



ASX ANNOUNCEMENT

9 September 2014

COMPANY SNAPSHOT

LODESTAR MINERALS LIMITED
ABN: 32 127 026 528

CONTACT DETAILS

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CAPITAL STRUCTURE

Shares on Issue:
243,394,754 (LSR)

Options on Issue:
16,803,839 (Unlisted)

ASX: LSR

PROJECTS

Peak Hill – Doolgunna:
Base metals, gold



RC DRILLING TO COMMENCE AT THE CONTESSA GOLD DISCOVERY

HIGHLIGHTS

- Drilling will include five RC drill holes to depths of 200m, targeting primary gold mineralisation below the supergene mineralisation discovered in 2013.
- The Contessa Prospect reported exceptional first-pass aircore drilling results (previously reported) including:
 - o LNR532 – 5m at 6.6g/t Au from 55m
 - o LNR533 – 10m at 5.6g/t Au from 55m
 - o LNR543 – 5m at 2.4g/t from 55m
 - o LNR546 – 15m at 3.1g/t from 40m
 - o LNR656 – 21m at 3.01g/t from 40m
 - o LNR674 – 3m at 6.26g/t from 68m

(See Lodestar's ASX release dated 24 September 2013)

- The positive exploration results received to date, and the presence of gold-bearing quartz specimens and nuggets recovered on surface, provide evidence that Contessa forms part of a large gold system with potential for a significant lode-style quartz vein hosted discovery in the Contessa area.
- Contessa lies within a 2.1 kilometre gold anomaly defined by recently completed geochemical sampling, and is part of a large mineral system.
- Additional gold targets within the Contessa and recently identified Gidgee Flats anomalies to be tested by first-pass aircore drilling.

Lodestar Minerals Limited (ASX:LSR) announces that, following the successful completion of an auger geochemical sampling programme over the 8 kilometre long Contessa Trend, the Company is planning the first RC drilling programme at Contessa on Lodestar's 100% owned Ned's Creek Project (Figure 1).

In 2013, aircore drilling discovered significant supergene gold mineralisation which has not yet been followed up. Recently completed geochemical drilling has extended the Contessa gold anomaly to a length of 2.1 kilometres, establishing the Contessa area as a highly prospective, large-scale target that warrants additional drilling.



RC drilling will test beneath the supergene zone for primary mineralisation in fresh rock. The drilling will target a lode-style gold system within an altered volcanic sequence, adjacent to a granite contact. In addition, as part of a staged drilling programme, the recently identified gold anomalies at Gidgee Flat and Contessa Northeast will be tested by wide spaced aircore drilling to identify bedrock gold anomalies. The targets are summarised below with locations shown on Figures 2 and 3.

Contessa – RC Drilling targeting a large primary gold system

Five RC drill holes of nominal 200m depth will be drilled on four mineralised sections within the Contessa grid (Figure 3), as an initial test for bedrock mineralisation below the supergene zone.

Three traverses of aircore drilling will extend the first-pass Contessa drill coverage along strike by 240 metres to the southwest, covering an area where numerous gold nuggets have recently been recovered.

First-pass Aircore Drilling

Gidgee Flat

Aircore drilling will target a 600 metre long northeast trending gold anomaly defined by the recent auger geochemical drilling programme, which reported a maximum value of 275ppb gold (see Lodestar's ASX release dated 15 July 2014).

Contessa North East

Four widely spaced traverses of aircore drilling will target the extension of the Contessa gold anomaly for 1.2 kilometres north of the current Contessa drilling. The aim of this programme is to confirm that gold anomalies in the recent auger sampling programme are related to bedrock mineralisation.

Shallow Drilling to extend Geochemical Sampling

As part of the staged exploration programme, auger drilling is planned in areas of the prospective Archaean host sequence that are concealed beneath cover.

A Programme of Work is being submitted for approval to commence the drilling programme at the earliest opportunity.

A handwritten signature in blue ink, appearing to read 'Bill Clayton'.

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 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 Code 2012 in the ASX announcement dated 24 September 2013 "30 June 2013 Financial Year Exploration Summary" and in the ASX announcement dated 15 July 2014 "Contessa Gold Results & Neds Creek Copper Targets". The 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.

