



LACHLAN STAR LIMITED

Quarterly Report for the Period
Ending 30 September 2012

HIGHLIGHTS

CMD GOLD MINE (100%, CHILE)

September 30, 2012 - Quarter Ending

- 17,696 ounces of gold mined, a 14% increase over the previous quarter;
- 10,374 ounces of gold produced, a 3% increase over the previous quarter;
- US\$921 cash cost per ounce, a 6% decrease from the previous quarter;
- US\$2.18 mining cost per tonne of ore, a 11% decrease from the previous quarter
- US\$20.92 stacking cost per tonne of ore, a 5% decrease from the previous quarter;
- 16,220 ounces of gold stacked onto the leach pad, a 6% increase over the previous quarter;
- US\$638 cash cost per ounce in the month of September, a 35% decrease from the previous month, a new record under Lachlan's ownership;
- 472,082 tonnes of ore mined in month of September, a new record under Lachlan's ownership;
- 404,434 tonnes stacked in the month of September, a new record under Lachlan's ownership;
- US\$6.78 per tonne processing costs in the month of September, a new record under Lachlan's ownership;
- Tres Perlas crushed ore returns a 22% overcall on grade and 34% overcall on ore tonnes for 61 % more ounces than planned;
- Run Of Mine (ROM) ore stockpiling has commenced in preparation for stacking on the leach pads;
- Delivery of owner mining fleet commences, cost savings estimated to be up to \$150 per ounce of gold produced
- Mineral Resources upgraded to 2.06 million ounces of gold in the Indicated category, plus 1.35 million ounces of gold in the Inferred category

October 2012 Update

- 1,100 to 1,240 ounces of gold produced on average per week, a 40 to 55% increase over the September quarter average and a new record under Lachlan's ownership;
- 57,000 to 64,000 ounces of gold production based on the current run rate annualized;
- 15,000 tonnes of ore being crushed and stacked on average per day

BUSHRANGER COPPER PROJECT (100%, NSW)

- Mapping and sampling program commenced by Newmont

CORPORATE

- General Manager, Engineering Manager and Drilling & Blasting Superintendent hired
- 5.24 million warrants and options exercised or submitted for exercise post quarter for proceeds of A\$6.29 million

CMD GOLD MINE (100% CHILE)

Production, Unit Costs and Sales

Production from the CMD Gold Mine is summarised in Table 1 below.

Table 1 – CMD Gold Mine Operating Summary

Item	Unit	3 months ended 30-Sep-12	3 months ended 30-Jun-12	% Change Variance
Ore Mined	Dmt	1,108,088	890,561	24%
Waste Mined	Dmt	4,399,305	3,109,018	42%
Total Mined	Dmt	5,507,393	3,999,580	38%
Waste:Ore Ratio	t:t	4.0	3.5	13%
Ore grade Mined	Au g/t	0.50	0.55	-8%
Gold Mined	Au oz	17,969	15,815	14%
Ore stacked	Dmt	980,762	868,010	13%
Stacked Grade	Au g/t	0.51	0.55	-7%
Gold Stacked	Au oz	16,220	15,290	6%
Average stacking rate	dmt/d	10,660	9,539	12%
Gold Produced	Au oz	10,374	10,080	3%
Mining Cost/t moved	US\$/t	\$2.18	\$2.46	-11%
Mining Cost/t ore	US\$/t	\$10.86	\$11.03	-2%
Process Cost/t ore stacked	US\$/t	\$8.18	\$9.14	-10%
G+A Cost/t ore	US\$/t	\$1.88	\$1.80	4%
Total Cost/t ore	US\$/t	\$20.92	\$21.97	-5%
Average Sales Price	USD/oz	\$1,629	\$1,613	1%
Cash Cost	USD/oz	\$1,166	\$1,144	2%
Non Cash Process Inventory Adjustment	USD/oz	-\$245	-\$167	47%
C1 Cash Cost	USD/oz	\$921	\$977	-6%
CMD Gold Mine Gross Operating Profit / (Loss) (Unaudited)*	US\$million	-\$4.57	-\$2.85	-59%

*revenues less cost of sales (including waste expensed and amortised), interest and other site expenses and excluding foreign exchange movements, depreciation, exploration and process inventory adjustments

Gold production for the September quarter was 10,374 ounces, which was a 3% increase in gold sales quarter on quarter. In addition, 4,387 ounces of silver was produced. These sales represent 100% of production sold at spot prices.

Gold ounces stacked for the September quarter was up 6% on the June quarter. Gold ounces mined during the quarter were up 14% on the previous quarter, with a large stockpile of ore built up during the quarter.

The CMD Gold Mine gross operating loss (as defined above) was (US\$4.54) million for the quarter. This result was primarily driven by the reduced gold pours (refer to processing section below) and the increased costs associated with building up pad inventory.

C1 cash costs, which exclude waste costs expensed or amortised and royalties, decreased during the quarter to US\$921 per ounce of gold sold (a decrease of 6% quarter on quarter).

The inventory adjustment of (US\$246) per ounce reflects the increase in the gold inventory contained within the leach pad from stacking more gold than was produced (refer to mining and process sections below).

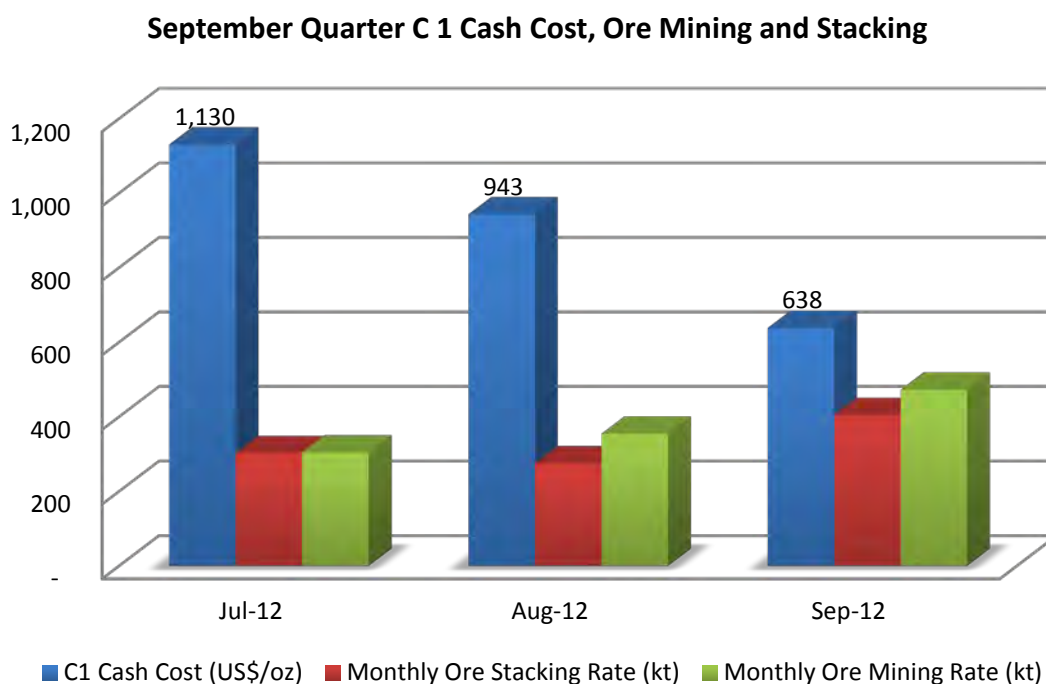
Table 2 below shows the cash costs for each quarter over the past year, and the impact of the inventory valuation adjustment (all numbers US\$ per ounce).

Table 2 – Cash Cost (US\$ per ounce) and inventory adjustments

Item	Quarter ending 30 Sept 2012	Quarter ending 30 June 2012	Quarter ending 31 March 2012	Quarter ending 31 Dec 2011	Quarter ending 30 Sept 2011
Cash costs with inventory adjustment (\$/oz)	921	977	945	799	953
Cash costs without inventory adjustment (\$/oz)	1,166	1,144	835	900	755
Inventory adjustment effect (\$/oz)	(246)	(167)	110	(101)	198

C1 cash costs for the month of September were reduced to a record low under LSA ownership of US\$638 per ounce (see Figure 1). This was a result of ore tonnages mined and stacked increasing rapidly over the period and cost reductions in the mining and process costs.

