



ASX ANNOUNCEMENT

18 December 2012

COMPANY SNAPSHOT

LODESTAR MINERALS LIMITED
ABN: 32 127 026 528

CONTACT DETAILS

Bill Clayton, Managing Director
+61 8 9481 5455

Principal Office

Level 2, 83 Havelock Street
West Perth, WA 6005

Registered Corporate Office

Level 2, 55 Carrington Street
Nedlands, WA 6009

PO Box 985
Nedlands, WA, 6909

admin@lodestarminerals.com.au

www.lodestarminerals.com.au

CAPITAL STRUCTURE

Shares on Issue:
156,489,477(LSR)

Options on Issue:
4,750,000 (Unlisted)

ASX: LSR

PROJECTS

Peak Hill – Doolgunna:
Base metals, gold

Kimberley:

Nickel, copper, PGM's



Exploration Update – Neds Creek

Highlights

- **Strong multi-element signature associated with gold mineralisation at Brumby**
- **Drilling postponed due to heavy rain – rescheduled to mid January.**
- **Drilling to test priority exploration targets at Little Well (copper), Brumby and Contessa (gold)**

Lodestar Minerals Limited (“Lodestar” or “the Company”, **ASX: LSR**) is pleased to provide an update on exploration activities at the Neds Creek Project.

Heritage Surveys – Proposed Drilling Programme

Heritage surveys over the Little Well, McDonald Well, Brumby and Contessa target areas have been completed and preliminary approvals received. Aircore drilling, scheduled to commence around 11th December, has been delayed by recent heavy rainfall which has restricted access to the project area. Drilling is scheduled to commence in mid-January.

Geochemical Results Rock Chip Sampling: Brumby Area

Final multi-element geochemical results have been received for the vein samples from the Brumby area (Figure 1) that reported high gold values up to 24g/t Au (Table 1 and see Lodestar’s ASX announcement dated 27th November 2012). The multi-element data show a close relationship between silver, bismuth, molybdenum, lead and tellurium ± tungsten and high grade gold mineralisation.

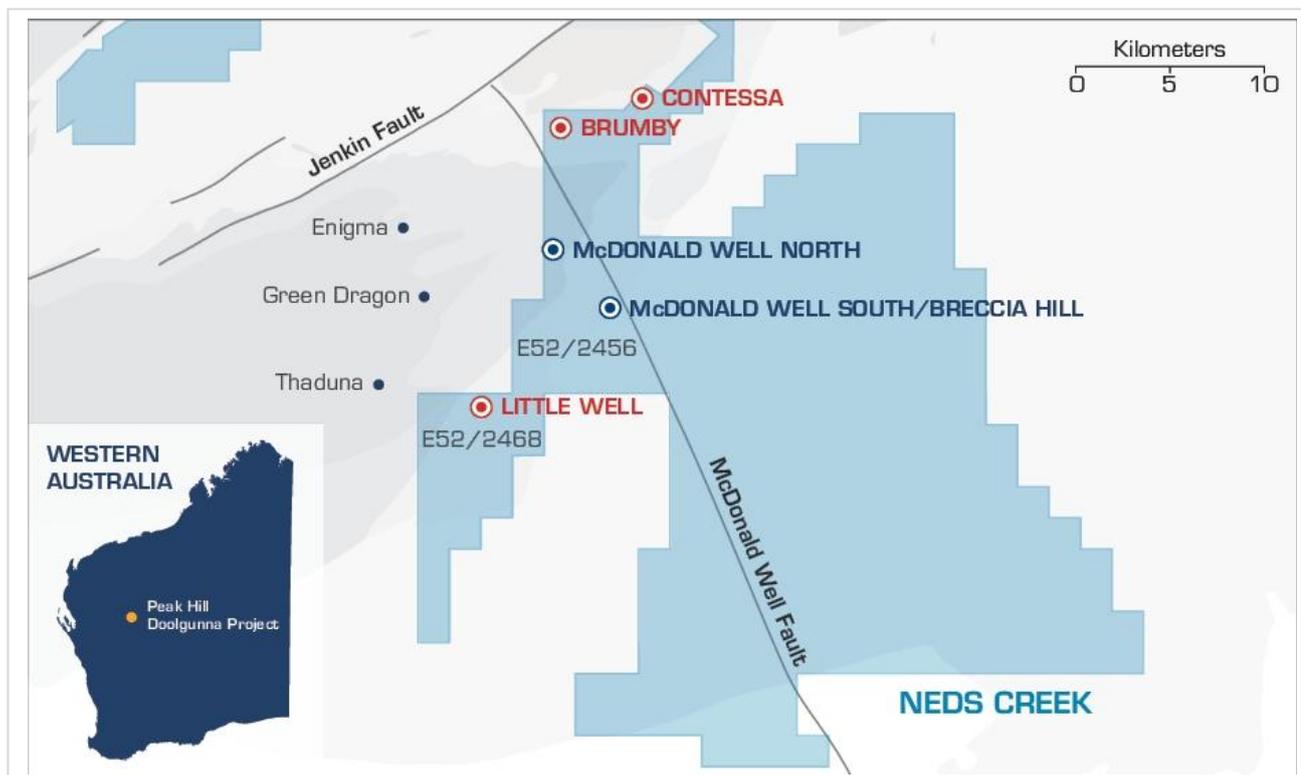


Figure 1 Location Plan showing Neds Creek Project and Brumby Prospect

Table 1 Brumby vein samples reporting >1g/t gold¹

Sample ID	Easting MGA94	Northing MGA94	Ag ppm	Au g/t	Bi ppm	Mo ppm	Pb ppm	Te ppm	W ppm
LSR100033	783826	7190895	0.95	1.6	4220	19	500	10.5	0.2
LSR100034	783836	7190894	0.3	2.2	151	11	15	0.54	1.2
LSR100035	783801	7190878	11.7	24.7	7580	30	528	109	19.0
LSR100036	783820	7190876	5.75	2.2	6570	19	179	31.4	0.4
LSR100037	783818	7190876	17	14.1	29100	496	<1	144	0.3
LSR100038	783799	7190880	11.3	21.0	9300	46	470	72.5	13.8
LSR100042	783809	7190874	1.3	4.0	14500	12	119	23.6	1.4
LSR100043	783838	7190884	2	1.4	3000	2	232	8.1	0.5
LSR100045	783784	7191164	8.25	1.8	1620	243	279	7.44	<0.1
LSR100061	783890	7191165	18.8	1.7	582	517	223	188	<0.1
LSR100064	783865	7191173	14.7	5.1	942	329	351	336	<0.1
LSR100065	783867	7191179	2.35	2.5	1370	49	211	378	<0.1
LSR100066	783881	7191194	17.9	1.0	2470	42	1300	14.3	<0.1
LSR100075	783784	7190860	12.7	7.1	2520	4	91	17.6	4.7
LSR100078	783790	7190862	5.4	1.4	1950	2	59	11.3	3.0
	<i>Detection Limits</i>		0.05	1ppb	0.02	1	1	0.02	0.1

The results demonstrate that high gold grades are accompanied by strongly anomalous bismuth (maximum 2.9%) and tellurium (maximum 378ppm).

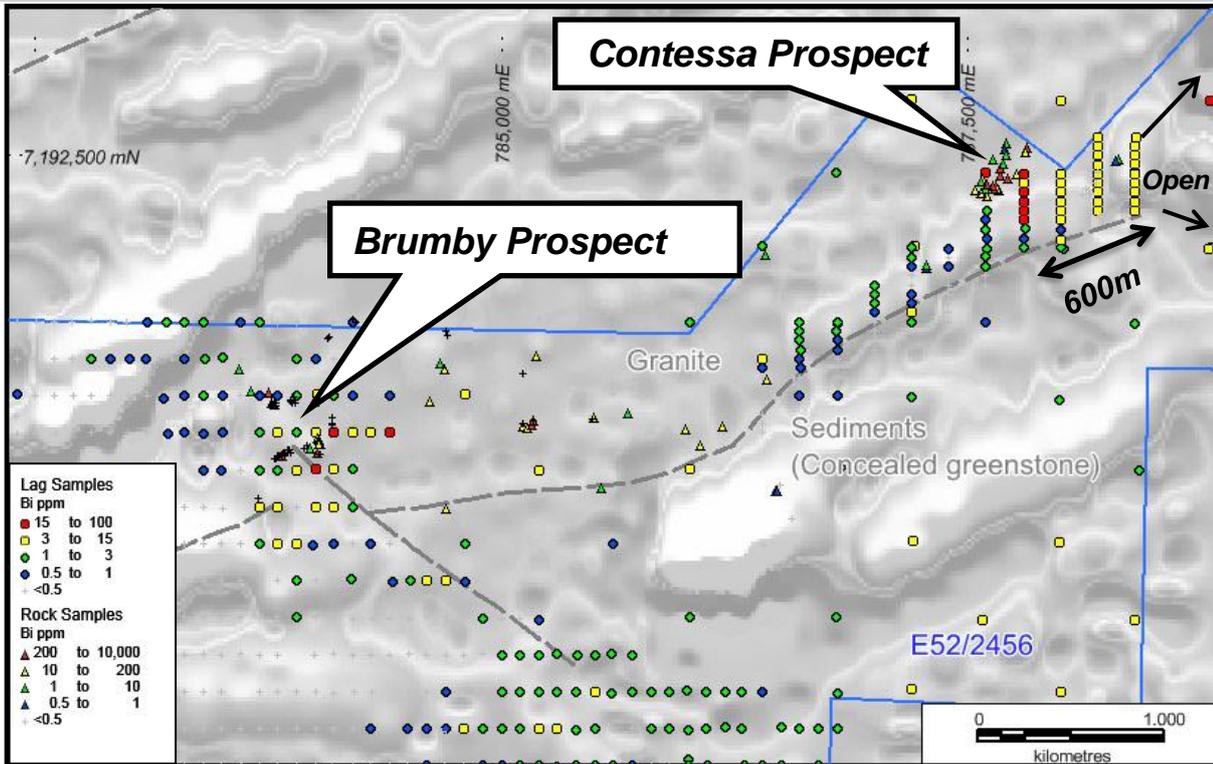


Figure 3 Brumby to Contessa area showing extensive Bi lag anomaly east of Contessa veins

