



**LACHLAN STAR LIMITED**

**3 August 2012**

## **LACHLAN STAR ANNOUNCES OUTSTANDING DRILL RESULTS FROM ITS CMD GOLD MINE INCLUDING 21.2M GRADING 3.33 G/T AU, 20.9M GRADING 2.19 G/T AU AND 23M GRADING 1.12% CU**

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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:

### **Chisperos Deposit**

- **21.2m grading 3.33 g/t Au from 82m downhole DDH 2012-125**
- 17m grading 1.10 g/t Au from 21m downhole RCH 2012-126
- 13m grading 1.94 g/t Au from 21m downhole RCH 2012-127

### **Tres Perlas Deposit –Copper/ Copper Gold**

- **23m grading 1.12% Cu from 33m downhole in RCH 2012-154, overprinted by 13m grading 0.23 g/t Au from 36m downhole**
- **24m grading 0.80% Cu from 86m in downhole RCH 2012-160, overprinted by 20m grading 0.58 g/t Au from 88m downhole**
- 19m grading 0.36% Cu from 39m downhole in RCH 2012-132
- 20m grading 0.50% Cu from 41m downhole in RCH 2012-157
- 22m grading 0.45% Cu from 47m downhole in RCH 2012-160

### **Tres Perlas Deposit -Gold**

- **20.9m grading 2.19 g/t Au from 17.7m downhole in DDH 2012-128**
- 45m grading 1.01 g/t Au from 146m downhole in RCH 2012-123
- 3m grading 8.09 g/t Au from 120m downhole in DDH 2012-128
- 40m grading 0.86 g/t Au from 45m downhole in DDH 2012-141

### **Toro Deposit**

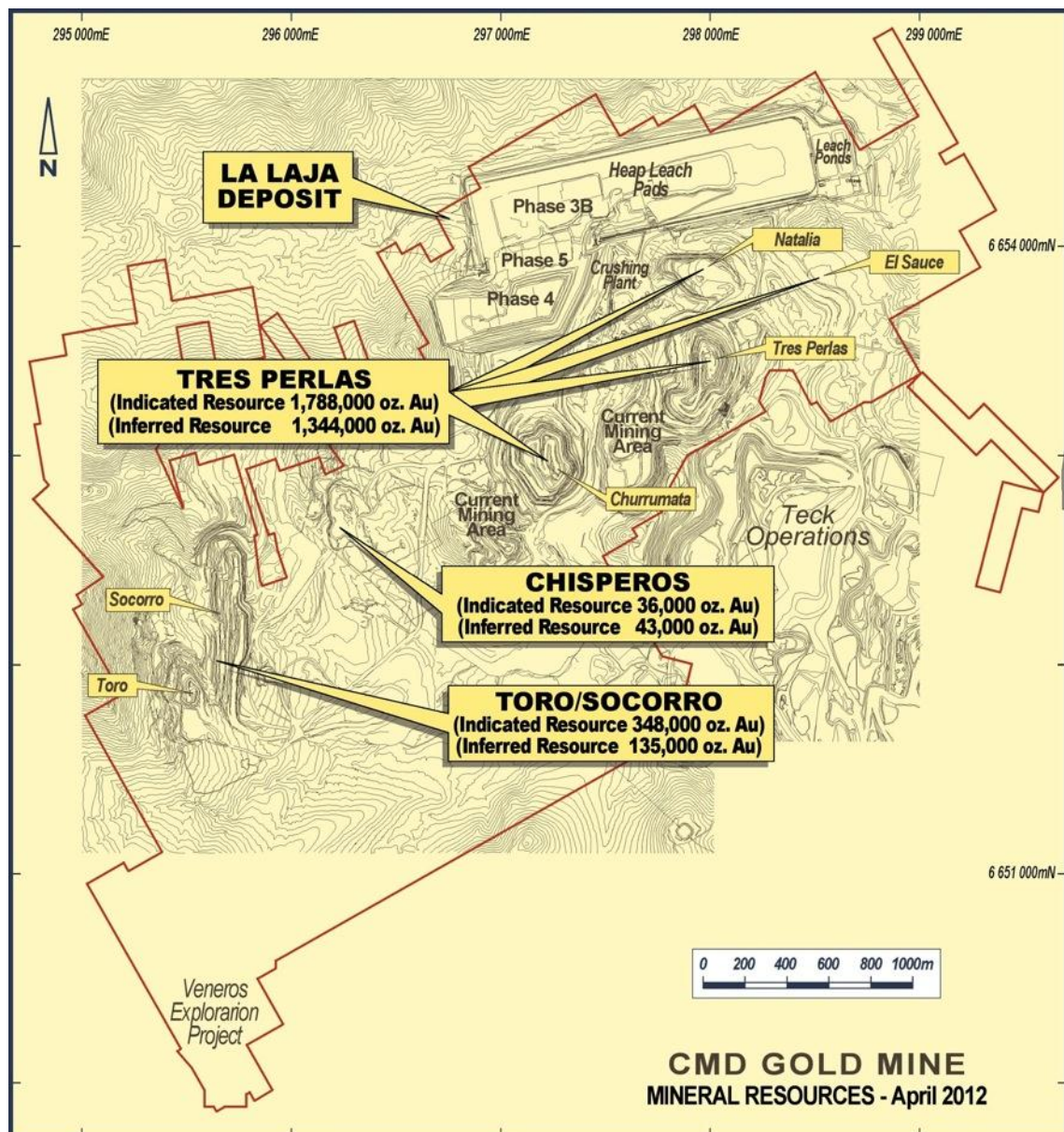
- 7m grading 2.92 g/t Au from 57m downhole RCH 2012-142
- 14m grading 1.00 g/t Au from 106m downhole RCH 2012-143
- 11m grading 1.77 g/t Au from 143m downhole RCH 2012-148

