ASX ANNOUNCEMENT

31 January 2019

December 2018 Quarterly Activities Report

HIGHLIGHTS

- A 26 hole RC drilling program testing bedrock gold discoveries at Ned's Creek was completed across the Contessa, Central Park and Gidgee Flat prospects.
    - Drilling at Gidgee Flat extended the mineralisation to over 300m strike, significant intersections included;
        - 6m at 2.8g/t Au from 163m (LNRC053)
        - 6m at 2.4g/t Au from 97m (LNRC052)
        - 6m at 3.7g/t Au from 191m (LNRC056)
        - 4m at 5.6g/t Au from 96m and 6m at 1.7g/t Au from 205m (LNRC055)
        - 4m at 3.7g/t Au from 32m (LNRC057)
        - 8m at 2.0g/t Au from 72m and 4m at 6.7g/t Au from 195m (LNRC059)
    - At Central Park the first RC drilling to target the granite contact has confirmed mineralisation over a 120m strike, significant intersections included;
        - 21m at 0.7g/t Au from 71m (LNRC069)
        - 7m at 1.4g/t Au from 107m (LNRC070)
    - At Contessa (where the granite contact has not been tested by drilling) the latest drilling intersected mineralisation up dip from high-grade gold in LNRC026; LNRC048 reported 12m at 1.5g/t Au from 126m.
- Aircore drill results on the northern granite margin confirm a strong multi-element geochemical response, similar to that of gold discoveries on the southern margin of the Contessa granite.
- The next phase of exploration at Ned's Creek and the adjacent Yowereena tenements being planned for the upcoming quarter.
    - An initial trial of IP geophysics over the Gidgee Flat, Central Park and Contessa areas to identify bedrock chargeable anomalies related to mineralisation. If successful, the method will be extended beyond areas of current drilling.
    - Aircore drilling of priority geochemical targets on the Yowereena JV with Vango Mining will resume at the start of the 2019 field season.

NED'S CREEK PROJECT (Lodestar – 100%)

West Australian gold explorer Lodestar Minerals Limited ("Lodestar" or "the Company", ASX:LSR) is targeting intrusion-related gold mineralisation on the margins of a 6km long granite intrusion (the Contessa Granite) located within the major deformation zone at the northern margin of the Yilgarn Craton. The deformation zone, comprising the Glenburgh and Capricorn Orogens, is an established and highly endowed gold producing district, including the +1Moz deposits of Plutonic, Peak Hill, Fortnum and Glenburgh. The Ned's Creek project is located approximately 35km east of the Plutonic mine and 25km south of Vango Mining Limited's (ASX:VAN) Marymia Gold Project (see Figure 1).

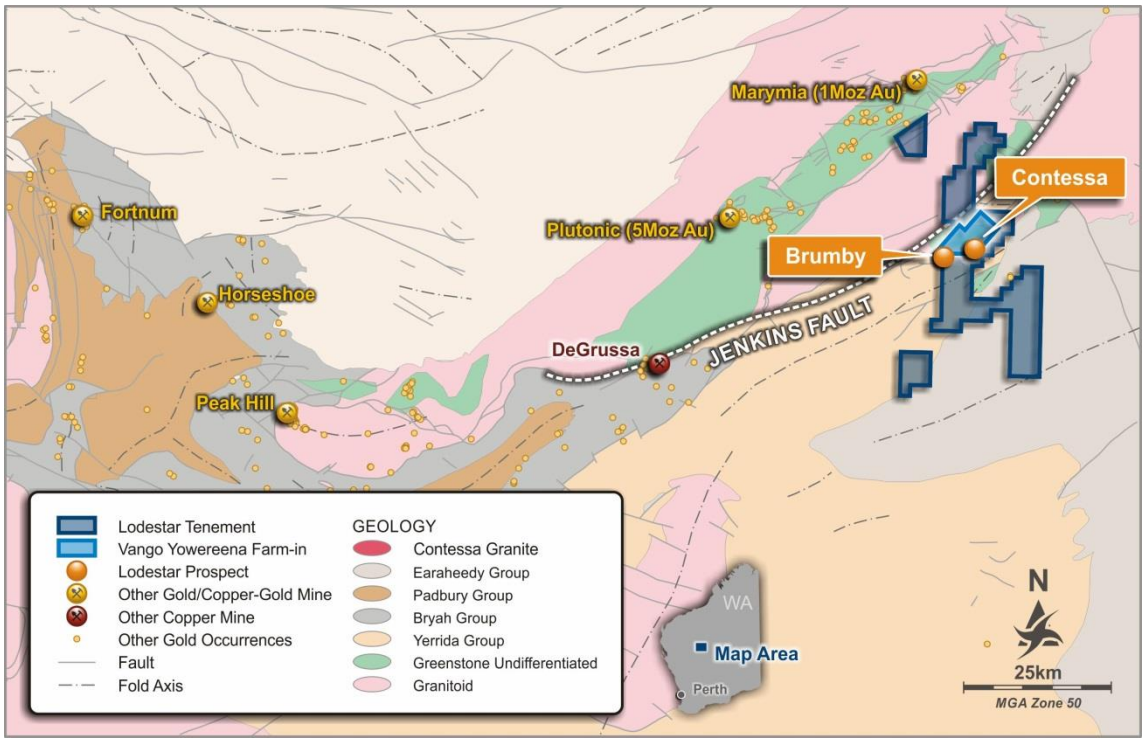

Figure 1 Location Plan - Ned's Creek project.

RC Drilling

Lodestar's latest RC drilling targeted extensions to the bedrock gold discoveries at Contessa, Gidgee Flat and Central Park (see Figure 2). The final 15 holes of the 26 hole program were completed during the reporting period with seven holes completed at Gidgee Flat, four holes at Central Park and four holes at Contessa.

Gidgee Flat

Step out drilling has intersected gold mineralisation over 300m, along a north easterly trending structure associated with the granite contact. The structure is defined by local shearing, multiple intrusives with and without disseminated pyrite and silica-pyrite, K–feldspar, haematite and epidote alteration within adjacent mafic rocks.

