

## COMMITMENT TO LARGE DRILL PROGRAM AT NED'S CREEK AND FURTHER FUNDING SUPPORT FROM CHAIRMAN

### HIGHLIGHTS

- **Chairman Ross Taylor converts all 23.4 million October 2019 options priced at \$0.03 to raise an additional \$702,000 to support future activities.**
- **Diamond drilling at Contessa and Gidgee Flat gold discoveries to further understand the structural controls on known high-grade mineralisation planned to commence in August.**
- **Followed by 7,000m RC drilling program focusing on emerging greenfields gold discoveries at Gidgee Flat, Contessa and Central Park.**
- **RC program will have the following objectives:**
  - **Gidgee Flat – target strike extensions to high-grade gold mineralisation.**
  - **Contessa – extend drilling northeast of exceptional 4m at 74g/t Au intersection.**
  - **Central Park – target untested granite contact adjacent to 320m long aircore anomaly.**
  - **Systematic drill spacing will support a future maiden Mineral Resource.**
- **Additional 5,000m aircore program to test large gold targets north of Contessa granite.**

West Australian gold explorer Lodestar Minerals (“Lodestar” or “the Company”, ASX:LSR) is pleased to advise that it has committed to a major drilling program at the Company’s 100% owned Ned’s Creek project.

The program is intended to rapidly advance the Company’s greenfields gold discoveries at Ned’s Creek with the ultimate aim of advancing at least one prospect through to a maiden Mineral Resource. The first stage of the drilling program is expected to begin in August and remains subject to receipt of statutory approvals and the engagement of drilling contractors.

High grade gold intersections reported from RC drilling at Contessa and Gidgee Flat in the last quarter (see Lodestar’s ASX announcements dated 22<sup>nd</sup> May 2018 and 12<sup>th</sup> June 2018) have demonstrated the potential for significant, structurally controlled gold mineralisation adjacent to the extensive granite contact at Ned’s Creek. Contessa and Gidgee Flat have been targeted by RC drilling over a limited strike distance and require follow up systematic drilling to define the extent of mineralisation. Around 90% of the prospective granite contact remains untested by drilling.

Drilling will continue through the second half of 2018 with initial diamond drilling and RC drilling of the main targets a priority, followed by aircore drilling of two large, untested gold anomalies on the Yowereena tenements, where Lodestar is earning an 80% interest from Vango Mining Limited (ASX:VAN) (see Figure 1).