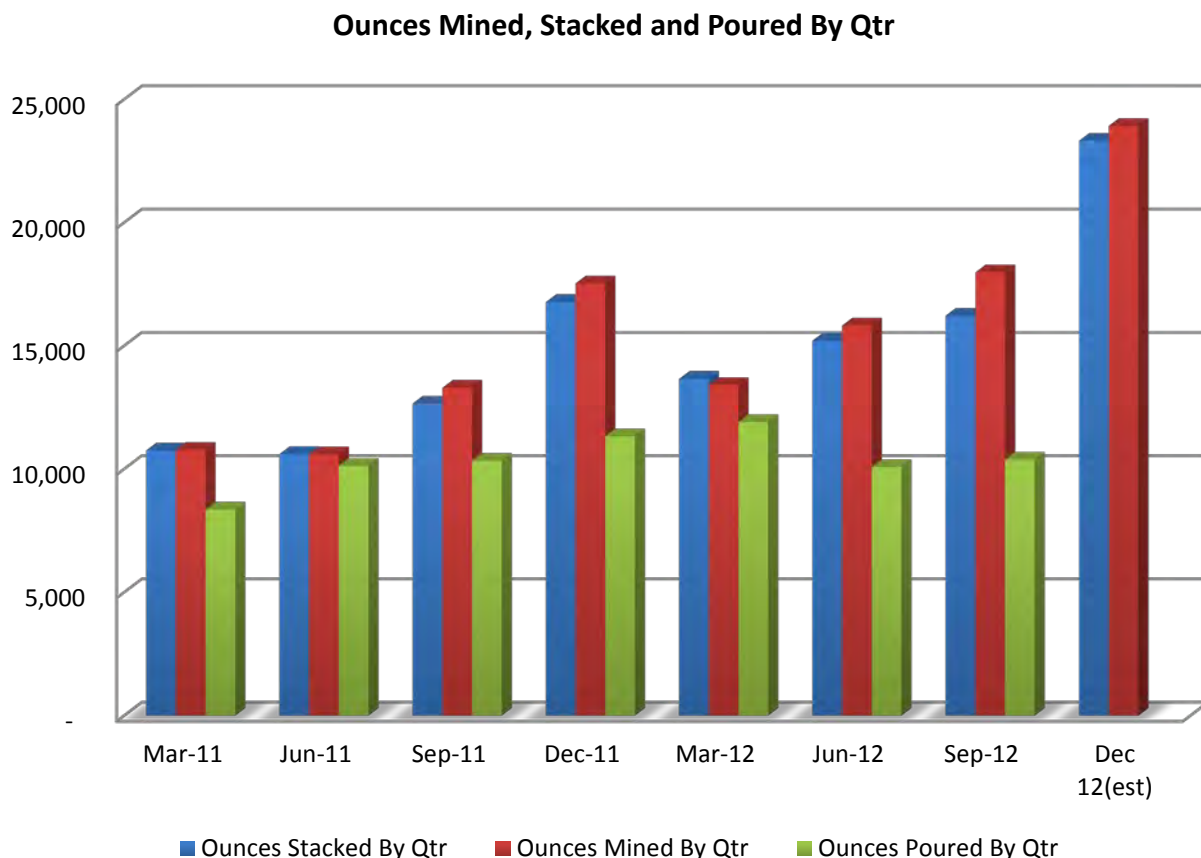
Figure 1 – September Quarter C1 Cash Costs, Ore Mining and Stacking Rates.



Total costs per tonne of ore stacked decreased 5% quarter on quarter to US\$20.92 per tonne despite the higher waste:ore ratio for the quarter.

The CMD Gold Mine has a leaching cycle of 3 to 5 months for the initial circa 65% recovery on the dynamic pad, translating into a 3 to 5 month lag on ounces stacked to ounces poured. This effect can clearly be seen in Figure 2 and the rapid increase in ounces stacked in the September and December (forecast) quarters will translate into increased gold pours as discussed in the processing section below. The key leading indicator for production is ounces stacked and much of the work during 2012 has been aimed at delivering that growth profile.

Figure 2 – Quarterly Ounces Mined, Stacked and Gold Pours



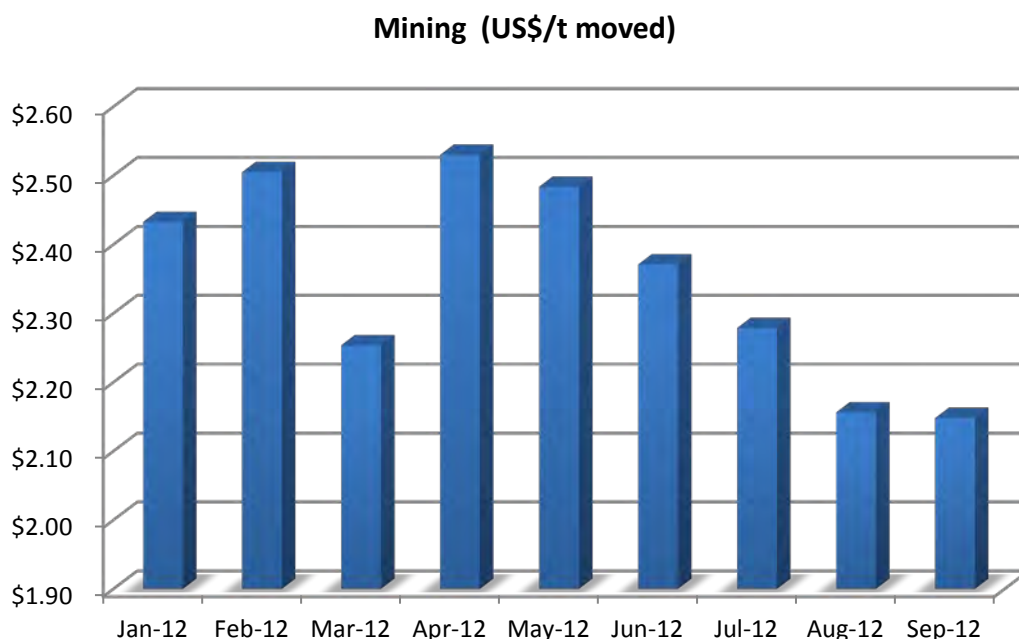
Mining

Total ore mined for the quarter was 1.11 million tonnes for 17,969 contained Au ounces, with the waste to ore ratio for the quarter increasing slightly to 4.0 to 1 (from 3.5 to 1 in the previous quarter). Ore was principally sourced from the Toro, Churumata pits and Tres Perlas pits.

Unit mining costs decreased to US\$2.18/t moved (an 11 % decrease quarter on quarter) and the mining cost per tonne of ore reduced 4% to US\$10.86. The company has implemented a continuous improvement program in order to improve the efficiency and cost of the mining operation, particularly in the drill and blast area, with emphasis on dilution control, fragmentation and loading efficiency. This program, combined with a focus on shorter haulage distances has achieved some excellent results as can be seen in Figure 3 with the mining cost/t moved reduced materially over the past 5 months. Mining costs in the month of September had been reduced to US\$2.15/t moved, down from US\$2.53/t moved in April.

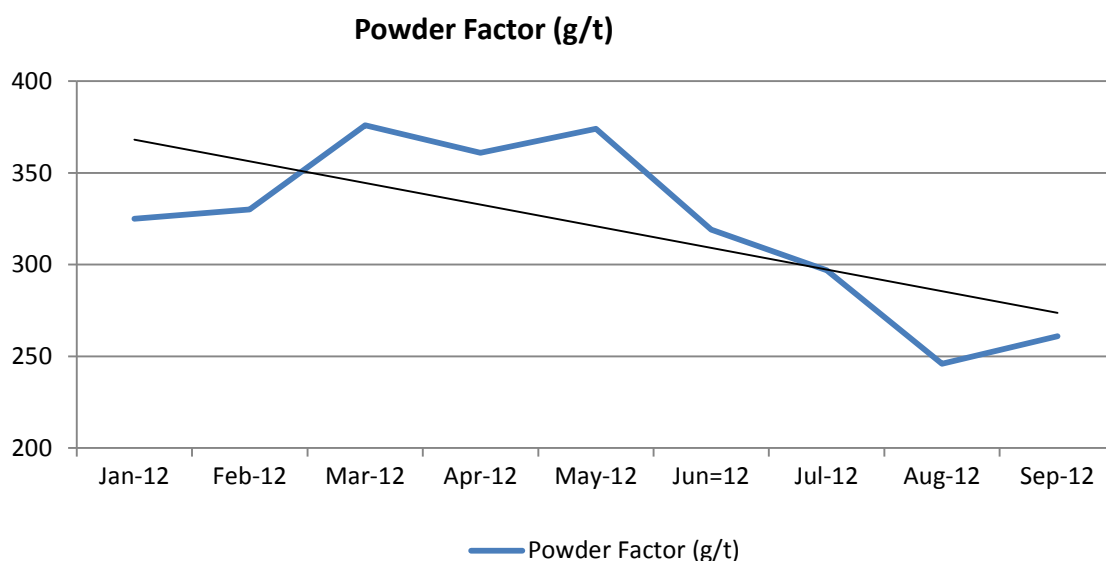
This improvement has occurred whilst still using mining contractors and before the impact of the owner mining fleet has been realised.

Figure 3 – Mining cost/t moved



Improved drill and blast practices had a major positive impact on mining costs (see Figure 4), with the powder factor reduced by 20% over 2012 despite improved rock breakage and sizing being achieved.

