Lachlan Star Files Quarterly Report for the Period Ending 31 December 2013

31.01.2014 | Marketwire

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PERTH, WESTERN AUSTRALIA -- (Marketwired - Jan. 31, 2014) - Gold miner, Lachlan Star Limited ("Lachlan Star" or the "Company") (TSX:LSA)(ASX:LSA) is pleased to provide the following quarterly report for the period ending 31 December 2013.

HIGHLIGHTS

CMD GOLD MINE (100%, CHILE)

- Lachlan's CMD Gold Mine sustained continuing improvements in most operating parameters, including cash costs per ounce of gold produced, gold production, stacking rate, unit mining costs, waste to ore ratio, and unit processing costs. Key metrics in the quarter include:

-- C1 cash costs reduced by 18% to US$784 per ounce from the previous quarter and have improved 37% from the March 2013 quarter

-- C1 inclusive cash costs reduced by 25% to $US1,072 per ounce from the previous quarter

-- Above guidance gold production which increased 9% quarter on quarter to 18,560 ounces of gold in the December quarter, a record under the Company's ownership;

-- Gold stacked increased 22% quarter on quarter to 27,322 ounces in the December quarter, another consecutive record under the Company's ownership;

-- Waste to ore ratio reduced by 44% quarter on quarter to 1.26:1, a new consecutive record low under the Company's ownership;

-- Total unit costs reduced by 10% to $14.27 per tonne of ore for the quarter, another consecutive record low under the Company's ownership

- Market capitalisation of the Company at quarter end expressed in gold ounces was 24,500 ounces

CORPORATE

- Completion of Tranche 2 of a private placement raising C$5 million in gross proceeds subsequent to shareholder approval obtained at shareholder meeting on 4 November 2013. An additional C$1.5 million was raised through the issue of 7.5 million shares at C$0.20 per share.

- Prepayment of C$0.5 million of the C$5 million Sprott Lending Partnership loan facility.

- The purchase of gold put options at a US$1,200 strike price in respect of 3,000 ounces of gold per month from January to June 2014 to protect the Company from volatility in the gold price.

- On 29 November 2013 Lachlan announced the resignation of Mr Peter Babin as a Non-Executive Director.

- On 4 December 2013 Lachlan announced the retirement of Mr Mick McMullen as Executive Chairman effective 6 January 2014 to pursue other interests and the appointment of Mr Scott Perry as Non-Executive Chairman, with the intention that Mr McMullen will step down from the Board in April 2014.

Bira De Oliveira, Chief Executive Officer

To view the full announcement please click the link below:

http://www.lachlanstar.com.au/images/LSA_Quarterly_Report__Dec2013_FINAL.pdf

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