



SCOPING STUDY TO EVALUATE OPEN PIT AND UNDERGROUND MINING SCENARIO AT NEPEAN

Lodestar Minerals Limited (**ASX:LSR**, “Lodestar” or “the Company”) advises that joint venture partner Auroch Minerals (**ASX:AOU**) (“Auroch”) has today announced details of a scoping study to investigate the viability of open pit and underground mining scenarios at the historic Nepean nickel mine. The scoping study will be led by industry consultants P1 Australasia Pty Ltd in conjunction with Auroch staff. The scoping study will examine the potential for near term nickel sulphide production and cash flow from the Nepean Nickel Project alongside another of Auroch’s nickel projects having an existing off-take agreement with BHP Nickel West. (**see Auroch Mineral’s ASX announcement attached to and forming part of this announcement**).

Auroch also advises that the Nepean Deeps drilling program is making good progress with the initial diamond drill hole, NPDD008, currently at a depth of 400m.

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About Lodestar

Lodestar Minerals is an active Western Australian gold and base metal explorer.

Lodestar's projects comprise the advanced Nepean Nickel Project JV, the Ned's Creek JV and the 100% owned Camel Hills, Imbin, Jubilee Well and Bulong projects.

Lodestar holds a 20% interest in the Nepean Nickel Project with Auroch Minerals (ASX:AOU; 80%). The Nepean Nickel Project comprises the historic Nepean nickel mine (32,200t Ni production 1970 to 1987) and 12 km of the host ultramafic sequence. Nepean is an advanced project that represents a unique opportunity to add value via regional discovery, by identifying extensions to the Nepean orebody at depth (Nepean Deeps) and confirming a near-surface remnant resource suitable for rapid development.

The Imbin Project is a major strategic land holding in the emerging Earraheedy Province, site of Rumble Resource's recent and potentially world-class Zinc-Lead discoveries. The Imbin Project is located on the northern margin of the prospective basin and is the site of significant historic copper intersections in drilling and approximately 20km of strike of the target Yelma-Frere unconformity

Lodestar discovered multiple zones of syenite intrusion-related gold mineralisation at the Ned's Creek Project on the Yilgarn craton margin, 150km west of Imbin. Vango Mining Limited is earning a 51% interest in the Ned's Creek JV by contributing \$5M of expenditure over 3 years.

Bulong and Jubilee Well are recent acquisitions in highly endowed gold districts; first-pass drill programs are being planned.

NEPEAN AND SAINTS SCOPING STUDIES UNDERWAY

Highlights

- Scoping studies have commenced for the Saints and Nepean nickel projects in Western Australia and are being managed by experienced **P1 Australasia Pty Ltd** in conjunction with the Auroch team
 - The studies will assess the viability of an open-pit mining scenario at Nepean, as well as potential underground mining scenarios at both Nepean and Saints
 - The studies have been initiated as the Company looks to build upon the existing Saints off-take agreement with BHP Nickel West and move towards possible near-term nickel sulphide production and cash flow
 - Auroch currently has a **high-grade JORC(2012) Resource of 1.05Mt @ 2 %Ni & 0.2% Cu for over 21kt of contained nickel at Saints¹**, as well as historic high-grade nickel sulphide resources at Nepean
 - **The high-impact diamond drill programme at the Nepean Deeps target continues on-schedule with first drill-hole NPDD008 currently at a depth of 400m**
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Auroch Minerals Limited (**ASX:AOU**) (**Auroch** or the **Company**) is pleased to announce that it has commenced scoping studies at both its Nepean Nickel Project (Auroch Minerals 80%) (**Nepean**) and Saints Nickel Project (**Saints**), in Western Australia.

The studies will evaluate the economic viability of several mining scenarios at Nepean, including an initial open-pit mine of the known shallow high-grade nickel sulphide mineralisation which could generate significant cash flow in the short to medium term, as well as potential underground mining scenarios of the known high-grade nickel sulphide mineralisation.

A scoping study of potential underground mining scenarios at the high-grade Saints Nickel Project will be run in parallel to the studies at Nepean, taking advantage of synergies between the projects to reduce the overall costs of the studies. Saints currently hosts a **high-grade JORC(2012) Resource of 1.05Mt @ 2 %Ni & 0.2% Cu for over 21kt of contained nickel¹**.

Auroch has an existing offtake agreement in place for Saints with BHP Nickel West (**ASX:BHP**), whilst high-grade ore from the historic nickel mine at Nepean, when in production, was processed at the Kambalda Nickel Operations (**KNO**) that BHP is currently preparing to re-start early next year.

The Company has initiated the scoping studies to build upon the existing relationships with BHP and evaluate the viability of several mining scenarios that may lead to nickel sulphide production and cash flow in the medium term. Experienced **P1 Australasia Pty Ltd** was selected to manage the studies in conjunction with the Auroch team.

Auroch Managing Director Aidan Platel commented:

"We are very pleased to join forces with P1 Australasia and initiate scoping studies at our Saints and Nepean nickel sulphide projects. With the nickel price consistently around US\$ 19,000/t and forecast to increase, we believe there is great potential to take both projects forward to production and hence generate significant cash flow for the Company in the medium term, and so we are eager to evaluate the economic viability for several different mining scenarios at these two projects.