Figure 4 – Powder Factor

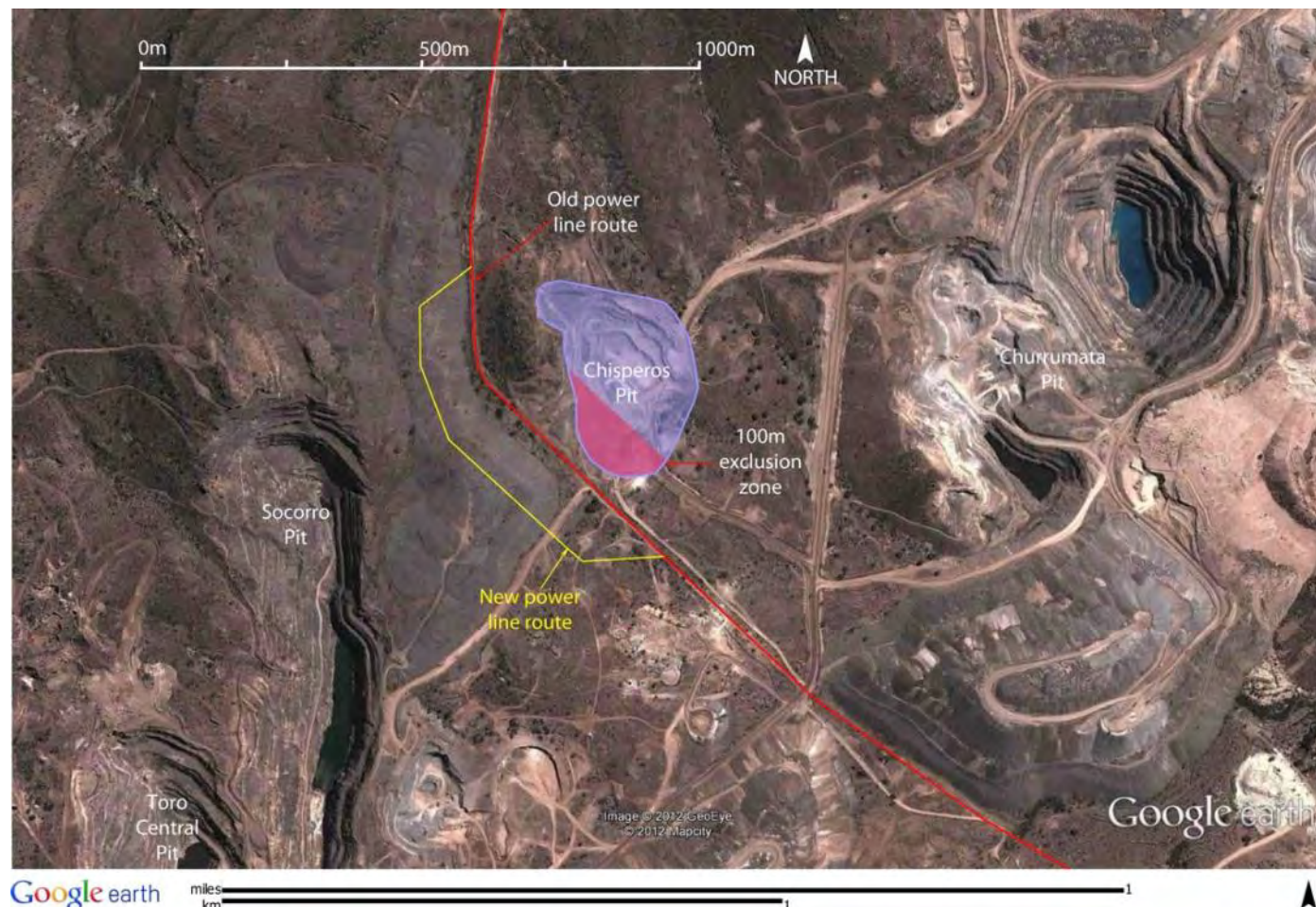


Mining at the Tres Perlas pit commenced in earnest in the quarter using a contractor with a small truck fleet prior to the delivery of the Company's Komatsu 100t truck fleet in the December quarter. The Tres Perlas pit will be the main source of ore for the operations going forward. Tres Perlas is a thick (100-200m) orebody that commences at surface and is located adjacent to the crushing plant.

Pre-production waste stripping has mostly been completed at the Tres Perlas pit with the waste:ore ratio reducing substantially from 17.5:1 in the previous quarter to 2.6:1 in the September quarter. Mining in October has demonstrated this trend continuing, with a month to date waste to ore ratio of 1.8:1 as at 24th October. The Life of Mine waste ratio for the Tres Perlas pit is expected to be around 1:1.

Mining at the Toro pits drove the increased waste to ore ratio whilst access to the Chisperos pit continued to be restricted. Production from the Chisperos pit was affected by proximity restrictions imposed as a result of damage to a power line in March. Initially a 200m wide exclusion zone was imposed around the power line, which restricted access to most of the Chisperos pit. Following detailed discussions with regulators, this has been reduced to 100m, which has allowed partial access to the pit as seen in Figure 5.

Figure 5 – Chisperos Pit and Power Line



The Company has agreed with the owner of the power line to relocate the line 220m further west to enable the restriction zone to be moved completely outside the pit. The new power line has been built and will be energised in the near future, with full access restored to the pit at that time.

Chisperos is the highest grade pit at the CMD Gold Mine, with a remaining Probable Reserve of 0.80 million tonnes at 1.2 g/t Au (refer to Table 6).

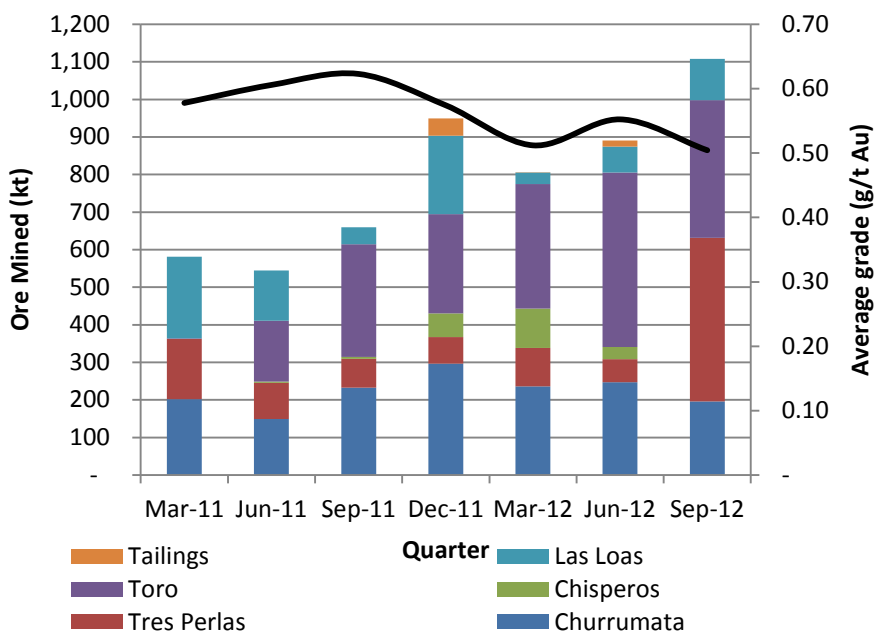
Table 3 details the ore and waste movement in the quarter by pit.

Table 3 – Quarterly mine production by pit

Item	Unit	Churumata	Tres Perlas	Chisperos	Toro	Las Loas	Total
Ore Mined	Kt	196	436	-	366	110	1,108
Au Grade	g/t	0.50	0.38	-	0.64	0.58	0.50
Contained Au	Oz	3,128	5,303	-	7,497	2,041	17,969
Waste Mined	Kt	1,273	1,125	-	1,278	723	4,399
Total Mined	Kt	1,469	1,560	-	1,645	833	5,507
Strip Ratio	W:O	6.5	2.6	-	3.5	6.6	4.0

