*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws. Accordingly, except as permitted by the Underwriting Agreement (as defined herein) and pursuant to exemptions from the registration requirements of the U.S. Securities Act and state securities laws, these securities may not be offered or sold within the United States or to or for the account or benefit of a United States person. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".*

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Company Secretary of the Company at Lower Ground Floor, 57 Havelock St, West Perth, Western Australia 6005, +61 8 9481 0051, and are also available electronically at www.sedar.com.*

SHORT FORM PROSPECTUS

New Issue April 26, 2012

LACHLAN STAR LIMITED

ABN 88000759535

10,975,000 Ordinary Shares
Issuable upon Exercise of 10,975,000 Outstanding Special Warrants
For gross proceeds of C$17,560,000

- and -

329,250 Compensation Options
Issuable upon Exercise of 329,250 Outstanding Special Underwriter Warrants

Lachlan Star Limited (the "**Company**" or "**Lachlan**"), is hereby qualifying for distribution under this short form prospectus (the "**Prospectus**") the distribution of 10,975,000 ordinary shares of the Company (the "**Ordinary Shares**") issuable upon the exercise of 10,975,000 issued and outstanding Special Warrants (as defined herein) and 329,250 compensation options of the Company (the "**Compensation Options**") issuable upon the exercise of 329,250 issued and outstanding Special Underwriter Warrants (as defined herein).

Each Compensation Option will entitle the holder, upon due exercise and payment to the Company of consideration of C$1.60 to purchase one ordinary share of the Company (each a "**Compensation Share**") on or prior to April 3, 2014.

Pursuant to an underwriting agreement dated April 3, 2012 (the "**Underwriting Agreement**") between the Company and Macquarie Capital Markets Canada Ltd., Dundee Securities Ltd., Raymond James Ltd. and GMP Securities L.P. as underwriters (the "**Underwriters**") the Company issued 10,975,000 special warrants ("**Special Warrants**"), on a private placement basis pursuant to prospectus exemptions under applicable securities legislation (the "**Offering**") and issued to the Underwriters 329,250 special underwriter warrants ("**Special Underwriter Warrants**") in consideration for services provided in connection with the Offering. **The Special Warrants are not available for purchase pursuant to this short form prospectus and no additional funds are to be received by the Company from the distribution of the Ordinary Shares upon the exercise of the Special Warrants or from the distribution of the Compensation Options upon the exercise of the Special Underwriter Warrants.** The issue price of C$1.60 per Special Warrant (the "**Offering Price**") was determined by negotiation between the Company and the Underwriters. See "*Plan of Distribution*". The Special Warrants were issued pursuant to the Special Warrant Indenture (as defined herein).

The issued and outstanding ordinary shares of the Company are listed on the Australian Securities Exchange (the "**ASX**") under the symbol "LSA" and on the Toronto Stock Exchange (the "**TSX**") under the symbol "LSA". The TSX has conditionally approved the listing of the Ordinary Shares and the Compensation Shares.

On April 25, 2012 (the last trading day prior to the date of this Prospectus), the closing price of the Ordinary Shares on the ASX and on the TSX was A$1.63 and C$1.60, respectively. In this Prospectus, "**A$**" is a reference to Australian dollars and "**C$**" is a reference to Canadian dollars.

	Price to the Public(1)	**Underwriters' Fee**(2)	**Net Proceeds to the Company**(3)
Per Special Warrant	C$1.60	C$0.096	C$1.504
Total	C$17,560,000	C$1,053,600	C$16,506,400

Notes:

(1) The Offering Price was determined by negotiation between the Company and the Underwriters.

(2) Pursuant to the Underwriting Agreement, the Company paid the Underwriters an aggregate cash fee of C$1,053,600 (the "**Commission**"), being an amount equal to 6.0% of the gross proceeds realized by the Company in respect of the sale of Special Warrants, and granted the Underwriters 329,250 Special Underwriter Warrants being a number of Special Underwriter Warrants equal to 3.0% of the total number of Special Warrants issued to purchasers. No fee or commission is payable to the Underwriters in connection with the distribution of the Ordinary Shares upon the exercise of the Special Warrants. See below under "*Plan of Distribution*".

(3) After deducting the Commission, but before deducting expenses of the Offering and in connection with qualification for distribution of the Ordinary Shares and the Compensation Options, estimated to be approximately C$300,000.

Underwriters' position	**Number of Securities available**	**Exercise period**	**Exercise price**
Compensation Options	329,250 Compensation Options exercisable for 329,250 Compensation Shares	Until April 3, 2014	C$1.60 per Compensation Share

An investment in the Company is speculative and involves a high degree of risk. Prospective purchasers should carefully review and evaluate the risk factors identified under the headings "*Statement Regarding Forward-Looking Information*" and "*Risk Factors*" in this Prospectus, the Company's Annual Information Form dated October 19, 2011 (the "AIF") and in the documents incorporated by reference in this Prospectus in connection with an investment in the securities of the Company.

Certain legal matters in connection with this Prospectus are being reviewed on behalf of the Company by Lawson Lundell LLP and on behalf of the Underwriters by Stikeman Elliott LLP. The Company's head office is located at Lower Ground Floor, 57 Havelock St, West Perth, Western Australia 6005.

The Company is incorporated under the laws of a foreign jurisdiction and certain of the directors providing the certificate forming part of this Prospectus reside outside of Canada. Although the Company and such directors have appointed Lawson Lundell LLP, Suite 1600, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, Canada as their agent for service of process in Canada, it may not be possible for purchasers to enforce judgments obtained in Canadian courts against the Company or the directors described above.