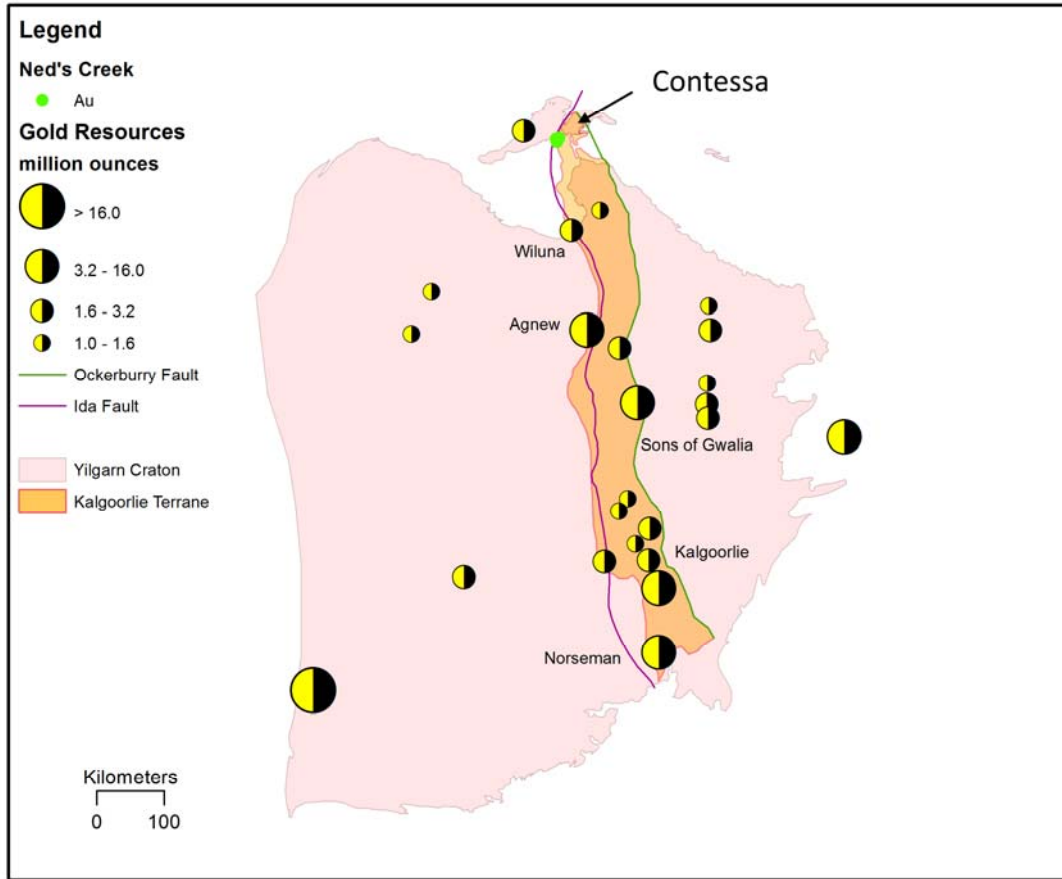


Figure 1 Location Plan – Contessa

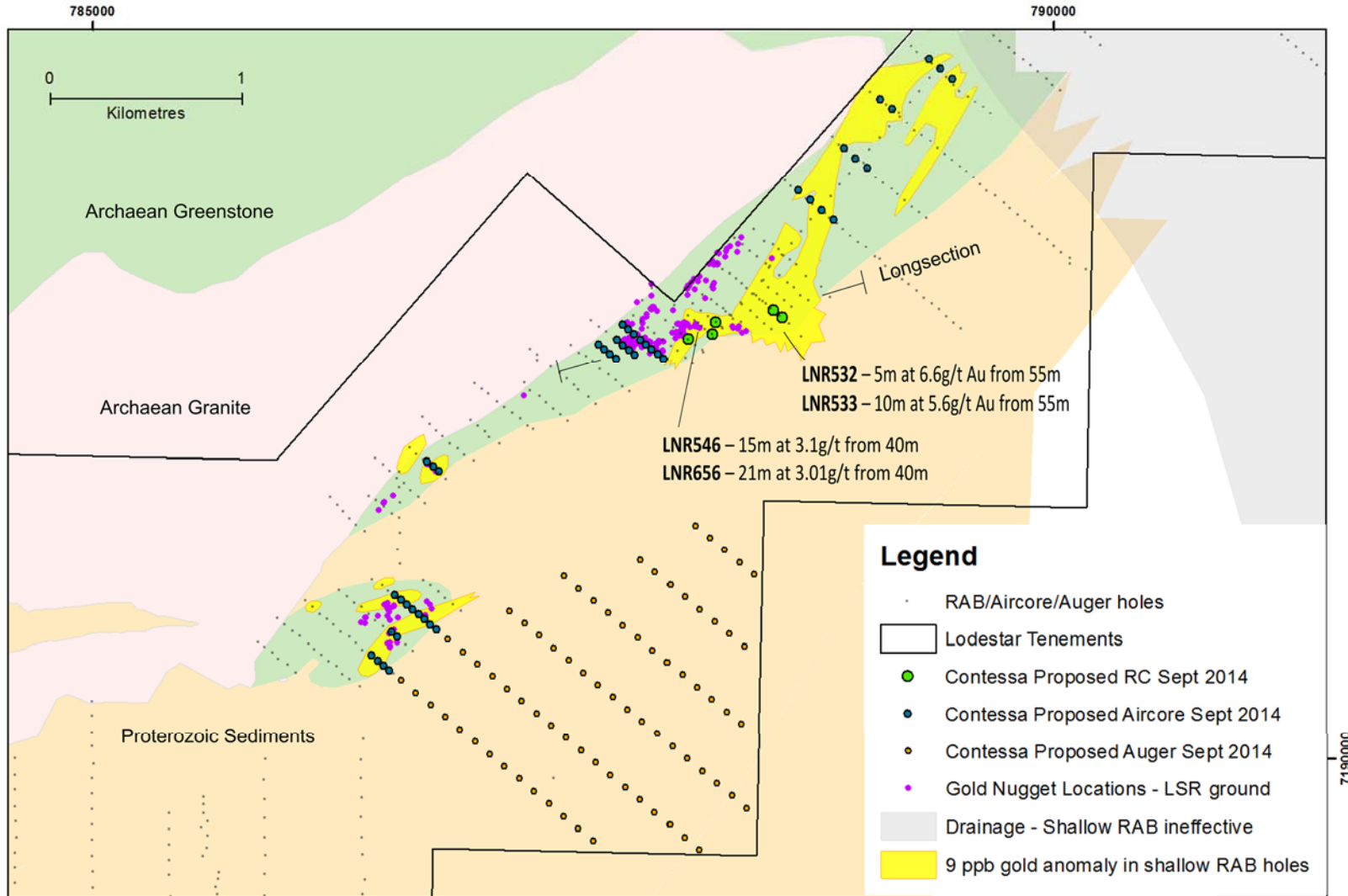


