

20 December 2010

COMPLETION OF RIGHTS ISSUE

Lachlan Star Limited is pleased to announce the completion of its rights issue to raise a total of \$5.4 million before costs.

Proceeds of the rights issue totalled \$3.0 million. Applications for additional shares by rights holders of \$0.45 million were received, which was scaled back to an allocation of \$0.08 million. The remaining rights issue of \$2.3 million was placed with S708 sophisticated investors from Australia, Europe and Canada.

Directors and management of the Company subscribed for a total of \$0.8 million in the rights issue, underscoring their commitment to the Company and belief in the CMD project in Chile.

Fees totalling \$55,000 are payable on the rights issue shortfall placement, which are considered normal for this type of transaction.

Mick McMullen (Executive Chairman) stated "the rights issue and shortfall placement have closed well oversubscribed and strongly supported by existing major shareholders and directors and management of the Company. Completion of the CMD mine acquisition now depends on shareholder approval of the transaction at the EGM on the 23rd December, which we are highly confident of achieving. This financing will put Lachlan Star on a solid footing to expand the producing gold mine in Chile, and to significantly increase the exploration efforts there."

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 27.5% holding in Luir Gold Limited. Lachlan Star has an agreement to buy a 100% interest in the CMD Gold Mine in Chile.

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