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STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Prospectus and the documents incorporated by reference herein, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information which reflects management's expectations regarding Lachlan's future growth; results of operations (including, without limitation, future production at the CMD Gold Mine (as defined herein); performance (both operational and financial) and the development of the Company's business prospects (including the timing and development of new deposits and the success of exploration activities at the CMD Gold Mine) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this Prospectus, the Company has made numerous assumptions. These assumptions include, among other things, assumptions about the prices of gold, silver and copper, anticipated costs and expenditures, the availability of credit, future production and recovery, that the supply and demand for gold, silver and copper develops as expected, that there is no unanticipated fluctuation in interest rates and foreign exchange rates and that there is no further material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, among other things: fluctuations in metal prices, limited mine life, dependency on developing new mineral reserves, the fact that mineral reserve and mineral resource estimates are estimates only, environmental risks and hazards, global financial conditions, the effect of possible shortages and price volatility on operations and equipment, the speculative nature of mineral exploration, development, mining and processing, mineral exploration and mining risks, insurance and uninsured risks, the need for additional capital, the uncertain profitability of extraction of mineral resources, the financial and economic reliability of operating estimates and Lachlan's mine plan, the fact that such mine plan for the CMD Gold Mine is not based on a feasibility study, competition for properties, the impact of licences, permits and government regulation, litigation, currency and liquidity risk, Lachlan's limited operating history, credit risk and interest rate risk, changing political, legal and economic conditions, hedging and derivatives, dependence on key personnel, title to properties, labour and employment relations, dilution, the risk that no dividends will ever be paid on the Company's shares, conflicts of interests, inability to manage indebtedness and internal control over financial reporting. See "Risk Factors" below and in the AIF for further discussion of the risks facing the Company.

This Prospectus, the AIF and the Company's annual and interim management's discussion and analysis contain additional information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that could cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors which cause actual results, performances, achievements or events not to be as anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward-looking information as a result of any new information or events after the date of this Prospectus except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

NON-GAAP AND NON-IFRS MEASURES

The Company has included in this Prospectus and the documents incorporated by reference herein certain terms or performance measures, including the cash costs of gold per ounce and capital expenditures, commonly used in the industry that are not defined in Canadian generally accepted accounting principles ("**GAAP**") or in IFRS (as defined herein). These non-GAAP and non-IFRS measures do not have any standardized meaning within Canadian GAAP or IFRS and therefore may not be comparable to similar measures presented by other companies. The Company believes that these non-GAAP and non-IFRS measures provide additional information that is useful in evaluating the Company's performance. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP and IFRS. These non-GAAP and non-IFRS measures should be read in conjunction with the financial statements (or other financial information) of the Company.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Lachlan's Company Secretary at Lower Ground Floor, 57 Havelock St, West Perth, Western Australia 6005, +61 8 9481 0051, and are also available electronically under the Company's profile at www.sedar.com and on the Company's website at www.lachlanstar.com.au.

The following documents of the Company, filed with the securities commissions in the provinces of British Columbia, Manitoba and Ontario, are specifically incorporated by reference into and form an integral part of this Prospectus:

(a) the Company's Annual Information form dated October 19, 2011 (the "**AIF**");

(b) the technical report entitled "CMD Gold Mine, Andacollo, Chile Independent Technical Report" (the "**CMD Technical Report**") dated effective April 1, 2012 prepared by Coffey Mining Pty Ltd in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**");

(c) audited annual consolidated financial statements of the Company as at and for the financial year ended June 30, 2011, together with the auditors' report thereon and the notes thereto;

(d) audited annual consolidated financial statements of the Company as at and for the financial year ended June 30, 2010, together with the auditors' report thereon and the notes thereto;

(e) management's discussion and analysis of financial condition and results of operations for the financial year ended June 30, 2011;

(f) unaudited consolidated interim financial statements of the Company as at and for the six month interim period ended December 31, 2011, together with the notes thereto; and

(g) management's discussion and analysis of financial condition and results of operations for the three month interim period ended December 31, 2011.

A reference herein to this Prospectus also means any and all documents incorporated by reference in this Prospectus. Any document of the type referred to above, including audited annual consolidated financial statements, unaudited interim consolidated financial statements and the related management's discussion and analysis, material change reports (excluding confidential material change reports), any business acquisition reports, the content of any news release disclosing financial information for a period more recent than the period for which financial information is deemed incorporated by reference in this Prospectus and certain other disclosure documents as set forth in Item 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators filed by the Company with the securities commissions or similar regulatory authorities in Canada after the date of this Prospectus and prior to the completion of the Offering shall be deemed to be incorporated by reference in this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

The consolidated financial statements of the Company incorporated by reference herein have been prepared in accordance with Australian Accounting Standards ("**AASs**") (including Australian Accounting Interpretations), as adopted by the Australian Accounting Standards Board ("**AASB**"), other authoritative pronouncements of the AASB, Urgent Issues Group Interpretations, and the *Corporations Act, 2001* (Commonwealth of Australia) (the "**Corporations Act**"). Compliance with AASs ensures that the consolidated financial report of Lachlan complies with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

ELIGIBILITY FOR INVESTMENT

In the opinion of Lawson Lundell LLP, counsel to the Company, and Stikeman Elliott LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (together, the "**Tax Act**") and the proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, provided the Ordinary Shares and Compensation Shares are listed on a "designated stock exchange" as defined in the Tax Act (which includes the TSX and the ASX), the Ordinary Shares and Compensation Shares, if issued on the date hereof, will be "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a tax-free savings account ("**TFSA**"), a deferred profit sharing plan, a registered education savings plan, or a registered disability savings plan (each a "**Plan**") as defined in the Tax Act. The Compensation Options, if issued on the date hereof, will be "qualified investments" under the Tax Act for a Plan provided the Compensation Shares are listed on a "designated stock exchange" as defined in the Tax Act and neither Company nor any person with whom the Company dones deal at arm's length for purposes of the Tax Act is an annuitant, beneficiary, employer or subscriber under, or holder of, the Plan.

