



LACHLAN STAR LIMITED

14 March 2012

**LACHLAN STAR ANNOUNCES DRILL RESULTS FROM ITS CMD GOLD MINE INCLUDING
79.5M GRADING 1.24 G/T AU, 16.6M GRADING 0.94 G/T AU AND 60M
GRADING 0.80 G/T AU**

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Perth, Western Australia: Gold miner, Lachlan Star Limited (“Lachlan” or the “Company”) (ASX and TSX: LSA) is pleased to announce further drill results from its 100% owned CMD Gold Mine in Chile.

Highlights from the drill program include:

Tres Perlas Deposit

- 16.6m grading 0.94 g/t from 43.6m and 79.5m grading 1.24 g/t Au from 90.5m downhole in DDH 2012-30
- 60m grading 0.80 g/t Au from 158m downhole in RCH 2012-29, plus 28m grading 0.25% Cu from 189m downhole
- 52m grading 0.40 g/t Au from 63m and 79m grading 0.58 g/t Au from 137m downhole in RCH 2012-26, plus 65m grading 0.27 % Cu from 42m downhole
- 15m grading 0.51 g/t Au from 16m downhole and 63m grading 0.63 g/t Au from 51m downhole in RCH 2012-24
- 16m grading 0.71 g/t Au from 99m downhole in RCH 2012-31

These holes were drilled into the El Sauce and Natalia areas of the Tres Perlas deposit, with the aim of converting Inferred mineral resources to Indicated category and to demonstrate the presence of mineralisation in the gaps in the mineral resource. These results have been received after the February 2012 mineral resource update and will be incorporated into a new 43101 Technical Report shortly.

Table 1 below contains a full list of recent drill results for the CMD Gold Mine for holes that have been drilled post the recent mineral resource update.

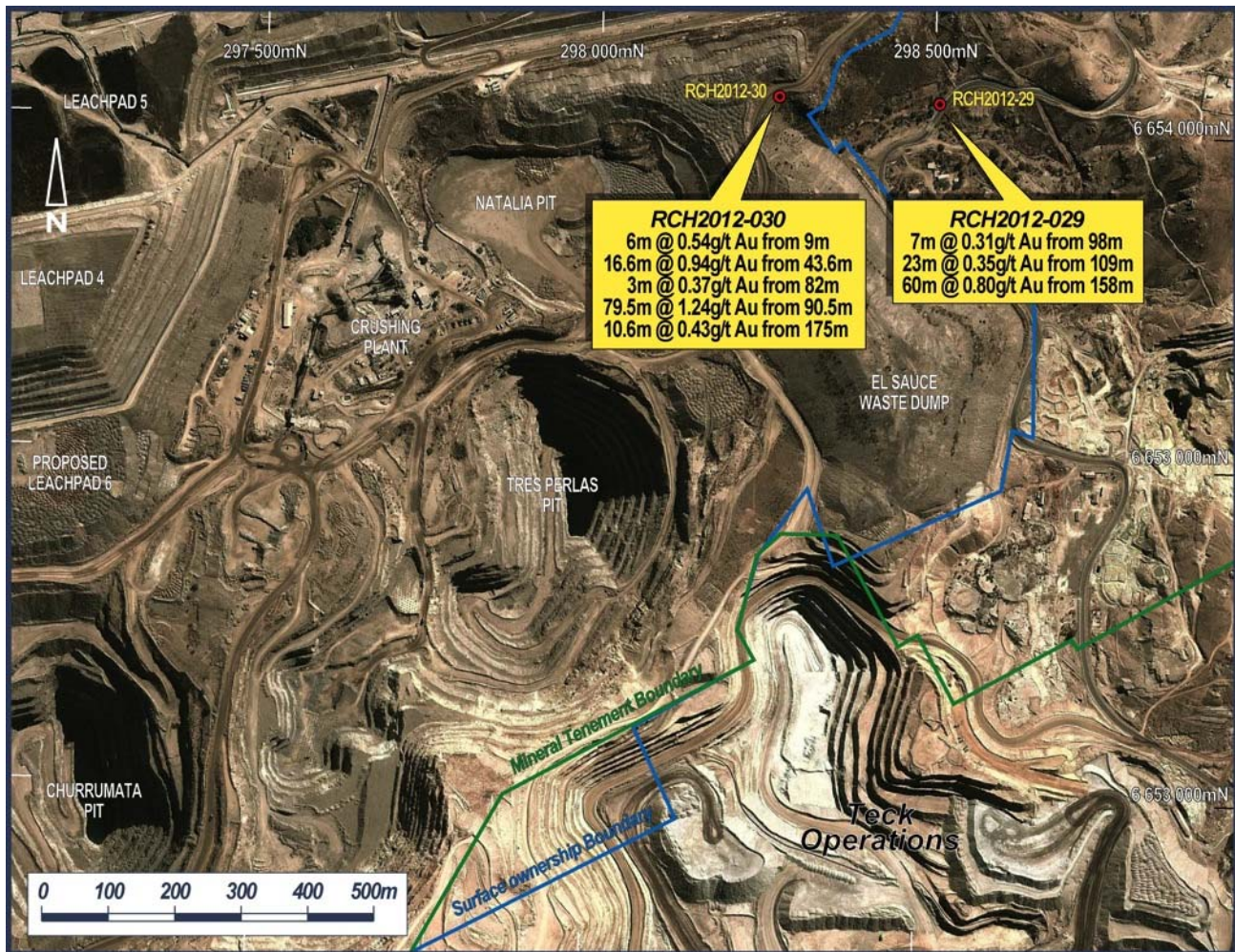
Table 2 contains a full list of recent drill results for the CMD Gold Mine for holes that have been drilled prior the recent mineral resource update but have not been released previously.

