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ASX ANNOUNCEMENT

22ST September 2015

Electronic lodgement

COMPANY SNAPSHOT

LODESTAR MINERALS LIMITED
ABN: 32 127 026 528

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CAPITAL STRUCTURE
Shares on Issue:
334,546,575 (LSR)

Options on Issue:
20,750,000 (unlisted)
36,077,402 (listed - 31 Mar 2016)

ASX: LSR

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

NEW PRIORITY GOLD TARGET AT MARYMIA

HIGHLIGHTS

- Up to 1.5g/t gold in initial rock chip sampling.
- Located on the southern tectonic margin of the Plutonic Well greenstone belt (10Moz Au production and resources) and 9 kilometres south of the former Marymia gold mine.
- Recovery of alluvial gold nuggets suggests mineralisation source within Lodestar tenements.
- Shallow reconnaissance RAB drill programme planned for current field season – target area has not received previous drilling.

West Australian gold and base metal explorer Lodestar Minerals Limited (ASX:LSR, Lodestar or the Company) has received positive initial results from surface sampling completed within Marymia tenements E52/2734 and E52/2493, part of Lodestar's Neds Creek project, located 200 kilometres northeast of Meekatharra, Western Australia (Figure 1).

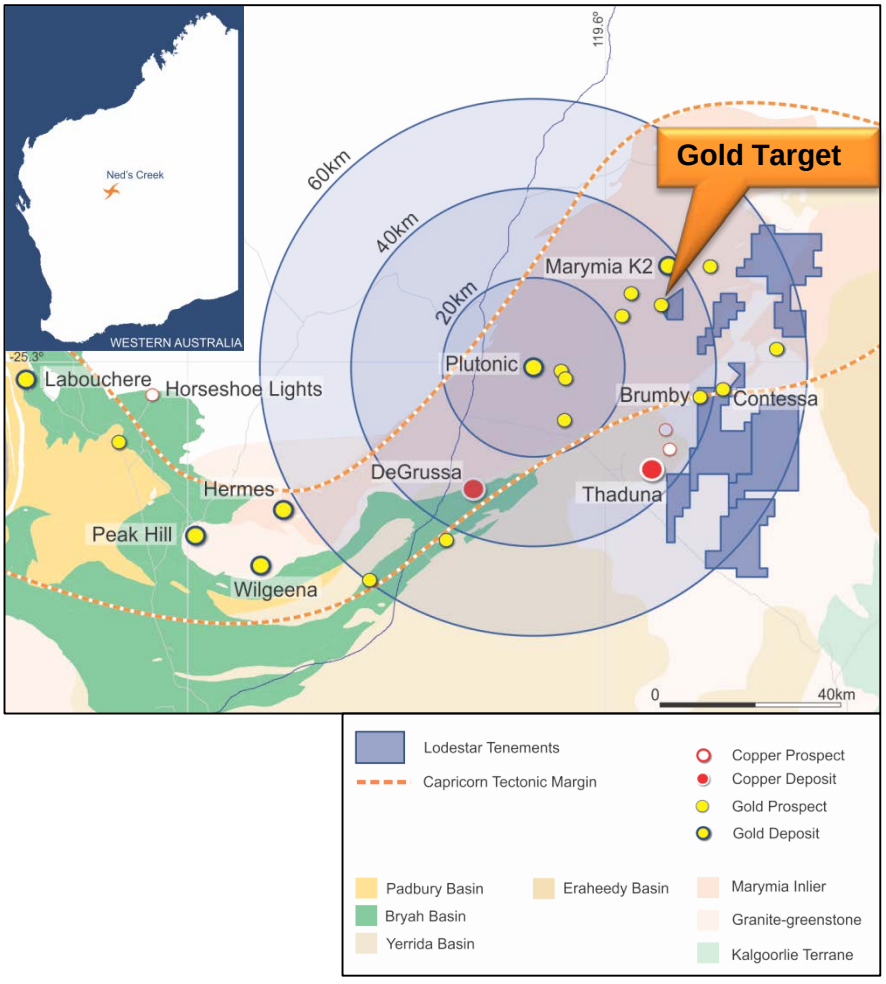

Figure 1 Location plan showing the Marymia gold target

A recent sampling and mapping program carried out over an area of mafic and felsic volcanic rocks, near the boundary of Lodestar tenements E52/2734 and E52/2493, has found evidence of extensive hydrothermal alteration, including quartz-haematite veining, and lateritic ironstones that have returned anomalous results over a 1 kilometre zone across the greenstone margin (Figures 2 and 3). The area is deeply weathered with scattered lateritised outcrop and a predominantly depositional (transported) regolith cover.

