

FIRST RC RESULTS FROM GIDGEE FLAT EXTEND GOLD DISCOVERY

HIGHLIGHTS

- Assay results from the first five RC holes at Gidgee Flat confirm significant gold mineralisation extending to bedrock.
- Four RC holes targeting aircore gold intersections over a 80 metre strike length reported significant gold intersections;
 - LNRC030
 - 10m at 2.0g/t Au from 71m, including
 - 2m at 5.8g/t Au from 75m
 - LNRC031
 - 11m at 3.5g/t Au from 80m, including
 - 1m at 5.4g/t Au from 82m
 - 1m at 14.7g/t Au from 85m and
 - 1m at 6.4g/t Au from 86m
 - LNRC032
 - 1m at 3.5g/t Au from 66m
 - 5m at 2.7g/t Au from 100m, including
 - 1m at 5.1g/t Au from 100m and
 - 1m at 4.8g/t Au from 103m
 - LNRC033
 - 18m at 0.93g/t Au from 107m, including
 - 3m at 1.6g/t Au from 108m and
 - 6m at 1.0g/t Au from 119m
- Mineralisation is open down-dip and along strike and is indicative of a potentially extensive hydrothermal system developed on the contact of the Contessa granite.
- Results for the remaining six holes of the eleven hole program expected by mid-May.
- The results confirm Gidgee Flat as a high priority for a scoping program of aircore drilling to commence as soon as possible, testing the contact zone over a strike length of 800m.

West Australian gold explorer Lodestar Minerals Limited (“Lodestar” or “the Company”, ASX:LSR) advises that initial results from the first five holes from the program of RC drilling carried out at the Gidgee Flat prospect within the Company’s 100%-owned Ned’s Creek project (see Figure 1) have been received. The remaining assay results from the RC program are expected by mid-May and will be released once all results are to hand.

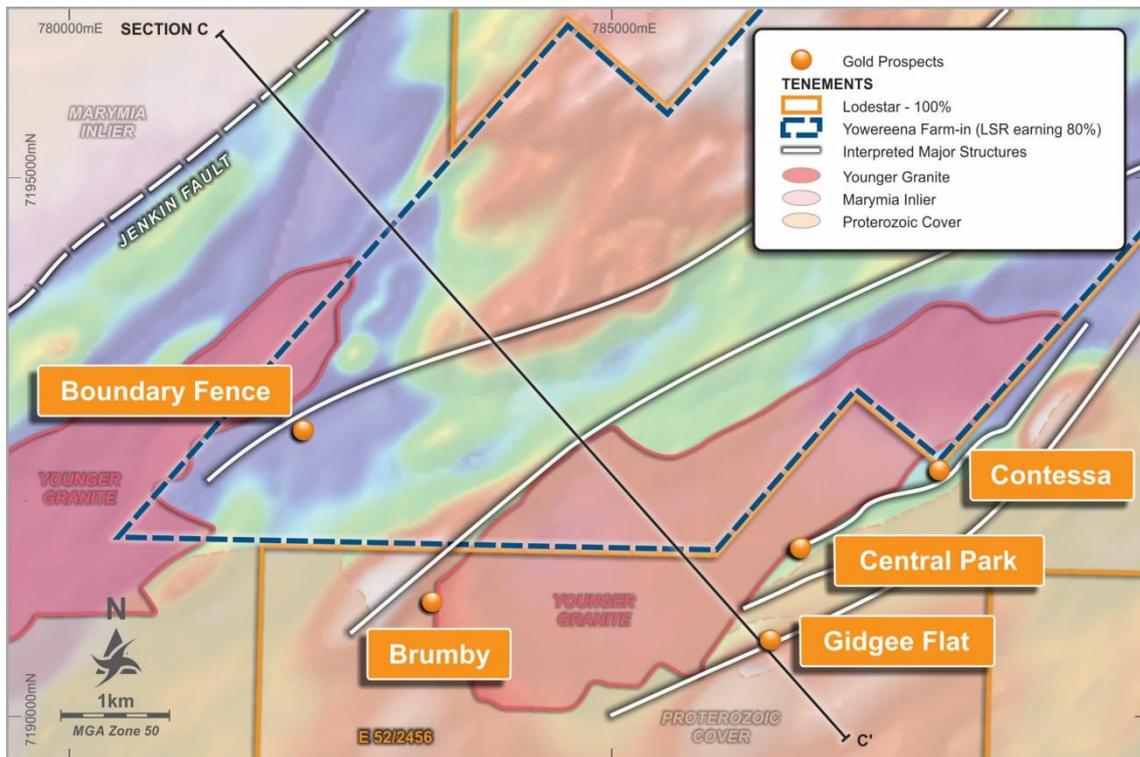


Figure 1. Prospect location plan, showing Gidgee Flat and Contessa granite.

