



ASX ANNOUNCEMENT

24 November 2014

Electronic lodgement

COMPANY SNAPSHOT

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CAPITAL STRUCTURE

Shares on Issue:
324,526,157 (LSR)

Options on Issue:
9,975,000 (unlisted)
34,097,820 (listed - 31 Mar 2016)

ASX: LSR

PROJECTS

Peak Hill – Doolgunna:
Base metals, gold



LODESTAR DRILLING UPDATE

Aircore Drilling Confirms Strong Gold Anomalism south west of Contessa – Contessa RC Drilling Underway

HIGHLIGHTS

- First-pass aircore drilling has returned significant intercepts beneath auger gold anomalies, south west of the Contessa prospect
- Drill results include
 - **LNR758 – 5m at 8.89g/t Au from 30m**
 - **LNR757 – 5m at 2.15g/t Au from 35m**
 - **LNR747 – 10m at 1.89g/t Au from 40m**
 - **LNR741 – 5m at 1.4g/t Au from 60m and 5m at 1.56g/t Au from 80m**
 - **LNR732 – 5m at 1.83g/t Au from 45m**
 - **LNR731 – 5m at 1.02g/t Au from 90m**
- Widespread anomalism supports potential for discovery of high-grade primary gold mineralisation
- Additional drilling will be planned once all drill results have been received

Lodestar Minerals (ASX:LSR, “Lodestar” or “the Company”) advises that assay results have been received for 32 holes of a recently completed 50 hole aircore programme designed to test extensive auger gold anomalies along strike from the Contessa gold prospect, on the Company’s 100% owned Ned’s Creek Project (Figure 1).