A total of 59 samples were collected to follow up in-fill lag sampling completed in November 2014[1] and investigate reports of alluvial gold nuggets that have been recovered nearby. In-fill lag sampling was completed on a 125 metre by 125 metre grid. Anomalous rock chip samples were reported from three sites across the area of interest, with up to 1.5g/t (1500ppb) gold and 850ppm lead and anomalous pathfinder elements (Bi, Sb, Te) that are associated with Archaean gold deposits (Table 1).

The area of anomalous rock chip sampling shows a corresponding low-level enrichment of tellurium in lag sampling, however the distribution of other geochemical pathfinder elements is less consistent. All sample results are listed in Schedule 1.

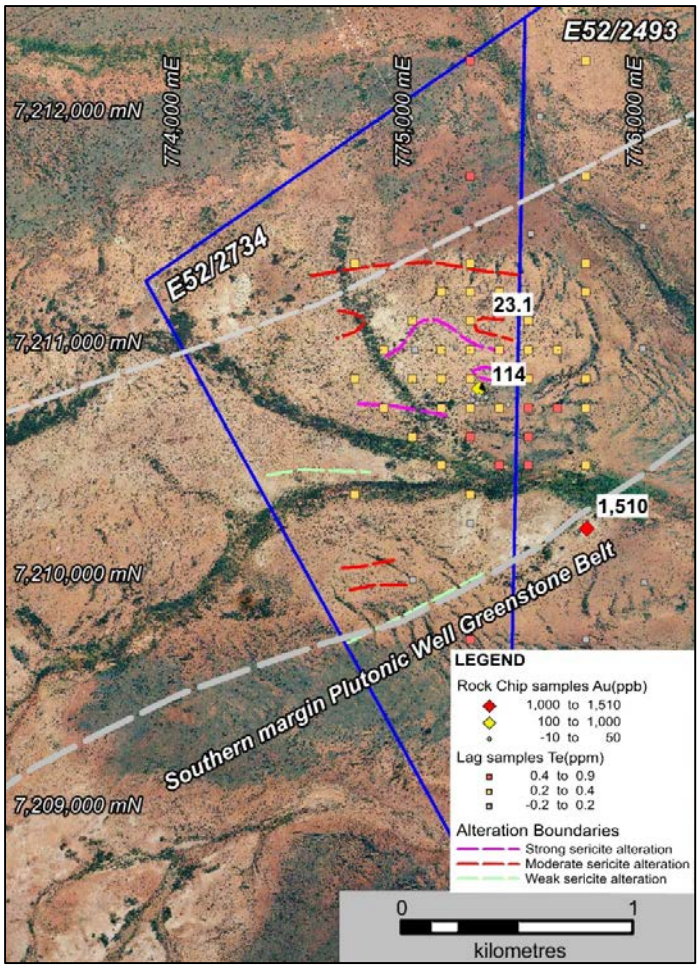

Figure 2 Location of lag and rock samples, showing anomalous gold results and mapped alteration zones (MGA94 Zone 50).

[1] See Lodestar's ASX announcement dated 30th January 2015, "December 2014 Quarterly Activities and Cashflow Report".