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.

## Chisperos Deposit

The Chisperos Deposit is located in the centre of the CMD Gold Mine tenements as shown in Figure 1. The Chisperos Deposit contains an Indicated mineral resource of 36,000 ounces of gold (1.0 Mt grading 1.1 g/t Au) plus inferred mineral resources of 43,000 ounces of gold (1.4 Mt grading 1.0 g/t Au) and is the highest grade resource at the CMD Gold Mine (refer to Table 2).

**FIGURE 1 – Location of Tres Perlas and Chisperos Deposits**



A small drill program has been underway upgrade Inferred mineral resources and to extend the extent of the mineralisation.

This has delivered some excellent results including the 21.2m grading 3.33 g/t Au in DDH 2012-125 which was located outside the mineral resource and to the immediate north of the current mining area. The other two significant results of 17m grading 1.10 g/t Au in RCH 2012-126 and 13m grading 1.94 g/t Au from 21m downhole RCH 2012-127 were to the immediate south east of the current mining area. All three results indicate that the overall grades of mineralisation in and around Chisperos are higher than the other deposits and that there is potential to increase the current mineral resources for this deposit.



## Tres Perlas Deposit

Recent drilling has been focussed to the east of the historical Tres Perlas pit and adjacent to the operating Teck copper mine further to the east (Refer Figure 1). Recent drilling has been targeted at the copper mineralisation to the east of the current Tres Perlas pit and the gold mineralisation in the far south around the old Churumata pit.