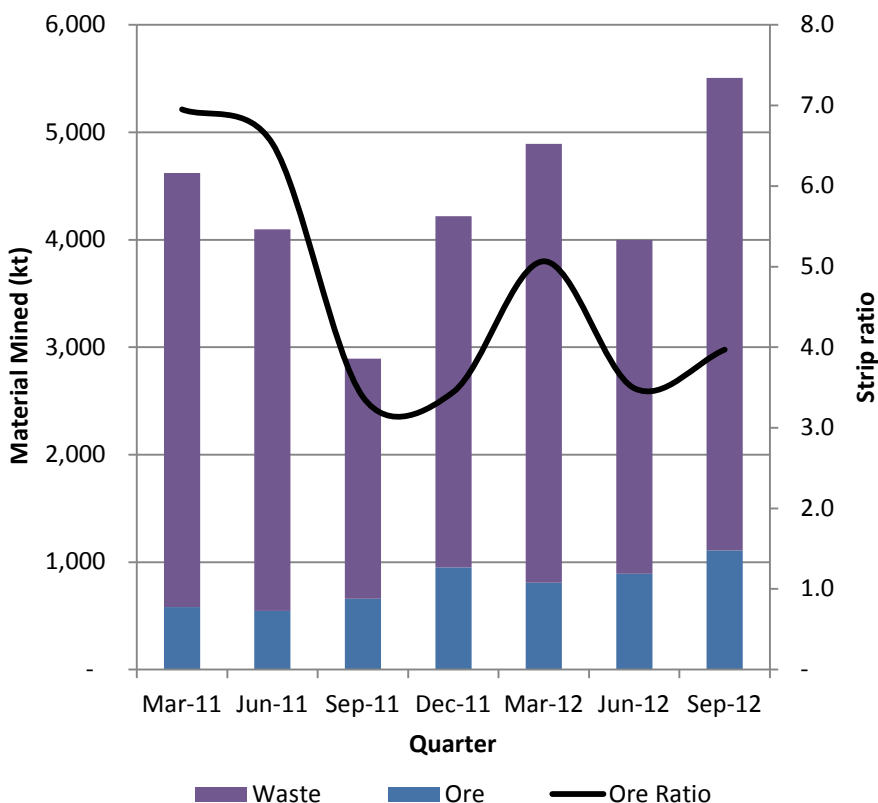
Figure 6 illustrates the ore tonnages mined from each pit over the past 18 months, and shows the increasing importance of the Tres Perlas deposit as a source of ore over the September quarter.

Figure 6 - Mine Production by Pit



Total mining movements have increased over the quarter with the September quarter seeing record total movement under the Company's ownership as seen in Figure 7. This has been achieved prior to commencement of the owner mining fleet, which is expected to further boost total movement capacity.

Figure 7 - Total material movement and waste to ore ratio



Owner Mining

The Company has continued to work to improve the reliability of the production profile by employing a number of small contracting companies to mitigate third party risk. The Company is looking to reduce its reliance on contracting companies and has signed a purchase agreement with Komatsu Chile for the purchase of a mining fleet, comprising HD785 (91 tonne) trucks, WA900 loaders and ancillary equipment and the implementation of a maintenance and repair contract.

The implementation of this large scale mining fleet is progressing to plan. All the equipment is in Chile and the delivery of 7 trucks (HD785), 2 loaders (WA900), 1 dozer (D275), 1 wheel dozer (WD500) and 1 grader (GD675) is scheduled for prior to mid December 2012. Construction of the maintenance facilities is underway and the Maintenance and Repair (MARC) Contract has been signed with Komatsu.

In addition, the Company has purchased a fleet of seven Mercedes Benz trucks and two Komatsu WA600 loaders to be used for the dynamic leach pad rehandle that has predominately been carried out by contractors. This equipment is now in operation at the mine as shown in Figures 8 and 9 and is expected to deliver costs savings of up to US\$20 per ounce.

Figure 8 – Dynamic Pad Rehandle Fleet



Figure 9 – Dynamic Pad Rehandle Fleet



The Company expects the owner mining strategy to deliver savings of up to US\$150 per ounce of gold over its current mining costs once implementation has been completed.

Reconciliation

The Tres Perlas pit is the deposit that will form the bulk of the mine plan going forward. Reconciliation of this pit during the quarter was excellent. Stockpiling of the low grade portion for ROM leaching only commenced in mid August and it is therefore difficult to provide a full reconciliation for this material for the quarter but mining broadly appears to deliver the scheduled tonnes and grade of this material.

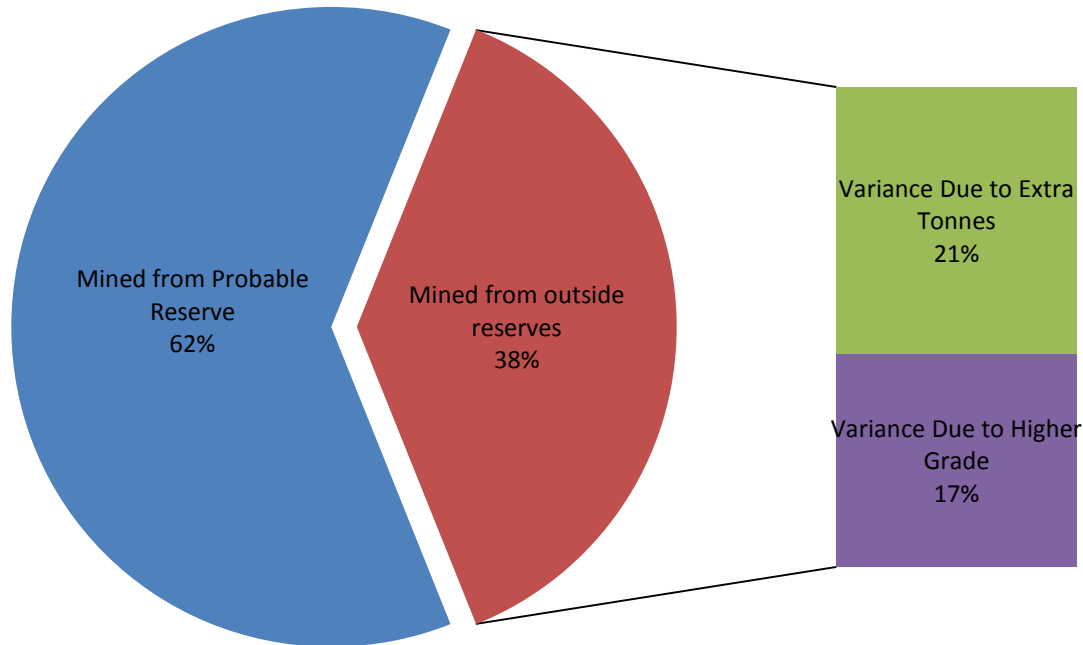
For the crushed ore fraction (+0.28 g/t Au), mining has delivered 20% higher grade and 34% more tonnes than the September 2012 Coffey Mining Indicated and Inferred Mineral Resource estimate. Mined gold production was 61% greater than that estimated from the total mineral resource model.

Figure 10 illustrates the variance analysis.

Figure 10- Reconciliation of Au Mined to Contained Au in the Mineral Resource

Total Au mined at Tres Perlas during Sept Quarter

Reconciled from mining during July to Sept 2012
above 0.28g/t cut off



The Toro and Churrumata pits reconciled well against the September 2012 Coffey Mining Indicated and Inferred Mineral Resource estimate, with 91% and 103% of the total Mineral Resource ounces actually mined.

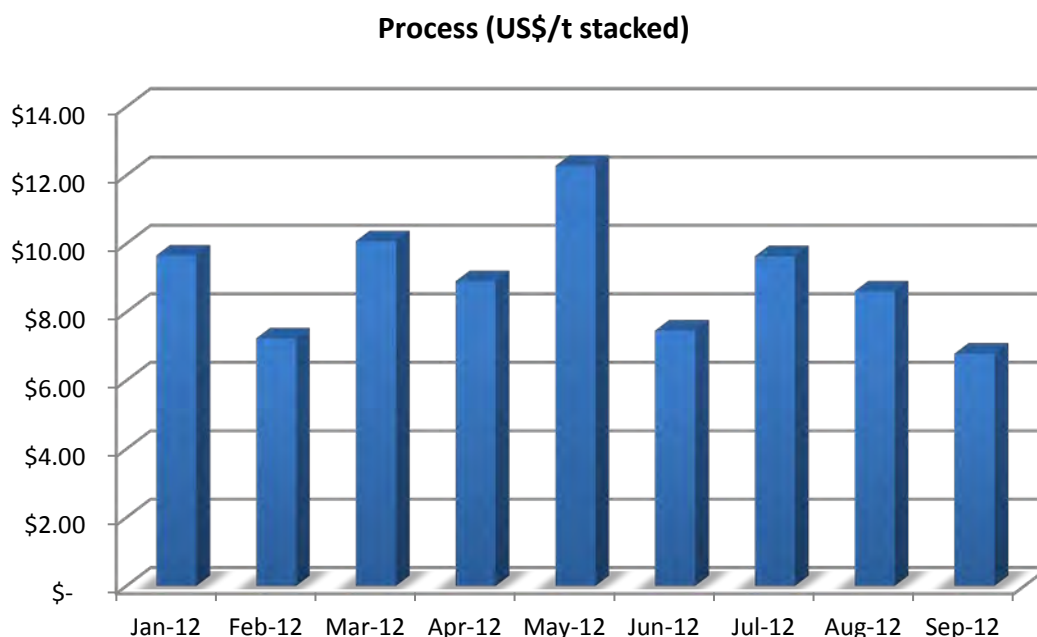
The Las Loas pit continued to underperform and delivered 67% of the total gold ounces of the Mineral Resource estimate at a higher waste to ore ratio (6.6:1) than planned. This is not considered material given that the pit had been scheduled to be completed by the end of December 2012. In light of the underperformance the Company has decided to suspend operations at Las Loas from the end of October.

