



ASX ANNOUNCEMENT

5th July 2016

Electronic lodgement

COMPANY SNAPSHOT

LODESTAR MINERALS LIMITED
 ABN: 32 127 026 528

CONTACT DETAILS

Bill Clayton, Managing Director
 +61 8 9423 3200

Registered and Principal Office
 Level 2, 55 Carrington Street
 Nedlands, WA 6009

PO Box 985
 Nedlands, WA, 6909

info@lodestarminerals.com.au

www.lodestarminerals.com.au

CAPITAL STRUCTURE

Shares on Issue:
 386,224,233 (LSR)

Options on Issue:
 43,550,127 (unlisted)

ASX: LSR

PROJECTS

Peak Hill – Doolgunna:
Camel Hills – gold
Neds Creek – gold
Marymia – gold
Imbin – gold and base metals



COMPLETION OF RC DRILLING AT CONTESSA

HIGHLIGHTS

- Four holes completed at Contessa prospect testing new IP anomaly.
- Single hole completed at Brumby testing vertical extent of gold mineralisation intersected in previous RAB drilling.
- Assay results expected to be returned by the end of July.

West Australian gold explorer Lodestar Minerals Limited (ASX:LSR, "Lodestar" or "the Company") advises that an RC drill program has now been completed at its 100%-owned Ned's Creek project located 170km north of Meekatharra, Western Australia (Figure 1).

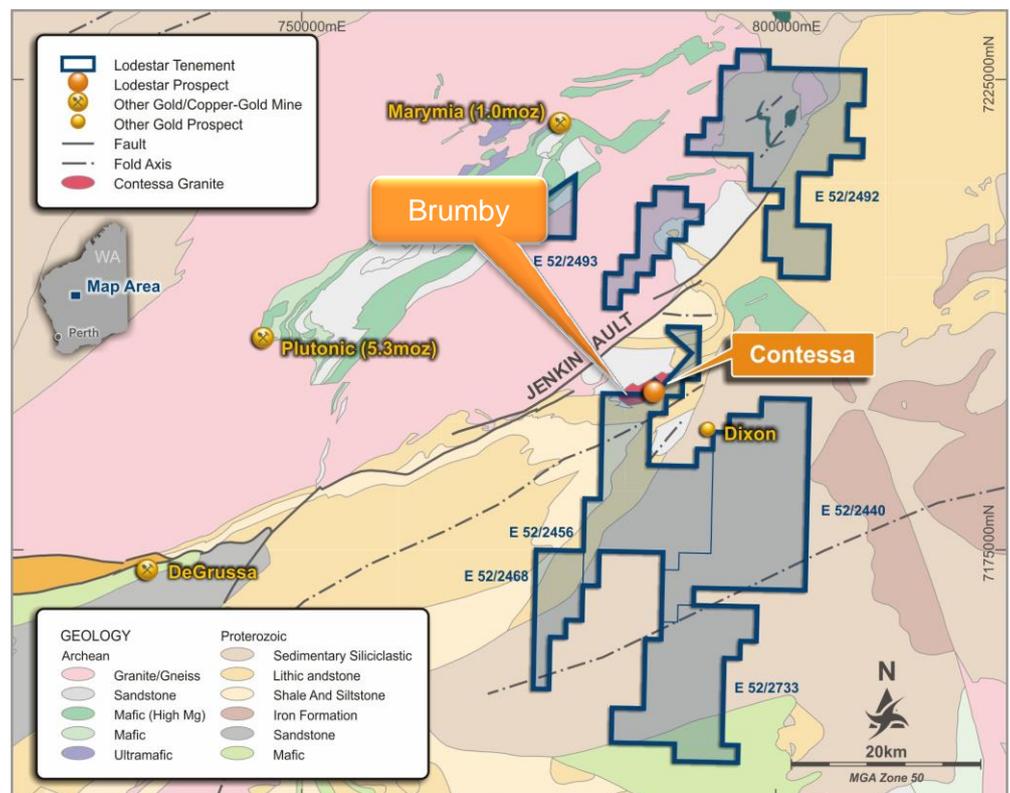


Figure 1 Location plan Contessa and Brumby prospects, Ned's Creek Project.

Four holes were completed at the Contessa gold prospect targeting a new induced polarisation (IP) geophysical anomaly. Earlier RC drilling at Contessa intersected pyrite alteration associated with narrow intervals of +1g/t gold mineralisation in bedrock¹².

The IP survey was conducted to improve targeting of bedrock gold mineralisation in the Contessa area. The survey identified an anomaly with a length of 150m and a target depth of 150m to 200m. The current four-hole RC drilling program successfully tested the target zone on two traverses, achieving depths of up to 249m. Alteration and disseminated pyrite mineralisation was logged within diorite host rocks.

Following completion of the drill program at Contessa, the rig was mobilised to the Brumby prospect where a single RC drill hole tested a gold anomaly intersected in Lodestar's previous shallow RAB drilling - Hole LNR598 intersected 3m at 8.2g/t gold from 13m and 7m at 0.46g/t gold from 18m to end of hole³. The hosting granite at Brumby has been identified as a mafic granite, a type of granite associated with gold mineralisation elsewhere in the Eastern Goldfields. The RC drill hole tested the vertical extent of the mineralised quartz veining and alteration and will assist with future drill targeting and geological interpretation.

Assay results are expected to be available by the end of July.

Bill Clayton
MANAGING DIRECTOR

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

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.

The information in this announcement that relates to previously released exploration results was disclosed under JORC 2012 in the ASX announcements dated

- 30th April 2013 "Quarterly Activity and Cashflow Report"
- 29th December 2014 "RC Drilling Intersects Significant Gold in Alteration Zone"
- 2nd June 2016 "New Bedrock Gold Drill Target at Contessa"

These announcements are available to view on the Lodestar website. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

¹ See Lodestar's ASX announcement dated 29th December 2014

² See Lodestar's ASX announcement dated 2nd June 2016.

³ See Lodestar's ASX announcement dated 30th April 2013.