Drilling at Gidgee Flat comprised 11 holes for 1,969m. Assay results have been received for the first five of the 11 RC holes drilled targeting significant gold mineralisation intersected in aircore drilling (see Lodestar’s ASX announcement dated 27th December 2017).

RC holes LNRC030 to LNRC033 reported significant gold mineralisation at down hole depths of between 66m and 120m, confirming and extending results reported in earlier aircore drilling over an area of 60m by 50m. Aircore drilling defined a shallow north-dipping zone of mineralisation extending from the oxide to the transition zones. RC drilling targeted the interpreted down-dip extension of this zone. LNRC034 was drilled to the north of LNRC030 to LNRC033 and may have been drilled above or stopped short of the target. RC holes LNRC035 to LNRC040 (results pending) targeted the north-dipping mineralised zone at a deeper level, directly below LNRC030 to LNRC033.

Gold mineralisation was thought to be associated with a shallow to moderately north-dipping shear zone. This has not yet been confirmed by the RC drilling, which intersected the granite contact, multiple syenite dikes and pyrite mineralisation within a structurally modified contact zone adjacent to the granite. Although the prevailing dip is believed to be to the north, the distribution of gold mineralisation within the contact zone will be determined once all assay results have been received. It is noted that sample turnaround is extended because more rigorous laboratory QA/QC procedures have been adopted for this program of RC drilling.

Significant results are listed in Table 1 and are shown diagrammatically in Figures 2 to 4. All assay results greater than 0.1g/t Au are listed in the Annexure.

HoleID	East	North	RL	Total Depth	Drill Type	Dip	Azimuth	Depth From	Depth To	Interval (m)	Au g/t
LNRC030	786406	7190721	579.78	137	RC	-61.21	130.52	63	66	3	1.9
								71	72	1	3.02
								72	73	1	8.69
								75	76	1	2.13
								77	78	1	1.12
								78	79	1	2.06
								77	78	1	1.83
LNRC031	786427	7190740	579.38	137	RC	-60.25	135.99	82	83	1	5.44
								83	84	1	2.32
								84	85	1	3.27
								85	86	1	14.7
								86	87	1	6.47
								87	88	1	2.06
								88	89	1	1.01
								89	90	1	1.31
LNRC032	786441	7190759	580.12	143	RC	-60.83	132.1	90	91	1	1.9
								66	67	1	3.5
								70	71	1	1.2
								100	101	1	5.11
								101	102	1	1.55
LNRC033	786457	7190783	580.39	143	RC	-60.89	133.69	103	104	1	4.8
								24	28	4	2.38
								88	89	1	1.05
								108	109	1	1.48
								109	110	1	1.1
								110	111	1	2.34
								114	115	1	1.03
								116	117	1	1.05
								119	120	1	1.32
								120	121	1	1.17
								121	122	1	1.05
LNRC034	786442	7190835	581.47	167	RC	-60.71	133.1	123	124	1	1.27
								124	125	1	1.48
								77	78	1	1.54