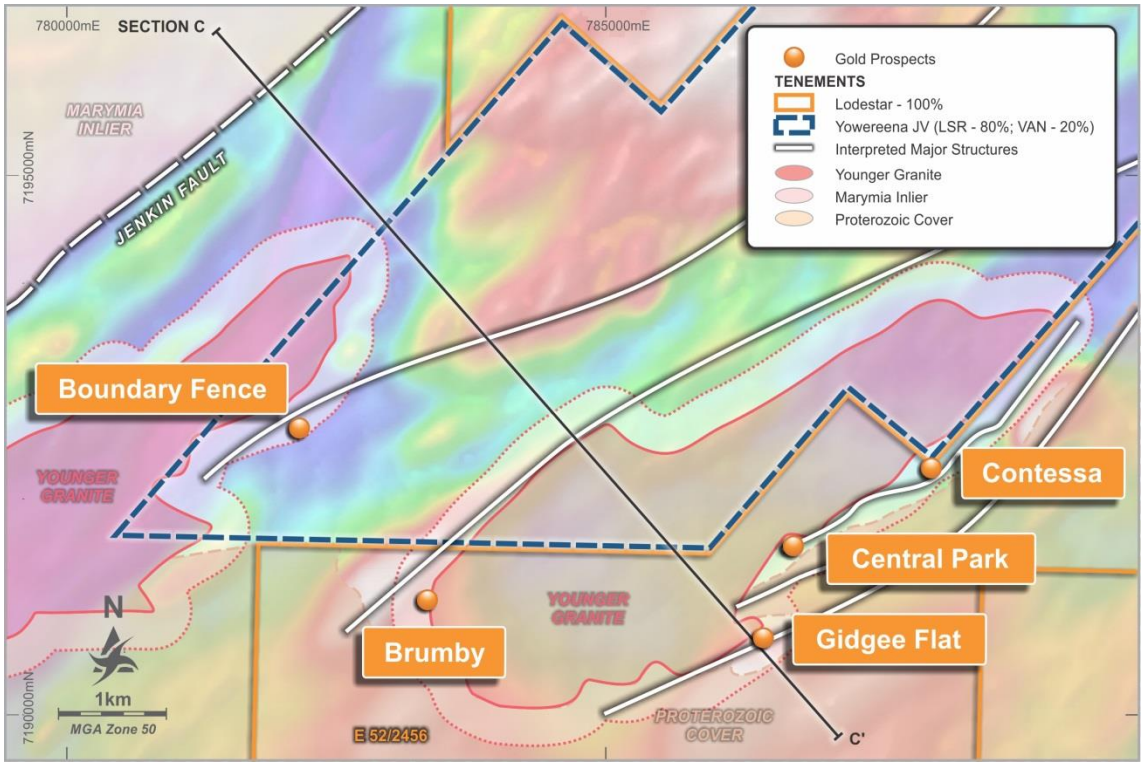

Figure 2 Prospect location plan showing "fertile" younger granite intrusions on aeromagnetic image.

Significant results from the drilling include;

- ***LNRC052 – 6m at 2.4g/t Au from 97m***
- ***LNRC053 – 6m at 2.8g/t Au from 163m, including 2m at 5.9g/t Au from 166m***
- ***LNRC055 – 4m at 5.4g/t Au from 32m; 4m at 5.6g/t Au from 96m and 6m at 1.7g/t Au from 212m***
- ***LNRC056 – 6m at 3.7g/t Au from 191m, including 1m at 8.3g/t Au from 194m***
- ***LNRC057 – 4m at 3.7g/t Au from 32m***
- ***LNRC059 – 8m at 2.0g/t Au from 72m and 4m at 6.7g/t Au from 193m, including 1m at 16.7g/t Au from 195m***

(See Figures 3, 4 and Lodestar's ASX announcements dated 16th November 2018, 28th November 2018 and 19th December 2018).

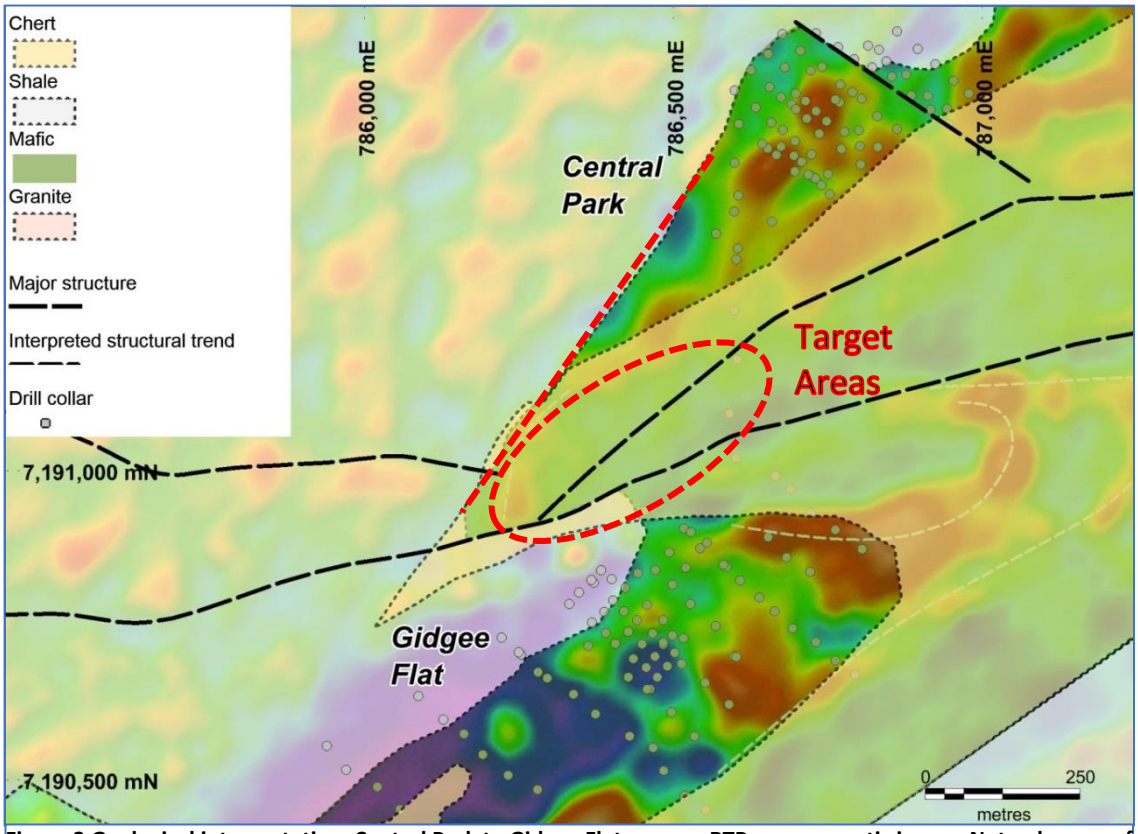

Figure 3 Geological interpretation, Central Park to Gidgee Flat area on RTP aeromagnetic image. Note absence of drilling between Central Park and Gidgee Flat.