Ore Processing

Crushed ore tonnes stacked increased over the previous quarter by 13%. The ROM ore mined has been stockpiled pending completion of the leach pad, and has not been included in the ore tonnes stacked figures during the quarter.

The increased stacking rates combined with a focus on cost control resulted in a 10% decrease quarter on quarter in the process costs per tonne of ore to \$8.18 per tonne stacked (Refer Figure 11.) Of particular note is the record low processing costs in the month of September of US\$6.78/t, which coincided with record ore tonnes crushed and stacked of 404,434 tonnes. This clearly demonstrates the inverse relationship between processing costs and stacking rates.

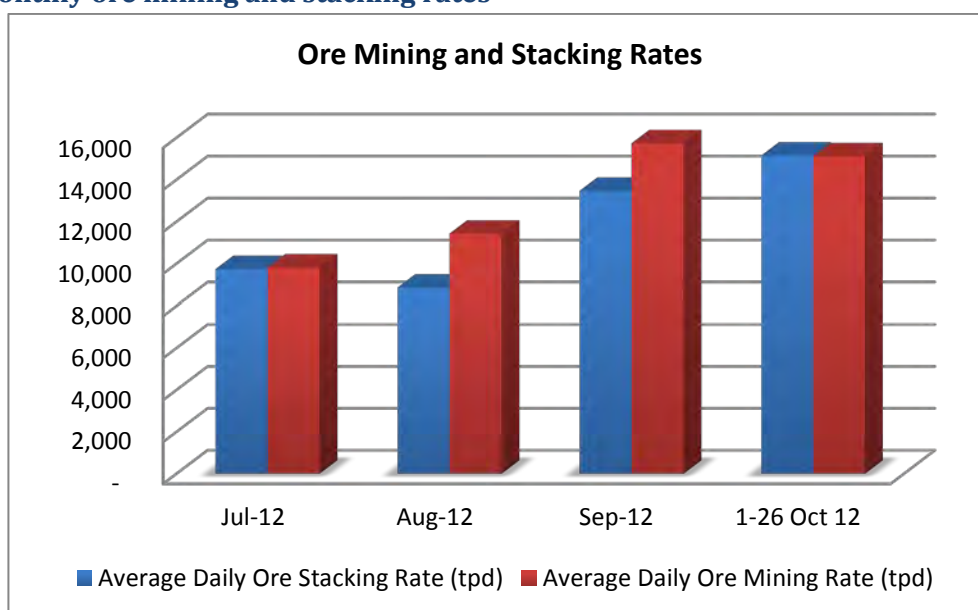
Figure 11 – Monthly process cost per tonne stacked



During the month of August, the Company carried out a three day shut down on the plant for ongoing maintenance on the crushing plant, which resulted in a week of limited throughput. This was considered necessary in order to set the plant up for the scheduled increase in ore tonnages. As shown in Figure 12, this had a small negative impact on stacking rates in August, but once the maintenance was completed stacking rates have increased rapidly as a result of better plant availability and high ore mining tonnages.

This trend has continued into October with an average daily stacking rate of 15,000 tpd to the 25th of October. All figures referred to here exclude the ROM ore that would add another 2,500 to 3,000 tpd once stacked.

Figure 12 – Monthly ore mining and stacking rates



The continuous improvement program has focussed on delivering higher production with lower costs, and as seen in Figure 12 above, this has delivered some significant improvements. Two key drivers of the cost savings have been the cyanide consumption and power use, both of which have been reduced materially during the Company's ownership as seen in Figures 13 and 14 respectively.

Figure 13 – Cyanide Consumption

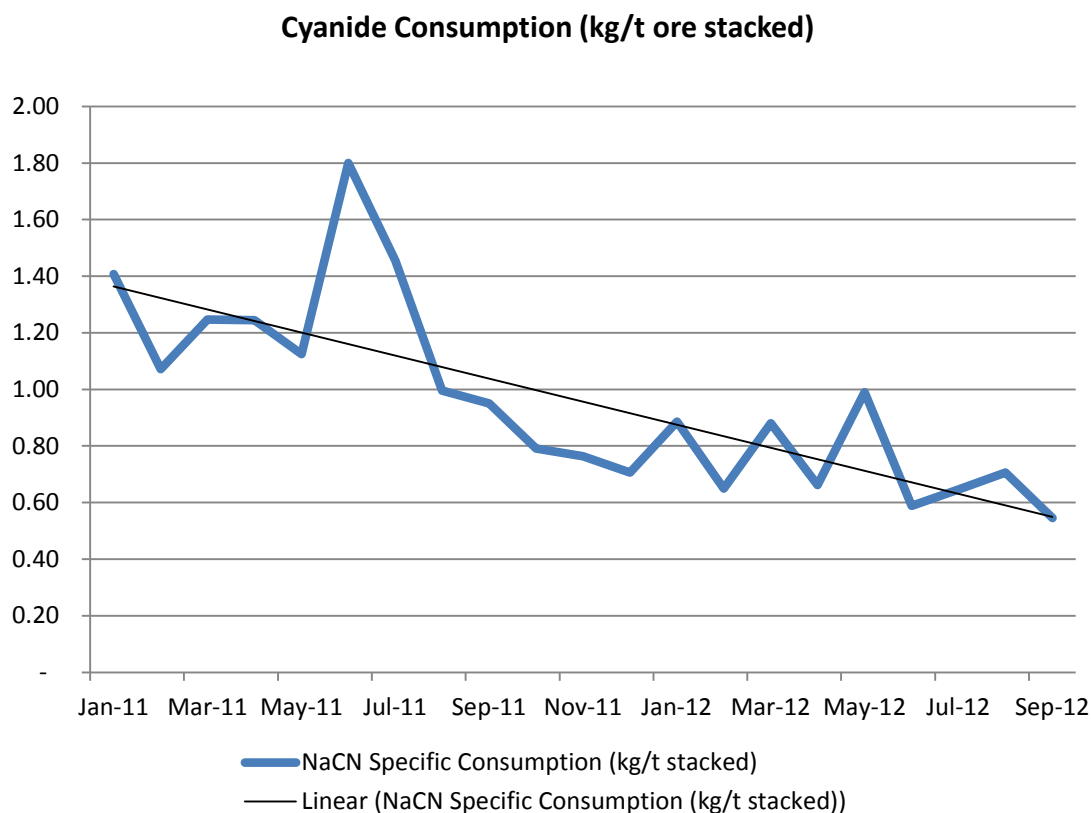
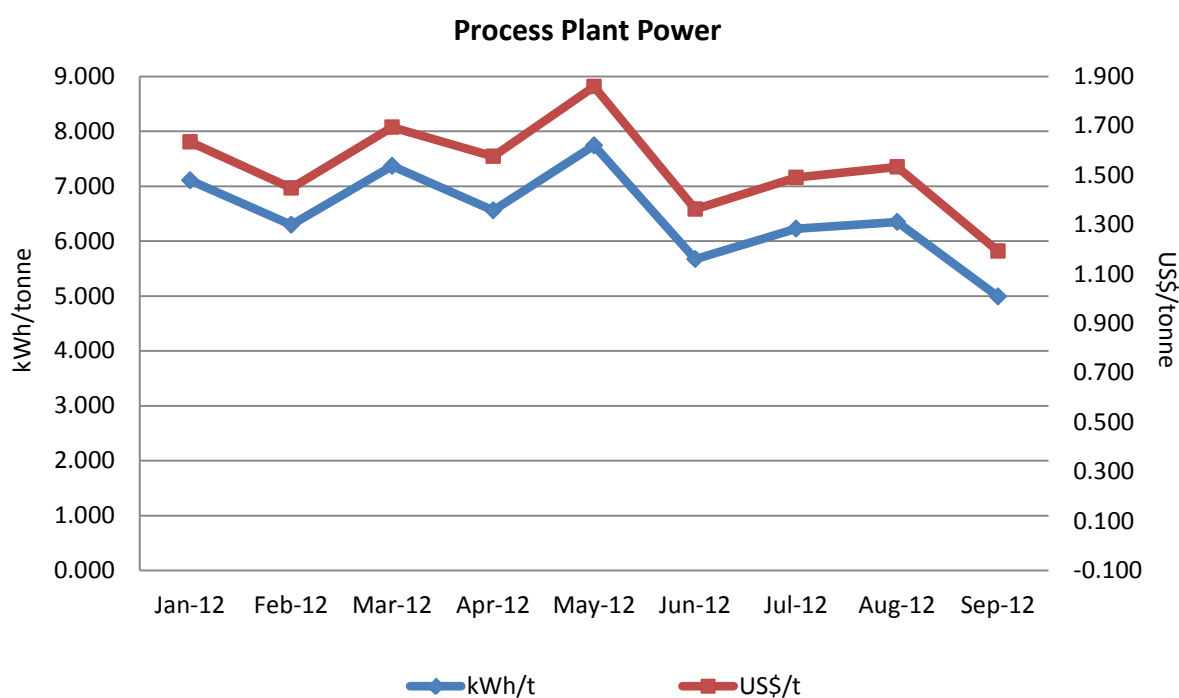