Table 1 Significant Assay Results >1g/t Au, Gidgee Flat

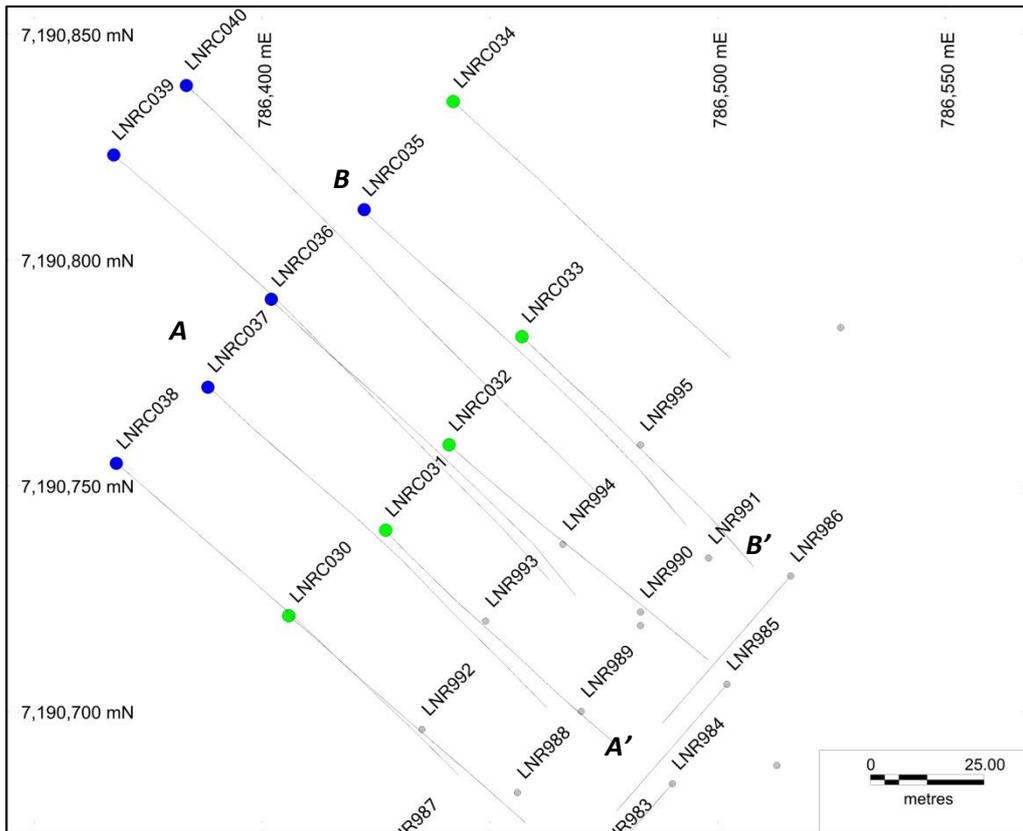


Figure 2. Collar location plan, Gidgee Flat (MGA94). Green = assays received; Blue = assays awaited.