However, the holder of a TFSA, an annuitant of an RRSP or RRIF, as the case may be, will be subject to a penalty tax in respect of the Ordinary Shares, Compensation Shares and Compensation Options held in a TFSA, RRSP or RRIF if such securities are a "prohibited investment" for the purposes of the Tax Act. The Ordinary Shares, Compensation Shares and Compensation Options will be "prohibited investments" if the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, does not deal at arm's length with the Company for the purposes of the Tax Act or the holder of the TFSA, or the annuitant of the RRSP or RRIF has a "significant interest" (as defined in the Tax Act) in the Company or a corporation, partnership or trust with which the Company does not deal at arm's length for the purposes of the Tax Act. Holders of TFSAs, and annuitants of RRSPs or RRIFs are advised to consult their own tax advisors in this regard.

Prospective holders should consult their own tax advisors regarding their particular circumstances.

THE COMPANY

The Company was originally incorporated in New South Wales as Devex Limited on February 23, 1970 and was first listed on the ASX on July 28, 1971. On November 28, 1997 the Company changed its name to Gympie Gold Limited. Gympie Gold Limited entered into administration on December 30, 2003 and went through a Deed of Company Arrangement with its creditors under Australian law in early 2006. The Company was recapitalised and relisted on the ASX on April 4, 2006 as Toodyay Resources Limited. The Company then changed its name to Lachlan Star Limited on December 17, 2007, following the acquisition of the Bushranger exploration stage copper and gold project (the "**Bushranger Copper Project**") and the assumption of management control by the current management. Lachlan is registered under the Corporations Act. The Ordinary Shares were listed on the TSX on October 19, 2011. The Company is presently a reporting issuer in the provinces of British Columbia and Ontario.

The Company's head office is located at Lower Ground Floor, 57 Havelock St, West Perth, Western Australia 6005.

Lachlan is engaged in the acquisition, exploration and development of assets within the gold and copper sectors in Chile and Australia. Lachlan's material mineral project is the CMD Gold Mine, which it acquired in December 2010. The CMD Gold Mine is a production-stage heap leach gold mine in Andacollo, Chile, located approximately 350 km north of Santiago.

Lachlan also holds (a) through Ord Investments Pty Ltd, a 100% interest (subject to the Newmont Farm In Agreement, as discussed below) in the Bushranger Copper Project, located approximately 25 km south of Oberon in the Lachlan Fold Belt in New South Wales, Australia; (b) the Princhester project (the "**Princhester Project**"), an exploration stage magnesite deposit located approximately 80 km north-west of Rockhampton in Queensland, Australia; and (c) a 100% interest in Toodyay Uranium Pty Ltd, a dormant subsidiary that has no assets or active business as at the date hereof.

Lachlan's overall strategy is to acquire advanced stage development or operating mines in the gold and copper sectors in jurisdictions with low political risk. Lachlan currently plans to focus on expanding the production capacity of the CMD Gold Mine over the next two to three years to the order of 100,000 ounces of gold per annum. The expansion of the mine is underpinned by the increased mineral resource as described in the CMD Technical Report.

On September 29, 2011, the Company entered into a farm in agreement (the "**Newmont Farm In Agreement**") for the Bushranger Copper Project with a subsidiary of Newmont Mining Corporation ("**Newmont**") providing for the potential acquisition by Newmont of a 51% interest in the Bushranger Copper Project. At the completion of the two-year farm in period under the Newmont Farm In Agreement, and provided that Newmont elects to exercise its option and spends $1,000,000 over the two-year period, the Company and Newmont will form a joint venture owned 49% and 51% respectively, with both parties funding exploration and development on a pro rata basis. Either party may elect to dilute its interest during the joint venture.

The Princhester Project is dormant and no further work is planned on the project and the Company is progressively relinquishing the leases for the Princhester Project as they fall due for renewal.

The business of the Company is further described in the AIF under "*Description and General Development of the Business*".

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, on April 3, 2012, the Company issued 10,975,000 Special Warrants, at the Offering Price for aggregate gross proceeds of C$17,560,000 on a private placement basis pursuant to prospectus exemptions under applicable securities legislation. The Special Warrants were issued pursuant to, and are governed by, the special warrant indenture (the "**Special Warrant Indenture**") dated April 3, 2012 between the Company and Equity Financial Trust Company as special warrant agent. The Offering Price was determined by negotiation between the Company and the Underwriters.

Each Special Warrant entitles the holder to receive, upon the automatic exercise thereof, without payment of additional consideration, one Ordinary Share. All Special Warrants will be automatically exercised, with no further action on the part of the holder, into one Ordinary Share at 5:00 p.m. (Vancouver time) on the earlier of: (i) the fifth Business Day after the date upon which a receipt (the "**Final Receipt**") is issued for the final prospectus of the Company qualifying the distribution of the Ordinary Shares and Compensation Options; and (ii) August 1, 2012 (the earlier of (i) and (ii) above is referred to as the "**Automatic Exercise Date**").

Holders of Special Warrants do not as such have any of the rights attached to the Ordinary Shares until the Special Warrants are exercised and converted and the Ordinary Shares issuable upon the exercise of the Special Warrants are issued as provided for in the Special Warrant Indenture.

In connection with the Offering, the Company paid the Underwriters an aggregate cash fee of C$1,053,600 and granted the Underwriters an aggregate of 329,250 Special Underwriter Warrants, which is three percent (3%) of the total number of Special Warrants sold under the Offering. Each Special Underwriter Warrant will be automatically converted on the Automatic Exercise Date, for no additional consideration, into 329,250 Compensation Options. Each Compensation Option entitles the holder, on due exercise and payment to the Company of consideration of C$1.60 (subject to adjustment in certain circumstances) any time before April 3, 2014, to purchase one Compensation Share. This short form prospectus is being filed to qualify the distribution of (i) the Ordinary Shares upon the exercise of the Special Warrants and (ii) the Compensation Options upon the exercise of the Special Underwriter Warrants. The issuance of the Final Receipt means that the Ordinary Shares and, if and when issued, the Compensation Shares, will also be freely tradable.