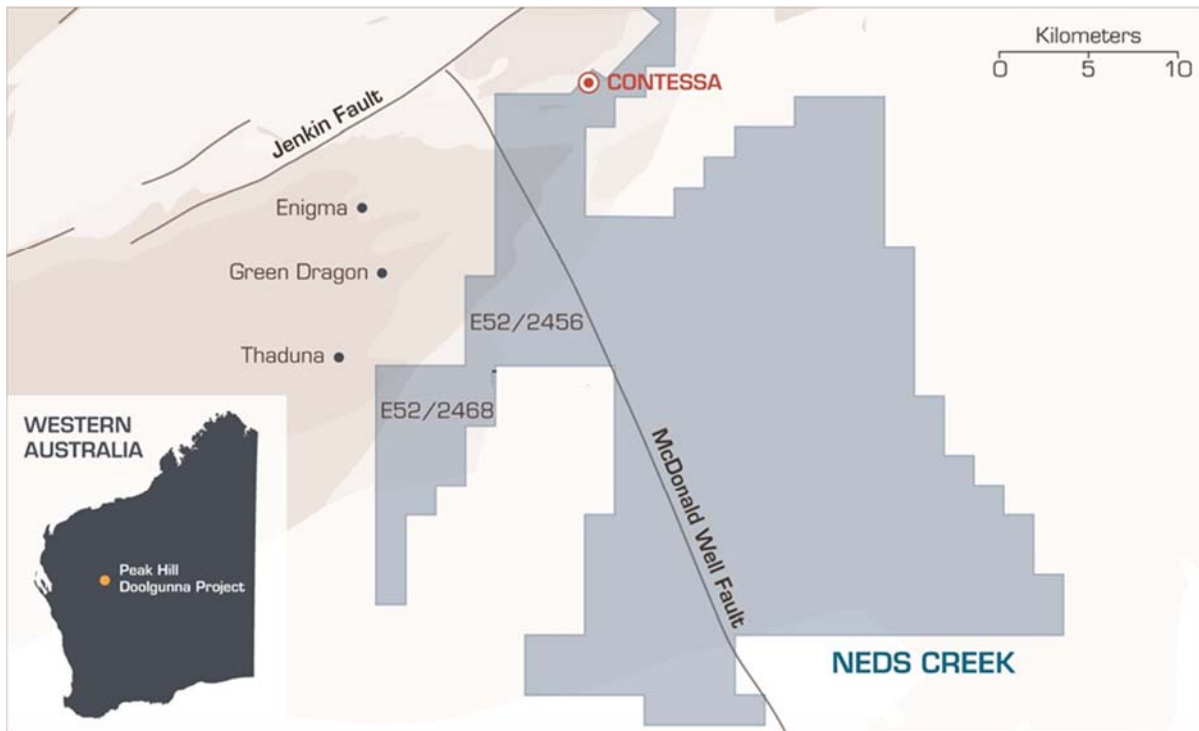


Figure 1 Location Plan - Contessa Prospect, Ned's Creek Project

The drilling targeted auger gold anomalies associated with a north east trending sequence of metamorphosed Archaean felsic schists and mafic to ultramafic rocks known as the Contessa Trend (Figure 2). The Contessa Trend is a continuous litho-structural zone, clearly defined in aeromagnetic images, that extends for more than 8 kilometres in Lodestar's tenements.

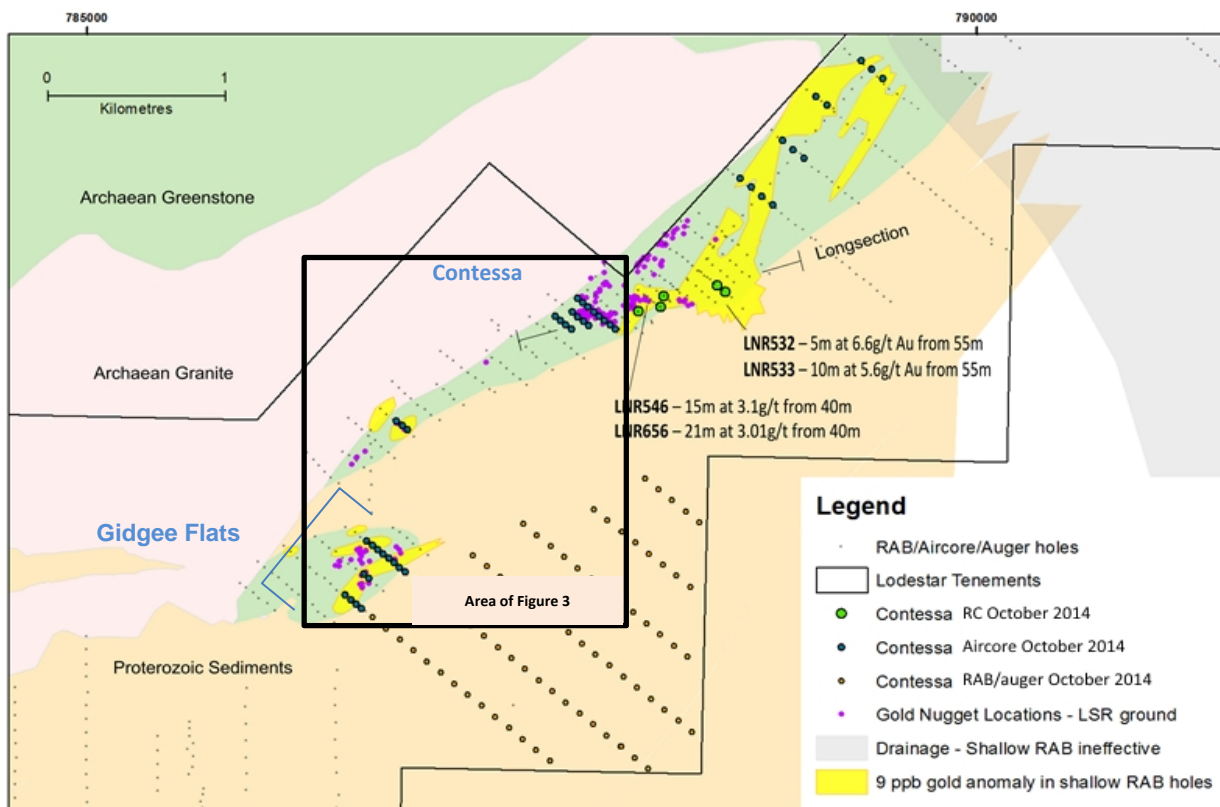


Figure 2 Contessa Trend - Auger gold anomalies targeted by aircore drilling



The aircore programme tested auger anomalies on a 160m by 40m (Gidgee Flats) or 80m by 40m drill pattern (Contessa south). The best results were reported from a single traverse between Gidgee Flat and Contessa where previous scout RAB drilling reported 12m at 0.18g/t Au from 28m in LNR027 and 8m at 0.12g/t Au from 52m in LNR028 (Figure 3, see Lodestar’s ASX announcement dated 16 January 2012).