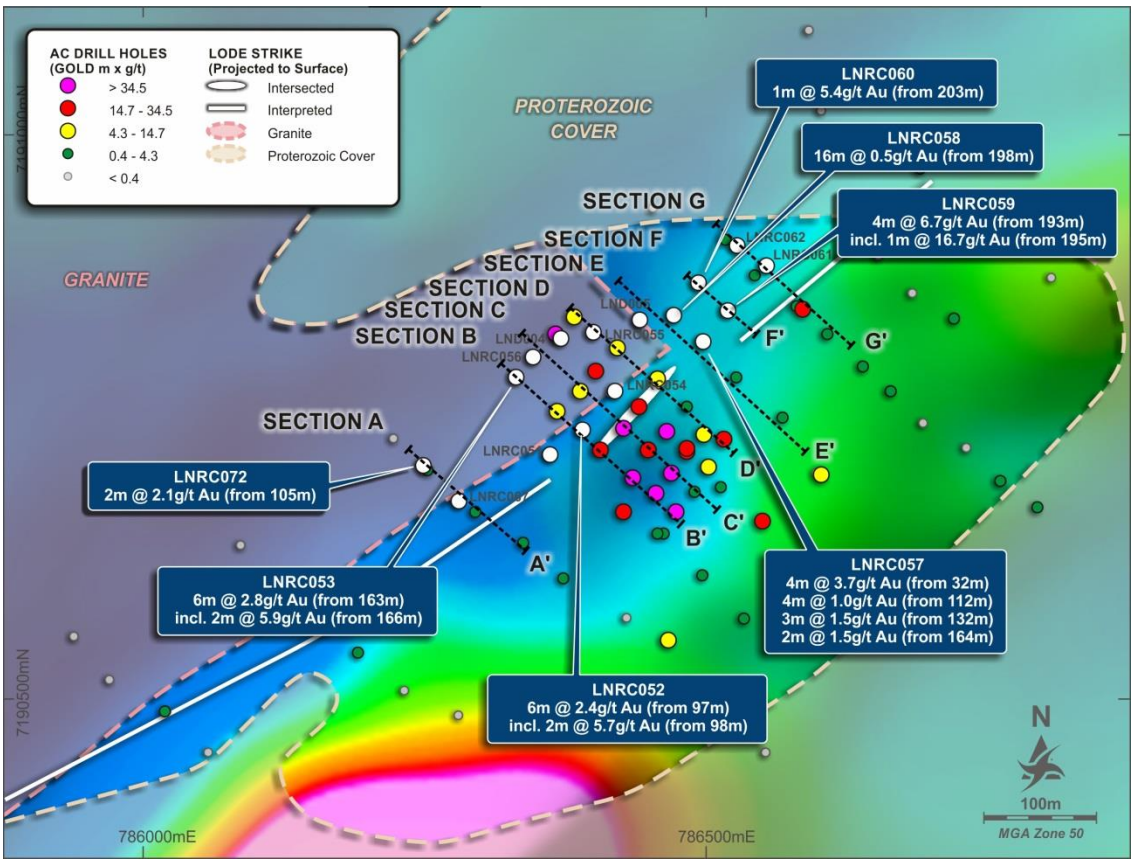

Figure 4 Gidgee Flat collar location plan on background magnetic image.

Interpretation of the latest drill results and detailed aeromagnetic data suggests that Gidgee Flat and Central Park are part of the same mineralising system, the granite contact between the two areas being displaced by an east – northeast trending structure that is concealed by overlying Proterozoic chert. The timing of this displacement relative to mineralisation is very important in terms of targeting; if displacement occurred simultaneously with the mineralising event, then the area represents a key target for future drilling.

Central Park

RC drilling targeted the granite contact adjacent to an extensive supergene gold anomaly. Four holes tested the contact zone over a distance of 120m and intersected bedrock mineralisation in each hole, indicating a system that is open along strike. The geological setting, including host rocks and alteration, is the same as found at Gidgee Flat. Significant results included;

- ***LNRC068 – 2m at 1.0g/t Au from 93m***
- ***LNRC069 – 21m at 0.7g/t Au from 71m***
- ***LNRC070 – 1m at 2.9g/t Au from 84m and 7m at 1.4g/t Au from 107m***
- ***LNRC071 encountered a wide zone of low grade mineralisation (0.1g/t to 0.5g/t Au) from 152m to end of hole at 180m.***

(See Figure 5 and Lodestar's ASX announcement dated 28th November 2018).

Additional drilling is required to accurately define the position of the granite contact and extend testing along strike.

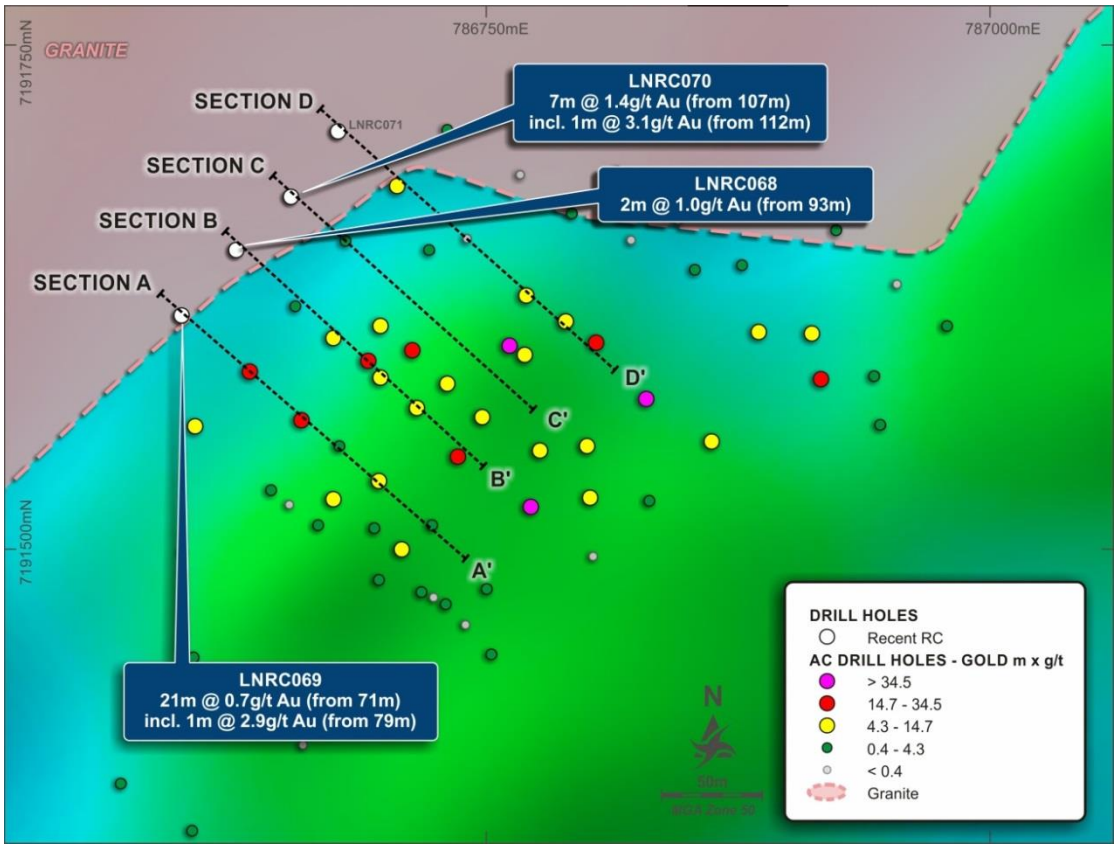

Figure 5 Central Park drill collar location plan on background aeromagnetic image.

