



ASX ANNOUNCEMENT

31 August 2017

LODESTAR
MINERALS

COMPANY SNAPSHOT

LODESTAR MINERALS LIMITED
ABN: 32 127 026 528

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CAPITAL STRUCTURE

Shares on Issue:
453,318,328 (LSR)

Options on Issue:
45,333,702 (listed)
41,050,127 (unlisted)

ASX: LSR

PROJECTS

Peak Hill – Doolgunna:
Camel Hills – gold
Neds Creek – gold
Marymia – gold
West Pinyrinny – gold



Exploration Incentive Scheme (EIS) co-funded Diamond Drilling of Contessa and Brumby Gold Targets

- **Lodestar to commence an initial two hole diamond drill program to test bedrock primary gold targets at Contessa and Brumby.**
- **The program will provide the structural information critical to understanding the controls on mineralisation.**
- **Diamond drilling will follow-up previous program where multiple aircore holes intersected gold at end of hole.**
- **Diamond drilling will direct the next phase of extensional drilling at Contessa, with potential to open up large, untested areas for exploration drilling.**

West Australian gold explorer Lodestar Minerals Limited (ASX:LSR, “Lodestar” or “the Company”) advises the planned commencement of diamond drilling on its 100%-owned Ned’s Creek project in September. The Company is currently selecting a drilling contractor to complete the two-hole program and will advise the market when drilling commences.

Lodestar was awarded funding under the West Australian Government’s Exploration Incentive Scheme (EIS) in November 2016 (see Lodestar’s ASX announcement dated 22 March 2017) to diamond drill extensive, “blind” gold targets at the Contessa and Brumby prospects (see Figure 1 for locations).

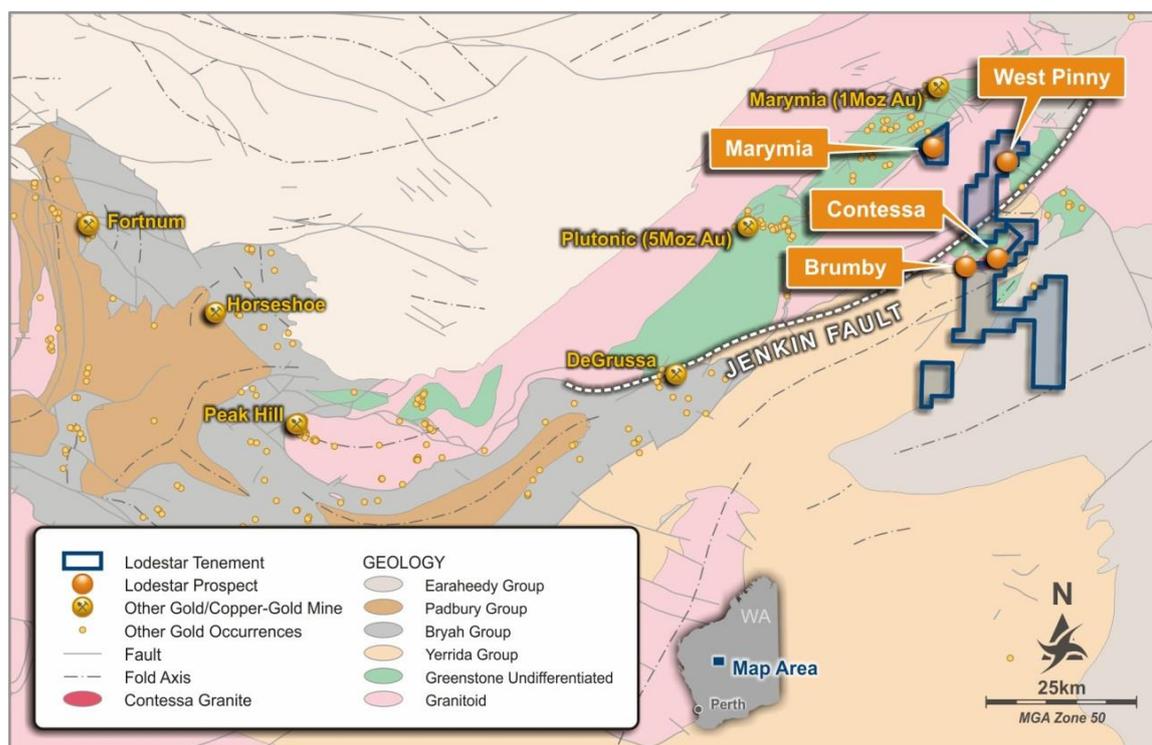


Figure 1 Ned's Creek project location plan showing gold prospects.