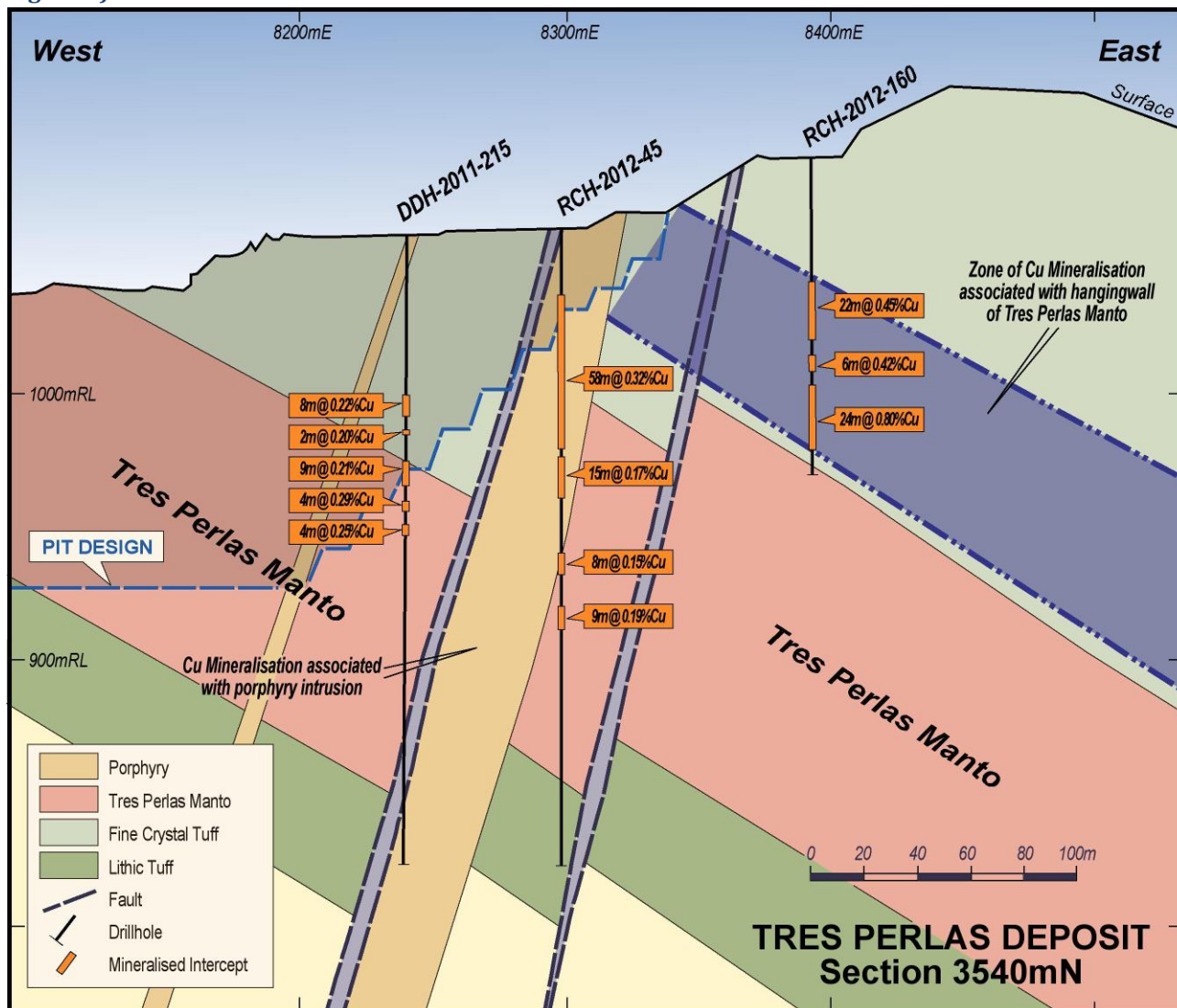
The copper drilling has continued to return outstanding results including 23m grading 1.12% Cu from 33m downhole in RCH 2012-154, overprinted by 13m grading 0.23 g/t Au from 36m downhole and 24m grading 0.80% Cu from 86m in downhole RCH 2012-160, overprinted by 20m grading 0.58 g/t Au from 88m downhole. As the drilling progress to the south and east, it is apparent that there is a combined copper-gold zone present relatively close to surface. The location of RCH-2012-154 and RCH-2012-160 in relation to Tres Perlas and Teck's adjacent copper mine are shown in Figure 2.

**FIGURE 2 – Approximate Location of Drill holes with Copper Mineralisation at the Tres Perlas Deposit**



The copper mineralisation in this area is broadly of two types as shown in Figure 3. Toward the east a broad thickness of copper mineralisation is located on the hanging wall of the Tres Perlas Manto, which typically hosts the gold mineralisation. The second style of copper mineralisation is hosted in the steeply dipping structures associated with porphyry intrusions, which are part regional source of copper and gold mineralisation.