Results from two of the three holes drilled on this traverse (LNR757 and LNR758, LNR759 results awaited) are significant and highlight the untested potential of the 1 kilometre strike towards Contessa, within an interpreted shear zone adjacent to the granite contact. South of Contessa, LNR731 reported a 40m interval at 0.6g/t Au from 55m, coinciding with the position of this structure.

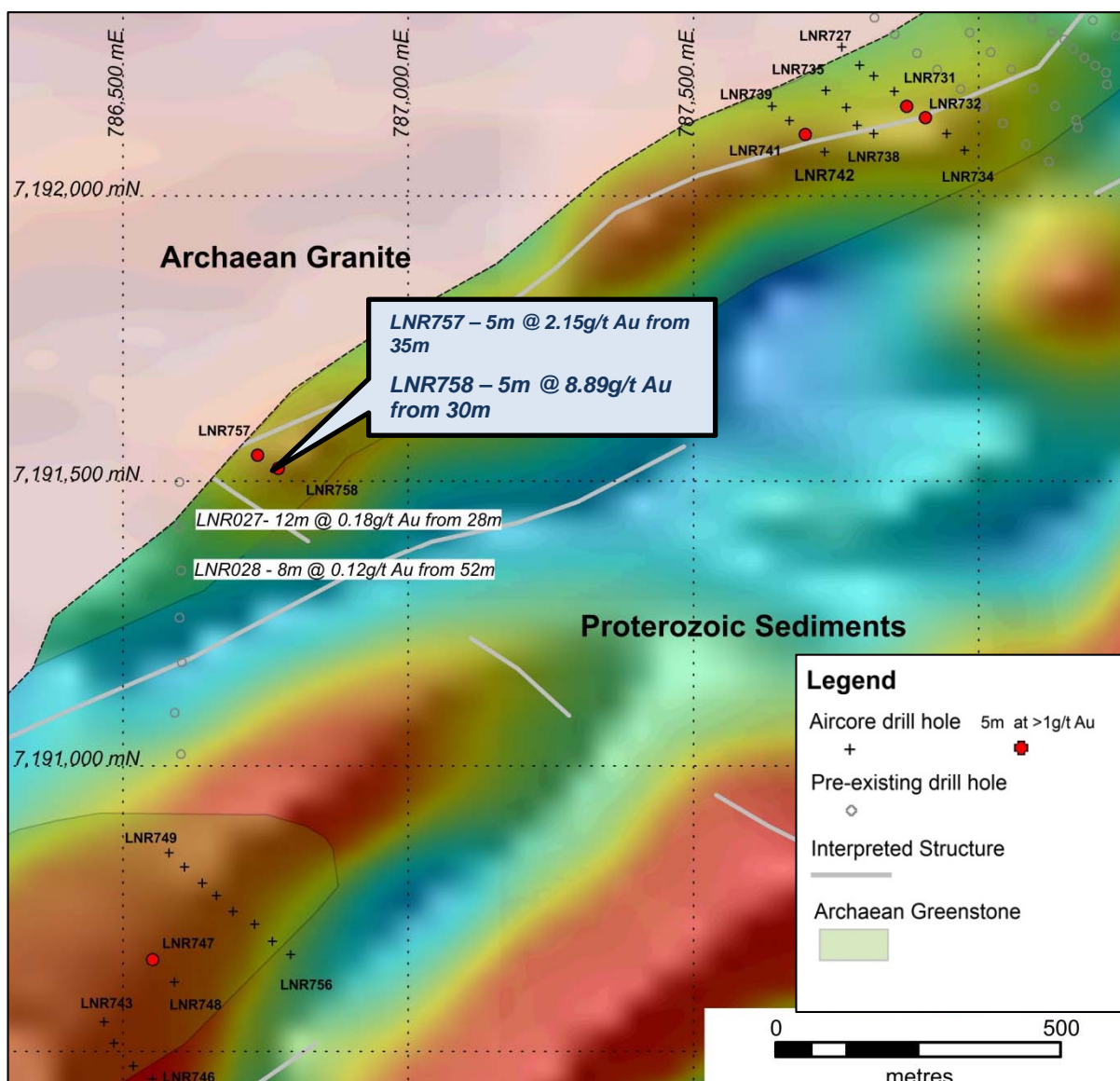


Figure 3 Aircore drilling, south west Contessa Trend on aeromagnetic image – 1VDRTP, significant intersections listed in Table 1.



At Gidgee Flats anomalous gold values were reported from the northern end of each of three traverses (Figure 3). LNR750 and LNR751 reported maximum values of 0.71g/t in 5m composite samples. LNR747 reported 10m at 1.89g/t Au from 40m and LNR743 reported a maximum of 0.66g/t Au in 5m composite samples (see Table 1 and Schedule 1 – Assay Results).

SUMMARY

First-pass aircore drilling has validated the auger sampling results and confirmed widespread gold anomalism within the southern Contessa Trend, enhancing the potential for discovery of high grade primary gold mineralisation in this area. The area between Contessa and the significant intersection in drill hole LNR758 is untested and represents a high priority target for systematic follow up drilling.

Table 1 Aircore Drill Intersections Greater Than 1g/t Au

Hole	Easting	Northing	Depth (m)	Azimuth	Dip	From	Length	Au (g/t)
LNR731	787875	7192158	96	310	-60	90	5	1.02
LNR732	787910	7192138	81	310	-60	45	5	1.83
LNR741	787695	7192107	93	310	-60	60	5	1.4
LNR741	787695	7192107	93	310	-60	80	5	1.56
LNR747	786551	7190657	61	310	-60	40	5	2.12
LNR747	786551	7190657	61	310	-60	45	5	1.66
LNR757	786736	7191546	96	310	-60	35	5	2.15
LNR758	786772	7191521	75	310	-60	30	5	8.89

CONTESSA

As advised on 17 November 2014 the Contessa RC drilling programme has commenced.