Ordinary Shares and Compensation Options issued pursuant to any exercise by the holder of Special Warrants or Special Underwriter Warrants prior to the date on which the Final Receipt is issued will be subject to the resale restrictions described in the subscription agreements entered into between the purchasers and the Company pursuant to which the purchasers purchased, and the Company issued and sold, the Special Warrants, and as described in the Underwriting Agreement.

The issued and outstanding ordinary shares of the Company are listed on the ASX and the TSX under the trading symbol "LSA". The TSX has approved the listing of the Ordinary Shares and Compensation Shares.

Under the Underwriting Agreement, the Corporation has agreed to prepare and file this short form prospectus with the securities regulatory authorities of the provinces of British Columbia, Manitoba and Ontario, to satisfy all comments from the securities regulatory authorities in those provinces with respect to this short form prospectus and to use its commercially reasonable efforts to obtain the Final Receipt.

THE CMD TECHNICAL REPORT

The CMD Technical Report is the source of the scientific and technical information regarding the CMD Gold Mine for the purposes of this prospectus, and is incorporated by reference in this Prospectus. A copy of the CMD Technical Report is available under the Company's issuer profile on www.sedar.com.

The following is the summary of the CMD Technical Report and is reproduced below in accordance with applicable securities legislation. Defined terms used in the summary of the CMD Technical Report are as set out in the summary below:

*"1. **SUMMARY***

*1.1 **Introduction***

*Coffey Mining Pty Ltd (**Coffey Mining**) was commissioned by Lachlan Star Limited (**Lachlan Star**) to prepare an Independent Technical Report on the CMD Gold Mine in the country of Chile, South America, in order to provide an updated disclosure of the Mineral Resources.*

Mineral Reserves have not been updated at this time and the Mineral Reserve, mine planning and economic assessment presented in this report are identical to the previous Technical Report dated 1 August 2011.

*This report complies with disclosure and reporting requirements set forth in the National Instrument 43-101 Standards of Disclosure for Mineral Projects (**NI 43-101**), Companion Policy 43-101CP, and Form 43-101F1.*

*1.2 **Location***

The CMD Gold Mine property is located on the outskirts of the town of Andacollo in the Province of Elqui in Chile's Region IV, at latitude of 30º 13' 35" south and a longitude of 71º 5' 30" West (UTM 6.665.300N, 298.000E) and comprises 1,164Ha of mining rights over two areas designated as "the Old Pits" and "Las Loas" and 77Ha of prospecting rights around the mining rights.

*1.3 **Ownership***

Lachlan Star Limited has 100% beneficial interest in mineral holdings mined by the CMD Gold Mine through its 100% ownership of DMC Newco Pty Ltd, which owns 99.99998% of Compañía Minera Dayton (CMD) and 99.93% of Dayton Chile Exploraciones Mineras Limitada (DCEL). The company lawyer resident in Chile owns the remaining share in both companies to comply with the Chilean requirement of having more than one shareholder. Figure 4.7_1 shows the ownership organisation structure. CMD Gold Mine refers to the assets owned by CMD and DCEL.

*1.4 **Geology***

The CMD Gold Mine is located in the lower Cretaceous volcano-plutonic arc that forms the coastal range. The arc is typical of volcanic arcs that form at subduction zones as a response to partial melting of the subducted crust.

The mineralization at the CMD Gold Mine is hosted by the Quebrada Marquesa Formation, which comprises a sequence of intermediate and felsic volcanics and volcanogenic sediments as lava flow, pyroclastic and epiclastic units. The stratigraphy strikes generally north and dips to the east at shallow angles.

1.5 Mineralization

The dacite units at the CMD Gold Mine contain generally bulk tonnage, low-grade mineralization. This apparent stratigraphic control on the mineralization occurs as a result of the alteration of the originally porous dacite units by hydrothermal fluids, probably associated with cooling of the Andacollo Porphyry. Less porous rocks such as andesites and dykes were not altered and mineralised as strongly as the dacite "mantos".

Other types of mineralisation present include:

- *relatively narrow mineralised veins that predominantly strike to the northwest and are steeply dipping; and*

- *shear zone hosted mineralisation, possibly remobilised, with variable width although of considerable strike lengths. The Mariposa shear in the Churrumata West pit, which has been mined over the last two years, is typical of these structures.*

1.6 Project Status

The CMD Gold Mine is an operating gold mine consisting of a series of open pit mining areas, crushing, heap leach and processing facilities with associated infrastructure. The CMD Gold Mine currently has a mining life of approximately two years from April 2012. Once mining ceases there is two years of continued gold production from the leach pads.

The exploration program is continuing with a view to expanding production and lengthening the mine life. The Mineral Resource Update presented in this report is the culmination of drilling throughout 2011 and 2012. Mine planning is currently underway, and once completed the Technical Report will be updated.

1.7 Mineral Resources

Mineral Resource estimates for the CMD Gold Mine have been generated by Coffey Mining on the basis of exploration data analytical results available up to 16th March 2011 for Chisperos and LasLoas and 14th December 2011 for Toro and 28th March 2012 for Tres Perlas. The mineral resource models were derived via geological interpretation and modelling of the mineralized zones. Various mineralized bodies have been estimated via Ordinary Kriging (OK) grade estimation technique.

The summarized Mineral Resource Estimates, as shown in Table 1.7_1 and Section 14, has been determined as at 1 April 2012 and has been prepared and reported in accordance with NI 43-101. The resource estimate has been classified as an Indicated and Inferred Mineral Resources based on the confidence of the input data, geological interpretation, and grade estimation. Furthermore, the mineral resource classification is also consistent with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2004 (the Code) as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia (JORC). A summary of the Mineral Resources as at 1 April 2012 is provided in Table 1.7_1.

