

VANGO MINING EXERCISES OPTION TO FARM-IN TO LODESTAR'S NED'S CREEK TENEMENTS

- Vango exercised option to earn 51% of Ned's Creek by spending \$5 million within three years
- \$200,000 option exercise fee payable by Vango to be satisfied via issue of ordinary shares
- Minimum annual expenditure of \$1 million to advance recent high-grade gold discoveries at Ned's Creek including Contessa, Gidgee Flat, Central Park and Brumby.
- Upon Vango earning a 51% interest, Lodestar may elect to contribute for its pro-rata 49% share or revert to a 20% free carried interest.
- Ned's Creek located 20 km from Vango's Marymia Gold Project where Vango is aiming to develop a standalone gold mining and processing operation

West Australian gold explorer, Lodestar Minerals Limited ("**Lodestar**" or "**the Company**") (**ASX:LSR**) is pleased to advise that Vango Mining Limited ("**Vango**") (**ASX:VAN**) has today exercised its option to earn a 51% interest in Lodestar's Ned's Creek tenements ("**Farm-In**"). Details of the Farm-in are noted in the Company's announcement date 1 May 2019.

The two companies will now enter into a Joint Venture agreement whereby Vango has the capacity to earn a 51% interest in the Ned's Creek tenements by expending \$5 million on exploration over a three-year period, with a minimum spend of \$1 million per annum.

A \$200,000 option exercise fee is now payable by Vango, and as previously disclosed to the market, will be satisfied through the issue of Vango shares. The issue price of the shares will be the closing price of Vango shares on today's date. The initial option fee of \$300,000 paid in May 2019 (\$50,000 cash and \$250,000 in shares at 17 cents per share) and the option exercise fee of \$200,000 (a total of \$500,000) shall be deemed to be included in the \$5 million expenditure to be expended under the Joint Venture Agreement.

Upon Vango meeting its earn in commitment of \$5 million, Lodestar will have the option to remain as a contributing joint venture partner with respect to its 49% interest, or Lodestar can elect to revert to a 20% free carried interest.

Lodestar and Vango will now enter into a formal Farm-In and Joint Venture agreement.

Ned's Creek is located 20 km from Vango's Marymia Gold Project where Vango is fast-tracking a mine plan for the Trident deposit to support a standalone gold mining and processing operation (refer VAN ASX announcement 18 April 2019). A future development at Marymia would provide an obvious location where any deposits defined at Ned's Creek could be transported and processed.

Contacts

Bill Clayton

Managing Director
info@lodestarminerals.com.au
+61 8 9435 3200

Media enquiries

Michael Vaughan, Fivemark Partners
michael.vaughan@fivemark.com.au
+61 422 602 720

About Lodestar

Lodestar Minerals is an active Western Australian gold explorer with a prospective tenement package spanning more than 2,000km² at the edge of the Pilbara and Yilgarn Cratons. Lodestar has three main projects – Ned’s Creek, Camel Hills and Imbin.

Lodestar’s main focus is Ned’s Creek where it was first to identify the potential for syenite intrusion-related gold mineralisation within a craton margin setting and subsequently has made greenfields gold discoveries at the Contessa and Gidgee Flat prospects. Contessa is one of many partly explored gold anomalies located within a large shear zone developed along the southern margin of a 6 kilometre long, elongate composite granite intrusion.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Bill Clayton, Managing Director, who is a Member of the Australasian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Clayton consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.