¹ Refer to ASX Announcement – AUROCH TO ACQUIRE HIGH-GRADE WA NICKEL PROJECTS
<https://www.asx.com.au/asxpdf/20190528/pdf/445dz31g15d0kx.pdf>

We have developed a good relationship with the processing team at BHP and have an existing off-take with them for Saints, so we are keen to develop this further and to potentially build a solid business case to provide high-grade nickel sulphide feed for their processing facilities to produce Class 1 nickel products required for batteries for the fast-growing electric vehicle (EV) market.

Parallel to these studies, we continue with our aggressive exploration for a new nickel sulphide discovery across all three of our WA nickel projects. Our exciting Nepean Deeps diamond drill programme beneath the historic Nepean nickel mine is currently underway, with the first hole NPDD008 on target and on schedule at a depth of ~400m. The hole is planned to reach a depth of 1,200m and we look forward to keeping the market informed of its progress.”

Nepean Deeps Drill Programme

The Company has commenced drilling the first Nepean Deeps diamond drill-hole (NPDD008) aimed at testing below the historic Nepean mine workings for down-plunge extensions to the known high-grade nickel sulphide mineralisation. NPDD008 is planned to a depth of 1,200m, and is currently at 400m down-hole.

The first two drill-holes of the programme have been designed primarily to be used as geophysical platform holes to test for potential nickel sulphides over a larger area via down-hole geophysical techniques.

Geophysical surveys such as down-hole electromagnetics (**DHEM**), as well as down-hole magnetometric resistivity (**MMR**) and/or down-hole induced polarisation (**DHIP**), will be used to test for any conductive units that may represent nickel sulphide mineralisation within a radius of approximately 100 – 150m from each drill-hole.

The secondary objective of the first two drill-holes is to test the all-important projected footwall position for potential nickel sulphide mineralisation approximately 400m vertically below the previous underground workings. The historic mine workings ceased after encountering a large cross-cutting pegmatite intrusion at approximately 500m below surface.

The geological and geophysical results from the first two holes will be used to plan another four drill-holes to test high-priority targets within the Nepean Deeps target area for nickel sulphide mineralisation, thus expanding the maiden drill programme to six proposed drill-holes.



Photograph 1 – Seismic Drilling’s diamond drill rig underway on the first Nepean Deeps hole NPDD008

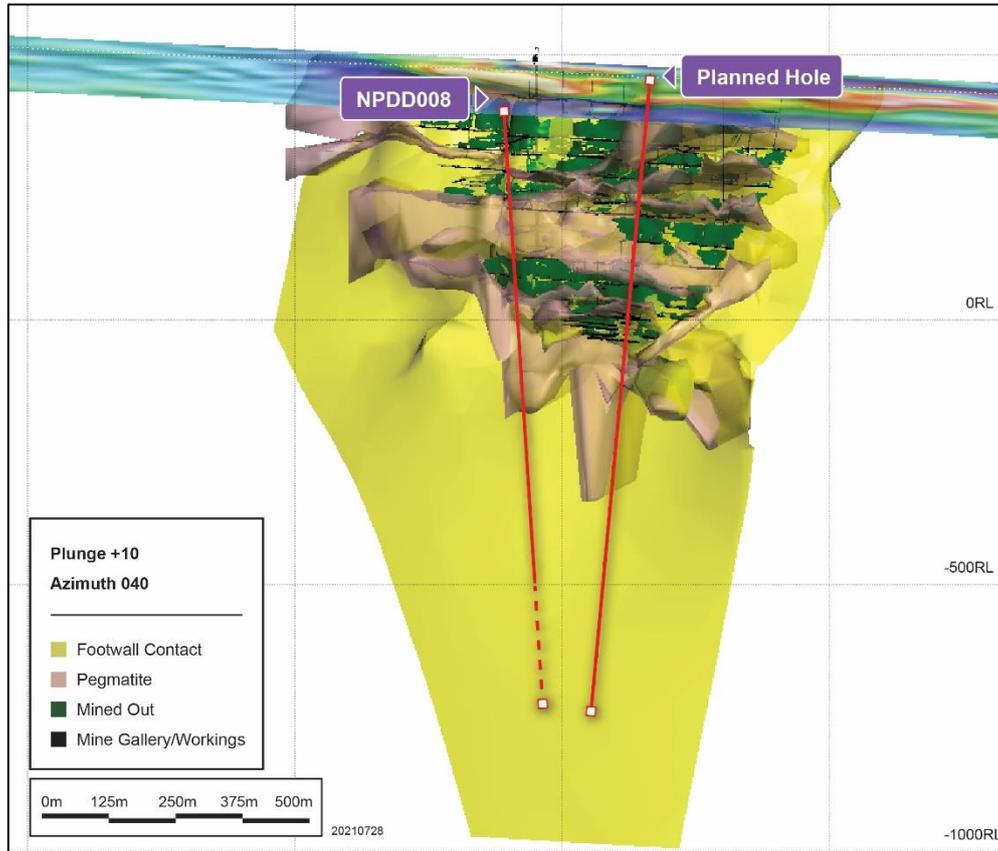


Figure 1 – 3D image (view to the NE) of the first two planned diamond drill-holes in relation to the historic Nepean mine workings, modelled footwall contact and modelled pegmatite veins

This announcement has been authorised by the Board of Directors of the Company.

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For further information visit www.aurochminerals.com or contact:

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Matthew McCarthy and represents an accurate representation of the available data. Mr McCarthy (Member of the Australian Institute of Mining and Metallurgy) is the Company's Senior Geological Officer and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code 2012"). Mr McCarthy consents to the disclosure of this information in this report in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Auroch Minerals Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Auroch Minerals Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.