Contessa

Four RC holes were completed at Contessa targeting extensions to high-grade gold reported in LNRC026 (4m at 74g/t Au from 140m, see Lodestar's ASX announcement dated 22nd May 2018). The holes were drilled above and below this intersection, as well as 40m to 80m along strike towards the northeast. LNRC048, drilled up-dip of LNRC026, reported 12m at 1.5g/t Au from 126m, including 1m at 9.2g/t Au from 135m. No significant intersections were reported from the remaining holes (see Lodestar's ASX announcements dated 16th November 2018 and 19th December 2018).

The structural relationships at Contessa require further interpretation however it is clear that the geological setting differs significantly from Central Park-Gidgee Flat. At Contessa, the granite contact and related syenite intrusions have not been intersected in drilling. Given the significance of these important indications of mineralisation, the area of the granite contact adjacent to the Contessa mineralisation will targeted by the upcoming IP survey in order to assist with future drill targeting.

Yowereena JV (LSR -80%: VAN-20%) – Drill Results Confirm Geochemical Signature

A planned 5,000m aircore drilling program targeting regional geochemical anomalies commenced on 9 December 2018. The program was suspended after completion of 11 holes for 699m as the rig was unable to maintain sample integrity under the conditions encountered (see Lodestar's ASX announcement dated 19th December).

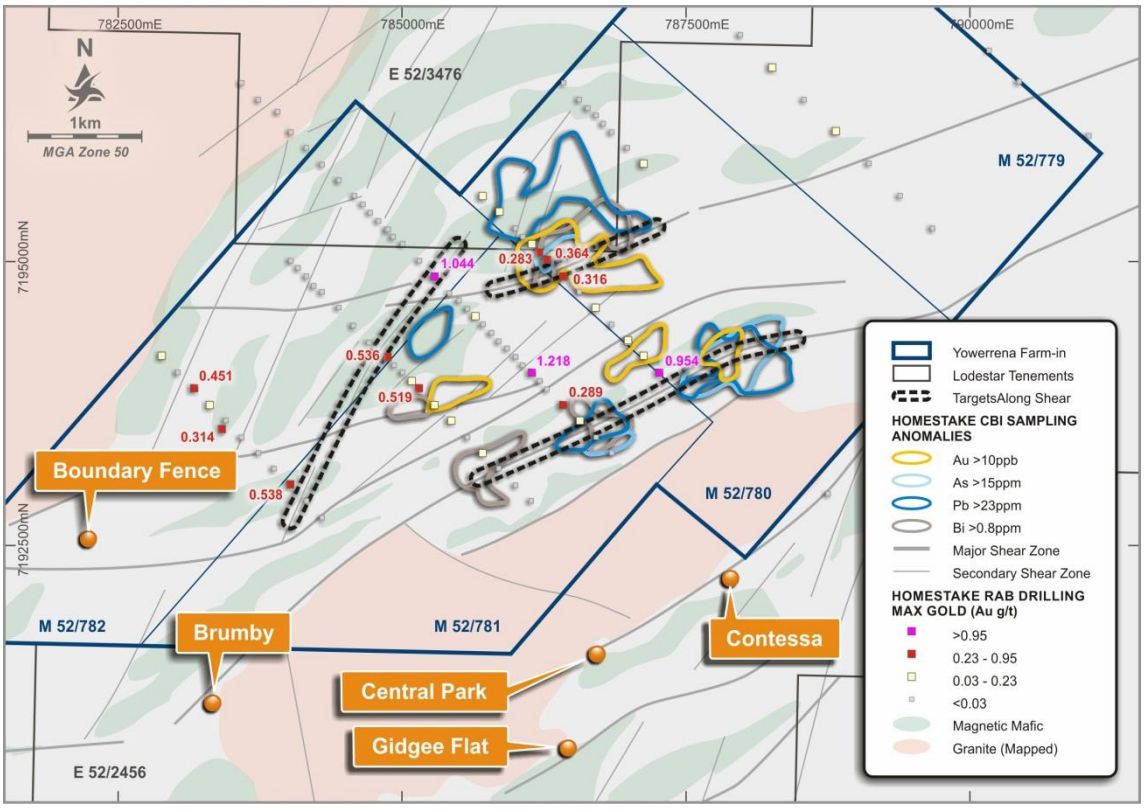

Figure 6 Yowereena gold and multi-element geochemical targets to be tested by aircore drilling.

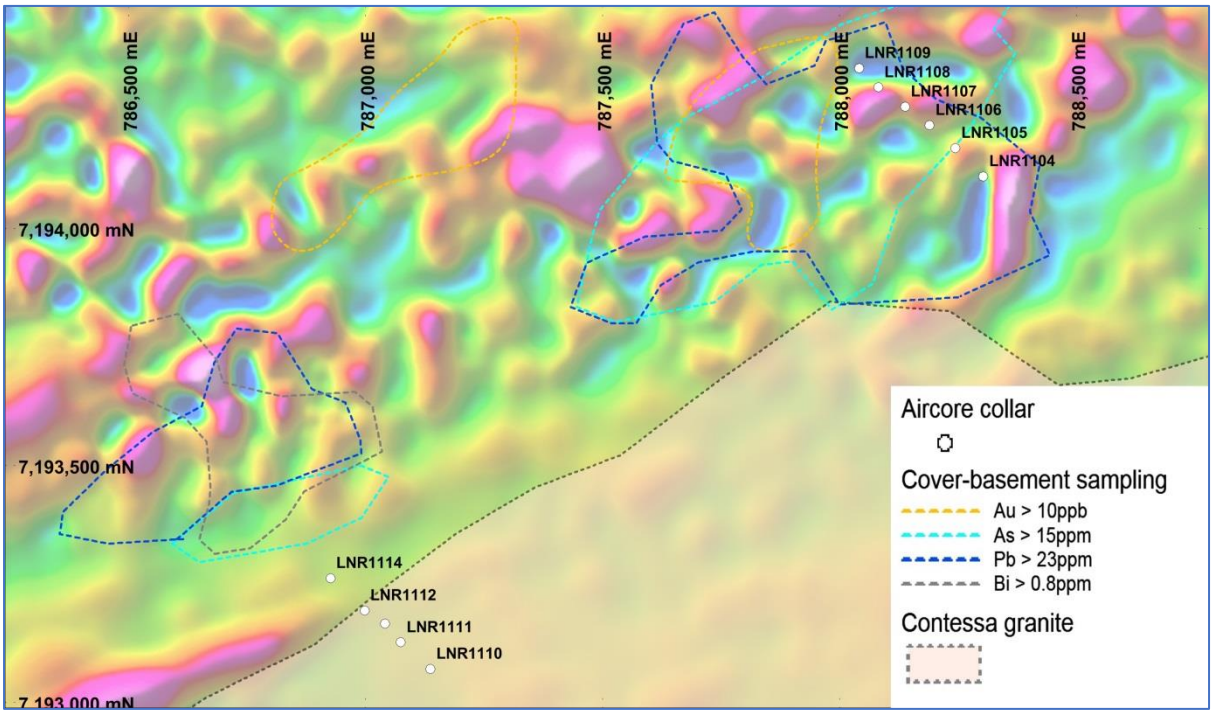

Figure 7 Aircore drilling location plan. Background RTP 1VD aeromagnetic image (MGA94).