**FIGURE 3 – Section through 3450mN showing mineralisation styles (location of RCH2012-160 is also shown in Figure 2)**



Other encouraging new results in this area include 20m grading 0.50% Cu in RCH 2012-157, 22m grading 0.45% Cu in RCH 2012-160 and 19m grading 0.36% Cu in RCH 2012-132

Drilling targeting the south-western end of the Churumata pit has successfully intersected gold mineralisation in an area with limited previous data, known as Mercedes Hill, as shown in Figure 4. Previously announced hole DDH-2012-105, drilled from the apex of Mercedes Hill, returned 41m at 0.74g/t Au from 68m downhole plus another 10m at 0.64g/t Au from 123m downhole. Based on this result, further drilling has been completed with assay results pending. As is obvious from Figure 4, most of this significant mineralisation is above the floor of the adjacent pit, and the Company expects to generate a mining target with low strip ratio for exploitation in the short term. Results for an additional four holes will be announced within the next two weeks.



**FIGURE 4 – View of Mercedes Hill looking to the west**



## **Toro Deposit**

Drilling at Toro has been focussed around mineralisation outside the mineral resource estimate but proximal to current pits that could be mined within the next 12-18 months if a mineral reserve is established based on the drilling. This drilling continues to define relatively shallow and high grade gold mineralisation as evidenced by the following holes:

- 7m grading 0.76g/t Au from surface in RCH-2012-140;
- 7m grading 2.92 g/t Au from 57m downhole in RCH 2012-142,
- 14m grading 1.00 g/t Au from 106m in RCH 2012-143.

All these holes are directly to the south of the Toro Central Pit and mining to extend this pit further south has already commenced.

For and on behalf of the Board

Mick McMullen  
Chairman

For further information please visit [www.lachlanstar.com.au](http://www.lachlanstar.com.au) or contact

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**Table 1 – CMD Gold Mine Drill Results –Post April 2012 Mineral Resource <sup>1</sup>**

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-102	2389.2	6630.9	1104.1	240.1	-89.0	30	34	4	0.46	
DDH-2012-108	2857.0	6439.1	1123.0	68.5	-71.0	16	18	2	0.51	
						57	59	2	3.77	
						74	78	4	2.14	
						82	86	4	0.29	
						102	108.8	6.8	0.84	
						160	164	4	0.75	
RCH-2012-113	2259.9	6165.2	1145.9	191.3	-89.5	85	89	4	0.78	
						146	152	6	0.25	
						166	170	4	0.29	
						177	182	5	0.97	
						192	203	11	0.63	
RCH-2012-120	2719.8	6228.6	1104.7	90.2	-63.5	95	96	1	0.57	
						99	100	1	1.48	
RCH-2012-122	3456.0	8304.3	1073.9	180.0	-88.3	35	38	3		0.37
						38	40	2	0.27	
						46	52	6		0.26
						56	62	6		0.24
						61	64	3	0.76	
						92	94	2	0.42	
						142	145	3	0.36	
						150	152	2	0.23	
						206	213	7	0.45	
						224	227	3		0.26
						229	237	8		0.19
						298	300	2		0.24
RCH-2012-123	3636.5	8318.3	1077.2	142.3	-87.2	20	28	8		0.22
						30	34	4	0.69	
						35	37	2		0.24
						44	48	4		0.27
						146	191	45	1.01	
						including				
						146	156	10	0.77	
						162	191	29	1.29	
						200	235	35	0.41	
DDH-2012-124	2907.1	6224.4	1152.2	91.7	-66.0	152	154	2	1.39	
DDH-2012-125	2941.5	6500.0	1127.5	242.5	88.2	10	20	10	0.33	
						58	62	4	0.24	
						82	103.2	21.2	3.33	
						including				
						82	98.35	16.35	4.17	
						100	103.2	3.2	0.73	
						112	118	6	0.26	
						138	140	2	0.31	
						148	150	2	0.22	
						171.7	172.7	1	0.90	