Figure 2 Contessa – Proposed Drill Programme – September 2014

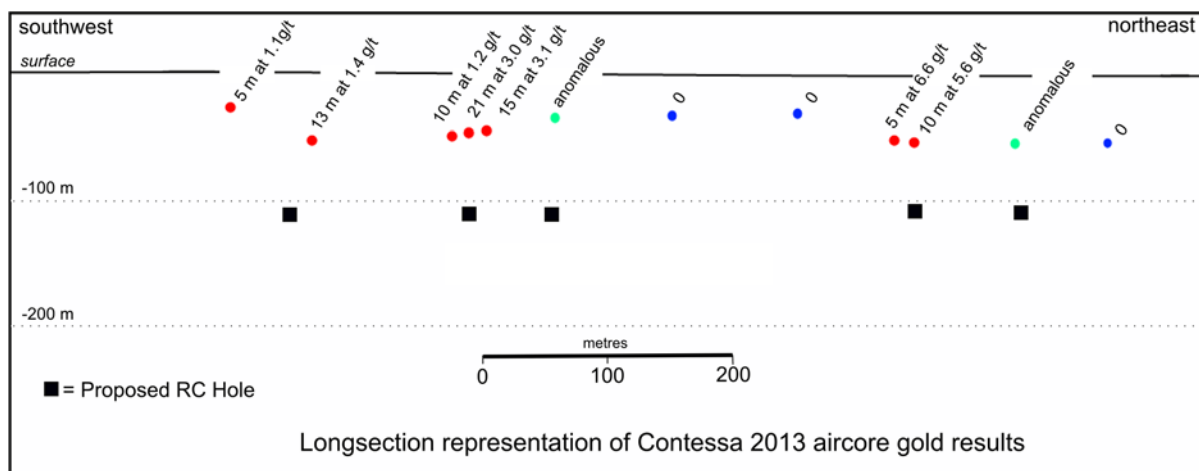


Figure 3 Contessa – Proposed RC Drilling – September 2014