Drill Program

Aircore drilling at Contessa has intersected a gold mineralised hydrothermal vein system thought to be related to the contact between diorite and felsic schist. The contact is adjacent to a major shear zone developed along a granite contact.

Gold mineralisation was intersected in LNR806 and LNR906 with end of hole samples reporting 3m at 1.0g/t Au and 4m at 4.45g/t Au, respectively. Both holes terminated in a quartz ± feldspar vein containing oxidised pyrite that is potentially part of a more extensive vein system developed on the contact of the diorite. It is quite likely that this system is responsible for the extensive supergene mineralisation developed over the diorite that has been targeted by most of the drilling to date.

A diamond drill hole has been planned to intersect this zone beneath LNR906 (see Figures 2 and 3). The diamond drilling will support continued drill testing of the bedrock potential at Contessa; 3D implicit modelling of gold has inferred a shallow to moderate northerly dip to mineralisation, an interpretation which is supported by recent aircore drilling southwest of Contessa. If grade and orientation is confirmed by the diamond drilling, a large area down-dip of current drilling will be a priority for a follow-up RC program.

At Brumby, aircore drilling has intersected primary mineralisation at shallow depth below a “blind” geochemical gold anomaly. The mineralisation is interpreted to be part of a large, syenite-related mineralising event with potential to host large, bulk tonnage style mineralisation or shear-related, higher grade lodes.

Diamond drilling will target the area beneath gold intersections in aircore drill holes LNR824 and LNR912 which reported;

- 12m at 0.74g/t Au from 16m and 3m at 1.6g/t from 41m to end of hole in LNR824 and
- 12m at 0.64g/t Au from surface, 4m at 6.4g/t from 12m and 12m at 0.75g/t Au from 20m in LNR912.

Drilling will test this area at depth (see Figures 4 and 5) to determine the host rock and identify the structural controls and style of mineralisation.

The diamond drilling marks a significant step towards unlocking the gold potential of the Ned’s Creek project. The results will provide important information to increase the chances of locating a significant bedrock gold source and will underpin more effective targeting of the larger area with step-out drilling.

Bill Clayton
Managing Director

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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 1st December 2016 “Contessa – Brumby Aircore Drilling Results” and 10th July 2017 “Widespread high-grade gold results advance Ned’s Creek targets”. 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 announcements. 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.