The program is designed to test extensive gold +/- arsenic-bismuth-lead anomalies defined by Homestake Gold basement-cover interface sampling on the northern margin of the Contessa granite (see Figures 6 and 7). These targets have a similar geochemical expression to the bedrock gold mineralisation discovered by Lodestar on the southern margin of the granite and are coincident with regional east – northeast trending structures that are deflected around the granite margins.

Two widely spaced traverses of drilling were completed, partially testing the areas of interest. Holes were spaced at 60m to 100m apart (see Figures 6 and 7) and drilled to a maximum depth of 108m (see Table 1). Assay results from 11 completed holes have now been received.

None of the anomalies has been effectively tested by the aircore drilling completed to date. Importantly, the initial results have confirmed a strong similarity with the As, Cu, Bi, Mo, Pb dispersion observed around gold mineralisation discovered on the southern margin of the granite. Anomalous As, Cu, Pb, ±Bi, ±Mo is widespread in the regolith, extending to bedrock in places. The interval of massive pyrite reported in LNR1109 is associated with elevated As and Cu (see Lodestar's ASX announcement dated 19th December 2018). The maximum gold in drilling was 0.29g/t from 28m in LNR1112, near the granite contact. Assay results are reported in the Annexure.

The aircore program is planned to re-commence at the start of the 2019 field season.

Table 1 Aircore Drill Hole Collar Information

HoleID	Easting	Northing	RL	TotalDepth	DrillType	Azimuth	Dip
LNR1104	788303	7194109	571	42	AC	0	-90
LNR1105	788244	7194169	571	91	AC	0	-90
LNR1106	788190	7194217	594	89	AC	0	-90
LNR1107	788138	7194256	561	95	AC	0	-90
LNR1108	788082	7194297	573	66	AC	0	-90
LNR1109	788041	7194337	566	108	AC	0	-90
LNR1110	787137	7193071	579	24	AC	0	-90
LNR1111	787074	7193127	570	24	AC	0	-90
LNR1112	786998	7193194	578	62	AC	0	-90
LNR1113	787041	7193166	580	54	AC	0	-90
LNR1114	786926	7193262	579	44	AC	0	-90

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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^2 at the edge of the Pilbara and Yilgarn Cratons. Lodestar has three main projects – Ned's Creek, Camel Hills and Imbin – and has an 80% interest in the 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 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 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

- *16th November 2018 "First RC Results from Gidgee Flats Extend Strike of Mineralisation by 50%".*
- *28th November 2018 "Gidgee and Central Park Gold Discoveries Continue to Grow"*
- *19th December 2018 "Final RC Drill Results Extend Gidgee Discovery".*

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.

ASX ANNOUNCEMENT

31 January 2019

ANNEXURE – Aircore Drilling Assay Results

Hole	North	East	RL	Depth	Azimuth	Dip	From	To	Interval	Au_ppb	As_ppm	Bi_ppm	Cu_ppm	Mo_ppm	Pb_ppm
LNR1104	**788303**	**7194109**	**571**	**42**	**0**	**-90**	0	4	4	3	2.6	0.52	24	0.6	12
							4	8	4	3	4	0.4	27	0.4	14
							8	12	4	10	14.6	0.12	45	-0.2	7
							12	16	4	-1	14.6	0.04	89	0.6	3
							16	20	4	2	67	0.04	105	0.4	3
							20	24	4	-1	69	0.04	124	0.4	10
							24	28	4	2	64.4	0.04	174	0.4	14
							28	32	4	-1	19.2	-0.02	86	-0.2	4
							32	36	4	-1	26	0.1	99	0.8	7
							36	40	4	-1	23.8	0.12	48	0.8	4
							40	42	2	-1	22.8	0.06	74	0.6	3
LNR1105	**788244**	**7194169**	**571**	**91.3**	**0**	**-90**	0	4	4	1	4.8	0.6	27	0.8	10
							4	8	4	1	2.8	0.3	30	0.4	14
							8	12	4	6	1.2	0.1	34	-0.2	8
							12	16	4	3	1.6	0.04	37	-0.2	3
							16	20	4	-1	2	0.04	70	-0.2	3
							20	24	4	-1	2.4	0.04	86	-0.2	3
							24	28	4	-1	4.4	0.14	105	-0.2	3
							28	32	4	-1	18.2	0.04	154	0.4	3
							32	36	4	-1	14.8	-0.02	129	-0.2	6

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Hole	North	East	RL	Depth	Azimuth	Dip	From	To	Interval	Au_ppb	As_ppm	Bi_ppm	Cu_ppm	Mo_ppm	Pb_ppm
							36	40	4	-1	2.8	0.04	155	-0.2	3
							40	44	4	-1	0.6	-0.02	103	-0.2	2
							44	48	4	2	0.8	-0.02	111	-0.2	2
							48	52	4	4	5.6	-0.02	114	0.4	-1
							52	56	4	16	17	-0.02	68	0.4	-1
							56	60	4	7	24.2	-0.02	80	0.8	-1
							60	64	4	2	24.6	0.04	202	0.4	2
							64	68	4	7	3.4	0.04	243	-0.2	2
							68	72	4	4	8.8	-0.02	158	0.4	2
							72	76	4	5	6.2	-0.02	140	-0.2	-1
							76	80	4	1	43.4	-0.02	136	1	7
							80	84	4	1	169	0.04	137	1.2	443
							84	88	4	-1	212	0.04	121	1.4	91
							88	91	3	8	107	0.04	94	0.8	16
LNR1106	**788190**	**7194217**	**594**	**89**	**0**	**-90**	0	4	4	9	4.8	0.5	24	0.8	11
							4	8	4	5	4.2	0.28	33	0.4	14
							8	12	4	-1	5	0.08	69	0.4	8
							12	16	4	11	9.8	-0.02	32	0.4	2
							16	20	4	2	7.6	-0.02	68	0.4	-1
							20	24	4	-1	8.6	0.04	91	-0.2	-1
							24	28	4	-1	6.6	-0.02	81	-0.2	3
							28	32	4	6	4.2	0.04	132	0.6	2
							32	36	4	4	4.4	0.04	123	0.4	3
							36	40	4	-1	2	-0.02	118	-0.2	3
							40	44	4	3	5	-0.02	165	-0.2	4
							44	48	4	3	2.4	-0.02	107	-0.2	2