True widths are estimated to be approximately 85% of downhole widths.

Tres Perlas Deposit

The Tres Perlas deposit is located on the eastern side of the CMD Gold Mine tenements as shown in Figure 1. The gold mineralisation at Tres Perlas is up to 200m thick at a cut off grade of 0.15 g/t Au and the February 2012 Coffey mineral resource contains 1,722,000 ounces of gold in the Indicated category and a further 1,255,000 ounces of gold in the Inferred category (Refer to Table 3). The gold mineralisation is open down dip to the south east and along strike to the north east, and sits beneath copper mineralisation that is the extension of the copper deposit being mined at the adjacent Carmen de Andacollo mine by Teck.

FIGURE 1 – Location of Tres Perlas Deposit

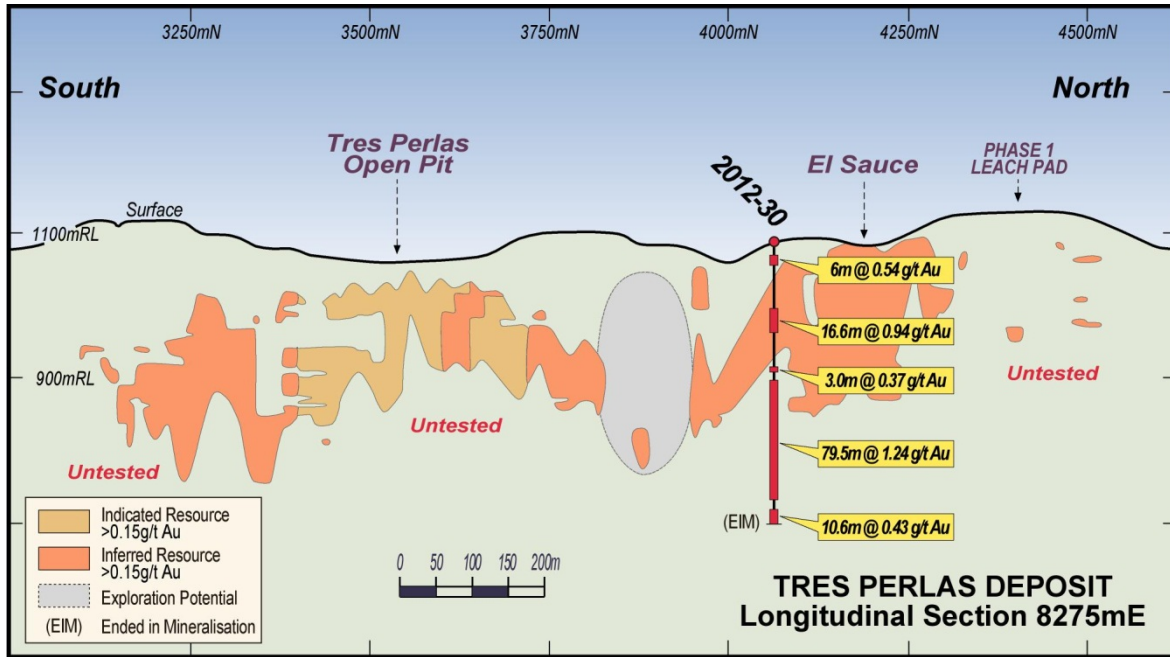


Current drilling is targeted at infilling the gaps in the February 2012 mineral resource estimate. The latest results continue to demonstrate the near surface, bulk tonnage nature of the gold mineralisation around the Tres Perlas deposit.