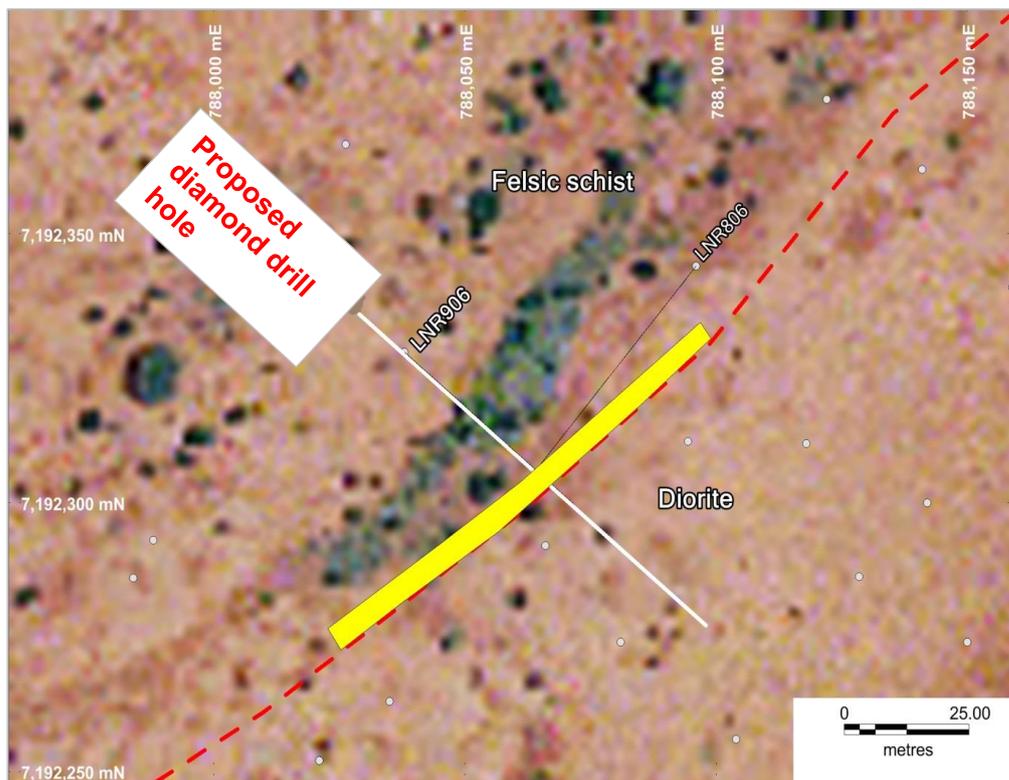


Figure 2 Plan view of proposed diamond drill hole - Contessa. Target contact shown in yellow. (MGA94)