Figure 14 – Power consumption and cost



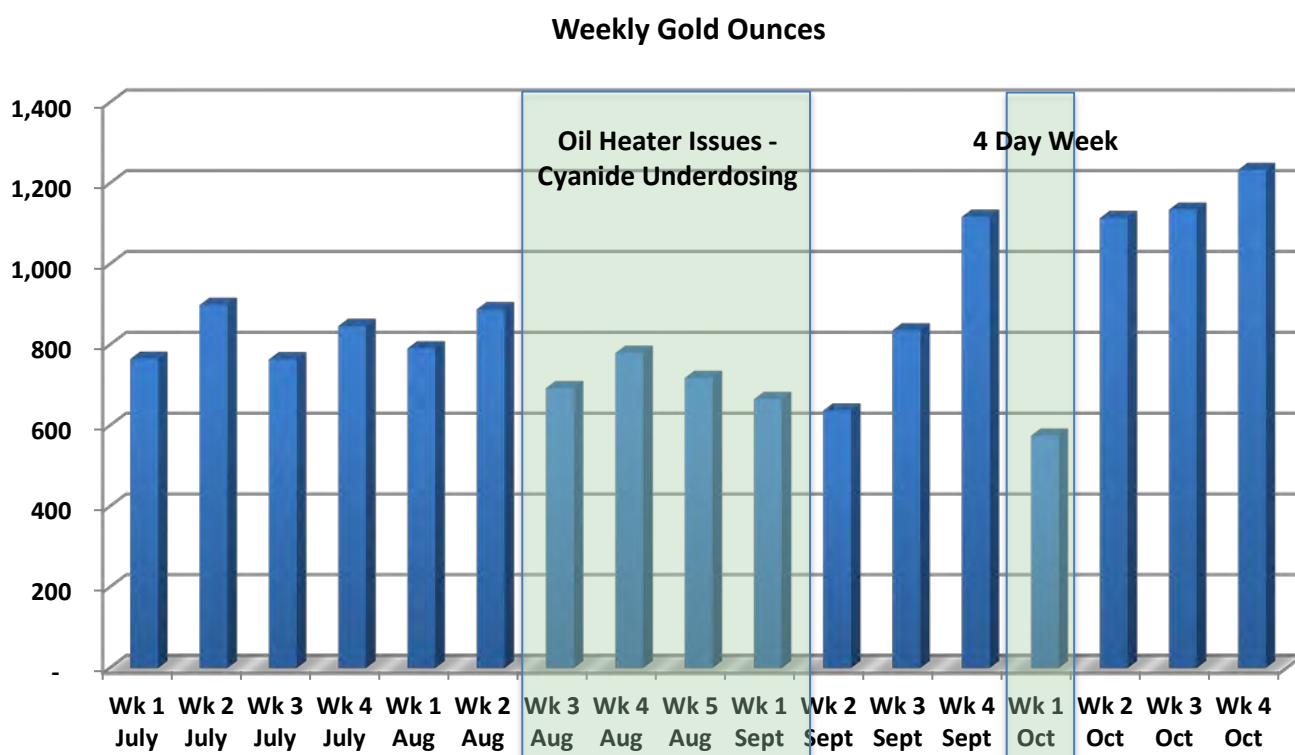
Gold pours were up 3% on the previous quarter, however they were negatively impacted by several factors that have now been mostly resolved. During late August through to late September several failures of an oil heater in the elution circuit reduced the number of elutions that could be completed over a period of 4 weeks. This resulted in reduced gold pours over this period. A new oil heater has been ordered and is expected to be installed by mid November. In the interim the heater is maintained each week and has not experienced availability issues since late September.

The Company has been reducing cyanide consumption gradually throughout the last 2 years, and during early September addition rates were as low as 0.45 g/t ore, which appears to be below the level required for fast leaching. Cyanide consumption rates have been stabilised around 0.55 kg/t ore and this appears to have increased gold recovery from the pads.

Finally, the ore from Tres Perlas has been partially oxidised, unlike the majority of the ore at the CMD Gold Mine, which is fresh rock. The oxidised material has required additional irrigation to saturate the ore and return liquor to the plant. This resulted in a two to three week increase in leaching times for this material.

The impact of these items can be seen in Figure 15, which shows the weekly gold pours over the September quarter and month of October.

Figure 15 – Weekly Gold Pours



As can be seen in Figure 15 the weekly gold pours have increased rapidly since the end of September (with the first week of October being a 4 day week) and have now increased to between 1,100 and 1,240 ounces a week which equates to an annualised run rate of 57,000 to 64,000 ounces.

The Company utilises a dynamic pad system whereby ores are leached for circa 120 days on the dynamic pad in a single lift to recover approximately 65% of the gold and then moved to a final pad for leaching to recover an additional 10-12% of the gold. The current final pad is Phase 4 as shown in Figure 16, and this pad contains approximately 1.4 Mt of ore that has not been leached for approximately 6 months.

Figure 16 – Phase 4 Pad

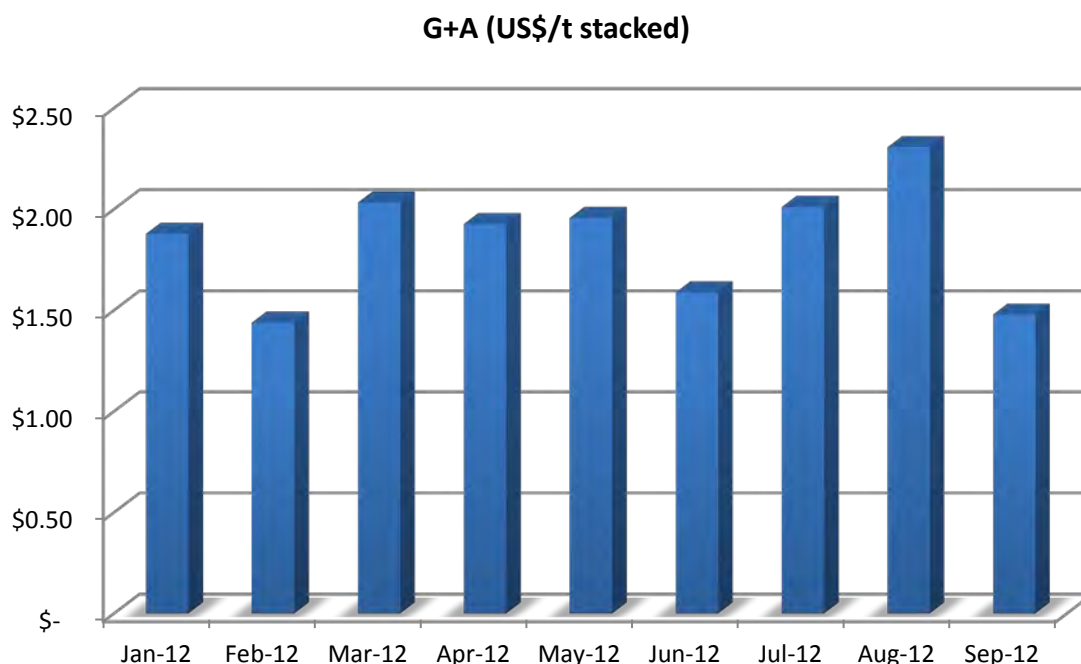


Irrigation of the Phase 4 pad was commenced in early October and the first gold from this pad was recovered in the last week of October's gold pour. The Phase 4 pad is expected to provide some additional gold production of between 100 and 150 ounces a week going forward.

General and Administration (G+A)

Unit rates for G+A were stable quarter on quarter with a slight increase to \$1.88 per tonne of ore (up 4% quarter on quarter). Figure 17 illustrates the history of G+A costs over the year that clearly shows that as stacked tonnages increased in the month of September the G+A costs were reduced to a low of US\$1.48/t stacked. This excludes the ROM ore that was stockpiled during the quarter, which will further reduce the G+A unit rates.

Figure 17 –G&A cost per tonne



The decrease in G+A unit rates has been achieved despite an increase in senior management on site (which has contributed to the improvements seen in increased throughput rates and reduced costs in the mining and process areas) and a substantial spending program on safety and training over the past 6 months. The G+A costs include all of the Company's costs within Chile including legal and compliance costs, travel and procurement.

Dump Leach and Two Stage Crush Trials

The second trial of Run of Mine (ROM) leaching and coarse ore (two stage crushed) leaching ran through the entire quarter. The ore for this trial was sourced from the Tres Perlas area and consisted of approximately 7,500 tonnes for each trial. Leaching of both trials have been completed, and the finalisation of both trials is pending the crushing and systematic sampling and assaying of the residual material to determine the contained gold in the "tail". As a consequence of the excellent mine performance over September and October, priority has been given to production crushing high grade ore, and there has been no opportunity to complete the trials. At the end of October it is planned to complete the ROM trial as a priority once crushing operations are resumed after planned maintenance. The Company will announce the results of the ROM trial once the results have been completed in early November.