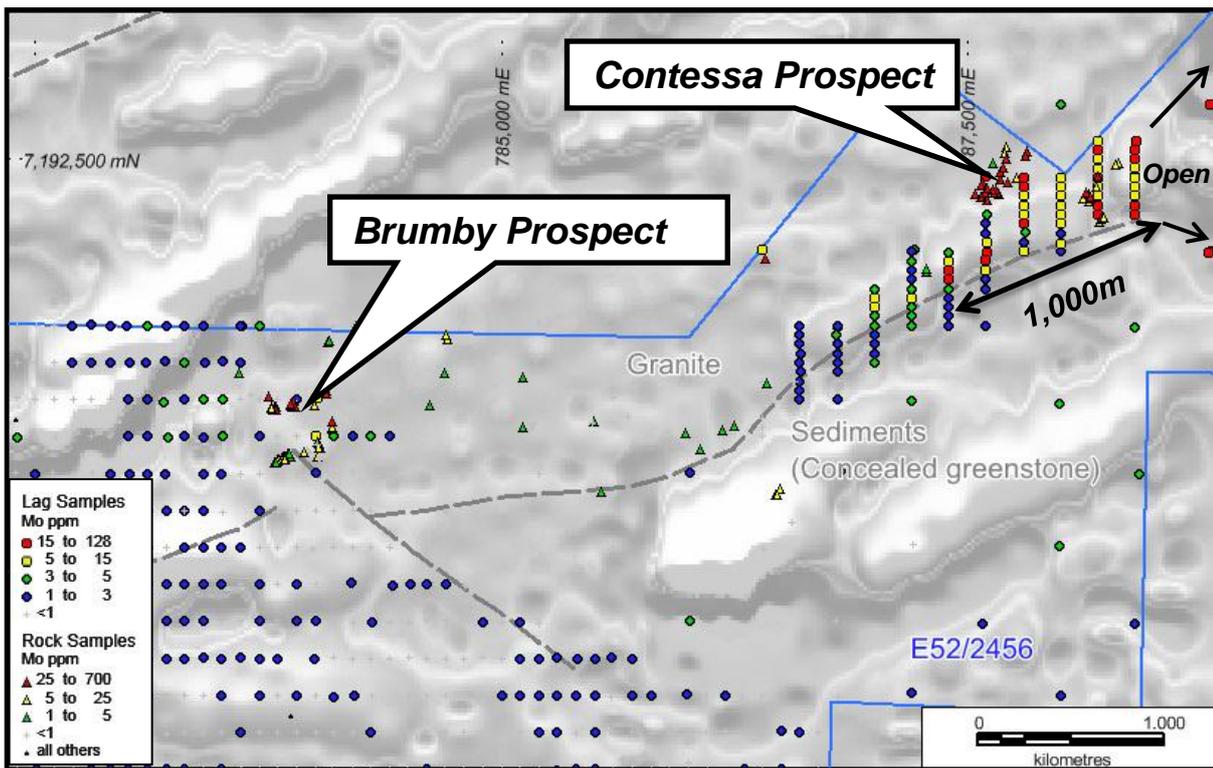


Figure 4 Brumby to Contessa Area showing extensive Mo lag anomaly east of Contessa

Figures 3 and 4 show the currently defined extent of the Bi-Mo anomaly developed along the granite contact in the Contessa area. The strike length and magnitude (maxima of 29ppm Bi and 46ppm Mo in lag geochemical sampling) of the anomaly give an indication of its potential significance as an exploration target. The anomaly is open to the east and southeast and lag sampling is currently underway to define its extent.



On-going Exploration and Drilling Programme

The initial RAB/aircore drill programme to test copper and gold exploration targets at Little Well, Brumby and Contessa is now scheduled for mid-January; its duration and size will be finally determined by the outcome of on-going geochemical and geophysical programmes and drilling results as they come to hand.

A moving loop electro-magnetic (“EM”) geophysical survey was initiated in the Little Well area (Figure 1) in early December to provide better target definition prior to drilling. The technique has the capability of detecting potential massive sulphides related to the copper geochemical and gossan drill targets

The survey is currently suspended, following the heavy rainfall, and will resume once conditions allow. Three lines of the survey were completed before access to the area was prevented.

Little Well (Copper)

Little Well is located 3.8km south east of the Thaduna copper mine. Geochemical sampling identified two large copper and zinc anomalies associated with regional structures that intersect the Thaduna Greywacke, host to copper mineralisation in the Thaduna copper district. Mapping and rock sampling over the area of the anomalies resulted in the discovery of a small copper gossan adjacent to a major structure.

A programme of 10,000m of drilling is designed to test the copper anomalies, associated structures and the area of the gossan.

Brumby (Gold)

The initial drill programme will target an area of outcropping quartz vein mineralisation and surrounding granite host rock over an area of 500m x 500m. Approximately 1,000m of shallow drilling is planned and the programme will be extended if results warrant.

Contessa (Gold)

Drilling will target the extensive bismuth-molybdenum anomaly developed on the granite contact. Approximately 3,000m of drilling is currently proposed to test the anomaly over a strike length of 1,000m.

Bill Clayton
Managing Director

Contact:

Company

Bill Clayton
Lodestar Minerals Limited
Tel: +61 8 9481 5455

Media

Colin Hay
Professional Public Relations
Tel: +61 9388 0944



Background

The Neds Creek tenements extends over 830 square kilometres of the eastern Yerrida Basin, 170 kilometres north east of Meekatharra and overlie the western extension of the Archaean Baumgarten Greenstone Belt on the southern margin of the Marymia Inlier, 20 kilometres to the south of the Plutonic Well Greenstone Belt that hosts the Plutonic and Marymia gold deposits (>4.7Moz Au produced).

¹ *Exploration samples were approximately 1kg in weight and were submitted for gold and multi-element analysis. After crushing and grinding a 30g sample was analysed for gold using fire assay and Inductively Coupled Plasma (ICP-OES) determination (Method FA002). Ag, Bi, Mo, Pb and Te were determined by Inductively Coupled Plasma (ICP-MS, Method AR102). Analyses were performed by UltraTrace Laboratories.*

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 2004 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.

About Lodestar Minerals

Lodestar Minerals Limited is a Perth-based explorer with projects in the Kimberley, Peak Hill and Kalgoorlie regions. Lodestar acquired the Peak Hill-Doolgunna project in March 2010. The Peak Hill-Doolgunna project forms the core of Lodestar's project portfolio and represents a strategic landholding of 2300 square kilometres covering 120 kilometres of the Jenkin Thrust Belt, a regional fault system that is adjacent to the recently discovered DeGrussa Cu-Au deposit. Lodestar believes the region has potential to host a number of styles of base metal deposit and is embarking on an aggressive exploration program to assess the potential of the under-explored north Murchison base metal province.