Table 1.7_1 CMD Gold Mine Summary of Mineral Resources as at 1 April 2012					
Deposit	**Resource Category**	**Lower Cutoff (Au g/t)**	**Tonnes (Mt)**	**Grade (Au g/t)**	**Metal (koz Au)**
Tres Perlas	*Indicated*	*0.15*	*112.6*	*0.37*	*1,332*
	Inferred	*0.15*	*104.3*	*0.34*	*1,126*
Chisperos	*Indicated*	*0.3*	*1.0*	*1.10*	*36*
	Inferred	*0.3*	*1.4*	*0.95*	*43*
Toro	*Indicated*	*0.15*	*17.5*	*0.62*	*348*
	Inferred	*0.15*	*11.6*	*0.36*	*135*
Las Loas	*Indicated*	*0.3*	*2.86*	*0.79*	*73*
	Inferred	*0.3*	*1.53*	*0.77*	*37*

1.8 Mineral Reserves and Production Property Economic Assessment

The Mineral Reserve estimate has not been updated since the 1 August, 2011 Technical Report. The Mineral Reserves are based on the 1 April 2011 Mineral Resources.

The Mineral Reserve will be re-estimated once mine planning and economic evaluation has been completed. The discussion presented in this section is based on the Mineral Reserve Estimate detailed of the 1 August 2011 Technical Report.

The cashflow model has been generated on a pre-tax basis. As at 31 December 2011, the CMD Gold Mine had available tax losses of approximately US$73.8 million and a capital repatriation credit of a further US$89.7 million. The large tax loss available as a deduction against future profits means that the issue of tax is immaterial unless the life of mine can be extended for a very long period or the gold price increases significantly.

The financial performance over the life of mine for the Probable Mineral Reserve shows production of 126,000ozs of gold over the mine life and a NPV of $35 million at a discount rate of 10%.

For the Probable Mineral Reserve Case, the payback period for undiscounted net free cash flow is 17 months, whereas at a discount rate of 10% and 15% this is respectively 18 months and 19 months, reflecting the low capital impost on the Project. A summary of the Mineral Reserves as at 1st August 2011 is described in Table 1.8_1. It should be noted that the Mineral Resources are not additive to the Mineral Reserves.

Table 1.8_1 CMD Gold Mine Summary of Mineral Reserves Estimated as at 1 August 2011			
Deposit	**Probable Mineral Reserves**		
	Tonnes [Mt]	**Au Grade [g/t]**	**Ounces (koz Au)**
Tres Perlas	*3.0*	*0.7*	*69*
Chisperos	*0.8*	*1.2*	*29*
Churrumata	*0.3*	*0.9*	*8*
Las Loas	*1.0*	*0.8*	*25*
Toro/Socorro	*0.9*	*0.8*	*25*
Total	***6.0***	***0.8***	***157***

1.9 ***Conclusions***

The geological understanding of the CMD Gold Mine has evolved greatly since the commencement of the Lachlan Star exploration program in 2011 and continuing in 2012. The knowledge acquired to date and exploration success over 2011 and 2012 confirms the economic potential of the CMD Gold Mine and surrounding areas, and the successful exploration campaign has culminated in the updated Mineral Resource.

1.10 ***Recommendations***

A total of A$3.08 million has been budgeted over the 2012 for mineral resource definition drilling at the CMD Gold Mine. The aim of this program is to upgrade the Inferred category mineral resources to a higher confidence level which would enable it to be included in the economic assessment of the CMD Gold Mine.

In addition a total of A$2.79 million has been budgeted over 2012 for exploration drilling at the CMD Gold Mine. The aim of this program is to locate and define additional mineralisation not currently included in the mineral resources. The CMD Gold Mine has had a lack of exploration over the past decade, and there are numerous near mine targets that require follow up for both gold and copper–gold styles of mineralisation. Recent drilling at the Veneros, Mariposa and Toro deposits has returned encouraging results and follow up drilling of these areas is planned.

Coffey Mining considers that the proposed exploration and mineral resource development strategy is entirely appropriate and reflects the potential of the CMD Gold Mine.

Metallurgical test work should continue for the run of mine and coarse crushed leaching of the CMD Gold Mine ores. Two trials of around 7,000 tonnes each are currently underway, and Lachlan Star plans to include a 100,000 tonne test to replicate a large scale gold leaching environment.

A scoping study is recommended to establish the best economic outcome for expanding the production profile with the inclusion of large scale dump leaching and the potential of optimisation of the crushing circuit to maximise the profitability of leaching crushed ores.

Mine planning based on the new Mineral Resource has commenced, and this will include all metallurgical test work available to date. Once the mine planning process has been completed, an updated Mineral Reserve and associated Technical Report will be published."

USE OF PROCEEDS

The net proceeds of the Offering received by the Company were C$16,206,400, after deducting the Underwriters' Commission of C$1,053,600 and expenses of the Offering and in connection with qualification for distribution of the Ordinary Shares and the Compensation Options, estimated to be approximately C$300,000. The Company's cash balance as of March 31, 2012, along with the net proceeds of the Offering received on April 3, 2012, was approximately C$29 million. There has been no material change in the amount of the Company's cash balance.

