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**Announcement to ASX**

**7 September 2017**

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## SHARE PLACEMENT TO EXPEDITE YOWEREENA DRILL PROGRAM

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Gold explorer **Lodestar Minerals Limited (ASX: LSR)** ("**Lodestar**" or "**the Company**") advises that it has completed a placement of 62.5 million fully paid ordinary shares at a price of 0.8 cents per share to raise \$500,000 (before costs). The Company will also issue 31,250,000 million listed options on a one-for-two basis for zero consideration, with each option exercisable at 3 cents on or before 30 September 2019.

A further 20,000,000 listed options exercisable at 3 cents each on or before 30 September 2019 will be issued to Mac Equity Partners, the lead manager of the placement.

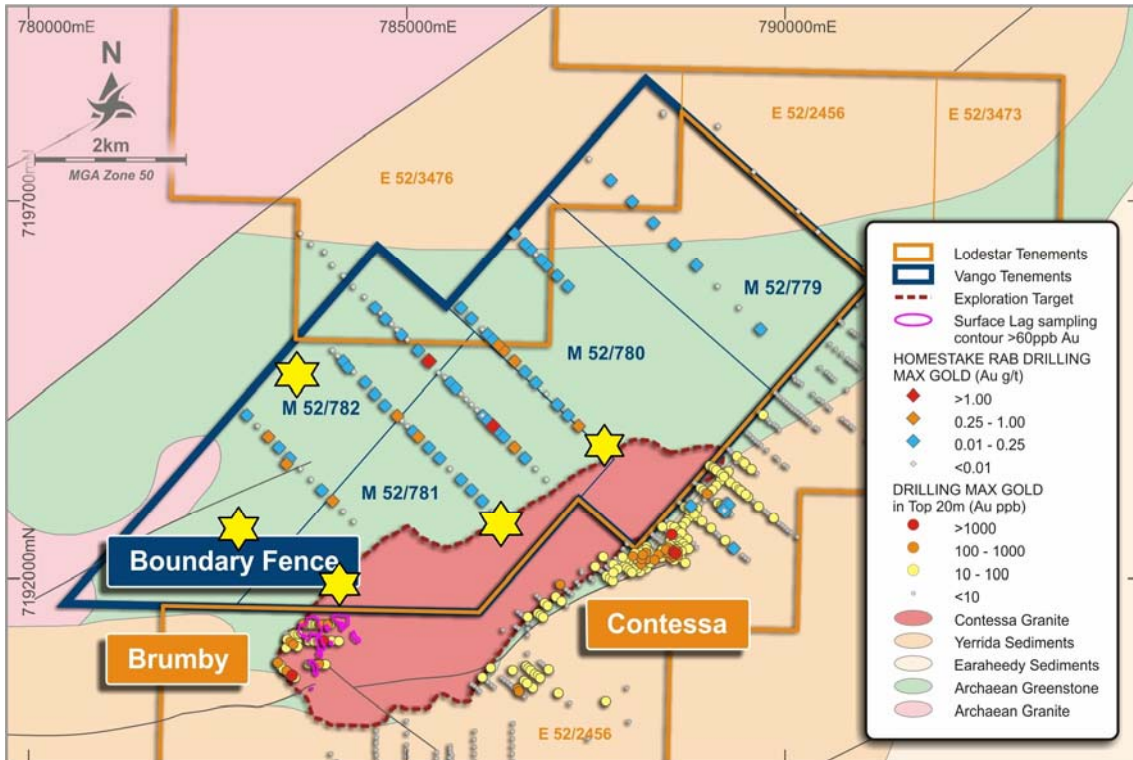
Funds raised from the placement will expedite upcoming exploration activities planned for the Yowereena farm-in tenements, located immediately north of Lodestar's 100% owned Ned's Creek project. Lodestar is earning an 80% interest in the tenements from Vango Mining Limited (ASX: VAN) by meeting minimum expenditure commitments of A\$357,000 in the 12 months to 14 March 2018.

Since announcing the Yowereena farm-in in March, Lodestar has completed a comprehensive geological database review and several field exploration visits where reconnaissance sampling and mapping was undertaken. Through this work, two priority drill targets have been identified.