Drillholes RCH 2012-29 and DDH 2012-30 have demonstrated the continuation of the mineralisation between the Natalia and El Sauce areas of the Tres Perlas Deposit.

As can be seen in the long section 8275n N in Figure 2, drillhole DDH 2012-30 has confirmed the Inferred mineral resource in this area, but also shown significant additional mineralisation at grades above those modelled in the area. The 79.5m grading 1.24 g/t Au is one of the better results to date from the Company's drilling at the CMD Gold Mine and demonstrates the potential for higher grade zones of mineralisation.

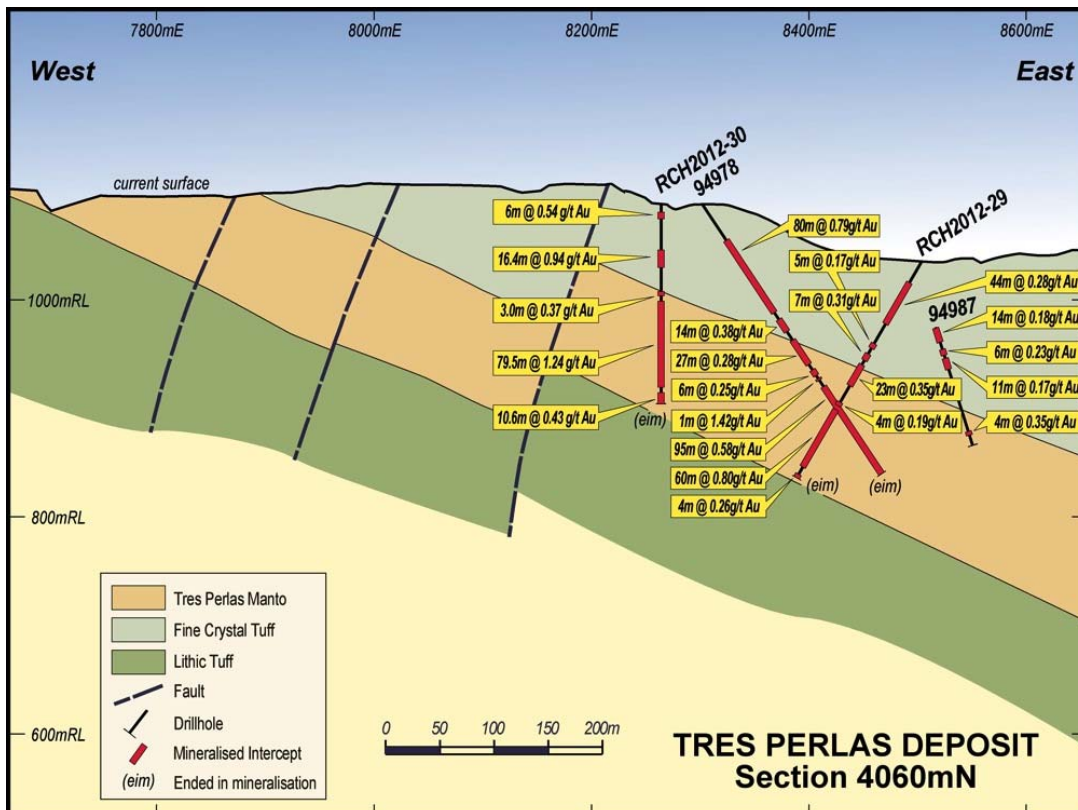
FIGURE 2 – Long Section 8275m N



As can be seen in the cross section in Figure 3, drillholes RCH 2012-29 and DDH 2012-30 confirm the mineralisation seen in the historical hole 94978 (80m grading 0.79 g/t Au and 95m grading 0.58 g/t Au, not true widths). All three holes on this section ended in mineralisation. There is no drilling of the up dip portion of this mineralisation to the west, and new drilling is planned to test the 400m to the west that has potential to host near surface Manto mineralisation.

