

5 May 2011

LACHLAN STAR ANNOUNCES FIRST JORC RESERVE AT 100% OWNED CHILEAN CMD GOLD MINE

Emerging minerals and exploration company Lachlan Star Limited (“Lachlan” or the “Company”) (ASX: LSA) is pleased to announce the first JORC compliant Probable Reserve estimate for its 100% owned CMD Gold Mine in Chile of **157,000 ounces of contained gold**.

The Reserves have been estimated for the Las Loas, Tres Perlas, Toro, Socorro, Churrumata and Chisperos pits as shown in Table 1 below.

The Reserves have been estimated at a gold price of US\$1250/ounce and using operating cost and metallurgical recovery factors from the current operation.

In addition to the Reserves, the Company has completed mine planning studies on the total resource base (including the Inferred Resource). This was done in order to quantify the amount of Inferred Resource with the economic potential to be included in the reserve estimate when sufficient work has been completed, subject to results, to upgrade the Inferred Resource to the Measured or Indicated Resource category. The Inferred Resource contained within these conceptual pit shells amounted to an additional 350,000 ounces of gold. Drilling of the Inferred Resource is ongoing.

Ore mined during the March quarter was largely sourced from outside the current JORC Resource. Of the total ore mined for that period, 69% was not contained in the resource. Of the 31% that was mined from the resource, 7% was contained in the Inferred Resource category. Only 24% of the ore mined in the March quarter was contained in the Reserve estimate.

Declan Franzmann, Managing Director, commented, “We feel very confident that we will be able to deliver an increase in production rates and significantly extend the mine life at CMD given the quantum of mineralised material available to us. The trend of sourcing a majority of our ore from outside the Reserve is continuing and is a result of the lack of historical near mine exploration.

We now have four drill rigs aggressively exploring near mine targets, upgrading the Resource categories and testing for copper mineralisation along the boundary with the adjacent Teck copper mine.”

For and on behalf of the Board



Mick McMullen
Chairman

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

Mick McMullen
Chairman
Lachlan Star
Tel: +61(0)8 9481 0051
Email: mick.mcmullen@lachlanstar.com.au

James Harris
Professional Public Relations
Tel: +61(0)8 9388 0944
Email: james.harris@ppr.com.au

Table 1 – Reserves at CMD Gold Mine

CMD Reserve May 2011			
Deposit	Probable Reserve		
	Tonnes (Mt)	Grade(Au)	Ounces(Kozs)
Las Loas	1.2	0.7	25
Toro/Socorro	2.4	0.8	61
Tres Perlas	1.0	0.8	27
Churumata	0.4	0.9	11
Chisperos	0.9	1.1	33
Total	5.8	0.8	157

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, the Bushranger copper and gold project in New South Wales and the Princhester magnesite deposit in Queensland.

Competent Persons Statement

The information in this report that relates to the Mineral Reserves at the CMD Gold Mine is based on information compiled by Declan Franzmann, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Franzmann is employed by Citraen Pty Ltd. 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr Franzmann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears