



LACHLAN STAR LIMITED

27 February 2012

138% INCREASE IN INDICATED MINERAL RESOURCE TO 1.72 MILLION OUNCES OF GOLD, PLUS 36% INCREASE IN INFERRED MINERAL RESOURCE TO 1.26 MILLION OUNCES OF GOLD

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Perth, Western Australia: Gold miner, Lachlan Star Limited (“Lachlan” or the “Company”) (ASX and TSX: LSA) is pleased to announce an updated and increased mineral resource for the combined El Sauce, Tres Perlas and Churrumata deposit (now referred to as Tres Perlas) at its 100% owned CMD Gold Mine in Chile.

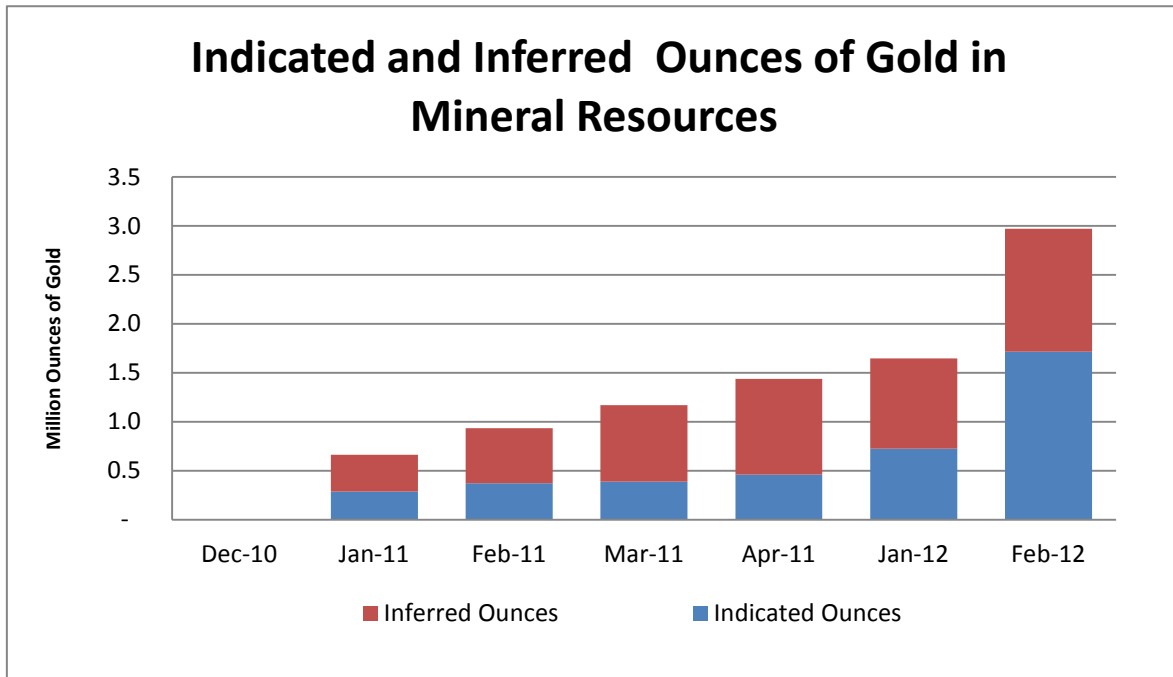
The CMD Gold Mine Indicated mineral resource now contains 1,722,000 ounces of gold, which is a 138% (997,000 ounce) increase over the January 2012 Indicated mineral resource (725,000 ounces). In addition, the Inferred mineral resources contain a further 1,255,000 ounces of gold, which is an increase of 36% compared to the January 2012 Inferred mineral resource (923,000 ounces) as shown in Table 1.

Table 1 – Comparison of Feb 2012 and January 2012 CMD Gold Mine Global Mineral Resource Estimates

Classification	Jan 2012 Mineral Resource (koz)	Feb 2012 Mineral Resource (koz)	Oz’s Change	% Change
Indicated	725	1,722	997	138%
Inferred	923	1,255	332	36%

Figure 1 illustrates the rapid growth in the CMD Gold Mine global resource base since the Company took ownership in December 2010, as well as the increasing confidence levels of the mineral resource estimates.

Figure 1 – CMD Gold Mine Global Mineral Resource Growth



Tres Perlas Mineral Resource

The new Tres Perlas deposit mineral resource contains 1,265,000 ounces of gold in the Indicated category, which is a 372% increase over the previous Indicated mineral resource (268,000 ounces for the previously separate Tres Perlas, Churrumata and El Sauce deposits). In addition, a further 1,040,000 ounces of gold are contained in the Inferred category, which is an increase of 47% compared to the previous Inferred mineral resource (708,000 ounces) as shown in Table 2.

Table 2 – Comparison of Feb 2012 and April 2011 Tres Perlas Mineral Resource Estimates

Classification	April 2011 Mineral Resource (koz)	Feb 2012 Mineral Resource (koz)	Oz's Change	% Change
Indicated	268	1,265	997	372%
Inferred	708	1,040	332	47%

Table 3 contains a summary of the updated and increased mineral resources for the CMD Gold Mine.

Drilling Strategy

The aim of the 2011 drill program was threefold:

- to expand the resource base;
- to upgrade the Inferred mineral resource to Indicated category as well as potential inclusion in future mineral reserve estimates; and,
- To support the immediate needs of mining operations starved of information due to insufficient exploration in the past and to enable sustainable long term mine planning to be put in place.

On the back of the highly successful 2011 drilling program, the 2012 drill program will focus on:

- Drilling out the gaps within and down dip extensions of the Tres Perlas mineral resource (refer to Figures 2, 3 and 4), which will result in a new and updated mineral resource prior to filing of the updated NI 43-101 Technical Report.
- Continuing to drill out the Inferred mineral resources that fall within potentially economic pit shells to underpin the mine planning work that will be contained in the updated NI 43-101 Technical Report.



Mineral Resource Discussion

Previously, the El Sauce, Tres Perlas and Churrumata deposits were modelled as separate deposits, however drilling by the Company has shown that these are all part of the same mineralised system and have thus been combined into the Tres Perlas deposit. This will facilitate optimisation and mine design with the aim of establishing one large pit on the eastern boundary of the CMD Gold Mine tenements, adjacent to Teck's Carmen de Andacollo copper mine to the southeast.

The Tres Perlas mineral resource estimate utilised a cut off grade of 0.15 g/t Au (previously 0.30 g/t Au). This was done to reflect the potential for processing low grade ores via a Run of Mine (ROM) dump leach method. The lower grade mineralisation is currently mined as waste and preliminary trials indicate that the recovery will be high enough for the economic recovery of gold from this material. The Company expects that this will have a positive impact on life of mine gold production and cash flow.

Figure 2 illustrates the Tres Perlas area, including Natalia and El Sauce. There remains significant potential adjacent to the Tres Perlas pit, and Figure 3 illustrates a section through 3550mN showing the Indicated mineral resource with a true width greater than 200m. The mineral resource is open down dip to the east and for around 1,400m along strike to the north.

Figure 2 - Plan view of Tres Perlas

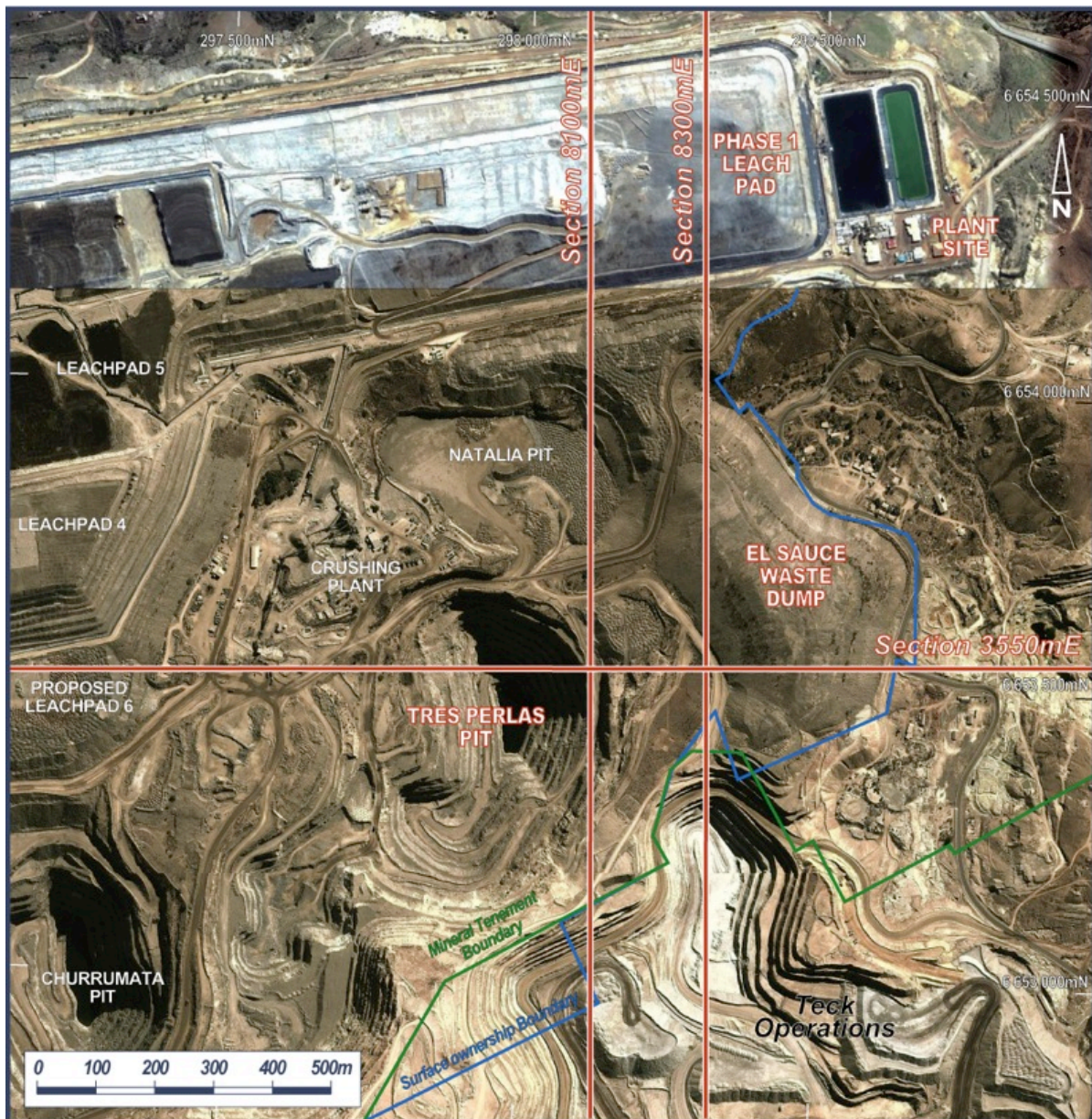
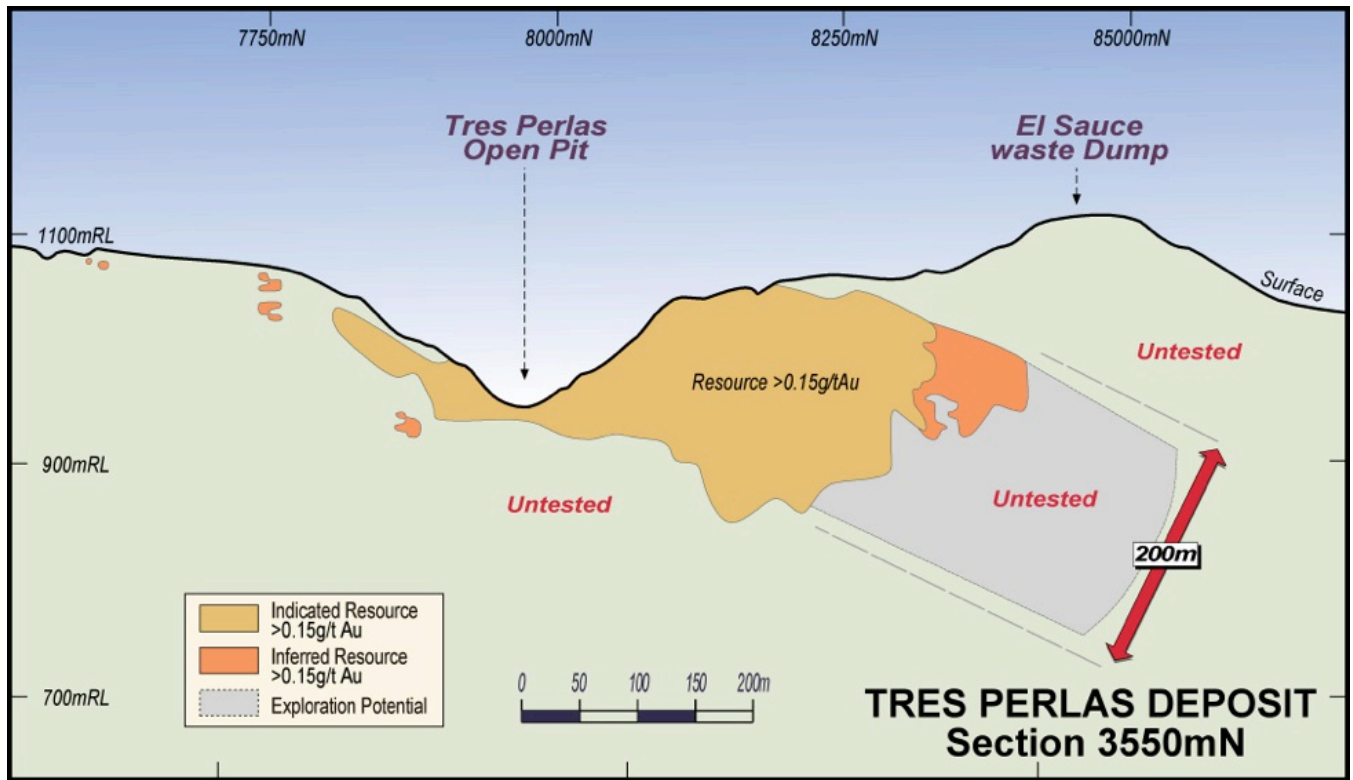
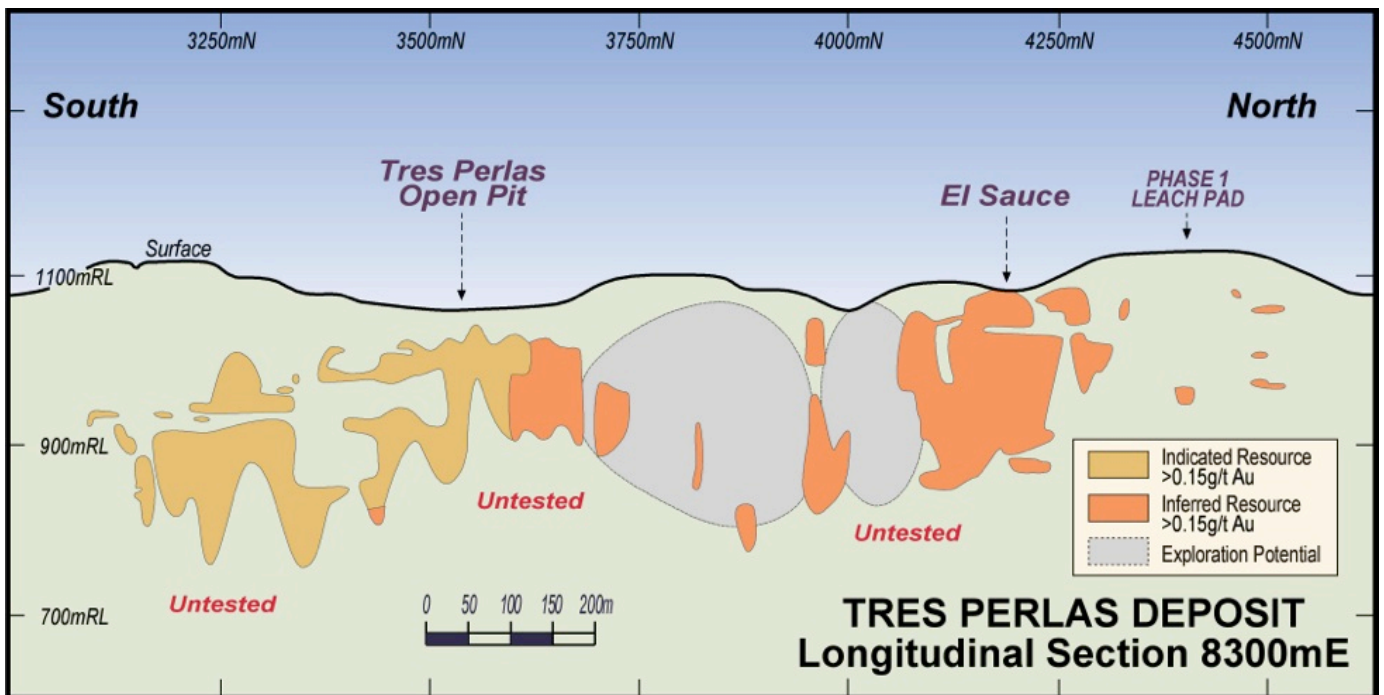