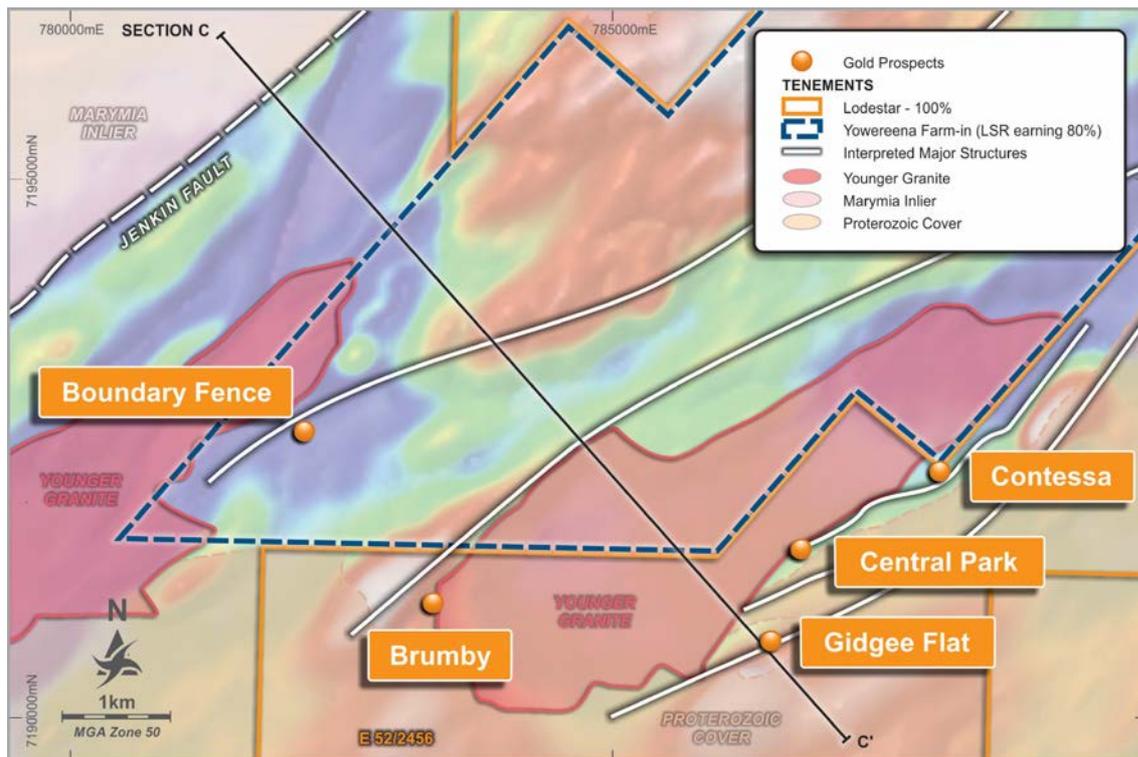


Figure 1 Lodestar's Ned's Creek project showing prospect locations.

Ahead of the upcoming drilling program, ongoing target generation and drill target refinement initiatives completed in July included:

- Detailed review of the Contessa IP survey (see Lodestar's ASX announcement dated 2<sup>nd</sup> June 2016) indicates the survey did not target the main shear zone where recent RC drilling reported significant gold.
- Detailed pXRF geochemistry on Contessa RC drill samples.
- Preliminary metallurgical test work on Gidgee Flat samples.

The next phase of drilling at the Ned's Creek project will be Lodestar's largest program to date and is another important step in the transition from greenfield discovery to resource definition.

### Option Conversion by Chairman

Lodestar further advises that Chairman Ross Taylor has today converted 23,400,000 listed options with an exercise price of \$0.03 per share, to raise a total of \$702,000.

The options had an expiry date of 31 October 2019 and were issued, following the approval of Lodestar shareholders, as part of the consideration for a convertible loan provided by Mr Taylor in March 2017.

As a result of this conversion, Mr Taylor's interest in the Company increases to 28.76%.

Following Mr Taylor's option conversion, Lodestar is in a stronger funding position, with approximately A\$1.7 million in available funds to support its future work programs, including the upcoming drill program.

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## About Lodestar

Lodestar Minerals is an active Western Australian gold explorer with a prospective tenement package spanning more than 2,000km<sup>2</sup> at the edge of the Pilbara and Yilgarn Cratons. Lodestar has three main projects – Ned’s Creek, Camel Hills and Imbin – and is earning an 80% interest in Vango Mining’s Yowereena gold project, which is adjacent to Ned’s Creek.

Lodestar’s main focus is Ned’s Creek where it was first to identify the potential for syenite intrusion-related gold mineralisation within a craton margin setting and subsequently has made greenfields gold discoveries at the Contessa, Central Park and Gidgee Flat prospects. Contessa is one of many partly explored gold anomalies located within a large shear zone developed along the southern margin of a 6 kilometre long, elongate composite granite intrusion. The Yowereena gold project provides Lodestar with access to the equally prospective and unexplored northern margin of the Contessa granite and under explored prospective Archaean greenstone terrane within a region of major gold endowment and production.

## 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 2012 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.*

*The information in this announcement that relates to previously released exploration results was disclosed under JORC 2012 in the ASX announcements dated 6<sup>th</sup> June 2016 “New Bedrock Gold Drill Target Identified at Contessa”, 22<sup>nd</sup> May 2018 “Outstanding RC Drill Results at Gidgee Flat and Contessa” and 12<sup>th</sup> June 2018 “Confirmation of Exceptional Gold Grades at Contessa”. These announcements are available to view on the Lodestar website. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.*