The programme will comprise 1300 metres of drilling and will test beneath significant intersections of supergene gold mineralisation at the Contessa gold project. The thickness and grade of gold intersections reported from first-pass aircore drilling at Contessa are indicative of a primary gold system at depth (see Lodestar's ASX announcements dated 18 March 2013 and 4 June 2013). The RC drill holes have a planned downhole depth of 200m and are targeting vein-hosted, lode-style gold within a metamorphosed mafic-felsic host sequence that displays extensive surface gold anomalies.

The drilling programme is expected to take approximately two weeks to complete.

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 Code 2004 in the ASX announcement dated 16 September 2012 "Initial Drill Results Identify Gold Anomalies in the Contessa Area, Ned's Creek". 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.



Table 2 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Aircore drill holes were sampled at 1m intervals from a cyclone on the rig. From 0m to end of hole, samples submitted for assays were composited to 5 metre samples or less than 5m, where the hole depth is not a multiple of 5m. Hole locations are fixed using a hand held GPS. Samples are logged and ground conditions that impact sample recoveries are recorded. Sample results reported in Table 1 and Schedule 1 used the sampling protocol described below. Samples from 0m to end of hole were collected as 5 metre composites by scooping consistently down the side of bagged 1 metre samples using a PVC spear. Approximately 2.5kg of material was dried, crushed pulverised and split to produce a 40g charge for aqua regia digest.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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). 	<ul style="list-style-type: none"> Aircore drilling technique using a 2.5" blade or hammer bit
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Sample recoveries and wet samples were monitored and included in Lodestar's drill hole database. Aircore drilling of wet samples is avoided by drilling practices. Drill sampling equipment was cleaned regularly to minimise contamination. Lodestar monitors the distribution of high grade gold and sample recoveries.