The following table sets out the intended use of the net proceeds of the Offering along with the use of proceeds from the Company's August, 2011 special warrant offering (as disclosed in the Company's November, 2011 prospectus), the total funds allocated to each intended use of proceeds, and the amount actually spent as of February 29, 2012:

Use of Proceeds (all at CMD Gold Mine)	**Nov. 2011[(1)]**	**The Offering**	**Total**	**Spent[(2)]**
	(C$ millions)			
Exploration and resource definition drilling	6.17	4.00	10.17	4.18
Mine pre-stripping	3.06	-	3.06	3.50
Plant and leach pad liners	0.51	4.60	5.11	0.66
Accumulation of mineral inventory on the leach pad	3.06	-	3.06	0.47
Claims acquisition	-	1.00	1.00	-
Land acquisition	-	1.50	1.50	-
Working capital	1.29	5.00	6.29	-
Permitting and studies	-	0.25	0.25	0.20
Total	14.09	16.35	30.44	9.01

(1) As set out in "Use of Proceeds" in the Company's November 22, 2011 prospectus
(2) As of February 29, 2012

A total of C$4.00 million has been allocated for exploration and resource definition drilling at the CMD Gold Mine from the start of April 2012. The Company's first priority is to carry out the resource definition drilling program, with the goal of converting the majority of the inferred mineral resources to a higher confidence level that would enable them to be used for mine planning purposes, subject to the results of the drilling. This work carries on from the previous program of resource definition drilling that was completed at the end of March 2012. By the end of the program, it is anticipated that approximately 5,000 meters of drilling will have been completed.

The exploration drilling is underway, albeit with a lower priority than the resource definition drilling. This program is expected to be completed by the end of August 2012, by which time it is anticipated that approximately 10,000 meters of drilling will have been completed.

As of February 29, 2012, a total of C$4.18 million had been spent on the exploration and resource definition drilling programs.

As of February 29, 2012 a total of C$3.50 million had been spent on pre-stripping at the CMD Gold Mine. The additional expenditure over the estimated use of proceeds from the August, 2011 offering for these activities are the result of higher tonnages moved compared to the plan in place at the time of the estimate. No proceeds from the Offering are allocated to this activity.

A total of C$5.11 million has been budgeted for new leach pad construction and upgrades to the processing plant to support higher production rates. As of February 29, 2012, C$0.66 million had been spent.

A total of C$1.00 million has been budgeted for claim acquisition to acquire nearby mineral claims that have the potential to host additional mineralization that may support the expansion of the CMD Gold Mine. As of February 29, 2012, none of this amount had been spent.

A total of C$1.50 million has been budgeted for land acquisition to accommodate increased leach pad and waste dumps associated with expanding the CMD Gold Mine. As of February 29, 2012, none of this amount had been spent.

A total of C$0.25 million has been budgeted for permitting and studies associated with the CMD Gold Mine expansion. As of February 29, 2012, a total of C$0.20 million of this amount had been spent.

During the financial half-year ended December 31, 2011, the Company had positive operating cash flow based on IFRS. However, to the extent that the Company experiences negative operating cash flow in the future, the Company will apply the net proceeds of the Offering towards funding any such negative cash flow.

While the Company intends to spend the net proceeds of the Offering as stated above, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary or advisable. See "*Risk Factors — Discretion in the Use of Net Proceeds from the Sale of the Special Warrants*".

DIVIDEND RECORD AND POLICY

The Company has not, within the last three years, declared or paid any dividends on its Ordinary Shares, and does not currently have a policy with respect to the payment of dividends. For the foreseeable future, the Company anticipates that it will retain future earnings and other cash resources for the operation and development of its business. The payment of dividends in the future will depend on the earnings, if any, and the financial condition of the Company and such other factors as the directors of the Company consider appropriate.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Share Capital

Under the Corporations Act and the Company's Constitution, the Company is authorized to issue an unlimited number of ordinary shares. No other shares in the capital of the Company of any other classes are issued or outstanding.

The holders of ordinary shares are entitled:

(a) to vote at all meetings of shareholders of the Company;

(b) to receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, any dividends declared by the Company; and

(c) to receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, the remaining property of the Company upon the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

The Ordinary Shares do not carry any pre-emptive, subscription, redemption, retraction, purchase for cancellation or surrender, conversion or exchange rights, any sinking fund or purchase fund provisions, nor do they contain provisions requiring a securityholder to contribute additional capital.

Under the listing rules of the ASX, a company must not, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option) if the number of securities exceed 15% of the total equity securities on issue at the commencement of that 12 month period. One of the aforementioned exceptions is an issue of securities that has been approved in advance by the Company's shareholders at a general meeting.

Special Warrants

The Special Warrants were issued pursuant to the Special Warrant Indenture. Pursuant to the terms of the Offering, each Special Warrant entitles the holder to receive on the Automatic Exercise Date for no additional consideration, one Ordinary Share. A holder of Special Warrants does not possess any of the rights attached as a shareholder of the Company until such holder converts the Special Warrants into Ordinary Shares as provided for in the Special Warrant Indenture.

The Special Warrant Indenture provides for adjustments in exercise price and/or the number of Ordinary Shares issuable upon the exercise of the Special Warrants if the Company: (i) makes a subdivision, re-division or change of the outstanding ordinary shares into a greater number of ordinary shares; (ii) reduces, combines or consolidates the outstanding ordinary shares into a smaller number of ordinary shares; (iii) issues ordinary shares or securities exchangeable for, or convertible into, ordinary shares to all or substantially all of the holders of ordinary shares as a stock dividend or other distribution (other than as a dividend paid in the ordinary course of business or a distribution of ordinary shares upon the exercise of outstanding warrants or pursuant to the exercise of directors, officers or employee stock options granted under stock option plans of the Company; (iv) fixes a record date for the distribution to all or substantially all of the holders of ordinary shares of rights, options or warrants entitling them for a period expiring no more than 45 days after such record date to purchase ordinary shares or securities exchangeable for or convertible into Ordinary Shares (a "**Rights Offering**") at a price that is less than 95% of the "current market price" (as defined in the Special Warrant Indenture) of the ordinary shares; (v) fixes a record date for the issuance or distribution to all or substantially all the holders of outstanding ordinary shares of:

(A) shares of the Company of any class other than ordinary shares, (B) rights, options or warrants to acquire Ordinary Shares or securities convertible into or exchangeable for ordinary shares; (C) evidences of its indebtedness, or (D) cash, securities or any property or other assets; or (vi) makes a reclassification of the ordinary shares at any time outstanding or change of the ordinary shares into other shares or securities, including pursuant to a statutory arrangement, other than a capital reorganization of the Company other than as described in (i) above, or a consolidation, amalgamation or merger of the Company with or into any other corporation or other entity (other than a consolidation, amalgamation or merger which does not result in any reclassification of the outstanding ordinary shares or a change of the ordinary shares into other shares), or a transfer (other than to a subsidiary) of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity.