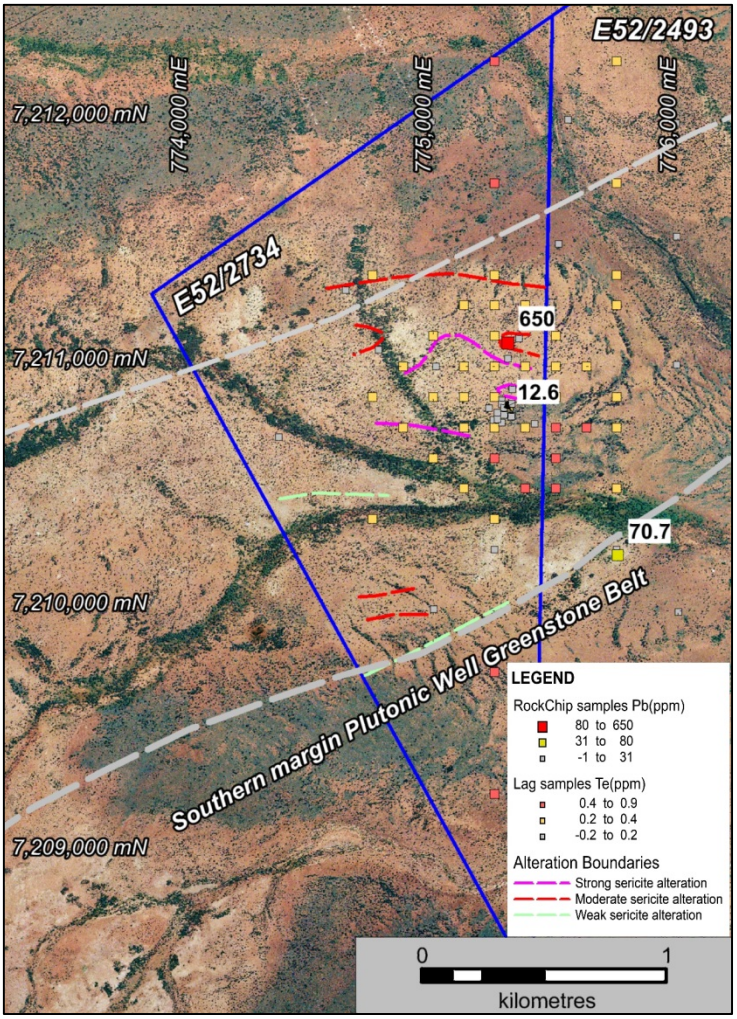

Figure 3 Location of lag and rock samples showing anomalous lead results and mapped alteration zones (MGA94 Zone 50).

Table 1 Anomalous rock chip sample results

SampleID	East	North	Ag (ppm)	Au (ppb)	Bi (ppm)	Cu (ppm)	Fe (pct)	Pb (ppm)	Sb (ppm)	Te (ppm)
LSR102059	775753	7210227	0.29	1510	1.4	1040	40.60%	70.7	0.3	0.5
LSR102064	775303	7211095	0.38	23.1	23.9	172	19.70%	650	14.5	3.6
LSR102069	775290	7210832	0.65	114	0.5	142	5.62%	12.6	0.1	0.3

The sample reporting 1510ppb gold is poorly exposed iron-rich, gossanous material located near the tectonic southern margin of the Plutonic Well Greenstone Belt. Lodestar's tenements cover approximately 5 kilometres of this margin, which is concealed beneath sheet wash cover. It has not been targeted by previous drilling and is regarded as a priority exploration target.

Lodestar proposes to complete several traverses of reconnaissance RAB drilling to follow up these promising early results.

Bill Clayton
Managing Director

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 announcement dated 30th January 2015 "December 2014 Quarterly Activities and Cashflow Report". The announcement is 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.

JORC Code 2012 - TABLE 1 *Sampling Techniques and Data*

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Surface lag samples were collected by sweeping an area of approximately 2m square, collecting a gravel lag sample and sieving the sample to obtain a -5.7mm to +2mm size fraction. Sample sites that obviously lie in drainage systems are moved to the margins of the drainage. Sampling is guided by regional regolith interpretation. • No field duplicate or reference standards were inserted with this sample batch. • Sample results reported in Schedule 1. Approximately 1kg of material was dried and crushed to 2mm, a 500-700g split (rotary splitter) is pulverized and split to produce a 40g charge for aqua regia digest and ICPMS/OES analysis. Gold is reported with a lower detection limit of 0.5ppb. .
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Surface sampling only – not applicable.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample sites with poor lag accumulation are noted, none were noted in the current programme. • Surface sampling is optimal over residual and erosional regolith profiles, interpretation of results is guided by the nature of the regolith and sample material. • Regional surface geochemical programme - only a weak geochemical expression is expected.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Surface sampling only – not applicable • Surface sampling only – not applicable • Surface sampling only – not applicable