Figure 3 – Cross Section 3550mN looking north



The mineral resource at El Sauce is comprised entirely Inferred mineral resources. Figure 4 illustrates the extent of the Inferred mineral resource in this area. The Company plans to upgrade these to higher confidence levels as quickly as possible to facilitate mine planning.

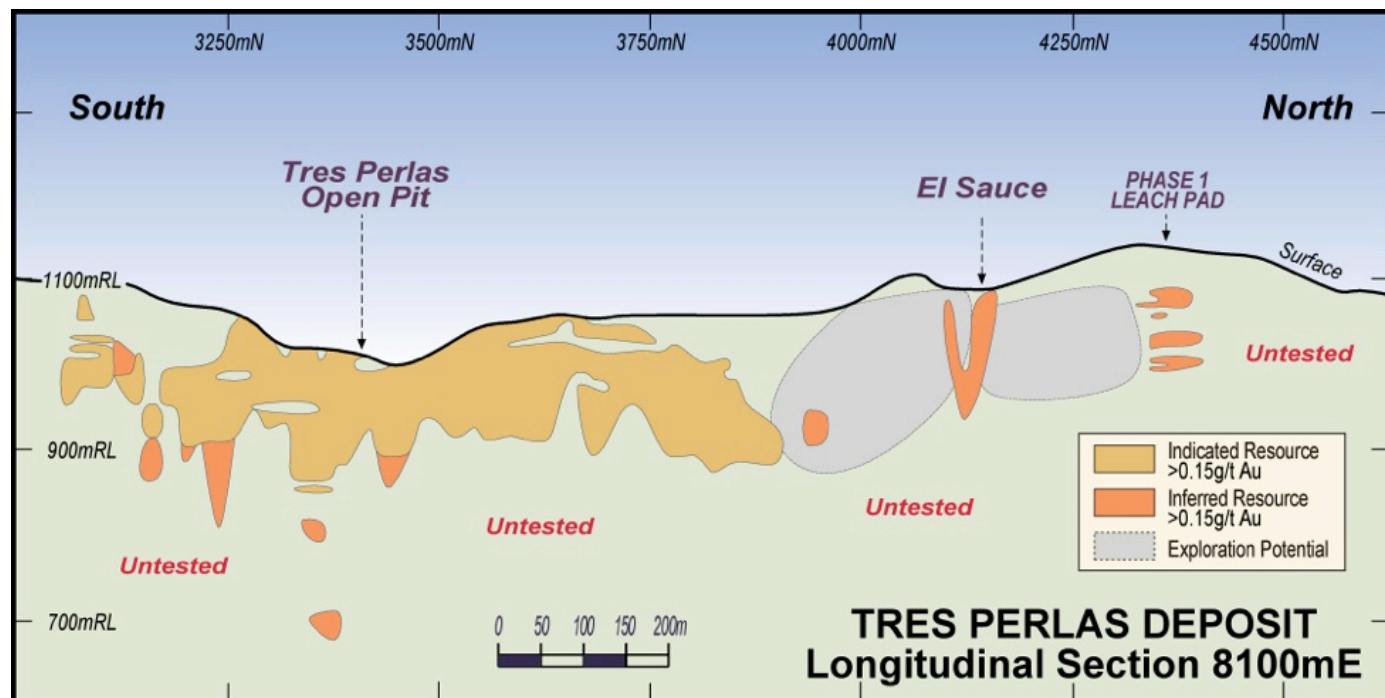
Figure 4 – Long Section 8300mE looking west



