

**LACHLAN STAR ANNOUNCES TERMS OF PRIVATE PLACEMENT OF  
APPROXIMATELY A\$13.1 MILLION (AND UP TO \$15.1 MILLION) OF  
SPECIAL WARRANTS**

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**West Perth, Australia – August 8, 2011** – Lachlan Star Limited (“**Lachlan Star**” or the “**Company**”) (ASX:LSA) is pleased to announce that it has entered into an agreement with Dundee Securities Ltd., on behalf of a syndicate of investment dealers including Saloman Partners Inc. (collectively, the “**Agents**”) regarding the private placement of 16,000,000 special warrants of the Company (each a “**Special Warrant**”) at an offering price of A\$0.82 per Special Warrant for aggregate gross proceeds of A\$13,120,000 (the “**Offering**”). The Special Warrants have been allocated to various subscribers contacted by the Agents and the Offering is expected to close on or about August 23, 2011. The Company has also granted the Agents an option (the “**Agents’ Option**”) to purchase up to an additional 2,400,000 Special Warrants, which if exercised in full would result in total gross proceeds to the Company of A\$15,088,000.

Each Special Warrant is exercisable into one unit of the Company (a “**Unit**”). Each Unit shall be comprised of one ordinary share (an “**Ordinary Share**”) and one-half of an Ordinary Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire one additional Ordinary Share at a price of A\$1.20 per Ordinary Share, for a period of 24 months following closing of the Offering. The Company will use its best efforts to file a preliminary prospectus in each of the provinces of Canada (other than the province of Quebec) and obtain a receipt for a final prospectus within four months and a day of the closing of the Offering, which will qualify for sale the Ordinary Shares and Warrants underlying the Special Warrants. In the event that the Company does not file the Prospectus within the prescribed period, each Special Warrant will thereafter entitle the holder thereof to receive an additional 0.1 of an Ordinary Share and 0.1 of a Warrant without further payment on the part of the holder.

Lachlan Star plans to use the net proceeds from the Offering for the continued development of the Company’s CMD Gold Mine and for general working capital purposes.

Mick McMullen, Lachlan Star Executive Chairman, commented on the Offer:

“This is a great result for the Company as it locks in financing and brings a broad range of new North American institutional shareholders to the Company’s share register. The strong appetite for the issue in the current volatile equity markets is a strong endorsement of our view that the

North American equity markets would be receptive to the investment in gold offered by Lachlan Star.”

Closing of the Offering is subject to certain closing conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Australian Securities Exchange, and the Company having obtained irrevocable lock-up agreements from its shareholders holding more than 50% of the then current issued and outstanding Ordinary Shares to vote in favour of the resolutions necessary to lawfully issue the Ordinary Shares and Warrants underlying the Special Warrants that are not covered by the existing shareholder approvals in place.

This press release is not an offer of Special Warrants for sale in the United States. The Special Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration.

### **About Lachlan Star**

*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.*

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

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### **Forward-Looking Statements**

*This news release contains forward-looking statements which involve known and unknown risks, delays and uncertainties not under the Company's control which may cause actual results, performance or achievements of the Company to be materially different from the results, performance or expectations implied by these forward-looking statements.*