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Surface sampling only – not applicable • Surface sampling only – not applicable • Samples of approximately 1kg were dried, crushed to 2mm, split to 500g to700g with a rotary splitter and pulverised to -75micron. A 40g sub-sample prepared for analysis. • Quality control procedures included laboratory duplicate samples. These quality control results are reported with the sample results in the final laboratory reports. • No field duplicates were submitted with this sample batch. • Grain size is unknown, however high grade samples have not been reported in this program.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No significant intersections are reported. • Surface sampling only. • Field and laboratory data were collected electronically and entered into a relational database. Data collection protocols are recorded in Lodestar's operation manual. • There has been no adjustment to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample locations are fixed by handheld GPS, accuracy is estimated to be +/-5 metres. • Sample coordinates were recorded in MGA94 Zone 50 grid. • The topography within prospect areas is generally flat; RL's are averaged from GPS readings of sample sites in each area.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Samples are collected on a 125metre by 125metre grid which in-fills earlier 250metre by 500metre sampling. • Surface sampling only – not applicable. • Sample compositing has not been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Surface sampling only – not applicable. • Surface sampling only – not applicable.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored at Lodestar's exploration camp in sealed bags under supervision prior to dispatch by Lodestar personnnel to UltraTrace Laboratories.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out.

Criteria	Commentary
Mineral tenement and land tenure status	• Sampling was completed on E52/2493 and E52/2734, within Lodestar's Marymia project. The tenements are owned by Audacious Resources, a wholly-owned subsidiary of Lodestar Minerals and Lodestar Minerals. • E52/2493 expires on 16/09/2015 (extension applied for 02/09/2015) and E52/2734 expires on 23/08/2017.
Exploration done by other parties	• Exploration commenced at McDonald Well in the late 1960's, WMC explored for Zambian Copper Belt style mineralisation and completed regional geological mapping and sampling, followed by minor percussion drilling. CRA Exploration completed regional mapping and auger sampling, also at McDonald Well. No significant anomalies were identified on the tenements. • There is no evidence of significant historic exploration on the Marymia tenements.
Geology	• The geology of the project area comprises the southern margin of the Archaean Plutonic Well Greenstone Belt. The geology forms two discrete units; o Strongly deformed Archaean mafic and felsic volcanic rocks, interleaved with shale and banded iron formation, that are prospective for structurally controlled lode gold mineralisation.. o Archaean granitoids of the Marymia Inlier, to the south of the greenstone sequence.
Drill hole information	• Tabulated sample data is provided in Schedule 1, attached.
Data aggregation methods	• No data aggregation methods have been applied..
Relationship between mineralisation widths and intercept lengths	• Surface sampling only – not applicable.
Diagrams	• See Figures 2 and 3.
Balanced reporting	• All sample results are reported in Schedule 1.
Other substantive exploration data	• None to report.
Further Work	• Anomalous gold of greater than 100ppb (0.1g/t) has been identified from rock chip sampling and prospecting. Gold anomalies, quartz-haematite veining and extensive sericite alteration occur along the deeply weathered and poorly exposed southern tectonic margin of the Plutonic Well Greenstone Belt. This association is believed to be very significant and initial RAB drilling is planned to verify the anomalies and develop a better understanding of the regolith environment.