Holders of Special Warrants do not have any voting or pre-emptive rights or any other rights that a holder of ordinary shares has. The rights of the holders of Special Warrants are subject to modification by “extraordinary resolution”, which is defined in the Special Warrant Indenture as a resolution proposed at a meeting of the holders or Special Warrants duly convened for that purpose at which there are present, in person or represented by proxy, holders of Special Warrants holding at least 10% of the aggregate number of the then outstanding Special Warrants, provided that at least two persons entitled to vote thereat are personally present, and passed by the affirmative votes of the holders of Special Warrants holding not less than 66⅔% of the then outstanding Special Warrants represented at the meeting.

The foregoing discussion of the material terms and provisions of the Special Warrants is qualified in its entirety by reference to the detailed provisions of the Special Warrant Indenture, a copy of which has been filed under the Company’s profile on SEDAR at www.sedar.com or may be obtained by contacting the Company.

CONSOLIDATED CAPITALIZATION

There has been no material change in the share capital of the Company, on a consolidated basis, since December 31, 2011. See “*Prior Sales*”. The following table sets out the consolidated capital information of the Company: (i) as of the date of the Company’s most recently filed financial statements; (ii) following the exercise of the Special Warrants into Ordinary Shares and the resulting issuance of Ordinary Shares and the exercise of the Special Underwriter Warrants into Compensation Options; and (iii) assuming the exercise in full of the Compensation Options resulting in the issuance of the Compensation Shares.

	As at December 31, 2011 before giving effect to the Offering	**As at December 31, 2011 after giving effect to the Offering**	**As at December 31, 2011 after giving effect to the Offering and assuming the exercise in full of the Compensation Options**
Loan Capital	Nil	Nil	Nil
Ordinary Shares (unlimited)	75,367,517	86,342,517	86,671,767
Compensation Options(1)	Nil	329,250	Nil

Notes:
(1) Entitling the holder, upon payment of the exercise price of C$1.60 each, to purchase one Compensation Share, being 329,250 Compensation Shares in the aggregate.

PRICE RANGE AND TRADING VOLUME

The Ordinary Shares are currently listed on the ASX and the TSX under the trading symbol "LSA".

The following table sets forth, for the periods indicated, the reported high and low closing prices and the trading volume of the Ordinary Shares on the ASX during the 12 months preceding the date of this Prospectus. These prices have been adjusted for the 1 for 60 Ordinary Share consolidation approved by the Company's shareholders on June 10, 2011.

Date	High (A$)	Low (A$)	Volume
April 2011	0.90	0.78	1,326,298
May 2011	0.78	0.66	750,309
June 2011	0.72	0.66	385,451
July 2011	0.88	0.60	2,005,282
August 2011	0.90	0.70	1,958,269
September 2011	0.90	0.70	995,520
October 2011	0.82	0.75	429,801
November 2011	0.97	0.80	1,449,543
December 2011	0.99	0.87	3,131,000
January 2012	1.14	0.87	1,984,600
February 2012	1.38	1.12	5,194,900
March 2012	1.68	1.42	3,278,506
April 1 to 25, 2012	1.70	1.43	1,199,683

The following table sets forth, for the periods indicated, the reported high and low closing prices and the trading volume of the Ordinary Shares on the TSX.

Date	High (C$)	Low (C$)	Volume
October 19 to 31, 2011(1)	0.88	0.85	262,637
November 2011	1.05	0.88	1,061,545
December 2011	1.00	0.90	926,666
January 2012	1.27	0.95	1,841,293
February 2012	1.50	1.25	2,873,122
March 2012	1.76	1.49	4,987,194
April 1 to 25, 2012	1.78	1.55	3,892,916

Note:
(1) The Ordinary Shares commenced trading on the TSX on October 19, 2011.

PRIOR SALES

The following tables set out the Ordinary Shares and securities convertible into Ordinary Shares issued in the twelve months preceding the date of this Prospectus, other than the Special Warrants and Special Underwriter Warrants.

Ordinary Shares				
Issue Date	**Original Issue Price (A$)**	**Post Consolidation[1] Issue Price (A$)**	**Issued Pre-Consolidation Number**	**Issued Post Consolidation Number**
23/05/11	0.014	0.84	170,552,287	2,842,545
27/05/11	0.014	0.84	33,447,413	557,464
30/11/11[2]	-	0.82	-	18,400,000
03/04/12[2]	-	1.20	-	37,500
		Total:		21,837,509

Securities Convertible into Ordinary Shares				
Issue Date	Original Exercise Price (A$)	Post Consolidation[1] Exercise Price (A$)	Issued Pre-Consolidation[1] Number	Issued Post Consolidation[1] Number
23/05/11	0.02	1.20	170,552,287	2,842,545
27/05/11	0.02	1.20	43,253,942	720,902
04/07/11[2]	-	1.20	-	33,643
30/11/11[2]	-	1.20	-	10,856,000
30/11/11[2]	-	1.20	-	700,000
30/11/11[2]	-	1.50	-	150,000
		Total:		15,303,090

Notes:

1. On June 10, 2011 the Company's shareholders approved a 1 for 60 share consolidation. In accordance with the ASX Listing Rules, the unlisted options on issue were consolidated in the same ratio and option prices were adjusted in the inverse ratio. Shareholders and option holders whose holdings would have resulted in a fractional entitlement post-consolidation had their post-consolidation holdings rounded up to the next whole number. The share consolidation was undertaken to bring the Company's share structure more closely in line with other Latin American gold producers.
2. These ordinary shares, options and warrants were issued after the date of the 1 for 60 share consolidation.

