

## PLACEMENT TO FUND UPCOMING WORK PROGRAM

- Oversubscribed placement successfully raises \$2.07 million to accelerate work at Ned's Creek and Yowereena
- RC drilling scheduled to begin in mid-March at Contessa and Gidgee Flat gold discoveries at 100% owned Ned's Creek project
- Aircore drilling at Brumby and Central Park prospects at Ned's Creek planned for April
- Detailed aeromagnetic survey and aircore drilling at the Yowereena farm-in scheduled for April

Western Australian gold explorer Lodestar Minerals Limited (ASX: LSR) ("**Lodestar**" or "**the Company**") advises that it has successfully placed 90 million fully paid ordinary shares at 2.3 cents each to raise \$2.07 million (before costs). The placement was oversubscribed.

The funding will be directed towards significant drilling and geophysical surveying activities at the 100%-owned Ned's Creek project and the Yowereena farm in with Vango Mining Limited (ASX:VAN) where Lodestar is earning up to an 80% interest<sup>1</sup>.

The first substantial program of RC drilling at the Contessa and Gidgee Flat gold discoveries at Ned's Creek is scheduled to begin in mid-March 2018, subject to weather conditions.

At Contessa, a single RC hole drilled by Lodestar in December 2017 confirmed gold mineralisation extended to a depth of 144 metres and mineralisation remains open along the key structural contact to the northeast and southwest<sup>2</sup>. A 2,000m step-out drill program of 12 holes is planned to initially test 160m of the total potential 2km strike along this key structural contact to a depth of up to 170m.

At Gidgee Flat, aircore drilling within an 80m by 60m area in late 2017 returned multiple thick gold intersections with distinct high-grade zones, including 15m at 3.2g/t Au from 72m (incl. 4m at 5.0g/t from 72m) and 20m at 2.4g/t Au from 44m (incl. 4m at 4.8g/t Au from 48m)<sup>2</sup>. Lodestar plans to conduct a 2,400m step-out RC drill program to test down-dip (northwest) from previous results. This first program of RC drilling at Gidgee Flat will test along a 120m strike and to a depth of 160m.

Immediately following the RC drilling program, 2,800m of aircore drilling is planned for Central Park and a further 1,600m at Brumby. Both in-fill programs will target existing primary gold mineralisation along the granite contact.

Follow-up aircore drilling is also planned for Boundary Fence in April, targeting an oxide gold anomaly over 340m strike on 40m to 80m traverses. A total of 31 holes for 2,200m is budgeted. A detailed

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<sup>1</sup> See Lodestar ASX announcement dated 14 March 2017

<sup>2</sup> See Lodestar ASX announcement dated 27 December 2017

aeromagnetic survey of the entire 36km<sup>2</sup> Yowereena project, scheduled for April, is expected to provide important geological and structural information in the large parts of the tenement area that are concealed beneath shallow transported cover.

Along with these important work programs and expected follow-up drilling in the June quarter 2018, funds from the placement will also be directed towards general working capital.

The placement will be made pursuant to Rule 7.1 of the ASX Listing Rules and S708A of the Corporations Act to sophisticated and professional investor clients of Mac Equity Partners (International) Pty Ltd. As part of the costs of the placement, Mac Equity will be issued 5 million unlisted options exercisable at 5 cents each on or before 31 December 2018.

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