



LACHLAN STAR LIMITED

14 February 2013

LACHLAN STAR ENTERS INTO A C\$10 MILLION SECURED DEBT FACILITY WITH SPROTT RESOURCE LENDING PARTNERSHIP

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Perth, Western Australia: Gold miner, Lachlan Star Limited (“Lachlan” or the “Company”) (ASX and TSX: LSA) is pleased to announce that it has entered into a C\$10 million secured debt facility (Facility) with Sprott Resource Lending Partnership (“Sprott”). The Facility has a 12-month term and is drawable in two x C\$5 million Tranches. The term of the loan can be extended for a further 12 months under certain circumstances and the payment of an extension fee.

Under the terms of the Facility, Tranche 1 is required to be drawn and this is expected to occur next week and Tranche 2 is drawable within a 6 month period after the closing of the Facility. The Facility bears interest at 11% per annum, payable monthly. A fee is payable to Sprott in an amount equal to 4% of each draw under the Facility, being \$200,000 for each C\$5 million draw, payable by the issuance of ordinary shares of the Company to be priced at a 10% discount to the 5 day Volume Weighted Average price (VWAP) of the Company’s shares on the TSX prior to the draw down, subject to the receipt of applicable exchange approvals.

Mick McMullen, Executive Chairman, commented “this is a good outcome for shareholders in that it provides additional working capital on a stand by basis and with minimal equity dilution. Our owner mining fleet has been operating at budgeted levels, mining at the high grade Chisperos pit is now accessing ore and this debt facility provides a working capital cushion for the Company which sets the Company up for a strong CY 2013.”

For and on behalf of the Board

Mick McMullen
Chairman

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

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About Lachlan Star Limited

Lachlan Star Limited is an emerging 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.