RISK FACTORS

An investment in the securities of the Company is considered to be speculative due to the nature of its business and the present stage of its development. The following information is a summary only. A prospective purchaser should carefully consider the risks described in the "*Statement Regarding Forward-Looking Information*" of this Prospectus, the risks described under "*Risk Factors*" in the AIF and the additional risk factors set forth below.

Fluctuations in Metal Prices

The profitability of the Company's operations is significantly affected by changes in the market price of gold. The market price of gold fluctuates on a daily basis and is affected by numerous factors beyond the Company's control. The price of gold can be subject to volatile price movements, and future serious price declines could cause continued commercial production to be impractical.

Previous economic analysis on the CMD Gold Mine's mineral reserve estimate has indicated a break-even cut-off grade of between 0.3 and 0.4 g/t gold at a gold price of US$1,250/ounce. If the gold price drops below US$1,250/ounce, that may render the continued operation of the CMD Gold Mine uneconomic based on the current mineral reserves.

In such circumstances, the Company may determine that it is not economically feasible to continue commercial production at the CMD Gold Mine or the development of some or all of its current projects, which could have an adverse impact on Lachlan's financial performance and results of operations. Alternatively, the Company may determine to mine a smaller mineral reserve that may be economic at the lower gold price.

Discretion in the Use of Net Proceeds from the sale of the Special Warrants

The Company intends to use the net proceeds of the sale of the Special Warrants for the continued development of the CMD Gold Mine and for general working capital purposes. There can be no assurance as of the date of this Prospectus as to how such funds may be expended, and as such these funds may be expended at the sole discretion of management of the Company. If the net proceeds are not applied effectively, the Company's results of operations may suffer.

Negative Operating Cash Flow

During the financial year ended June 30, 2011, the Company had negative operating cash flow. To the extent that the Company experiences negative operating cash flow in the future, the Company will apply the net proceeds of the Offering towards funding any such negative cash flow. In the event of unforeseen capital or operating expenditures for the CMD Gold Mine, the Company may need to undertake further financing activities.

Risks Related to the Ordinary Shares and the Distribution

The Company may require additional funds to fund the development of its business and projects. If it raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of its shareholders. Securities markets can demonstrate a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that any such future fluctuations will not affect the market price of the Ordinary Shares, which may decline below the price paid by holders for the Special Warrants.

INTEREST OF EXPERTS

Except as otherwise indicated, information of a scientific or technical nature regarding the CMD Gold Mine included or incorporated by reference in this Prospectus is based upon the CMD Technical Report. As at the date hereof, each of the authors of the CMD Technical Report and the employees and partners, as applicable, of Coffey Mining Pty Ltd beneficially own, directly or indirectly, less than one percent of the outstanding securities of the Company.

PricewaterhouseCoopers have advised the Company that there have been no contraventions of the auditor independence requirements of the Corporations Act in relation to their audit of the Company's annual consolidated financial statements as at and for the financial year ended June 30, 2011 and no contraventions of any applicable code of professional conduct in relation to such audit.

The matters referred to under "*Eligibility for Investment*" and certain other legal matters related to this Prospectus have been passed upon on behalf of the Company by Lawson Lundell LLP and on behalf of the Underwriters by Stikeman Elliott. As at the date hereof, the aforementioned partnerships (and their partners, associates and employees) beneficially own, directly or indirectly, in the aggregate, less than one percent of the outstanding securities of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are PricewaterhouseCoopers, having an address at QV1, 250 St Georges Terrace, Perth, Western Australia, 6000.

The registrar and transfer agent for the Ordinary Shares in Australia is Computershare Investor Services Pty Limited, having an address at Level 2, 45 St Georges Terrace, Perth, Western Australia, 6000. The Canadian transfer agent and registrar for the Ordinary Shares is Equity Financial Trust Company at its principal offices in Toronto, Ontario and Vancouver, British Columbia.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides a purchaser with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires the Ordinary Shares on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this short form prospectus containing a misrepresentation: (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired; (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Underwriters or the Company, as the case may be, on the acquisition of the Special Warrant; and (c) if the holder is a permitted assignee or transferee of the interest of the original Special Warrant purchaser, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original purchaser. The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of Special Warrants may have at law.

AUDITOR'S CONSENT

We have read the short form prospectus of Lachlan Star Limited (the **"Company"**) dated April 26, 2012 qualifying for distribution of 10,975,000 Ordinary Shares upon the exercise of 10,975,000 issued and outstanding Special Warrants and 329,250 Compensation Options issuable upon the exercise of 329,250 issued and outstanding Special Underwriter Warrants. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our reports to the shareholders of the Company on the consolidated statements of financial position of the Company as at June 30, 2011 and June 30, 2010 and consolidated statements of comprehensive income, changes in equity and cash flows for each of the years ended June 30, 2011 and June 30, 2010. Our reports are dated September 8, 2011 and September 3, 2010 respectively.

(signed) "*PricewaterhouseCoopers*"
Chartered Accountants
Perth, Western Australia

April 26, 2012

CERTIFICATE OF THE COMPANY

Dated: April 26, 2012

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of British Columbia, Manitoba and Ontario.

By: (Signed) DECLAN FRANZMANN
Managing Director

By: (Signed) ROBERT A. ANDERSON
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

By: (Signed) SCOTT PERRY
Director

By: (Signed) MICHAEL J. MCMULLEN
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: April 26, 2012

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of British Columbia, Manitoba and Ontario.

MACQUARIE CAPITAL MARKETS CANADA LTD.

By: (Signed) DAVID COBBOLD

DUNDEE SECURITIES LTD.

By: (Signed) BRAD RALPH

RAYMOND JAMES LTD.

By: (Signed) JOHN WILLETT

GMP SECURITIES L.P.

By: (Signed) KEVIN REID