All mineral resources in this area are Inferred category, and the new drilling should result in both increasing the contained gold and improving the confidence of the mineral resources for mine planning.

FIGURE 3 – Cross Section 4060m N –Tres Perlas



Drillhole DDH 2012-026 was drilled further south and adjacent to the historical Tres Perlas pit. This hole intersected a broad interval of copper-gold mineralisation, with 65m grading 0.27% Cu from 42m overlaying 52m grading 0.40 g/t Au from 44m downhole.

Declan Franzmann, Managing Director, commented "the recent drill results continue to confirm our belief that the Tres Perlas area contains a major mineralised system. The area is under drilled and our recent drilling is indicating good gold grades over wide intervals, with potential to increase the contained ounces. The presence of material copper grades in association with gold is also encouraging given the proximity to Teck's Carmen de Andacollo copper-gold mine on the adjacent tenements."

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Mick McMullen'.

Mick McMullen
Chairman

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Table 1 – CMD Gold Mine Drill Results –Post February 2012 Mineral Resource¹

Hole ID	Grid_N	Grid_E	Grid Elev	Azimuth	Dip	From	To	Interval	g/t Au	Cu (%)
RCH-2012-07	3284.3	8145.0	1066.3	0.0	-90.0	120	127	7	0.18	
						142	166	24	0.49	
						189	193	4	0.27	
RCH-2012-024	3738.1	8219.4	1069.8	135.0	-89.8	5	8	3	0.19	
						11	13	2	0.22	
						26	41	15	0.51	
						51	114	63	0.63	
						61	80	19		0.28
						125	143	18	0.32	
205	211	6	0.31							
DDH-2012-026	3619.9	8279.9	1066.3	312.0	-89.1	5	14	9		0.31
						6	28	22	0.27	
						31	38	7		0.31
						42	107	65		0.27
						44	60	16	0.16	
						63	115	52	0.40	
						120	128	8	0.22	
						165	171	6		0.26
						197	199	2		0.29
						137	216	79	0.58	
						137	171	34	0.59	
183	215.7	32.7	0.76							
RCH-2012-028	4144.4	8168.1	1089.3	29.1	-89.3	80	83	3	1.33	
						103	104	1	2.21	
						110	112	2		0.17
						146	149	3	0.52	
RCH-2012-029	4053.6	8504.2	1035.3	269.1	-59.8	19	45	26		0.28
						21	65	44	0.28	
						52	62	10		0.28
						67	70	3		0.27
						77	81	4		0.21
						87	92	5	0.17	
						98	105	7	0.31	
						100	105	5		0.33
						109	132	23	0.35	
						149	153	4	0.19	
						158	218	60	0.80	
189	217	28		0.25						
224	228	4		0.24						
226	230	4	0.26							
DDH-2012-030	4065.4	8264.3	1089.4	124.9	-88.9	9	15	6	0.54	
						43.6	60.2	16.6	0.94	
						82	85	3	0.37	
						90.5	170	79.5	1.24	
						151	154	3		0.53
						159	169	10		0.39
175	185.6	10.6	0.43							
RCH-2012-031	3658.4	8272.4	1071.4	82.6	-89.1	14	18	4	0.31	
						14	19	5		0.20
						63	72	9	0.28	
						78	84	6	1.03	
						99	115	16	0.71	
						105	107	2		0.51
143	167	24	0.62							

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/t Au	Cu (%)
DDH-2012-032	3699.9	8195.1	1062.2	168.4	-89.3	31	60.7	29.7	0.36	
						73	75	2		0.33
						83	98.5	15.5	0.40	
						108	138	30	0.40	
						118	128	10		0.37
						147	150	3	0.22	

Table 2 – CMD Gold Mine Drill Results Included in February 2012 Mineral Resource¹

