



LACHLAN STAR LIMITED

8 November 2013

LACHLAN STAR ANNOUNCES CLOSING OF PRIVATE PLACEMENTS FOR GROSS PROCEEDS OF C\$6.5 MILLION

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Perth, Western Australia: Gold miner, Lachlan Star Limited (“Lachlan Star” or the “Company”) (ASX and TSX: LSA) is pleased to announce that it has closed the previously announced Tranche 2 non brokered private placement for gross proceeds of C\$5 million at an issue price of C\$0.20 per ordinary share for 25 million ordinary shares, other than proceeds of CDN\$123,000 in respect of 617,394 shares which are expected to be received later today.

Due to strong demand from institutional investors, the Company elected to complete a second placement for additional gross proceeds of C\$1.5 million at an issue price of C\$0.20 per ordinary share for 7.5 million ordinary shares. The second placement will be issued within the Company’s existing share issue capacity without shareholder approval.

Total gross proceeds amount to C\$6.5 million and shares were placed to accredited North American and European investors. Finders fees consisting of 3.4% cash and 1,097,561 warrants are payable on the private placements.

On receipt of the remaining CDN\$123,000 placement funds the Company’s capital structure will consist of 146,607,273 shares and 3,243,019 warrants/options with a weighted average strike price of A\$0.91.

The completion of these private placements further strengthens the Company’s balance sheet and provides additional financial flexibility.

For and on behalf of the Board

Mick McMullen
Chairman

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About Lachlan Star Limited

Lachlan Star Limited is a gold mining company headquartered in Perth, Western Australia. The Company is focused on optimizing free cash flow from its CMD Gold Mine in 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.

Caution Regarding Forward Looking Information:

This news release contains forward-looking information which is based on the assumptions and judgments of management regarding future events and results. Such forward-looking information includes but is not limited to information with respect to planned changes to the Company's corporate strategy including changes to the Company's dividend policy, the intention to report financial results in gold, the intention to maximise free operating cash flow from the CMD Gold Mine and the intention to pay dividends in gold. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance and 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 performance of the changed management team, the effectiveness of the Company's corporate strategy and its ability to maximise cash flow, the price of gold, current financial markets and other factors that are 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 ability of the Company to increase gold production, the continued outperformance of cash flow paying royalty companies over gold equities, the Company's ability to report financial results in terms of gold and pay dividends in gold and the timely receipt of required regulatory approvals. Readers should not place undue reliance on forward-looking information. The Company does not undertake up update any forward-looking information, except as may be required in accordance with applicable laws.