SCHEDULE 1 – Surface Sampling Results

Sample ID	Sample Type	Easting	Northing	Ag ppm	As ppm	Au ppb	Bi ppm	Pb ppm	Sb ppm	Sn ppm	Te ppm	W ppm
LSR102057	ROCK	775414	7210765	0.05	1.3	1.1	0.1	7.5	0.3	0.2	0.2	3.9
LSR102058	ROCK	775261	7210808	0.19	0.9	0.5	0.1	3	0.1	0.2	0.2	0.9
LSR102059	ROCK	775753	7210227	0.29	6.4	1510	1.4	70.7	0.3	0.6	0.5	1.2
LSR102060	ROCK	774368	7210711	0.02	1.2	2.1	0.2	6	0.1	0.2	0.2	0.4
LSR102061	ROCK	774641	7211313	0.01	0.9	3.7	0.1	1.4	0.2	0.2	0.2	0.2
LSR102062	ROCK	774775	7211069	0.02	2.1	3.8	0.1	8.3	0.1	1	0.2	0.2
LSR102063	ROCK	775349	7211114	0.02	0.5	0.5	0.1	6	0.1	0.2	0.2	0.1
LSR102064	ROCK	775303	7211095	0.38	1.3	23.1	23.9	650	14.5	1.5	3.6	1.7
LSR102065	ROCK	775304	7211031	0.01	0.5	0.5	0.1	0.9	0.1	0.2	0.2	0.1
LSR102066	ROCK	775322	7210908	0.02	1.3	6	0.2	7.1	0.1	0.8	0.2	0.2
LSR102067	ROCK	775279	7210861	0.01	0.5	10.8	0.1	1.4	0.1	0.2	0.2	0.1
LSR102068	ROCK	775278	7210846	0.03	1	4.7	0.4	1.7	0.1	0.2	0.2	0.3
LSR102069	ROCK	775290	7210832	0.65	3.8	114	0.5	12.6	0.1	0.6	0.3	0.1
LSR102070	ROCK	775262	7210811	0.17	1	0.5	0.1	3.8	0.1	0.2	0.2	0.1
LSR102071	ROCK	775317	7210845	0.03	1.3	23.1	0.3	3	0.2	0.3	0.2	4.9
LSR102072	ROCK	775321	7210846	0.02	0.5	0.5	0.1	0.7	0.1	0.2	0.2	0.1
LSR102073	ROCK	775288	7210802	0.06	0.6	5.5	0.1	1.7	0.1	0.3	0.2	0.2
LSR102074	ROCK	775227	7210829	0.03	0.6	0.5	0.1	3.3	0.1	0.2	0.2	0.5
LSR102075	ROCK	775322	7210798	0.11	3	2	0.2	10.1	0.1	0.7	0.2	0.7
LSR102076	ROCK	775319	7210796	0.09	1.4	4.2	0.1	7.6	0.1	0.9	0.2	2.4
LSR102077	LAG	775250	7210750	0.13	28.3	0.5	1.5	20.9	0.9	2.1	0.4	1
LSR102078	LAG	775250	7210625	0.25	45	0.5	1.3	25.9	1.5	2.3	0.4	0.8
LSR102079	LAG	775375	7210500	0.26	53.5	1.3	1.2	28.5	1.8	2.6	0.4	0.9
LSR102080	LAG	775250	7210375	0.16	30.4	0.5	0.9	32	1	2.1	0.3	0.5
LSR102081	LAG	775125	7210500	0.2	54	0.5	0.4	24.5	1.4	1.1	0.3	0.6
LSR102082	LAG	775000	7210625	0.18	60.7	0.5	0.7	28.9	1.6	1.5	0.3	0.9
LSR102083	LAG	774750	7210375	0.17	32.9	2.6	0.9	35.2	1.2	2.1	0.3	0.7
LSR102084	LAG	774875	7210750	0.07	15.5	0.5	0.5	14.9	0.5	1	0.2	0.5
LSR102085	LAG	774750	7210875	0.08	18.5	0.9	0.3	17.7	0.6	1.3	0.2	0.5