Hole	North	East	RL	Depth	Azimuth	Dip	From	To	Interval	Au_ppb	As_ppm	Bi_ppm	Cu_ppm	Mo_ppm	Pb_ppm
							48	52	4	2	5.2	-0.02	84	-0.2	2
							52	56	4	17	1.2	-0.02	209	-0.2	3
							56	60	4	10	2.4	0.04	218	0.4	2
							60	64	4	14	7.6	-0.02	147	0.4	2
							64	68	4	6	2.2	-0.02	204	-0.2	2
							68	72	4	4	1	0.04	132	-0.2	2
							72	76	4	3	3.6	-0.02	175	-0.2	2
							76	80	4	3	4.2	0.04	177	0.4	3
							80	84	4	5	3.8	0.04	164	-0.2	2
							84	87	3	-1	15	0.04	151	0.4	2
							87	89	2	3	25.6	0.04	108	0.4	3
LNR1107	**788138**	**7194256**	**561**	**95**	**0**	**-90**	0	4	4	5	4.4	0.48	44	1	11
							4	8	4	6	10.2	0.52	32	0.8	29
							8	12	4	5	14.2	0.32	41	0.6	30
							12	16	4	3	36.8	0.2	41	0.4	43
							16	20	4	-1	18.2	0.06	31	0.8	13
							20	24	4	1	6.6	0.06	24	0.6	14
							24	28	4	1	6.8	0.04	59	0.8	12
							28	32	4	1	10.2	0.04	33	0.6	21
							32	36	4	1	19.2	0.1	45	0.4	16
							36	40	4	1	45.2	0.04	123	0.8	14
							40	44	4	-1	8.4	-0.02	178	0.4	5
							44	48	4	10	7.2	0.04	232	0.4	3
							48	52	4	3	6.8	0.04	163	0.4	2
							52	56	4	14	6.2	0.04	93	0.4	2
							56	60	4	9	4.6	-0.02	119	-0.2	-1

Hole	North	East	RL	Depth	Azimuth	Dip	From	To	Interval	Au_ppb	As_ppm	Bi_ppm	Cu_ppm	Mo_ppm	Pb_ppm
							60	64	4	5	5.6	-0.02	91	-0.2	3
							64	68	4	5	8.6	0.04	129	0.4	22
							68	72	4	5	2	-0.02	145	0.6	3
							72	76	4	5	1	0.04	145	0.8	3
							76	80	4	10	1.4	-0.02	162	-0.2	4
							80	84	4	4	1.6	-0.02	168	-0.2	2
							84	88	4	4	3.4	-0.02	153	0.4	2
							88	92	4	3	1.6	-0.02	161	-0.2	-1
							92	95	3	6	16.4	0.1	145	0.4	10
LNR1108	**788082**	**7194297**	**573**	**66.5**	**0**	**-90**	0	4	4	-1	2.8	0.44	44	1.4	12
							4	8	4	3	4.2	0.62	29	0.8	15
							8	12	4	10	14.2	0.28	34	0.4	13
							12	16	4	2	39.6	0.04	10	0.6	2
							16	20	4	-1	14.6	0.04	11	0.8	-1
							20	24	4	-1	2.8	0.04	6	0.4	-1
							24	28	4	-1	4	-0.02	5	0.4	-1
							28	32	4	-1	5	0.04	10	0.4	-1
							32	36	4	-1	12.4	0.04	119	0.8	2
							36	40	4	-1	17.4	0.04	54	1.6	4
							40	44	4	2	22.6	-0.02	61	1	11
							44	48	4	-1	7.6	0.04	63	0.8	13
							48	52	4	-1	48.8	0.04	49	1	9
							52	56	4	-1	7.8	0.04	31	2.4	21
							56	60	4	-1	4.4	0.04	67	1.4	14
							60	64	4	3	19.4	0.04	36	1.4	19
							64	67	3	2	37	0.08	39	2.4	54

Hole	North	East	RL	Depth	Azimuth	Dip	From	To	Interval	Au_ppb	As_ppm	Bi_ppm	Cu_ppm	Mo_ppm	Pb_ppm
LNR1109	**788041**	**7194337**	**566**	**108**	**0**	**-90**	0	4	4	3	3.8	0.5	31	1	13
							4	8	4	3	2.6	0.54	27	0.8	15
							8	12	4	23	4.6	0.34	28	0.4	11
							12	16	4	16	1.8	0.08	9	-0.2	-1
							16	20	4	10	1.6	0.04	36	-0.2	3
							20	24	4	-1	2.2	0.04	56	-0.2	3
							24	28	4	-1	8.4	0.08	135	0.8	3
							28	32	4	3	7.2	0.08	135	1.2	6
							32	36	4	7	3.4	0.1	75	1	13
							36	40	4	5	4	0.12	54	0.8	8
							40	44	4	4	7.4	0.1	57	0.8	6
							44	48	4	3	24	0.06	106	0.8	4
							48	52	4	3	82	0.04	134	1.2	3
							52	56	4	2	198	0.04	164	0.8	3
							56	60	4	3	259	0.06	121	0.8	6
							60	64	4	4	40	0.04	109	0.8	8
							64	68	4	5	8.8	0.06	78	0.8	3
							68	72	4	2	7	0.1	78	0.8	3
							72	76	4	1	7.6	0.1	50	0.6	3
							76	80	4	1	6	0.06	47	0.4	3
							80	84	4	2	5.6	0.04	110	0.4	2
							84	88	4	3	2	0.04	53	0.6	-1
							88	92	4	3	1.2	0.04	53	-0.2	-1
							92	96	4	7	5.6	0.08	132	1.4	3
							96	100	4	2	33.2	0.04	79	4	2
							100	104	4	3	88.6	0.1	86	3.6	11

