

# **ASX ANNOUNCEMENT**

11 June 2015 **Electronic lodgement** 

#### **COMPANY SNAPSHOT**

**LODESTAR MINERALS LIMITED** ABN: 32 127 026 528

### **CONTACT DETAILS**

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#### **CAPITAL STRUCTURE**

Shares on Issue: 324,546,575 (LSR)

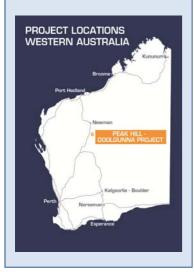
## Options on Issue:

20,750,000 (unlisted) 36,077,402 (listed - 31 Mar 2016)

ASX: LSR

#### **PROJECTS**

Peak Hill - Doolgunna: Base metals, gold



## **FARM OUT AGREEMENT WITH AUSTRALIAN MINES LIMITED**

Lodestar Minerals Limited is pleased to advise that it has entered into a farm out agreement with Australian Mines Limited in relation to the non gold interests over its Ned's Creek and Marymia tenements.

If the farm out and joint venture arrangements proceed to their full conclusion, the farm out will be worth \$ 3.3 million.

The key terms of the agreement are as follows:

- . Australian Mines paid \$ 100,000 to Lodestar on signing the agreement.
- . Australian Mines has the right to withdraw subject to spending a minimum of \$ 150,000 in exploration within 6 months from signing the agreement (Minimum Expenditure).
- . If Australian Mines exercises its option to continue following the \$150,000 Minimum Expenditure, it must make a cash payment to Lodestar of \$250,000.
- . Australian Mines may acquire a 51% interest in All Minerals Excluding Gold within the Ned's Creek and Marymia tenements by spending \$ 1 million (including the Minimum Expenditure) on exploration within an initial twoyear period from the signing of the Agreement ( Under this Agreement, All Minerals Excluding Gold means any mineralisation where gold either is absent or, if present, is not the dominant mineral within a maiden Mineral Resource. Lodestar's Contessa and Brumby gold discoveries are excluded from the farm out Agreement.)
- . Following the acquisition of the initial 51%, Australian Mines may elect to acquire an additional 29% interest (taking the total to 80%) in the tenements by spending a further \$2 million on exploration within a further 24 month period.
- . Once Australian Mines has satisfied its earn-in obligations, with a resulting joint venture interest of either 51% or 80%, Lodestar may elect to contribute on a pro rata basis or dilute their interest according to standard industry formula.

**David McArthur Executive Director**