



**LACHLAN STAR LIMITED**

**15 October 2013**

## **LACHLAN STAR ANNOUNCES RECORD GOLD PRODUCTION FROM SEPTEMBER QUARTER**

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**Perth, Western Australia: Gold miner, Lachlan Star Limited (“Lachlan Star” or the “Company”) (ASX and TSX: LSA) is pleased to provide the following operational update for the September quarter. Highlights include:**

- Gold production increased 6% quarter on quarter to 17,056 ounces of gold in the September quarter, a record under the Company’s ownership;
- Gold stacked increased 8% quarter on quarter to 22,355 ounces in the September quarter, a record under the Company’s ownership;
- Gold mined increased by 10% quarter on quarter to 23,563 ounces, a record under the Company’s ownership;
- Waste to ore ratio reduced by 10% quarter on quarter to 2.24:1, another record low under the Company’s ownership;
- Recoveries increased to over 77% over the past two quarters

# CMD GOLD MINE (100% CHILE)

## Production and Sales

Production from the CMD Gold Mine is summarised in Table 1 below. Unless otherwise noted, all weights and measures are in metric units.

Table 1: September Quarter Key Performance Indicators

Item	Unit	3 months ended 30-Sep-13	3 months ended 30-Jun-13	% Change Variance
Ore Mined	Dmt	1,361,605	1,139,766	19%
Waste Mined	Dmt	3,050,674	2,840,087	7%
Total Mined	Dmt	4,412,279	3,979,853	11%
Waste:Ore Ratio	t:t	2.24	2.49	-10%
Ore grade Mined	Au g/t	0.56	0.58	-4%
Gold Mined	Au oz	24,357	21,364	14%
Ore stacked	Dmt	1,334,563	1,250,766	7%
Stacked Grade	Au g/t	0.52	0.52	1%
Gold Stacked	Au oz	22,355	20,788	8%
Average stacking rate	dmt/d	14,506	13,744	6%
Silver Produced	Ag oz	18,757	11,559	62%
Gold Produced	Au oz	17,056	16,160	6%

The September quarter gold production is another record under the Company's ownership of the mine. In addition, silver production increased by 62% quarter on quarter to 18,757 ounces for the quarter, which is now providing some meaningful by-product credits.

Gold production continues to increase quarter on quarter as a result of the increased gold stacked in previous quarters. In addition, gold recovery has increased over the past two quarters to be in excess of 77%, up from 73% historically. This has been achieved through the addition of a pre cyanidation circuit and a more favourable ore blend.

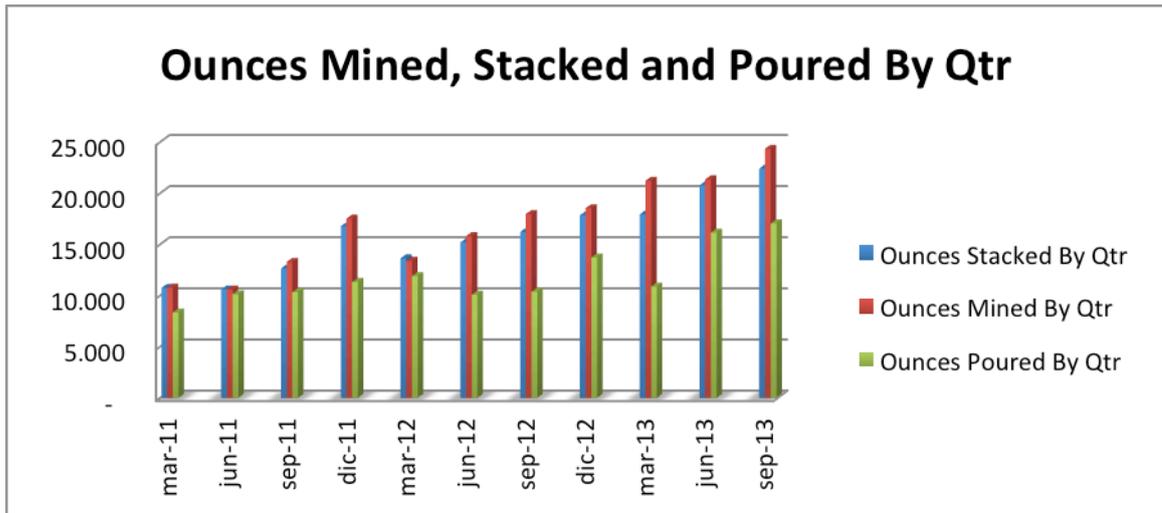
The 7% quarter on quarter increase in ore tonnes stacked to a new record of 1.33M tonnes combined with a 1% increase in the stacked grade resulted in ounces stacked increasing by 8% over the previous quarter to a record 22,355 ounces of gold in the September quarter. The average daily ore-stacking rate increased by 6% from the previous quarter.

The waste to ore ratio continues to fall, with a 10% decrease from the previous quarter to a new low under the Company's ownership.

As can be seen in Figure 1, the September quarter performance has been the best since the Company bought the CMD Gold Mine at the end of 2010. Gold ounces mined, stacked and poured are all continuing the upward trend and the operating team under the guidance of the Company's Chief Executive Officer is focussed on increasing gold production at the lowest possible cost in this challenging gold price environment.



Figure 1: CMD Gold Mine Ounces Mined, Stacked and Poured by Quarter (2011-2013)



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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**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 completion of the private placement, the use of proceeds of the private placement, the procurement of the approval of shareholders for the private placement, 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, the change in the Company's management, 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.