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-126	2620.6	6229.8	1105.0	119.5	-88.6	8	11	3	0.43	
						21	38	17	1.10	
						47	50	3	0.30	
RCH-2012-127	2599.7	6233.8	1104.8	61.1	-89.3	21	34	13	1.94	
						37	39	2	0.68	
DDH-2012-128	2900.1	6437.3	1126.9	61.0	-58.5	17.7	38.6	20.9	2.19	
						including				
						17.7	20	2.3	0.68	
						21	24	3	12.04	
						27	29	2	0.27	
						30	32	2	1.44	
						34.7	38.6	3.9	0.51	
						69.8	71.8	2	0.48	
						96	104	4	0.46	
						120	123	3	8.09	
						124	127.6	3.6	1.31	
						128.6	133.7	5.1	0.26	
DDH-2012-129	2787.3	6768.1	1129.6	60.8	-58.4	24	32	8	0.66	Without Cu mineralisation
						37	43	6	0.39	
						76	80	4	0.38	
						83	85	2	0.33	
RCH-2012-130	3416.8	8243.7	1066.1	7.9	-89.1	0	10	10	0.22	Waste dump
						31	35	4		0.22
						59	64	5	0.32	
						79	82	3		0.29
						96	98	2	0.24	
						103	111	8	0.21	
						105	109	4		0.39
						115	117	2		0.30
						142	145	3	0.27	
						182	188	6	0.30	
RCH-2012-131	3174.4	8086.4	1070.1	283.5	-89.3	14	20	6		0.46
						34	38	4	0.32	
						41	45	4	0.24	
						47	52	5	0.32	
						79	81	2	0.24	
						199	204	5	2.18	

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-132	3339.4	8234.5	1074.8	22.3	-89.4	39	58	19		0.36
						60	65	5	0.26	
						70	74	4		0.48
						101	105	4		0.25
						103	106	3		0.24
						110	112	2	0.26	
						127	129	2		0.30
						129	131	2	0.34	
						146	162	16	0.27	
						161	164	3		0.51
						164	169	5	0.65	
						184	186	2	0.30	
						184	190	6		0.82
						188	191	3	0.33	
RCH-2012-136	3785.8	8213.3	1073.1	233.9	-88.1	5	25	20	0.30	Waste dump
						32	41	9	0.41	
						197	199	2	0.60	
RCH-2012-138	1600.5	5905.7	1152.7	219.5	-89.6	3	10	7	0.83	
						36	44	8	0.49	
						73	74	1	1.10	
						96	98	2	0.57	
						100	102	2	0.59	
RCH-2012-139	1480.0	5639.1	1189.3	4.1	-89.8	53	57	4	0.57	
						72	74	2	0.26	
						85	87	2	0.26	
RCH-2012-140	1559.6	5570.1	1202.3	193.0	-89.7	0	7	7	0.76	
						41	45	4	0.43	
						68	71	3	0.29	
						77	80	3	0.59	
						83	84	1	0.86	
DDH-2012-141	2586.1	6812.7	1157.0	169.5	-88.5	45	85	40	0.86	
						including				
						45	58	13	0.66	
						61	79	18	0.77	
						69	71	2		0.40
						82	85	3	3.70	
						82	85	3		0.50
						87	94	7	0.32	
						122	128	6	1.78	
						139	141	2	1.46	
						151	154	3	0.25	
						208	210	2	0.40	
						237	243	6	0.24	
						294	296	2	0.39	
RCH-2012-142	1579.8	5620.2	1191.9	205.2	-89.5	57	64	7	2.92	
						120	122	2	0.59	
RCH-2012-143	1420.1	5599.9	1189.0	134.0	-89.5	60	63	3	0.41	
						84	102	18	0.58	
						106	120	14	1.00	



Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-144	1620.2	5879.3	1154.1	211.0	-89.4	72	80	8	0.42	
						102	106	4	0.31	
						109	124	15	0.52	
						including				
						109	118	9	0.49	
						120	124	4	0.83	
						134	135	1	3.98	
						141	146	5	0.28	
RCH-2012-145	1679.0	6018.6	1145.0	183.0	-89.6	84	88	4	1.02	
						95	98	3	0.69	
						104	107	3	0.88	
RCH-2012-146	1740.1	6012.1	1148.1	327.0	-89.3	60	62	2	0.45	
						70	74	4	0.81	
						83	104	21	0.50	
						including				
						83	84	1	1.71	
						88	91	3	0.48	
						98	104	6	0.90	
						151	153	2	0.55	
RCH-2012-147	1683.1	5941.0	1153.8	252.2	-89.5	27	32	5	0.59	
						103	112	9	0.94	
						129	131	2	0.23	
						140	141	1	0.56	
RCH-2012-148	1600.2	6023.9	1145.5	246.8	-89.9	68	71	3	0.31	
						79	86	7	0.28	
						89	96	7	0.48	
						112	118	6	0.30	
						143	154	11	1.77	
RCH-2012-149	3780.1	8275.9	1090.7	160.3	-89.6	30	44	14	0.66	
						53	66	13	0.24	
						68	125	57	0.51	
						73	75	2		0.33
						98	100	2		0.24
						129	133	4	0.29	
						138	163	25	0.64	
						169	184	15	0.30	
						194	196	2		0.32
						194	208	14	0.50	
						211	214	3	0.24	
						219	252	33	0.70	
						256	272	16	0.47	
						259	266	7		0.71
						295	297	2	0.96	
RCH-2012-150	1564.9	5958.8	1141.2	57.3	-89.7	78	82	4	0.52	
						85	89	4	0.96	

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-151	2504.2	6748.3	1099.9	60.1	-59.1	9	11	2	0.81	True width approx 90% of intercept
						13	44	31	0.31	
						58	60	2	0.27	
						75	78	3	0.54	
						87	89	2	0.27	
RCH-2012-152	3439.9	8330.3	1077.7	349.0	-89.1	11	16	5	0.46	
						40	42	2		0.26
						67	73	6		0.31
						91	94	3		0.43
						139	141	2		0.22
						144	151	7		0.27
RCH-2012-153	3646.6	8311.2	1075.7	146.3	-89.9	0	19	19	0.23	Waste dump
						49	51	2		0.26
						70	73	3		0.36
						83	85	2		0.30
						85	89	4	0.26	
						95	104	9	0.32	
						108	115	7	0.27	
						110	113	3		0.39
						119	128	9	0.90	
						131	133	2	0.30	
						137	139	2		0.23
						138	139	1	0.33	
RCH-2012-154	3360.9	8228.7	1067.5	303.7	-89.8	0	10	10	0.18	Waste dump
						14	16	2	0.26	
						25	28	3	0.22	
						33	56	23		1.12
						39	42	3	0.44	
						46	59	13	0.23	
						61	63	2	0.38	
						66	68	2	0.62	
						80	86	6	0.28	
						106	112	6		0.25
						107	112	5	0.37	
RCH-2012-155	3646.6	8311.2	1075.7	146.3	-89.9	0	18	18	0.25	Waste dump
						18	25	7		0.32
						18	31	13	0.28	
						68	79	11	0.21	
						80	82	2		0.65
						86	92	6	0.45	
						96	100	4	0.27	

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-157	3319.8	8240.8	1073.7	111.2	-89.4	0	7	7	0.21	Waste dump
						7	15	8	0.22	
						18	21	3	0.27	
						24	34	10	0.30	
						39	45	6	0.23	
						41	61	20		0.50
						58	60	2	0.40	
						66	69	3	0.31	
						73	76	3	0.23	
						79	81	2	0.49	
						86	94	8	0.56	
						103	105	2		0.34
						103	105	2	0.83	
RCH-2012-160	3537.8	8392.8	1089.8	0.0	-90.0	0	10	10	0.18	Waste Dump
						20	25	5	0.20	
						47	69	22		0.45
						63	71	8	0.24	
						75	81	6		0.42
						86	110	24		0.80
						88	108	20	0.58	

<sup>1</sup> 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<sup>2,3</sup>**

CMD Gold Mine Mineral Resources (April 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 (April 2012)	112.6	0.4	1,332	104.3	0.3	1,126
Chisperos (April 2011)	1.0	1.1	36	1.4	1.0	43
<b>Total</b>	<b>133.9</b>	<b>0.4</b>	<b>1,788</b>	<b>118.8</b>	<b>0.4</b>	<b>1,342</b>

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.*