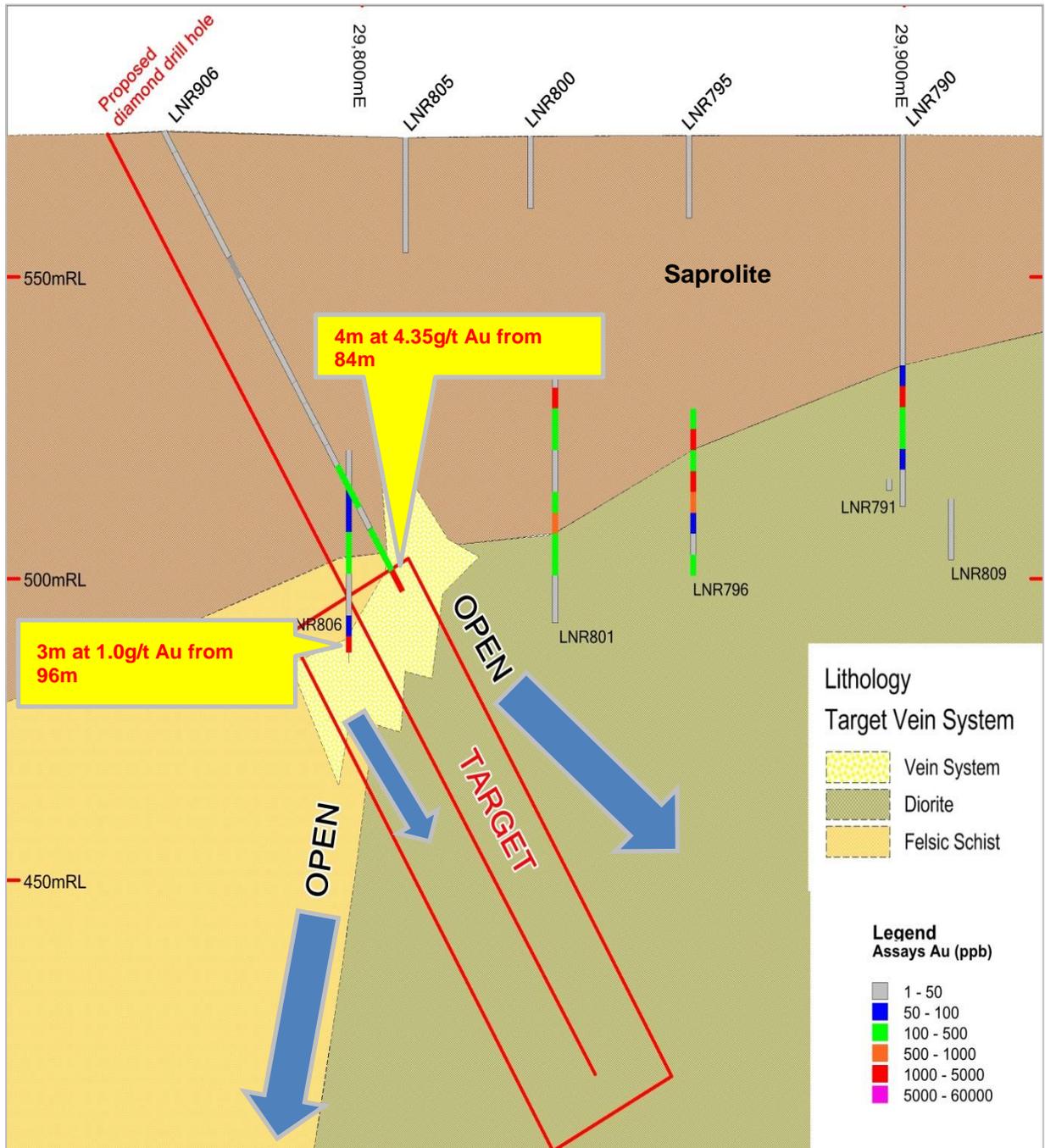


Figure 3 Schematic cross-section of proposed diamond drill hole showing target zone on contact. Local grid coordinates shown (Section 69670N).

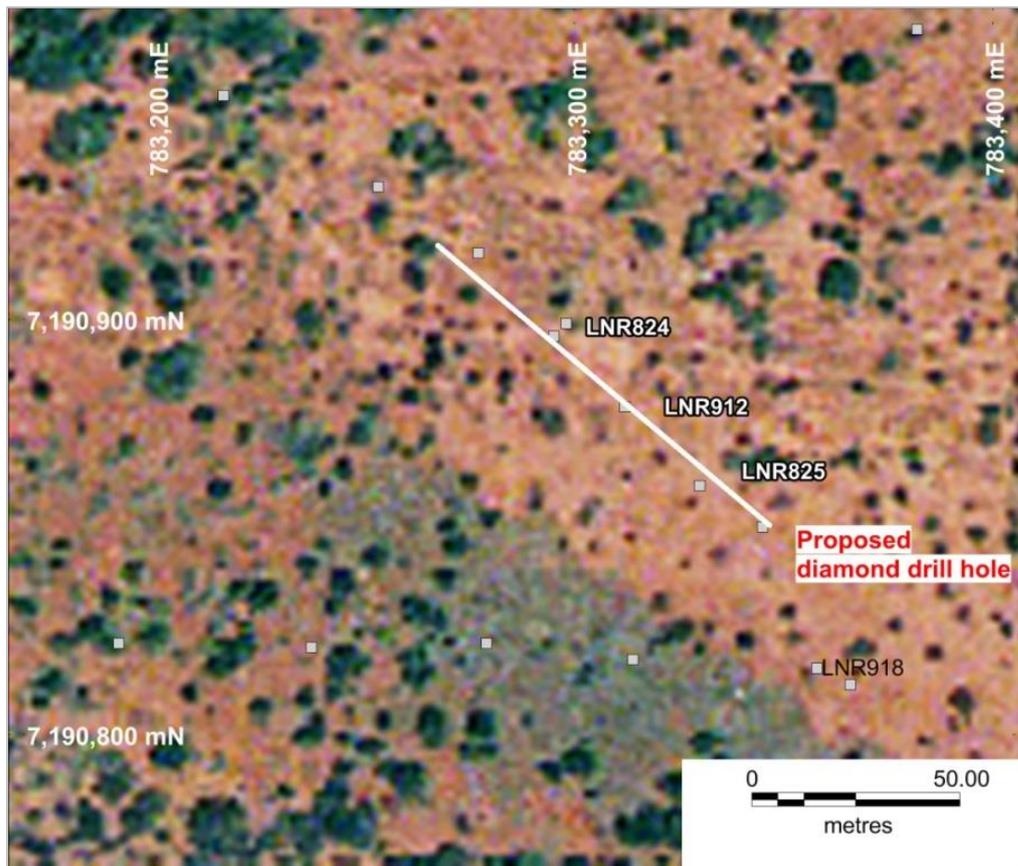


Figure 4 Plan view of proposed diamond drill hole – Brumby prospect (MGA94).

