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30 April 2009

ASX Limited

Dear Sir / Madam

The following summarises the activity of Lodestar Minerals Limited for the quarter ended 31 March 2009:

EXPLORATION ACTIVITIES

Summary

- Additional RC drilling at the Mt Marion prospect tested EM conductors C6A and C8B (as a follow up program to drill holes LMPC003, LMPC004 (C6) and LMPC001 (C8)).
  The C6A conductor has not been visually identified in the drill samples. A down hole EM (DHEM) survey was restricted to 90m depth due to failure in the PVC casing. Although limited in depth, the DHEM survey has confirmed the surface EM model and indicates that the drill hole intersected the up-plunge position of the C6 conductor between 160m and 190m down hole. The geology comprises variably sheared, mafic lithologies bearing disseminated sulphide. Composite 5m samples indicate enrichment of Pt, Pd, Ni and Cr (relative to background values) from 150m to 155m and Pt, Pd, Ni, Cu and S from 220m to 235m.
  The C8B conductor was intersected and identified as a thick, sulphidic black shale unit located on the contact between the Mt Marion ultramafic sequence and adjacent felsic volcano – sedimentary rocks.

- Regional assessment is continuing, with a focus on the ultramafic sequences north of the Wildcatters occurrence. A program of re-sampling of historic drill holes, mapping and prospecting has commenced.

- Lodestar continues to seek and review projects suitable for farm – in or acquisition as an important strategy to diversify and reduce project risk.

Mt Marion Drilling Program

A further two RC drill holes were completed in the Mt Marion area to test previously identified moving loop EM conductors (see Lodestar's December 2008 quarterly report). The holes tested conductors C6A and C8B, (Figure 1).

LMPC007 was drilled to a depth of 252m on the western margin of the Mt Marion ultramafic sequence, to re-test a moving loop EM anomaly (C6A) that represents the southernmost of a complex series of north – plunging anomalies extending over a strike length of 500m. The hole targeted a moderately conductive, west – dipping body at a depth of 150m to 200m and intersected variably sheared tholeiitic basalts, dolerite and high magnesian basalts bearing disseminated sulphides. No massive or stringer sulphides were identified in the drill cuttings, however a DHEM survey completed to 90m (restricted in depth due to casing failure)has confirmed the moving loop EM model target and that the drill hole intersected the conductor. Composite 5m samples were collected from the hole and were analysed for a comprehensive suite of base metal elements (including S) together with Pt and Pd. A number of samples returned weakly elevated concentrations of a range of ore – related elements, listed in Table 1. It appears probable that the conductor is represented by a sulphide interval only centimetres in thickness, therefore the 1m split samples from the lower half of the drill hole will be assayed to gain a better understanding of sulphide distribution. Given the environment of strong deformation, the potential for off – contact remobilised sulphides and the stronger conductors indicated down-plunge to the north of the recent drill hole, the drilling results warrant further review

The distribution of selected elements and the position of the modelled EM conductor in LMPC007 are shown in Figures 2 and 3

Figure 1 Drill hole and EM conductor locations on aeromagnetic image

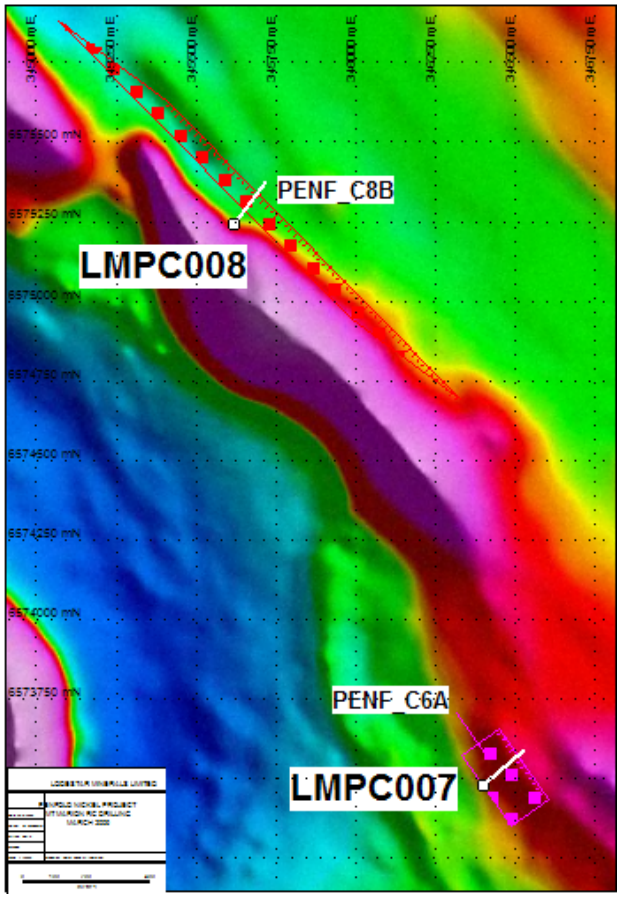


Table 1 Significant assay results - LMPC007 (6573636N 346541E GDA94 Zone 51)

Depth from (m)	Depth to (m)	Pt ppb	Pd ppb	Ni ppm	Cu ppm	Cr ppm	S ppm
150	**155**	8 (1-2)*	8 (1-2)	224 (30)	62 (60)	350 (20)	1800 (1800)
215	**220**	8	7	292	200	600	4700
220	**225**	51	38	274	194	550	7300
225	**230**	70	54	252	258	470	7000
240	**245**	35	57	248	68	750	1150
245	**250**	27	50	248	64	780	700

- *Figures in brackets represent the background concentrations*

Figure 2 Relative abundances of Pt, Cu and S - LMPC007 (not to scale)

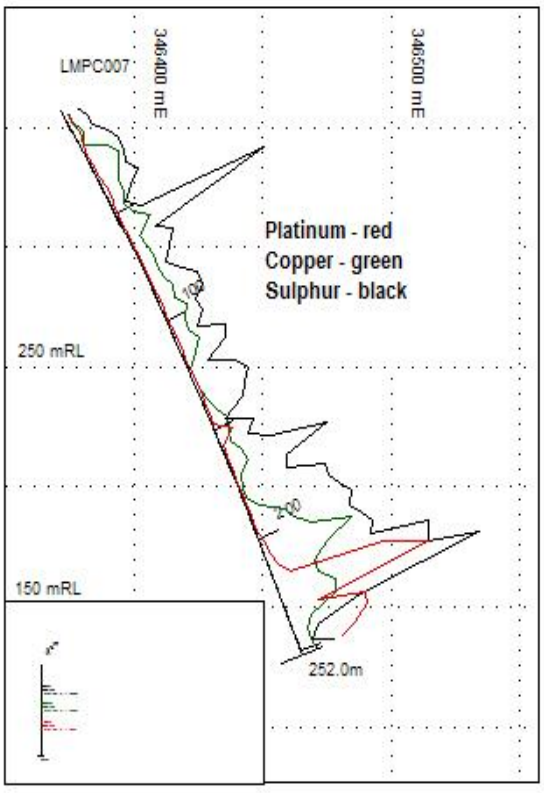
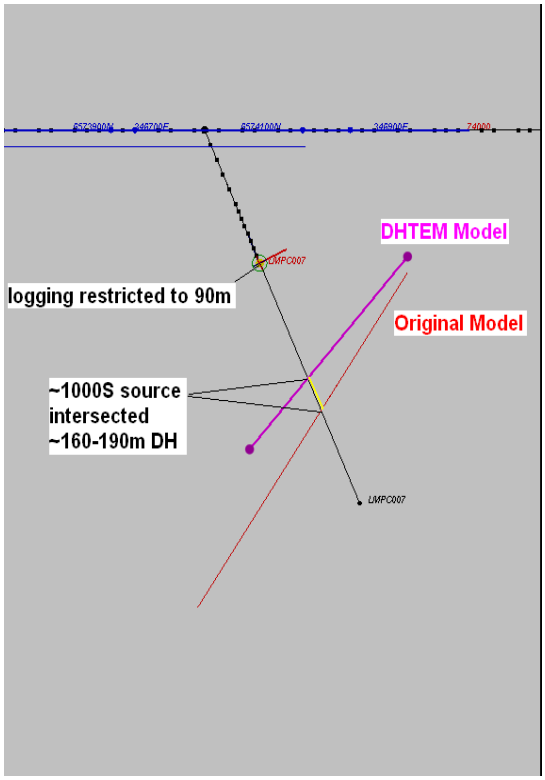


Figure 3 Target conductor - LMPC007



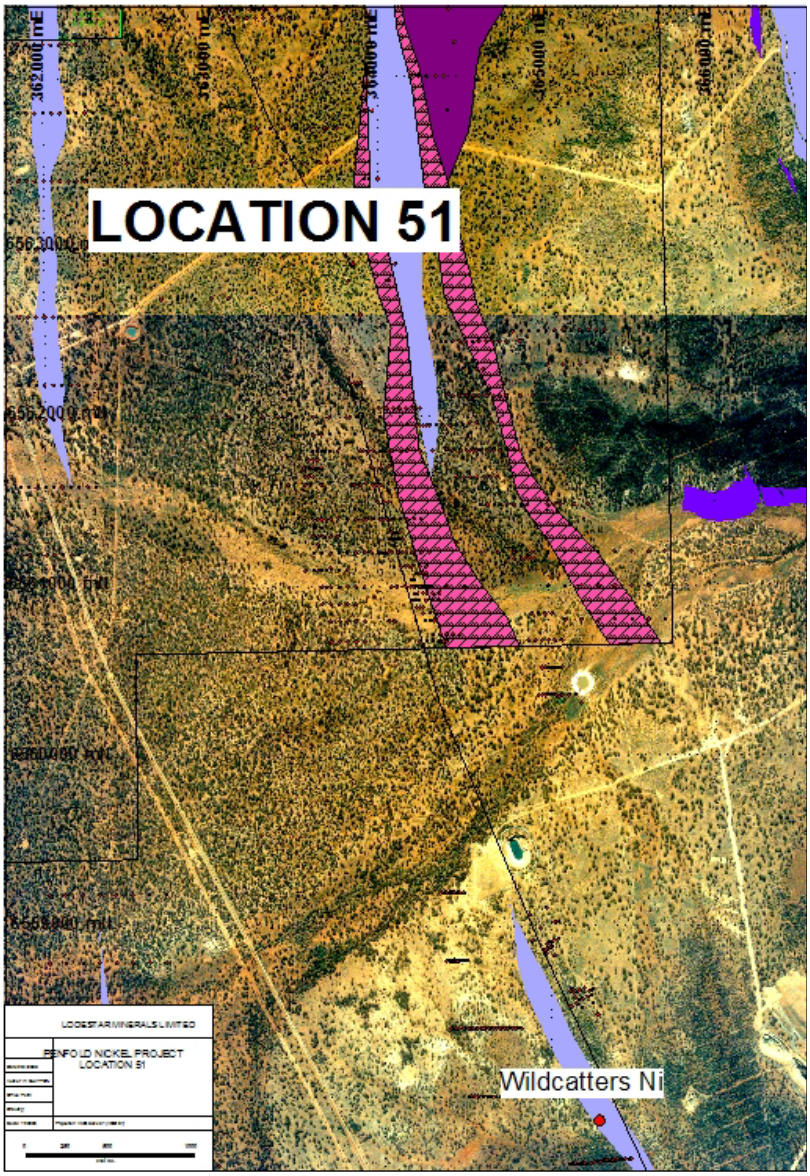
LMPC008 tested a large moving loop EM conductor (C8B) located on the north eastern margin of the Mt Marion ultramafic sequence (Figure 1). LMPC008 was completed at a depth of 300m and the target was modelled at a depth of 175m to 250m. The hole was collared in ultramafic and drilled through a metamorphosed thin flow komatiite sequence; including minor zones of higher Mg, former cumulate ultramafic, to 149m. The contact between the ultramafic and adjacent sediments is intruded by a felsic unit from 149m to 159m and a dolerite from 159m to 205m.

The sedimentary sequence from 205m to 300m is comprised of numerous laminated/foliated black shale units interlayered with siliceous sediments.
Disseminated pyrite associated with carbonate alteration, is noted throughout the ultramafic sequence and disseminated and stringer pyrite/pyrrhotite is noted throughout the sedimentary sequence, with relatively higher concentrations in the black shale units. The black shale is locally enriched in Fe, Zn and As and is believed responsible for the conductive response. No further work is planned.

Regional

Work has commenced on the eastern ultramafic sequences, north of the Wildcatters nickel sulphide occurrence (Figure 4). The work aims to improve geological knowledge of these sequences through mapping and prospecting and will assess the effectiveness of historic drilling.
Further refinement of regional exploration targeting is being attempted by re-processing of the aeromagnetic data to identify regions of higher magnetic response within the ultramafic sequences. Zones of increased magnetism may represent relict serpentinisation in olivine – rich rocks that define the "channel – facies" units that host nickel mineralisation elsewhere in the Kambalda region.

Figure 4 Southern area of Location 51 (the site of mapping and a planned EM survey) showing interpreted ultramafic units and historic drilling



PLANNED ACTIVITIES FOR NEXT QUARTER

The main activities to be completed in the next quarter will include

- Follow up to drill hole LMPC007 to identify the source of the conductive response, including petrographic study of sulphide samples if justified by assay results
- Plan a moving loop EM survey over the area of Location 51 to test the highly prospective ultramafic sequences along strike from the Wildcatters nickel occurrence
- Continue the geological assessment of the eastern ultramafic units (Location 51 and north)

All planned expenditure is consistent with Lodestar's minimum obligations under the sale agreement with Dioro.

Yours faithfully

LODESTAR MINERALS LIMITED
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 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.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

LODESTAR MINERALS LIMITED

ACN or ARBN	Quarter ended ("current quarter")
127 026 528	31 March 2009

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (9 months) $A'000
	Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	(66)	(606)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(100)	(408)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		25	126
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net Operating Cash Flows		(141)	(888)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	(7)
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other – payment of refundable deposit		-	500
	Net investing cash flows		-	493
1.13	Total operating and investing cash flows (carried forward)		(141)	(395)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(141)	(395)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(141)	(395)
1.20	Cash at beginning of quarter/year to date	2,863	3,117
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,722	2,722

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	98
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Includes salaries paid to directors, as well as superannuation paid on behalf of directors. Also included are office rent and office running expenses.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	133
4.2	Development	-
	Total	133

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.2		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	2,722	2,863
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,722	3,863

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities	Nil	N/A	N/A	N/A
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A	N/A
7.3	+Ordinary securities **	50,000,003	49,316,245	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities	Nil	N/A	N/A	N/A
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A
7.7	Options			*Exercise price*	*Expiry date*
	Listed options	0	0	N/A	N/A
7.8	Issued during quarter	N/A	N/A	N/A	N/A
7.9	Exercised during quarter	0	0	N/A	N/A
7.10	Expired during quarter	Nil	N/A	N/A	N/A
7.11	Debentures *(totals only)*	Nil	N/A		
7.12	Unsecured notes *(totals only)*	Nil	N/A		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2009

Director

Print name: David McArthur

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.