las Loas, El Sauce, Churumata 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.