Exploration

Exploration activities were slowed during the quarter with a focus on collation of the previous 6 months exploration results and switching the targeting to drilling to near surface, higher grade mineralisation adjacent to current pits that can be mined in the next 12 to 18 months. Significant results included:

Chisperos Deposit

- 21.2m grading 3.33 g/t Au from 82m downhole DDH 2012-125
- 17m grading 1.10 g/t Au from 21m downhole RCH 2012-126
- 13m grading 1.94 g/t Au from 21m downhole RCH 2012-127

Tres Perlas Deposit -Gold

- 20.9m grading 2.19 g/t Au from 17.7m downhole in DDH 2012-128
- 45m grading 1.01 g/t Au from 146m downhole in RCH 2012-123
- 3m grading 8.09 g/t Au from 120m downhole in DDH 2012-128
- 40m grading 0.86 g/t Au from 45m downhole in DDH 2012-141

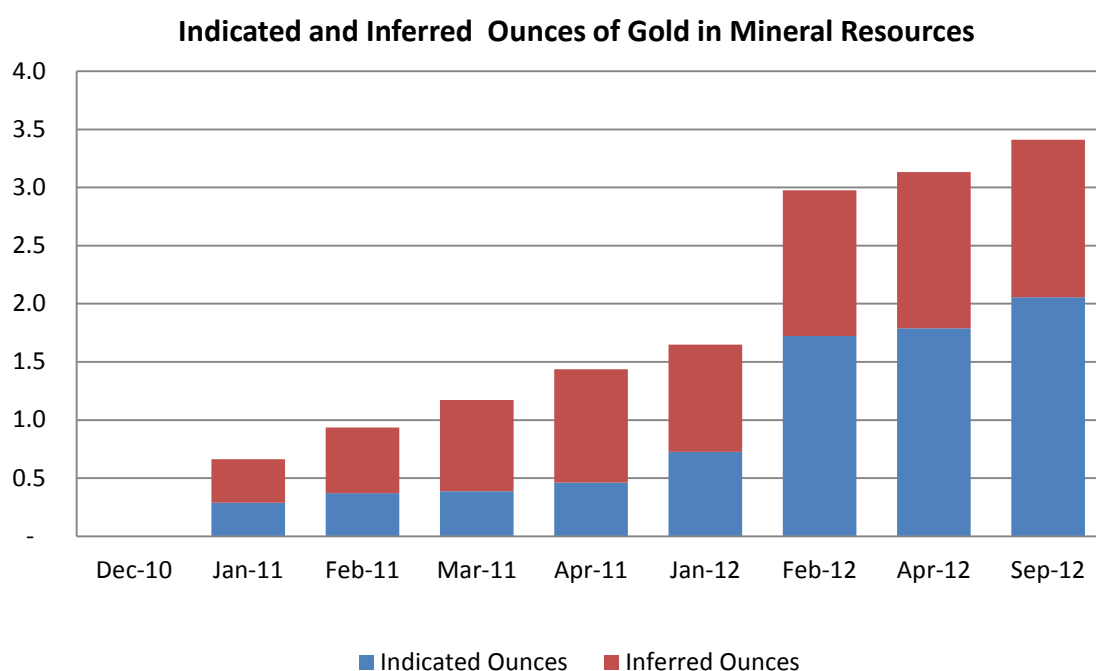
Toro Deposit

- 7m grading 2.92 g/t Au from 57m downhole RCH 2012-142
- 14m grading 1.00 g/t Au from 106m downhole RCH 2012-143
- 11m grading 1.77 g/t Au from 143m downhole RCH 2012-148

All rigs have been demobilised from site during the quarter and the focus of the management team for the next 6 months will be to increase gold production given the large mineral resource base defined on the project in the past 18 months.

A mineral resource update for the Tres Perlas deposit was completed by Coffey Mining in September 2012, which resulted in a 15% increase in Indicated mineral resources to 2.06 million ounces of contained gold whilst Inferred mineral resources were maintained at 1.35 million ounces of contained gold (Refer Table 5). The rapid growth in mineral resources since Lachlan Star assumed ownership of the CMD Gold Mine is shown in Figure 18.

Figure 18 –Mineral Resource Growth



BUSHRANGER COPPER PROJECT (100%, Newmont earning 51%)

Newmont commenced a mapping and sampling program during the quarter. Limited results have been received at the time of reporting as the work is ongoing and results will be reported as received.

CORPORATE

Under the guidance of Bira De Oliveira, our highly experienced Spanish speaking Chief Operating Officer who was appointed last quarter, the Company has continued to build on its management capabilities within Chile. In addition, the following appointments were also made during the quarter:

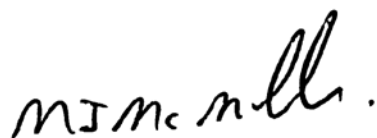
- Mauricio Martinez (General Manager) – Mauricio is a Chilean mining engineer with over 30 years experience in open-pit mine planning, production scheduling and operations management. Mauricio has relevant international exposure and occupied the position of General Manager in the past with junior Canadian gold mining companies. Mauricio is a results-oriented professional with exceptional leadership and management skills and a solid track record of success improving safety standards, mining production, cost efficiency and continuous improvement initiatives.
- James Van Gundy (Engineering Manager) – James has over 30 years experience in both fixed plant and mobile fleet maintenance and was most recently employed as Maintenance Manager at Minefinders Corporation's Dolores mine in Mexico which utilised the same Komatsu truck fleet as the new fleet for the CMD Gold Mine. James is a fluent Spanish speaker and has strengths in maintenance planning and MARC Contract management
- Jody Snare (Drilling & Blasting Superintendent) – Jody has over 20 years experience in open pit operations and was most recently the Senior Production Superintendent for Leighton Asia in Northern Sumatra. Prior to this he was the Operations General Foreman for the Washington Group Ontario and Operations Manager for the Washington Group Bolivia at the San Cristobal Mine. Jody has a working knowledge of Spanish and has strengths in improving mining operations best practices.

Subsequent to the end of the quarter, option and warrant holders in the Company have exercised, or submitted their paperwork to exercise, their options and warrants for a total of 5.24 million new shares to raise net proceeds of A\$6.29 million once all allotments have occurred. Following allotment of all the shares arising from these warrants and options, the capital structure of the company will be 91.62 million shares and 11.23 million options and warrants with an average strike price of A\$1.23.

COMMENTS

Mick McMullen, Executive Chairman, commented on the quarterly report "the positive trends for mining, processing, gold pours and reduced costs momentum over the past 4 months are very encouraging and are the results of much hard work by our team in Chile. We believe that much of the hard work has been done at the CMD Gold Mine now and we have put the Company on a good footing for shareholders to reap the benefits over the coming years. Our team is working to continuously improve the mine and our goal is to further advance the asset up the value curve to be more aligned with higher company valuations in our peer group."

For and on behalf of the Board



Mick McMullen

Chairman

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Table 4 – Drill Results

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-102	2389.2	6630.9	1104.1	240.1	-89.0	30	34	4	0.46	
DDH-2012-108	2857.0	6439.1	1123.0	68.5	-71.0	16	18	2	0.51	
						57	59	2	3.77	
						74	78	4	2.14	
						82	86	4	0.29	
						102	108.8	6.8	0.84	
						160	164	4	0.75	
RCH-2012-113	2259.9	6165.2	1145.9	191.3	-89.5	85	89	4	0.78	
						146	152	6	0.25	
						166	170	4	0.29	
						177	182	5	0.97	
RCH-2012-120	2719.8	6228.6	1104.7	90.2	-63.5	95	96	1	0.57	
						99	100	1	1.48	
RCH-2012-122	3456.0	8304.3	1073.9	180.0	-88.3	35	38	3		0.37
						38	40	2	0.27	
						46	52	6		0.26
						56	62	6		0.24
						61	64	3	0.76	
						92	94	2	0.42	
						142	145	3	0.36	
						150	152	2	0.23	
						206	213	7	0.45	
						224	227	3		0.26
						229	237	8		0.19
RCH-2012-123	3636.5	8318.3	1077.2	142.3	-87.2	20	28	8		0.22
						30	34	4	0.69	
						35	37	2		0.24
						44	48	4		0.27
						146	191	45	1.01	
						including				
						146	156	10	0.77	
						162	191	29	1.29	
						200	235	35	0.41	
DDH-2012-124	2907.1	6224.4	1152.2	91.7	-66.0	152	154	2	1.39	
DDH-2012-125	2941.5	6500.0	1127.5	242.5	88.2	10	20	10	0.33	
						58	62	4	0.24	
						82	103.2	21.2	3.33	
						including				
						82	98.35	16.35	4.17	
						100	103.2	3.2	0.73	
						112	118	6	0.26	
						138	140	2	0.31	
						148	150	2	0.22	
171.7	172.7	1	0.90							