The area between the Natalia pit and the El Sauce (around 4000mN) is inadequately explored and contains limited Inferred mineral resources only. The Company considers this area to have exploration potential, as shown in Figures 4 and 5, and intends to systematically drill the area to establish the continuity between Natalia and El Sauce.



Figure 5 – Long Section 8100mE looking west



Declan Franzmann, Managing Director, commented “the approximate 80% increase in contained gold is in line with what we have seen in the day to day operation of the mine. During 2011, approximately two thirds of our ore was sourced from outside the April 2011 mineral resource. It is my opinion that the new mineral resource is a better estimate of what we are actually mining and is more indicative of the mine life potential.

The significant increase in contained gold for the CMD Mine confirms my opinion that this is a large scale mineralised system. Mine planning is underway to define the process to increase the production rate, and this work is expected to culminate with a new mineral reserve estimate.

In the meantime the exploration drills continue to spin with particular focus on improving mineral resource confidence. The conversion of Inferred mineral resource to Indicated will allow inclusion to future mineral reserve estimates, and underpin operational growth. A revised NI 43-101 Technical Report will be filed on or before 45 days from the date of this release.”

For and on behalf of the Board

Mick McMullen
Chairman

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Table 3 – CMD Gold Mine Indicated and Inferred Mineral Resource¹

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

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

About Lachlan Star Limited

Lachlan Star Limited is an emerging minerals exploration and development company headquartered in Perth, Western Australia. The Company is focused on acquiring and developing assets within the gold and copper sectors within Australia and Chile. The company has a board of directors and management team with an impressive track record of advancing resource projects through to production.

Lachlan Star's current projects include a 100% interest in the CMD Gold Mine in Chile, a 100% interest in the Bushranger Copper Project in New South Wales (subject to Newmont earning 51%) and a 100% interest in the Princhester magnesite deposit in Queensland.

Competent Persons Statement

The information in the news release that relates to the Mineral Resources of Tres Perlas, Chisperos, Las Loas, and Toro is based on information compiled by David Slater, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy. Mr. Slater is employed full time by Coffey Mining Pty Ltd. The information in the news release that relates to exploration results is based on information approved by Declan Franzmann, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy. Mr. Franzmann is employed by Citraen Pty Ltd and is an officer of the Company. Each of Mr. Slater and Mr. Franzmann has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Each of Mr. Slater and Mr. Franzmann consents to the inclusion in the news release of the matters based on his information in the form and context in which it appears.

Caution Regarding Forward Looking Information:

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

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