Sample ID	Sample Type	Easting	Northing	Ag ppm	As ppm	Au ppb	Bi ppm	Pb ppm	Sb ppm	Sn ppm	Te ppm	W ppm
LSR102086	LAG	775000	7210875	0.07	18.7	0.5	0.4	13.3	0.7	1.1	0.2	0.4
LSR102087	LAG	775125	7210750	0.11	30.4	0.5	0.8	20.6	0.9	1.6	0.2	0.5
LSR102088	LAG	775125	7210875	0.14	38	0.5	1.2	25	1.1	1.6	0.2	0.5
LSR102089	LAG	775250	7210875	0.09	30.6	0.5	1.6	20.8	0.9	2	0.2	0.7
LSR102090	LAG	775375	7210875	0.15	29.3	0.5	3.4	29.9	1.1	3.4	0.4	0.7
LSR102091	LAG	775500	7210875	0.17	20	3	1.2	22.4	0.7	2.1	0.2	0.6
LSR102092	LAG	775750	7210875	0.39	19.5	0.5	0.7	24.7	0.7	2.5	0.3	0.4
LSR102093	LAG	775625	7210750	0.32	21.7	1	1.3	28.2	0.8	3.2	0.4	0.6
LSR102094	LAG	775500	7210625	0.21	27.3	0.5	1.6	23.6	1.3	2.9	0.4	0.9
LSR102095	LAG	775500	7210500	0.24	48.9	0.5	1.2	25.9	1.8	2.3	0.4	1.1
LSR102096	LAG	775500	7210750	0.38	17.6	0.5	1.4	23.2	0.7	4.1	0.4	0.8
LSR102097	LAG	775375	7210750	0.18	21.1	0.6	1.1	17.1	0.6	2.4	0.3	0.9
LSR102098	LAG	775750	7210500	0.32	38.1	0.5	1.1	25.9	1.4	2.1	0.3	0.7
LSR102099	LAG	775125	7211000	0.1	49.3	0.5	0.8	20	1.2	1.5	0.2	0.6
LSR102100	LAG	774875	7211000	0.11	36.2	0.7	0.7	23.2	1.4	1.5	0.2	0.5
LSR102101	LAG	775000	7211125	0.11	50.5	0.7	0.7	21.8	1.2	1.4	0.2	0.5
LSR102102	LAG	774750	7211375	0.1	61.3	0.6	0.6	26.3	1.3	1	0.2	0.6
LSR102103	LAG	775125	7211250	0.13	24.8	1.2	0.7	22.1	1	1.8	0.3	0.5
LSR102104	LAG	775250	7211375	0.27	25.7	0.5	0.8	24.4	1.1	2	0.2	0.4
LSR102105	LAG	775375	7211250	0.2	23.6	0.5	0.8	23.9	1.1	2	0.3	0.4
LSR102106	LAG	775750	7211375	0.39	27.3	0.5	0.9	26.7	1.3	2	0.3	0.6
LSR102107	LAG	775500	7211125	0.23	23.8	0.5	0.8	24.9	1.1	1.9	0.3	0.5
LSR102108	LAG	775625	7211000	0.27	29.2	0.7	1.1	28.7	1.2	2.2	0.3	0.5
LSR102109	LAG	775500	7211000	0.2	28.8	0.5	0.9	24.4	1.2	2.2	0.3	0.5
LSR102110	LAG	775375	7211000	0.15	26.9	0.5	1.1	22.4	1	2	0.3	0.6
LSR102111	LAG	775250	7211125	0.13	24.7	0.5	0.8	20.2	1	1.9	0.3	0.5
LSR102112	LAG	775250	7211000	0.08	65	0.6	0.9	17.9	0.8	1.4	0.2	0.5
LSR102113	LAG	775307	7210835	0.12	34.8	0.6	1.7	22.1	1.1	2.3	0.3	0.6
LSR102114	ROCK	775246	7210781	0.04	1.1	27.7	0.1	9.6	0.4	0.3	0.2	2.7

Sample ID	Sample Type	Easting	Northing	Ag ppm	As ppm	Au ppb	Bi ppm	Pb ppm	Sb ppm	Sn ppm	Te ppm	W ppm
LSR102115	ROCK	775279	7210771	0.07	1.2	0.7	0.1	9.4	0.4	0.4	0.2	6.1
LSR102116	ROCK	775261	7210783	0.06	1.8	5	0.1	8.8	0.2	0.4	0.2	0.7