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-126	2620.6	6229.8	1105.0	119.5	-88.6	8	11	3	0.43	
						21	38	17	1.10	
						47	50	3	0.30	
RCH-2012-127	2599.7	6233.8	1104.8	61.1	-89.3	21	34	13	1.94	
						37	39	2	0.68	
DDH-2012-128	2900.1	6437.3	1126.9	61.0	-58.5	17.7	38.6	20.9	2.19	
						including				
						17.7	20	2.3	0.68	
						21	24	3	12.04	
						27	29	2	0.27	
						30	32	2	1.44	
						34.7	38.6	3.9	0.51	
						69.8	71.8	2	0.48	
						96	104	4	0.46	
						120	123	3	8.09	
						124	127.6	3.6	1.31	
DDH-2012-129	2787.3	6768.1	1129.6	60.8	-58.4	24	32	8	0.66	Without Cu mineralisation
						37	43	6	0.39	
						76	80	4	0.38	
						83	85	2	0.33	
RCH-2012-130	3416.8	8243.7	1066.1	7.9	-89.1	0	10	10	0.22	Waste dump
						31	35	4		0.22
						59	64	5	0.32	
						79	82	3		0.29
						96	98	2	0.24	
						103	111	8	0.21	
						105	109	4		0.39
						115	117	2		0.30
						142	145	3	0.27	
182	188	6	0.30							
RCH-2012-131	3174.4	8086.4	1070.1	283.5	-89.3	14	20	6		0.46
						34	38	4	0.32	
						41	45	4	0.24	
						47	52	5	0.32	
						79	81	2	0.24	
	199	204	5	2.18						

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-132	3339.4	8234.5	1074.8	22.3	-89.4	39	58	19		0.36
						60	65	5	0.26	
						70	74	4		0.48
						101	105	4		0.25
						103	106	3		0.24
						110	112	2	0.26	
						127	129	2		0.30
						129	131	2	0.34	
						146	162	16	0.27	
						161	164	3		0.51
						164	169	5	0.65	
						184	186	2	0.30	
						184	190	6		0.82
RCH-2012-136	3785.8	8213.3	1073.1	233.9	-88.1	5	25	20	0.30	Waste dump
						32	41	9	0.41	
						197	199	2	0.60	
RCH-2012-138	1600.5	5905.7	1152.7	219.5	-89.6	3	10	7	0.83	
						36	44	8	0.49	
						73	74	1	1.10	
						96	98	2	0.57	
						100	102	2	0.59	
RCH-2012-139	1480.0	5639.1	1189.3	4.1	-89.8	53	57	4	0.57	
						72	74	2	0.26	
						85	87	2	0.26	
RCH-2012-140	1559.6	5570.1	1202.3	193.0	-89.7	0	7	7	0.76	
						41	45	4	0.43	
						68	71	3	0.29	
						77	80	3	0.59	
						83	84	1	0.86	
DDH-2012-141	2586.1	6812.7	1157.0	169.5	-88.5	45	85	40	0.86	
						including				
						45	58	13	0.66	
						61	79	18	0.77	
						69	71	2		0.40
						82	85	3	3.70	
						82	85	3		0.50
						87	94	7	0.32	
						122	128	6	1.78	
						139	141	2	1.46	
						151	154	3	0.25	
						208	210	2	0.40	
						237	243	6	0.24	
294	296	2	0.39							
RCH-2012-142	1579.8	5620.2	1191.9	205.2	-89.5	57	64	7	2.92	
						120	122	2	0.59	
RCH-2012-143	1420.1	5599.9	1189.0	134.0	-89.5	60	63	3	0.41	
						84	102	18	0.58	
						106	120	14	1.00	

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-144	1620.2	5879.3	1154.1	211.0	-89.4	72	80	8	0.42	
						102	106	4	0.31	
						109	124	15	0.52	
						including				
						109	118	9	0.49	
						120	124	4	0.83	
						134	135	1	3.98	
						141	146	5	0.28	
RCH-2012-145	1679.0	6018.6	1145.0	183.0	-89.6	84	88	4	1.02	
						95	98	3	0.69	
						104	107	3	0.88	
RCH-2012-146	1740.1	6012.1	1148.1	327.0	-89.3	60	62	2	0.45	
						70	74	4	0.81	
						83	104	21	0.50	
						including				
						83	84	1	1.71	
						88	91	3	0.48	
						98	104	6	0.90	
						151	153	2	0.55	
RCH-2012-147	1683.1	5941.0	1153.8	252.2	-89.5	27	32	5	0.59	
						103	112	9	0.94	
						129	131	2	0.23	
						140	141	1	0.56	
RCH-2012-148	1600.2	6023.9	1145.5	246.8	-89.9	68	71	3	0.31	
						79	86	7	0.28	
						89	96	7	0.48	
						112	118	6	0.30	
						143	154	11	1.77	
RCH-2012-149	3780.1	8275.9	1090.7	160.3	-89.6	30	44	14	0.66	
						53	66	13	0.24	
						68	125	57	0.51	
						73	75	2		0.33
						98	100	2		0.24
						129	133	4	0.29	
						138	163	25	0.64	
						169	184	15	0.30	
						194	196	2		0.32
						194	208	14	0.50	
						211	214	3	0.24	
						219	252	33	0.70	
						256	272	16	0.47	
						259	266	7		0.71
295	297	2	0.96							
RCH-2012-150	1564.9	5958.8	1141.2	57.3	-89.7	78	82	4	0.52	
						85	89	4	0.96	

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-151	2504.2	6748.3	1099.9	60.1	-59.1	9	11	2	0.81	True width approx 90% of intercept
						13	44	31	0.31	
						58	60	2	0.27	
						75	78	3	0.54	
						87	89	2	0.27	
RCH-2012-152	3439.9	8330.3	1077.7	349.0	-89.1	11	16	5	0.46	
						40	42	2		0.26
						67	73	6		0.31
						91	94	3		0.43
						139	141	2		0.22
RCH-2012-153	3646.6	8311.2	1075.7	146.3	-89.9	144	151	7		0.27
						0	19	19	0.23	Waste dump
						49	51	2		0.26
						70	73	3		0.36
						83	85	2		0.30
						85	89	4	0.26	
						95	104	9	0.32	
						108	115	7	0.27	
						110	113	3		0.39
						119	128	9	0.90	
						131	133	2	0.30	
RCH-2012-154	3360.9	8228.7	1067.5	303.7	-89.8	137	139	2		0.23
						138	139	1	0.33	
						0	10	10	0.18	Waste dump
						14	16	2	0.26	
						25	28	3	0.22	
						33	56	23		1.12
						39	42	3	0.44	
						46	59	13	0.23	
						61	63	2	0.38	
						66	68	2	0.62	
						80	86	6	0.28	
RCH-2012-155	3646.6	8311.2	1075.7	146.3	-89.9	106	112	6		0.25
						107	112	5	0.37	
						0	18	18	0.25	Waste dump
						18	25	7		0.32
						18	31	13	0.28	
						68	79	11	0.21	
						80	82	2		0.65
86	92	6	0.45							
96	100	4	0.27							

Hole ID	Grid_N	Grid_E	Grid_Elev	Azimuth	Dip	From	To	Interval	g/tAu	Cu%
RCH-2012-157	3319.8	8240.8	1073.7	111.2	-89.4	0	7	7	0.21	Waste dump
						7	15	8	0.22	
						18	21	3	0.27	
						24	34	10	0.30	
						39	45	6	0.23	
						41	61	20		0.50
						58	60	2	0.40	
						66	69	3	0.31	
						73	76	3	0.23	
						79	81	2	0.49	
						86	94	8	0.56	
						103	105	2		0.34
						103	105	2	0.83	
						RCH-2012-160	3537.8	8392.8	1089.8	0.0
20	25	5	0.20							
47	69	22		0.45						
63	71	8	0.24							
75	81	6		0.42						
86	110	24		0.80						
88	108	20	0.58							

Table 5 – CMD Gold Mine Indicated and Inferred Mineral Resource¹

CMD Gold Mine Mineral Resources (September 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	38
Toro (Feb 2012)	17.5	0.6	348	11.6	0.4	135
Tres Perlas (Sept 2012)	130.1	0.4	1,602	99.4	0.4	1,138
Chisperos (April 2011)	1.0	1.1	36	1.4	1.0	43
Total	151.5	0.4	2,058	113.9	0.4	1,354

1. Reported above 0.15 g/t Au for all except Las Loas and Chisperos deposits which are reported above 0.30 g/t Au
2. Table contains rounding and may not sum precisely

Table 6 –CMD Gold Mine Mineral Reserves

CMD Gold Mine Summary Of Mineral Reserves Estimated as at 1 August 2011			
Deposit	Probable Mineral Reserves		
	Tonnes (Mt)	Grade (Au)	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

Competent Persons Statement

The information in the news release that relates to the Mineral Resources of Tres Perlas, Chisperos, Las Loas, El Sauce, Churrumata and Toro/Socorro 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 Fellow 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