

29 November 2010

FIRST GOLD POUR UNDER LACHLAN STAR MANAGEMENT

Lachlan Star Limited (Lachlan) is pleased to announce the first gold pour under its management at the CMD Gold Mine in Chile with a gross value of approximately US\$900,000.

Declan Franzmann (pictured below) said ~~we~~ we look forward to many more gold pours from the CMD Gold Mine as we work with site management to increase production levels and extend the mine life+.



Declan Franzmann (Executive Director) holding the first gold dore bar poured under Lachlan Star management

PROJECT OPTIMISATION

Optimisation of the operation is underway including several initiatives to increase production and reduce costs. These include:

- planning to establish an intermediate pit in the central area of Las Loas in order to accelerate ore production and reduce the stripping ratio (waste:ore) over the next 6 months;
- improvements in the blasting and grade control practices to reduce dilution;
- working with the mining contractors to increase production rates to approximately 50,000 tpd;
- planning to incrementally expand the CIL circuit to 250tpd; and
- a review of the leach pad stacking methods which has identified options to reduce the time taken for the gold to leach.

EXPLORATION

A review of the exploration potential of the area is underway and the initial indications are highly encouraging. A new diamond drill hole is planned in vicinity of existing hole #95551 which returned **22m at 5.16g/t including 11m at 8.64g/t** from 161m down hole. This intersection is approximately 250m west of a potential access portal location within the Churrumata Pit and is at the same elevation as the base of the pit.

Two drill rigs are now active on the site:

- One rig is focussed on near surface manto and vein style mineralisation around the Chisperos and Churrumata deposits with the aim of identifying additional material to be mined in the short term. A regionally significant structure runs north-south through this area, and has a strike length of at least several kilometres. Associated with this structure is the Rosa Maria Vein which outcrops at surface and has widths of up to 10m.
- The second rig is drilling infill RC holes at Las Loas to improve grade control practices with the aim of improving mining recovery and reducing dilution.

The extensive drill databases are being compiled by a Competent Person and a resource estimate is being prepared.

SUMMARY

The acquisition of the CMD Gold Mine will move the Company into the ranks of gold producers and provide a platform to grow from. Since assuming management control for the operation, the Company has been working closely with site management to identify opportunities to expand production and increase the mine life.

Declan Franzmann (Executive Director) has been on site for one week and stated ~~%~~we are not only excited about the potential of the asset, but also confident in the abilities of the Chilean management team, who are motivated and enthusiastic about the change in ownership. We consider the present management team a crucial part of the future success of the operation. The application of a modest amount of capital is likely to crystallise significant improvements in operational performance and mine life.+

Completion of the acquisition of the CMD Gold Mine is subject to shareholder approval at an Extraordinary General Meeting scheduled for 23 December 2010 and payment of the remaining consideration (US\$7.5m in cash and 1 billion Lachlan shares).

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 28% holding in Luri Gold Limited. Lachlan Star has an agreement to buy a 100% interest in the CMD Gold Mine in Chile.

Visit: www.lachlanstar.com.au

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Michael McMullen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr McMullen is employed by McMullen Geological Services Pty Ltd. Mr McMullen 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 McMullen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears