



Lodestar Minerals Limited

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8 November 2012

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## Non-Renounceable Pro Rata Entitlement Offer

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As announced on 25 October 2012, Lodestar Minerals Limited (**Company**) is undertaking a pro rata non-renounceable entitlements issue to raise up to \$2,301,030 before the costs of the issue (**Entitlement Offer**). The Company has today lodged a prospectus with ASIC and ASX setting out further details of the Entitlement Offer.

Funds raised from the Entitlement Offer will be used primarily to fund the Company's exploration of its highly prospective Peak Hill-Doolgunna tenements, capital raising costs, and for general working capital purposes.

### Overview of Entitlement Offer

- The Entitlement Offer is non-renounceable and is being undertaken on the basis of:
  - One (1) new fully paid ordinary share (**New Share**) for every two (2) ordinary shares held by eligible shareholders on the record date at \$0.035 cents per New Share.
- **The Record Date to determine entitlements for Eligible Shareholders is 7.00 pm AEDT on 19 November 2012.**
- Eligible shareholders are those persons who:
  - are registered as a holder of Shares as at 7.00 pm AEDT on the Record Date;
  - have a registered address in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible under all applicable securities laws to receive an offer of New Shares under the Entitlement Offer; and
  - are not in the United States and are subscribing for the New Shares in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act).

Shareholders not satisfying the above criteria will not be eligible to participate in the Entitlement Offer.

- Eligible Shareholders may apply for more than their entitlements, in accordance with the terms and conditions set out in the Prospectus.
- As the Entitlement Offer is non-renounceable, entitlements to take up New Shares are non-transferable and will not be tradable on ASX. Shareholders who do not take up their entitlements in full will not receive any value in respect of those entitlements that they do not take up, and their equity interest in the Company will be diluted. Shareholders who are not

eligible to receive entitlements will not receive any value in respect of entitlements they would have received, had they been eligible.

- A maximum of 65,743,738 ordinary shares will be issued under the Entitlement Offer. This number excludes any allowance for shares issued in the event that any option holders exercise their right to convert their securities to ordinary shares prior to the Record Date. This number is subject to reconciliation of entitlements and rounding. All Entitlements will be rounded up to the nearest whole number of New Shares.
- After the Entitlement Offer, the Company will have up to 197,231,215 ordinary shares on issue. The following securities will not be quoted on ASX:
  - 2,500,000 options exercisable at 15-30 cents expiring on 29 November 2016.
  - 2,250,000 options exercisable at 15-30 cents expiring on 8 May 2017.
- The Entitlement Offer is not currently underwritten. The Directors reserve the right to obtain an underwriter at any stage in accordance with the Corporations Act and ASX Listing Rules.
- The Directors reserve the right in accordance with the Corporations Act and ASX Listing Rule 7.2 (exemption 3) to place any Shortfall at their discretion with:
  - Eligible shareholders whose acceptances exceeds their entitlement; or
  - any other parties selected by them.
- Any New Shares the subject of the Shortfall will be placed no later than 3 months after the Closing Date and will be issued on the same terms as are offered to Eligible Shareholders under the Entitlements Issue.
- The Company does not currently have a dividend policy, and no dividends have been paid by the Company since it was listed on ASX.
- No shareholder approval is required for the Entitlement Offer.
- Each New Share will be issued on the same terms as those ordinary shares already issued by the Company.

## Timetable

Important dates for Eligible Shareholders are:

Event	Date
Notice sent to existing option holders	12 November 2012
Shares quoted on an "ex" basis	13 November 2012
<b>Record Date</b>	<b>7.00pm (AEDT), 19 November</b>
Prospectus and Entitlement and Acceptance Forms dispatched to Eligible Shareholders	22 November 2012
<b>Opening date for Entitlement Offer</b>	<b>22 November 2012</b>
<b>Entitlement Offer closing date for acceptance and payment in full</b>	<b>5.00 pm (AEDT) 7 December 2012</b>
Issue of new shares and despatch of holding statements	17 December 2012
New shares commence trading on ASX	18 December 2012

## Further information

- Details of the Entitlement Offer are contained in the Prospectus lodged with ASIC and ASX on 8 November 2012, and available at [www.asx.com.au](http://www.asx.com.au). Eligible Shareholders are expected to be posted a copy of the Prospectus together with a personalised Entitlement and Acceptance Form by no later than 22 November 2012.
- It is important that Eligible Shareholders read the Prospectus carefully and consult their stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest. If Eligible Shareholders wish to participate, they should follow the directions in the Entitlement and Acceptance Form and section 2 of the Prospectus.
- For further information on the Entitlement Offer:
  - visit the Company's website at [www.lodestarminerals.com.au](http://www.lodestarminerals.com.au);
  - see the Company's Prospectus lodged with ASIC and ASX 8 November 2012, and available at [www.asx.com.au](http://www.asx.com.au); or
  - contact the Company on (08) 9423 3200 between 8.30 am and 5.00 pm (WST) Monday to Friday.

Yours sincerely



**David McArthur**  
Director

The information provided in this announcement is not investment advice. You should read the entire Prospectus when you receive it, as well as all other materials lodged with ASX which you consider relevant and consider all of the risk factors that could affect the performance of the Company and the new shares in light of your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stock broker, lawyer or other professional adviser before deciding whether to invest in new shares. Specifically, shareholders should seek advice on the taxation implications of participating in the Entitlements Offer and have regard to the risks of investing in the Company highlighted in the Company's Prospectus dated 8 November 2012.