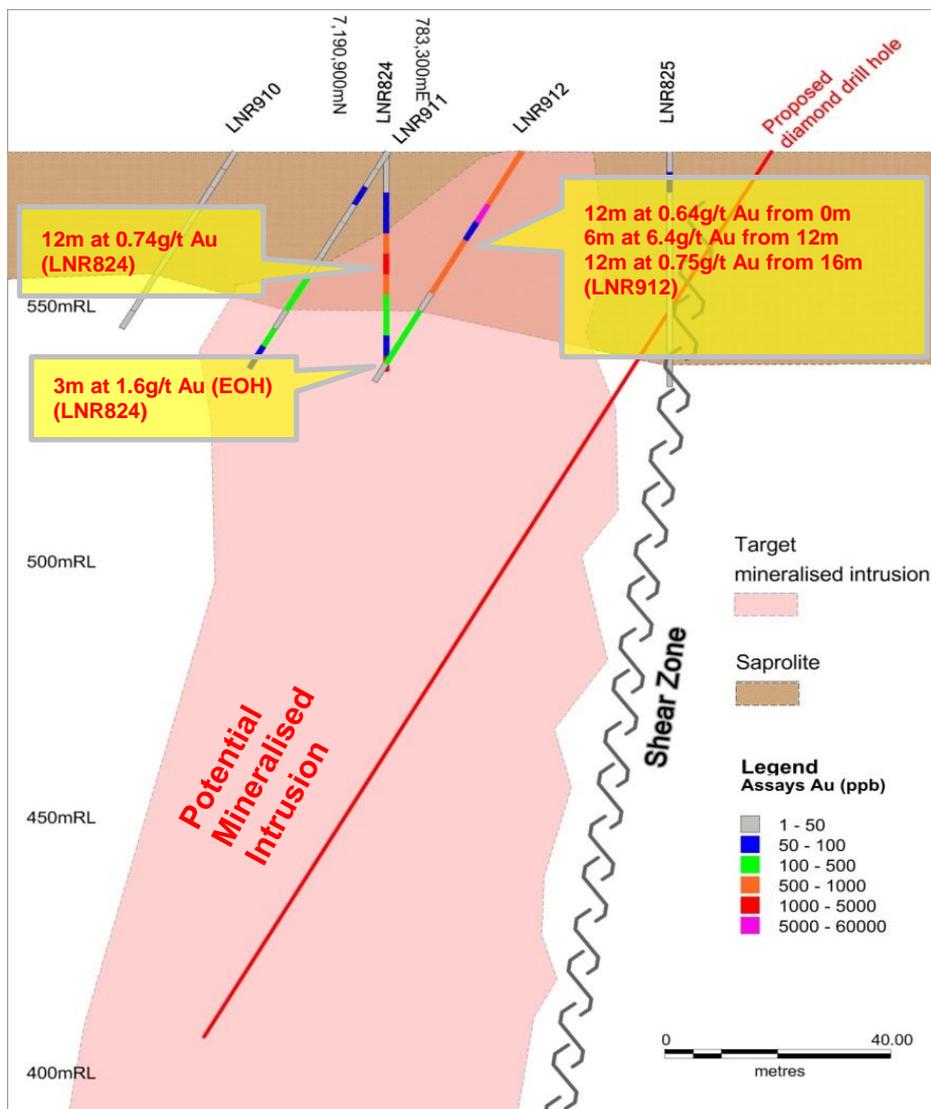


Figure 5 Schematic cross-section of proposed diamond drill hole targeting mineralised intrusion, Brumby prospect.