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/t Au	Cu (%)
RCH-2012-07	3284.3	8145.0	1066.3	0.0	-90	0	6	6	0.25	
						20	30	10	2.15	
						43	45	2	0.19	
						67	69	2	0.20	
						71	47	4	0.18	
						82	96	6	0.25	
						107	120	13	0.69	
RCH-2012-19	3440.3	8219.9	1063.0	109.7	-89.6	7	19	12		0.34
						11	26	15	0.33	
						29	32	3		0.37
						46	49	3		0.25
						47	49	2	0.17	
						70	75	5	0.27	
						84	86	2		?
						84	157	73	0.39	
						93	107	14		?
						120	135	15		?
						175	185	10	0.62	
						190	193	3	0.28	
RCH-2012-022	3780.9	8150.9	1051.9	156.6	-89	11	19	8	0.24	
						78	84	6	0.21	
						106	162	56	0.75	
						168	175	7	0.16	
						192	207	15	0.34	
						RCH-2012-025	3697.7	8250.6	1069.8	17.4
14	20	6		0.20						
50	65	15	0.76							
53	56	3		0.22						
84	133	49	0.51							
92	100	8		0.25						
109	112	3		0.28						
138	147	9	0.29							
153	155	2	0.25							
158	176	18	0.50							
159	161	2		0.21						
184	187	3	0.27							
194	205	11	0.46							

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/t Au	Cu (%)
RCH-2012-027	3959.1	8094.0	1064.7	91.3	-89.1	5	11	6		
						14	17	3	0.42	
						20	22	2	0.59	
						30	39	9	0.57	
						88	90	2	0.50	
143	144	1	1.15							

¹ Samples assayed at ACTIVATION LABORATORIES LTD in La Serena, Chile, an Accredited Testing Laboratory by the Standards Council of Canada

Table 3 – CMD Gold Mine Indicated and Inferred Mineral Resource²

CMD Gold Mine Mineral Resources (Feb 2012)						
Deposit	Indicated			Inferred		
	Tonnes (Mt)	Grade (Au)	Ounces (kozs)	Tonnes (Mt)	Grade (Au)	Ounces (kozs)
Las Loas (April 2011)	2.9	0.8	73	1.5	0.8	37
Toro (Feb 2012)	17.5	0.6	348	11.6	0.5	135
Tres Perlas (Feb 2012)	108.7	0.4	1,265	99.5	0.3	1,040
Chisperos (April 2011)	1.0	1.1	36	1.4	1.0	43
Total	130.1	0.4	1,722	114.0	0.3	1,255

2. Reported above 0.15 g/t Au for all except Las Loas and Chisperos deposits which are reported above 0.30 g/t Au

3. Table contains rounding and may not sum precisely

About Lachlan Star Limited

Lachlan Star Limited is a gold mining 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, a 100% interest in the Bushranger Copper Project in New South Wales (subject to Newmont earning 51%) and a 100% interest in the Princhester magnesite deposit in Queensland.

Competent Persons Statement

The information in the news release that relates to the Mineral Resources of Tres Perlas, Chisperos, Las Loas, and Toro is based on information compiled by David Slater, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy. Mr. Slater is employed full time by Coffey Mining Pty Ltd. The information in the news release that relates to exploration results is based on information approved by Declan Franzmann, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy. Mr. Franzmann is employed by Citraen Pty Ltd and is an officer of the Company. Each of Mr. Slater and 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 Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Each of Mr. Slater and Mr. Franzmann consents to the inclusion in the news release of the matters based on his information in the form and context in which it appears.

Caution Regarding Forward Looking Information: This report contains forward-looking information, which is based on assumptions and judgments of management regarding future events and results. Such forward-looking information includes but is not limited to information with respect to future exploration and drilling, procurement of financing and procurement of necessary regulatory approvals.

Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of gold, the actual results of current exploration, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. The Company believes that the assumptions and expectations reflected in the forward-looking information are reasonable. Assumptions have been made regarding, among other things, the Company's ability to carry on its exploration and development activities, the timely receipt of required approvals, the price of gold, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers should not place undue reliance on forward-looking information. Lachlan Star does not undertake to update any forward-looking information, except in accordance with applicable securities laws.