Hole	North	East	RL	Depth	Azimuth	Dip	From	To	Interval	Au_ppb	As_ppm	Bi_ppm	Cu_ppm	Mo_ppm	Pb_ppm
							104	108	4	5	75.2	0.18	165	2.4	13
LNR1110	**787137**	**7193071**	**579**	**24**	**0**	**-90**	0	4	4	9	1.8	0.16	16	1.8	11
							4	8	4	3	1.6	0.58	46	16	21
							8	12	4	15	0.8	0.5	25	4.8	9
							12	16	4	10	1	5.96	23	7	22
							16	20	4	64	0.6	38.7	32	22.8	109
							20	24	4	-1	0.8	1.72	18	10.4	20
LNR1111	**787074**	**7193127**	**570**	**24**	**0**	**-90**	0	4	4	10	0.8	0.14	14	0.6	5
							4	8	4	5	-0.2	0.12	9	-0.2	14
							8	12	4	3	0.4	0.2	15	0.4	59
							12	16	4	-1	6.4	0.18	155	7.8	26
							16	20	4	-1	9.2	0.12	249	10.8	177
							20	24	4	-1	6	0.4	59	4.2	102
LNR1112	**786998**	**7193194**	**578**	**62**	**0**	**-90**	0	4	4	9	0.6	0.08	20	0.4	8
							4	8	4	14	-0.2	0.14	16	-0.2	12
							8	12	4	15	-0.2	0.14	43	-0.2	73
							12	16	4	3	3.6	0.24	272	3.6	67
							16	20	4	-1	2.8	0.24	160	6.2	9
							20	24	4	2	9	0.34	141	66.4	57
							24	28	4	7	7	1.08	92	59.8	76
							28	32	4	293	5.2	0.36	220	43	253
							32	36	4	117	4.2	0.68	201	21.2	122
							36	40	4	3	5.4	0.38	83	28	31
							40	44	4	2	3.6	0.2	131	44	21
							44	48	4	2	3.4	0.14	158	43.6	19
							48	52	4	-1	2.2	0.2	87	7.6	14

Hole	North	East	RL	Depth	Azimuth	Dip	From	To	Interval	Au_ppb	As_ppm	Bi_ppm	Cu_ppm	Mo_ppm	Pb_ppm
							52	56	4	-1	1.6	0.12	56	10.4	17
							56	60	4	44	1.8	0.18	54	10.2	10
							60	62	2	52	5.4	0.18	104	5	7
LNR1113	**787041**	**7193166**	**580**	**54**	**0**	**-90**	0	4	4	10	3	0.18	17	1	8
							4	8	4	4	-0.2	0.04	16	1.8	20
							8	12	4	2	0.6	0.18	31	5.6	52
							12	16	4	2	1.6	0.22	39	10.4	347
							16	20	4	-1	-0.2	0.06	9	0.4	58
							20	24	4	3	0.6	0.12	146	13.2	13
							24	28	4	3	1.4	0.38	174	16	28
							28	32	4	11	4.2	0.14	150	7.4	86
							32	36	4	2	5	0.14	168	2.4	30
							36	40	4	-1	2.4	0.18	125	1.4	21
							40	44	4	-1	1.6	0.12	59	2.8	36
							44	48	4	3	1.6	0.14	83	2.8	7
							48	52	4	18	1	0.14	81	2	6
							52	54	2	7	1.8	0.24	22	1.4	5
LNR1114	**786926**	**7193262**	**579**	**44**	**0**	**-90**	0	4	4	3	1.4	0.08	14	0.4	3
							4	8	4	-1	-0.2	-0.02	2	-0.2	3
							8	12	4	-1	-0.2	0.08	3	-0.2	7
							12	16	4	-1	0.6	0.08	5	0.4	11
							16	20	4	-1	1	0.08	5	1	19
							20	24	4	-1	1.4	0.06	6	1.4	21
							24	28	4	-1	1.6	0.24	5	0.8	16
							28	32	4	-1	1	0.04	7	0.6	6
							32	36	4	3	2.4	0.06	33	0.8	11

Hole	North	East	RL	Depth	Azimuth	Dip	From	To	Interval	Au_ppb	As_ppm	Bi_ppm	Cu_ppm	Mo_ppm	Pb_ppm
							36	40	4	3	0.6	-0.02	3	0.4	3
							40	44	4	11	4.8	0.1	35	1.4	6

JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Aircore drill holes were sampled at 1m intervals from a cyclone on the rig, collected in sequence and placed in rows on the ground. From 0 metres to end of hole, 1m samples were composited to 4 metre samples and a 2.5kg sample is submitted for assay. Sample recoveries were monitored. Samples are logged and ground conditions that impact sample recoveries are recorded in the sample and geology ledger. • Sample representivity is maintained by placing the composite samples in a pre-numbered calico bag with a corresponding sample book entry. Certified reference materials, field duplicates and laboratory repeat samples are analysed routinely. • Sample results reported in the Annexure used the sampling protocol described below; Samples from 0 metres to end of hole were collected as 4 metre composites by spearing across the 1 metre samples using a PVC spear. This method is applied as a first-pass screening for anomalous gold results. Approximately 2.5kg of material was dried, crushed pulverised and split to produce a 40g charge for aqua regia digest and ICPMS (DL 1ppb Au).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Aircore method using a 3.34" blade bit, hammer bit used for end of hole samples if in mineralisation or indurated regolith. Non-core method, no downhole surveys were recorded.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recoveries and wet samples were monitored and included in Lodestar's drill hole database. • Samples collected from a cyclone at 1 metre intervals and laid in rows sequentially. Drill sampling equipment was cleaned regularly to minimise contamination. A significant number of wet samples were encountered but as the aim of the drilling was to identify geochemical anomalies the effect of wet sampling is moderated. • Lodestar monitors the distribution of high grade gold and sample recoveries, no high grade gold was reported. The purpose of the drilling is to identify areas anomalous in gold rather than quantify gold content.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Chip samples were routinely geologically logged. The drilling and sampling methods used were first-pass exploration methods and not intended to support Mineral Resource estimation. • Logging is qualitative in nature. • All aircore samples were geologically logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Aircore samples were recovered from the drill hole via a cyclone at 1 metre intervals. Each 1 metre sample was placed on the ground in sequence. A hollow PVC spear is used to obtain a sub-sample through each 1 metre interval; these are combined for submission as a 2.5kg 4 metre composite sample. Wet samples are recorded if present. • All samples for assay are stored in pre-numbered bags and submitted to Bureau Veritas Laboratories for sample preparation and analysis. • Sample preparation for drill samples involved drying the whole sample, crushing to 3mm and pulverising to 90% passing -75 microns. The pulverised sample was split with a rotary sample divider to obtain a 40 gram charge. Duplicate field samples and laboratory repeats show satisfactory reproducibility. • Sample size is appropriate for early exploration drilling where mineral grainsize is unknown.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• A nominal 40 gram charge is digested with aqua regia and gold is determined by ICP-MS, the detection limit is 1ppb. This is a partial digest for base metal and refractory elements, although it is extremely efficient for the extraction of gold. S, As, Bi, Cu, Mo, Pb, Te and Co were analysed from the aqua regia solution by ICP-AES/ICP-MS. • No geophysical tools were used to determine any element concentrations. • Laboratory QAQC includes the use of laboratory standards and replicates; Lodestar's certified reference standards and field duplicates were inserted at a ratio of 1:50 (2%) with each batch of samples. These quality control results are reported with the sample results in the final laboratory reports. Lodestar's certified reference standards ranging from blanks to ppm gold were inserted throughout the drilling program, accuracy is within acceptable limits.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No significant intersections were reported. • No twinned holes have been completed. • Field and laboratory data were collected electronically and entered into a relational database. Data collection protocols are recorded in Lodestar's operation manual. • There has been no adjustment to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole locations are fixed by handheld GPS, accuracy is estimated to be +/-5 metres. • Drill hole coordinates were recorded in MGA94 Zone 50 grid. • The topography within prospect areas is generally flat; RL's are averaged from GPS readings of individual drill holes in each area and are subject to significant error.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill holes have variable spacing, generally 60 metres to 100 metres on section. • The data is insufficient to establish continuity for Mineral Resource estimation. • 1 metre aircore samples have been composited to 4 metre samples for assay.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The aircore drilling method does not provide structural information and the orientation of the underlying geology has not been established. Drill traverses are oriented perpendicular to the interpreted strike of magnetic units and structures as determined from interpretation of aeromagnetic data.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored at Lodestar's exploration camp in sealed bags under supervision prior to dispatch by registered courier or Lodestar staff to Bureau Veritas - UltraTrace Laboratories.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out.

