

23 December 2010

## **LOCK UP AGREEMENT FOR LUIRI GOLD SHARES TO FACILITATE BID FOR LUIRI GOLD**

Lachlan Star Limited is pleased to announce that it has signed a Lock Up Agreement with Carlton Resources PLC (Carlton) in respect of Lachlan Star's 26.4% shareholding in Luiiri Gold Limited (ASX: LGM). The agreement is designed to facilitate Carlton making a takeover bid for Luiiri Gold by securing a commitment from the largest shareholder in that company.

The agreement commits Lachlan Star to sell into a takeover bid by Carlton at a price of 20c per share, for a maximum of 2/3 of the outstanding shares in Luiiri Gold. Under the terms of the Lock Up Agreement Carlton has until 17 January 2011 to launch a bid for Luiiri Gold (or such other date as may be mutually agreed upon), and Lachlan Star retains the ability to accept a superior proposal in the meantime.

Under Carlton's proposed bid, Luiiri Gold shareholders would receive 20c cash for 2/3 of their shares, and retain 1/3 of their shares. Carlton would thus end up with a 67% interest in Luiiri Gold.

If Carlton receives acceptances of its bid for more than 2/3 of Luiiri Gold's issued capital, excess acceptances will be scaled back rateably amongst those shareholders (including Lachlan Star) who have accepted.

If Carlton's bid is successful, Lachlan Star will receive between \$3.9 million and \$5.9 million in cash, depending on the take-up of the bid by other Luiiri Gold shareholders.

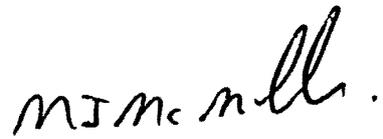
Carlton is a public, unlisted company 28% owned by Nyota Minerals Limited, which is listed on the ASX and AIM and has a market capitalisation of approximately \$180m.

Mick McMullen (Executive Chairman) stated "Lachlan Star has agreed to enter into the Lock Up Agreement to provide Carlton with the confidence that any bid it makes for Luiiri Gold will have a strong chance of success.

We expect that Carlton's bid will provide a catalyst for the change required in Luiiri Gold, and the ability for shareholders to realise some value from their investment. The track record of the people behind Carlton is impressive, and we believe Luiiri Gold shareholders will benefit from their retained investment in a vehicle under their management.

Lachlan Star has recently completed an \$11.25 million capital raising via a rights issue and placement to fund its CMD project in Chile, and the additional funds from a sale of its Luiiri Gold holding would boost this funding".

For and on behalf of the Board



Mick McMullen  
Chairman

**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, copper and bulk commodities sectors within Australia and overseas. 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 the Bushranger copper and gold project in NSW and the Princhester magnesite deposit in QL as well as a 26.4% holding in Luiri Gold Limited. Lachlan Star has an agreement to buy a 100% interest in the CMD Gold Mine in Chile.*

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