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ASX ANNOUNCEMENT

13 September 2012

COMPANY SNAPSHOT

LODESTAR MINERALS LIMITED
ABN: 32 127 026 528

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CAPITAL STRUCTURE
Shares on Issue:
116,489,477(LSR)

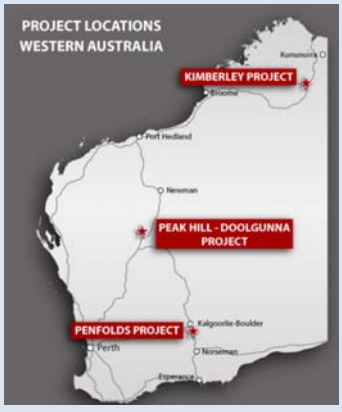
Options on Issue:
9,250,000 (Unlisted)

ASX: LSR

PROJECTS
Peak Hill – Doolgunna:
Base metals, gold

Penfold:
Nickel

Kimberley:
Nickel, copper, PGM's



KIMBERLEY PROJECT
NICKEL INTERSECTIONS FROM FIRST DRILLING
OWNERSHIP REVERTS TO 100% LODESTAR MINERALS LIMITED

- **Nickel intercepts up to 0.76% Ni reported from three newly identified targets located over a distance of 14 kilometres along the Corridor Gabbro**

- **Nickel intercepts occur within wider zones of disseminated sulphide mineralization - the extent of these mineralized zones has not been determined**

- **Pindan Exploration Company Pty Ltd (PEC: a wholly-owned subsidiary of Panoramic Resources Limited, ASX Code: PAN) has advised Lodestar of its intention to withdraw from its Farm In agreement on the Kimberley Project and therefore ownership of the project will return to Lodestar Minerals Limited**

The Kimberley Project is located 50 kilometres north of Halls Creek, Western Australia (Figure 1) and covers an area of 220 square kilometres over Proterozoic mafic-ultramafic intrusives that are prospective for Ni-Cu and PGM mineralization. Historic reports note the occurrence of gossans after sulphide mineralization within the project area.

The region hosts significant nickel and platinum-group metal (PGM) mineralization, including the Savannah nickel deposit (4.74Mt at 1.48% Ni and 0.72% Cu) currently mined by Panoramic Resources, the Copernicus nickel deposit (852,000t at 1.24% Ni and 0.81% Cu) and the Panton PGM deposit (14.3Mt at 5.2g/t PGE + Au).

Exploration to Date

PEC carried out regional airborne versatile time-domain electromagnetic (VTEM) surveys that identified a number of anomalies within the project. VTEM is a widely used geophysical exploration technique that is designed to detect electrical conductors and particularly, massive sulphide mineralization.

Selected VTEM anomalies were verified by surface EM surveys, and during 2012 nine EM targets, within or on the contact of the Corridor Gabbro, were tested by eleven RC drill holes with intercepts of 0.6% Ni or greater, intersected in three of the targets.

The nine EM targets and drill hole locations selected by PEC are shown in Figure 2. Drill hole collar information is listed in Table 1.

Significant Nickel Drill Results

- SV38-DH1 with 1m at 0.76% Ni from 56m
- SV32-DH1 with 1m at 0.60% Ni and 0.11% Cu from 38m and 1m at 0.1% Ni and 0.99% Cu from 46m
- SV45-DH1 with 2m at 0.66% Ni and 0.20% Cu from 121m

These results were reported from three individual drill targets over a strike distance of 14 kilometres and occur within wider zones of disseminated mineralization of up to 15m down hole thickness.

Lodestar's preliminary review of the results makes the following observations;

- The drilling has demonstrated widespread sulphur saturation within the Corridor Gabbro host unit; this is an important criterion in exploration for basal segregations of Ni-Cu-PGM sulphides.

- The three intersections listed above occur on the western contact of the Corridor Gabbro. They represent contact-related zones of mineralization.

- Substantial nickel sulphide ore bodies are usually located within magma chambers, magma conduits or structural embayments that act as feeders to mafic-ultramafic sills, such as the Corridor Gabbro. The occurrence of widespread disseminated mineralization in a contact position is therefore a strong indication that further interpretation is necessary to understand the geological setting of the mineralization intersected in the drilling and to determine the potential for related massive sulphide ores within the Corridor Gabbro sequence.

Lodestar will receive all exploration data collected by PEC and will carry out its own evaluation of the project data.

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.