Criteria	Commentary

Mineral tenement and land tenure status	• Drilling was carried out on M52/780 and M52/781. Lodestar has an 80% interest in the Yowereena tenements held by Vango Mining Limited and Dampier (Plutonic) Pty Ltd (a wholly-owned subsidiary of Vango Mining Limited).
	  ○ M52/780 expires on 26/09/2034 (DAMPIER 40/100; VANGO 60/100).
	  ○ M52/781 expires on 30/12/2036 (DAMPIER 100/100)
	• Lodestar has earned an 80% interest in the tenements and is completing a JV agreement with Vango Mining Limited to explore the tenements.
	• M52/780 and M52/781 are located within the Yugunga Nya people native title claim WAD6132/1998.

Exploration done by other parties	• Exploration commenced at McDonald Well in the late 1960's, WMC explored for Zambian Copper Belt style mineralisation and completed regional geological mapping and sampling, followed by minor percussion drilling. CRA Exploration completed regional mapping and auger sampling, also at McDonald Well. No significant anomalies were identified on the tenements. Minor exploration drilling by Barrick and CRA Exploration east and south of Contessa intersected ultramafic lithologies, confirming the extent of the greenstone sequence in this area. There has been no material exploration by other parties over the Contessa area.
Geology	• The geology of the project area comprises the northern margin of the Proterozoic Yerrida Basin. The geology forms two discrete units; Proterozoic sediments of the Yerrida Basin that are prospective for sediment-hosted copper and base metal mineralisation in black shale and carbonate sequences, with evidence of secondary and primary copper mineralisation in the Thaduna district and Archaean basement rocks on the northern margin of the Yerrida Basin. The Archaean basement-sediment contact trends east-west and Lodestar's exploration has identified extensive gold anomalism adjacent to a granite contact near the Yerrida unconformity. The basement consists of granite and fringing mafic to intermediate and ultramafic rocks that are not widely exposed at surface. The mafic-ultramafic rocks and the adjacent granite that hosts gold mineralisation are thought to be Archaean in age but may be part of the Glenburgh orogenic event along the northern Yilgarn margin. Identification of syenite-hosted, intrusion-related gold mineralisation at Brumby indicates that this region differs in comparison with other lode gold occurrences in the Plutonic Well greenstone belt and the surrounding Proterozoic fold belt and does not form part of the adjacent Marymia Inlier.
Drill hole information	• Tabulated data is provided in Table 1 and the Annexure, attached.
Data aggregation methods	• Assay data are reported as 4 metre composite samples.
Relationship between mineralisation widths and intercept lengths	• No mineralisation to report.
Diagrams	• See Figures 6 and 7.
Balanced reporting	• All drill holes and intercepts are reported in Table 1 and the Annexure, attached.
Other substantive exploration data	• None to report.
Further Work	• Aircore drilling has confirmed multi-element anomalies in regolith and gold targets that require additional aircore drilling to scope the intensity and scale of the anomalies.

APPENDIX 1: Schedule of Exploration Tenements as at 31 DECEMBER 2018

Tenement Description	Tenement Numbers	Status	Percentage Interest
Ned's Creek			
7 Mile Well	E52/2440	Granted	100% - Audacious Resources
Yowereena Hill	E52/2456	Granted	100% - Audacious Resources.
Little Well	E52/2468	Granted	100% - Audacious Resources
Yowereena Hill	E52/2493	Granted	100% - Audacious Resources
Yowereena Hill	E52/2734	Granted	100% - Lodestar Minerals
Yowereena Hill	E52/3473	Granted	100% - Lodestar Minerals
Yowereena Hill	E52/3476	Granted	100% - Lodestar Minerals
Yowereena Hill	M52/779	Granted	80% - Lodestar Minerals: 20% - Vango Mining
Yowereena Hill	M52/780	Granted	80% - Lodestar Minerals: 20% - Vango Mining
Yowereena Hill	M52/781	Granted	80% - Lodestar Minerals: 20% - Vango Mining
Yowereena Hill	M52/782	Granted	80% - Lodestar Minerals: 20% - Vango Mining
Imbin – Troy Creek			
Ingebong Hills	E69/3483	Granted	100% - Lodestar Minerals
Ingebong Hills	E69/3532	Application	
Ingebong Hills	E69/3533	Application	
Ingebong Hills	E69/3590	Application	
Camel Hill / Mt Erong			
Meekatharra	E09/2099	Granted	100% - Lodestar Minerals
Meekatharra	E09/2100	Granted	100% - Lodestar Minerals
Billycan Bore	E52/3064	Granted	100% - Lodestar Minerals
Meekatharra	E09/2215	Granted	100% - Lodestar Minerals

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

LODESTAR MINERALS LIMITED

ABN	**Quarter ended ("current quarter")**
32 127 026 528	31 DECEMBER 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(793)	(1,234)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(89)	(159)
	(e) administration and corporate costs	(62)	(188)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(940)**	**(1,574)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(1)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**(1)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	703
3.4	Transaction costs related to issues of shares, convertible notes or options	(1)	(1)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(1)**	**702**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,135	1,067
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(940)	(1,574)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1)	702
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**194**	**194**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	194	1,135
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**194**	**1,135**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	93
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.1 - Includes salaries paid to Directors, as well as superannuation paid on behalf of Directors. Also, includes corporate and accounting services paid to a company associated with one of the Directors.

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	56
9.2	Development	-
9.3	Production	-
9.4	Staff costs	73
9.5	Administration and corporate costs	51
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**180**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A			

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: D M McArthur Date: 31 January 2019

Director and Company Secretary

Print name: David M McArthur

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.