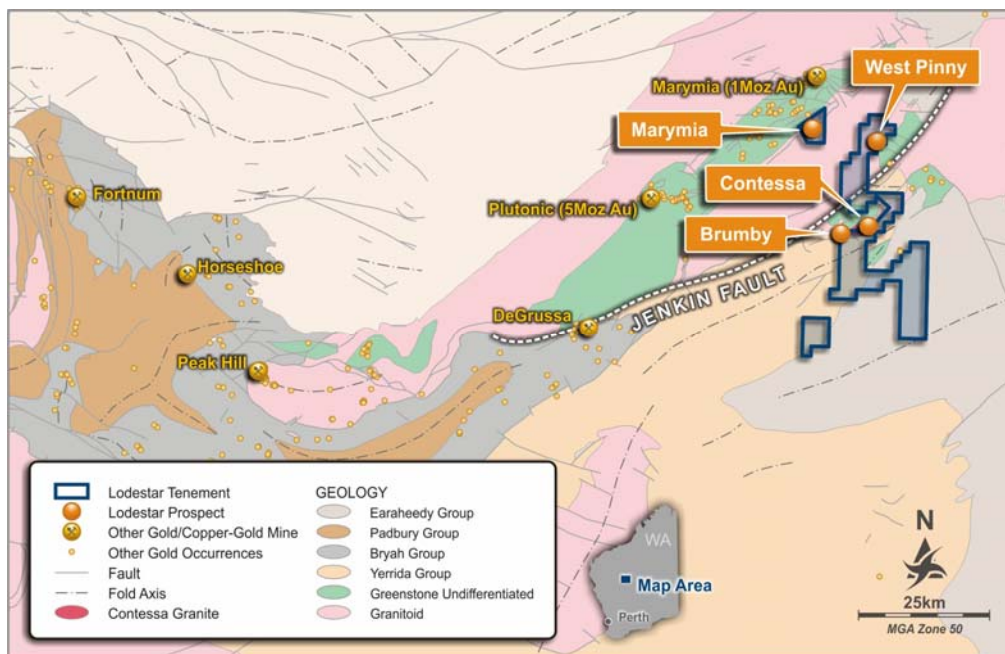
Drilling at the Boundary Fence prospect will follow-up several high-grade historic gold intercepts achieved by Marymia Exploration in the early 1990s. A second area, associated with the granite contact, has geological characteristics analogous to known intrusion-related gold systems which is consistent with Lodestar's regional geological model.

Subject to the granting of Programs of Work, heritage surveys and drill rig availability, drilling at Yowereena will commence as soon as possible.

Diamond drilling at the Contessa and Brumby prospects within the Ned's Creek project is due to begin later this month to follow-up the previous program where multiple aircore drill holes intersected gold in end of hole (see Lodestar ASX announcement 31 August 2017).



Yowereena tenements showing Homestake RAB drilling and the location of Dampier Gold gold anomalies in soil geochemistry (yellow stars).



The Ned's Creek project and the Yowereena tenements lie approximately 35 kilometres east of the Plutonic mine.

**Disclosure under ASX Listing Rules 7.1A.4(b) and 3.10.5A**

In addition to the placement, the Company also issued 1.97 million shares priced at 1 cent each in relation to corporate consulting fees. The shares were placed pursuant to Rule 7.1 of the ASX Listing Rules.

The issues will be made pursuant to Section 708 of the Corporations Act 2001 (Cth) (**Corporations Act**) and Rule 7.1 (19,470,000 shares and 45,250,000 options) and Rule 7.1A (45,000,000 Shares) of the ASX Listing Rules. 6,000,000 of the 20,000,000 options to be issued to Mac Equity Partners will require shareholder approval prior to their issue at the company’s upcoming annual general meeting.

In accordance with ASX Listing Rules 7.1A.4(b) and 3.10.5A, the Company makes the following disclosures in respect of the Shares issued pursuant to Listing Rule 7.1(A). The dilutive effect of the Shares on existing shareholders, as a result of the issue of Shares under the placement, is as follows:

	<b>Shares</b>	<b>Dilution</b>
Shares on issue prior to Placement	453,318,328	
Shares issued under Listing Rule 7.1	19,470,000	4.11%
Total Shares on issue after Listing Rule 7.1 issue	472,788,328	
Shares issued under Listing Rule 7.1A	45,000,000	8.69%
Total Shares on issue following Placement	517,788,328	

Due to the relatively small amount of capital being raised, the Directors formed the view that the time and cost involved in a pro-rata rights issue did not warrant raising the funds by way of a rights issue or other type of issue in which existing ordinary security holders would have been eligible to participate. No underwriting arrangements were applicable to the placement.

**For and on behalf of the Board of Lodestar Minerals Limited**

**Bill Clayton**  
Managing Director

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