



Lodestar Minerals Limited

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8 November 2012

Dear Shareholder

## Entitlements Issue – Notification to Ineligible Shareholders

Lodestar Minerals Limited (**Company**) is in the process of raising up to approximately \$2.3 million (before costs) of new equity capital through a non-renounceable pro-rata Entitlements Issue to existing eligible shareholders (**Entitlements Issue**).

The Entitlements Issue will be offered to eligible shareholders on the basis of:

- one (1) new fully paid ordinary share (**New Share**) for every two (2) ordinary shares held by Eligible Shareholders at \$0.035 per New Share.

Details of the Entitlements Issue are contained in the Company's ASX announcement on 25 October 2012, and in the Prospectus lodged with ASIC and the ASX on 8 November 2012 and available at [www.asx.com.au](http://www.asx.com.au)

### Who are Eligible Shareholders?

Shareholders who are eligible to participate in the Entitlements Issue (Eligible Shareholders) are shareholders who:

- (a) were registered as a Lodestar Minerals Limited shareholder as at 7.00 pm (AEST) on 19 November 2012;
- (b) have a registered address in Australia or New Zealand or are, in the opinion of the Company and the lead manager to the Entitlements Issue, otherwise eligible under all applicable securities laws to receive an offer of shares under the Entitlements Issue;
- (c) are not in the United States and are subscribing for shares in an 'offshore transaction' (as defined in Rule 902(h) under the United States Securities Act of 1933, as amended).

### Do you meet the Eligibility criteria?

Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder, you are not eligible to subscribe for New Shares and you will not be sent a copy of the offer documents.

**The Company wishes to advise you that it will not be extending the Entitlements Issue to you.**

**Why are there restrictions on eligibility?**

There are restrictions on eligibility because of:

- (a) the legal limitations in some countries;
- (b) the relatively small number of shareholders in some countries;
- (c) the small number of shares those shareholders hold; and
- (d) the potential cost of complying with regulatory requirements in those countries.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries other than Australia and New Zealand in connection with the Entitlements Issue.

**Do you need to do anything?**

You are not required to do anything in response to this letter.

This letter is to inform you about the Entitlements Issue, the details of which are provided below. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

**Questions**

If you have any questions in relation to the Entitlements Issue and this letter, please seek professional advice or contact the Company on (+61 8) 9423 3200.

Yours faithfully

A handwritten signature in black ink that reads "D McArthur".

**David McArthur**  
Director