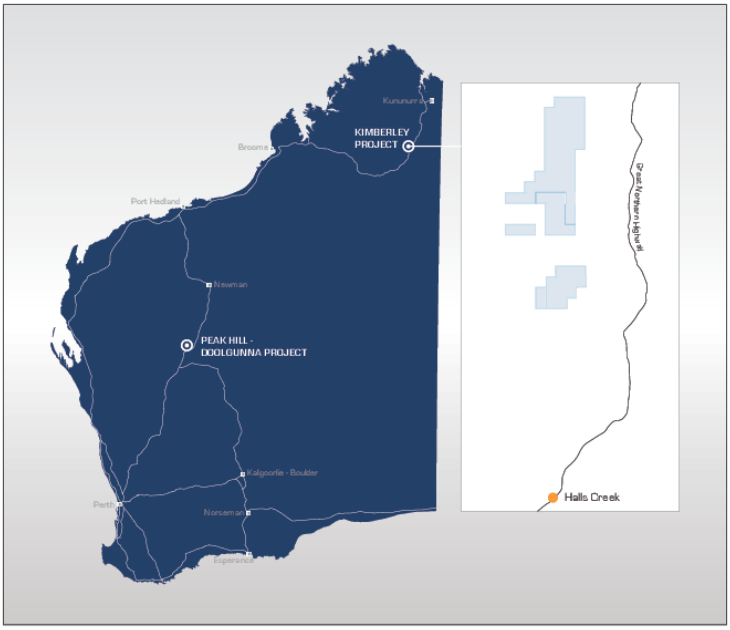


Figure 1 Location Plan - Kimberley Project

	Collar				
	North	**East**	**Dip**	**Azimuth**	**Total Depth**
SV32_DH1	8034920	360880	-70	140	70
SV38_DH1	8043160	361470	-65	90	150
SV39_DH1	8043720	361400	-75	270	90
SV40_DH1	8043800	362000	-55	230	180
SV42_DH1	8044950	361275	-80	90	90
SV43_DH1	8045215	361295	-60	245	100
SV43_DH2	8045225	361380	-70	230	190
SV45_DH1	8046150	360875	-60	90	140
SV48_DH1	8048725	362700	-70	110	150
SV48_DH2	8048690	362600	-70	110	198
SV49_DH1	8049075	363020	-60	0	100

Table 1 List of Drill Collars as shown in Figure 2 (grid coordinates given in MGA94 Zone 52)

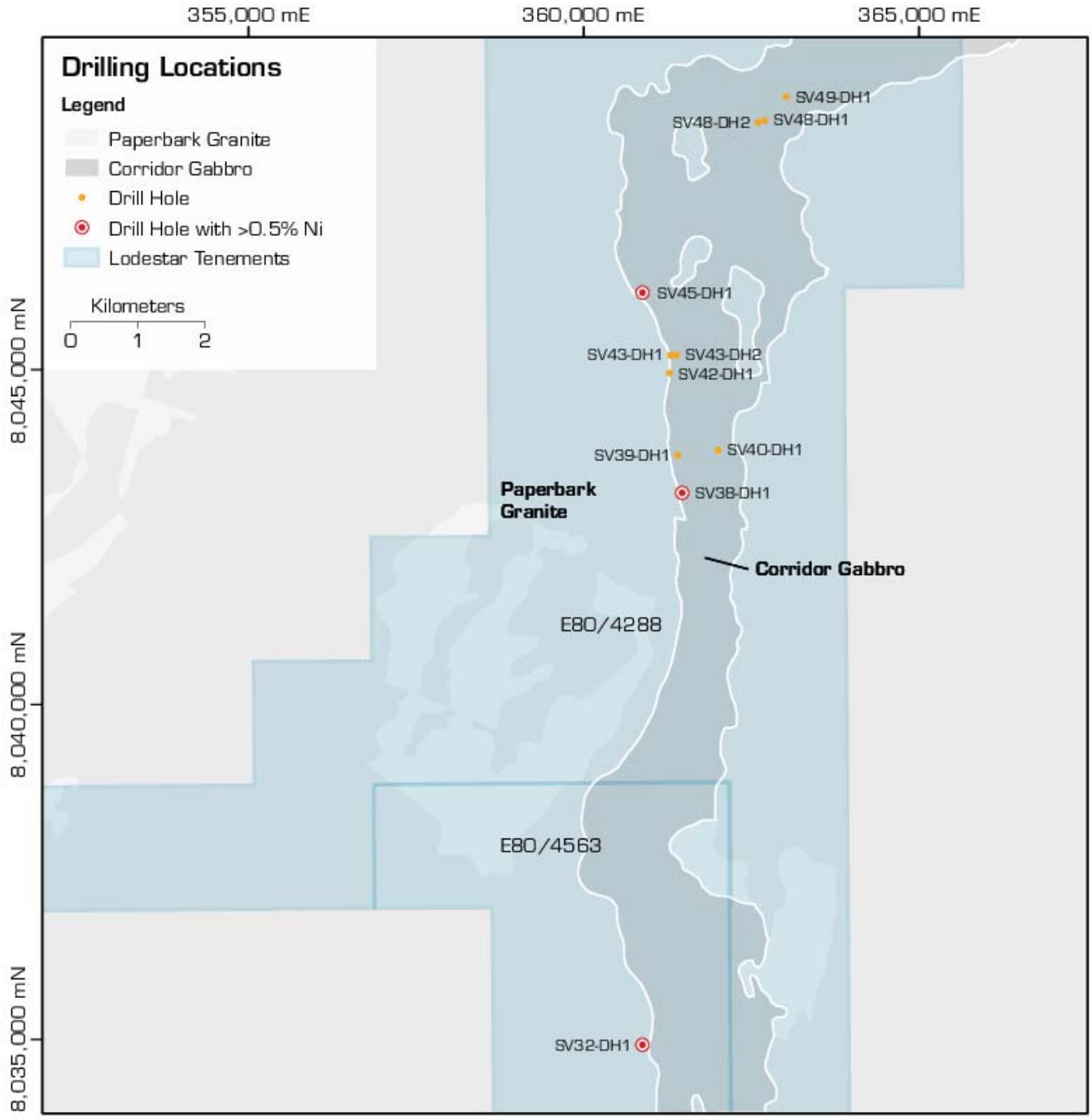


Figure 2 Drill hole Location Plan