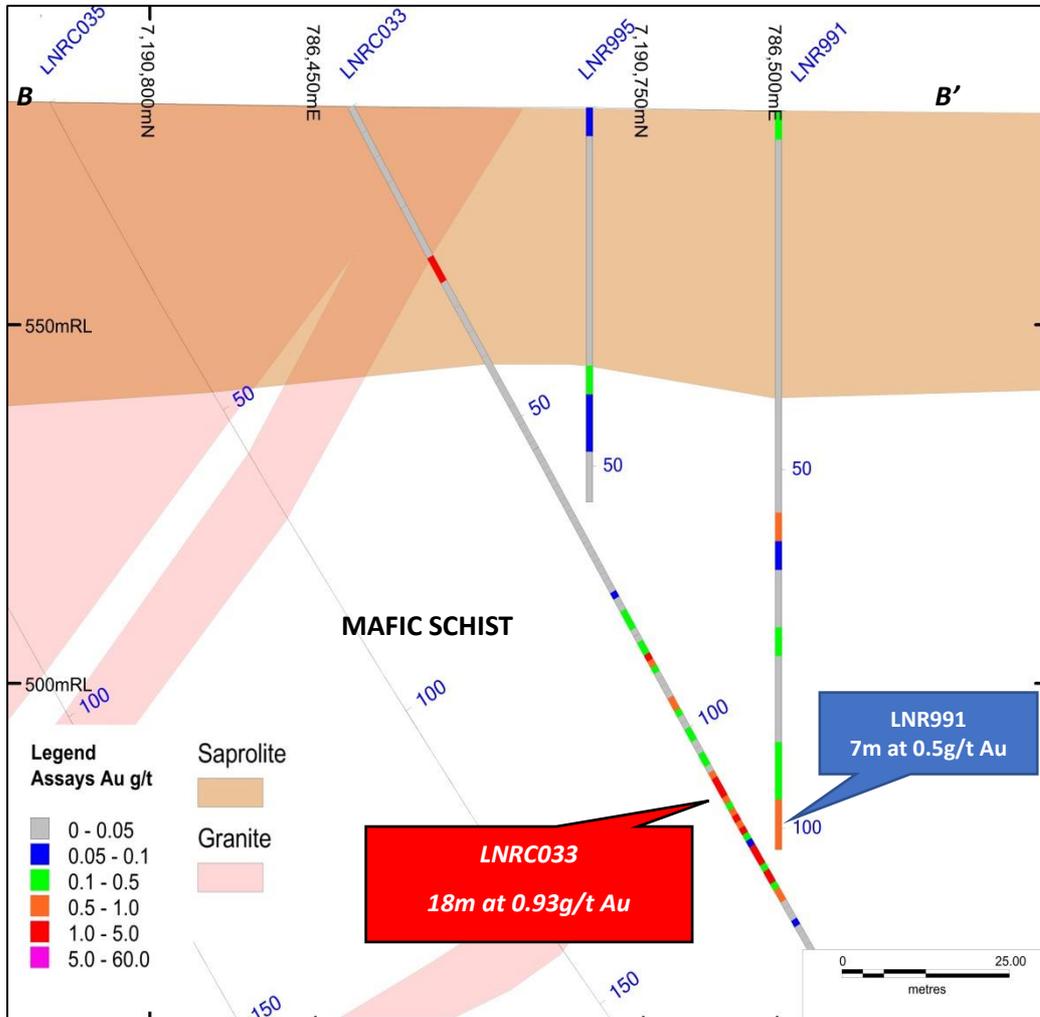


Figure 4. Gidgee Flat cross-section B-B', showing LNRC033 intersection.

NEXT STEPS

RC drilling has confirmed a significant gold discovery at Gidgee Flat that has a close spatial association with syenite intrusives. The discovery is a strong endorsement of Lodestar’s exploration strategy targeting intrusion-related gold mineralisation at Ned’s Creek.

Although final assay results for the RC program have not been received, the results to date provide a compelling case for testing the wider area at Gidgee Flat, along strike from the RC drilling, with a program of first-pass aircore drilling targeting the granite contact over a distance of 800m.

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About Lodestar

Lodestar Minerals is an active Western Australian gold explorer with a prospective tenement package spanning more than 2,000km² at the edge of the Pilbara and Yilgarn Cratons. Lodestar has three main projects – Ned’s Creek, Camel Hills and Imbin – and is also 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 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 announcement dated 27th December 2017 “Confirmation of Major Gold System 35km from Plutonic Belt”. This announcement is 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.

ANNEXURE

Assay Results greater than 0.1g/t Au

HoleID	East	North	RL	Total Depth	Drill Type	Dip	Azimuth	Depth From	Depth To	Interval (m)	Au g/t
LNRC030	786406	7190721	579.8	137	RC	-61.21	130.52	36	40	4	0.259
								63	66	3	1.9
								66	67	1	0.339
								68	69	1	0.128
								69	70	1	0.457
								70	71	1	0.419
								71	72	1	3.02
								72	73	1	8.69
								73	74	1	0.346
								74	75	1	0.869
								75	76	1	2.13
								76	77	1	0.72
								77	78	1	1.12
								78	79	1	2.06
								79	80	1	0.482
								80	81	1	0.941
								81	82	1	0.677
								82	83	1	0.225
								83	84	1	0.214
								84	85	1	0.13
87	88	1	0.116								
128	129	1	0.165								
130	131	1	0.161								
132	133	1	0.18								
133	134	1	0.679								
134	135	1	0.218								
135	136	1	0.181								
LNRC031	786427	7190740	579.3	137	RC	-60.25	135.99	20	24	4	0.232
								28	32	4	0.183
								40	44	4	0.113
								44	48	4	0.411
								48	52	4	0.397
								65	66	1	0.117
								67	68	1	0.165
								68	69	1	0.336
								69	70	1	0.246
								70	71	1	0.311
73	74	1	0.239								

HoleID	East	North	RL	Total Depth	Drill Type	Dip	Azimuth	Depth From	Depth To	Interval (m)	Au g/t
								76	77	1	0.86
								77	78	1	1.83
								78	79	1	0.123
								80	81	1	0.609
								82	83	1	5.44
								83	84	1	2.32
								84	85	1	3.27
								85	86	1	14.7
								86	87	1	6.47
								87	88	1	2.06
								88	89	1	1.01
								89	90	1	1.31
								90	91	1	1.9
								91	92	1	0.462
								92	93	1	0.277
								94	95	1	0.361
								95	96	1	0.257
LNRC032	786441	7190759	580.1	143	RC	-60.83	132.1	63	64	1	0.543
								64	65	1	0.114
								65	66	1	0.224
								66	67	1	3.5
								67	68	1	0.301
								68	69	1	0.108
								69	70	1	0.203
								70	71	1	1.2
								71	72	1	0.184
								72	73	1	0.17
								73	74	1	0.112
								74	75	1	0.135
								75	76	1	0.205
								83	84	1	0.197
								84	85	1	0.409
								98	99	1	0.109
								99	100	1	0.412
								100	101	1	5.11
								101	102	1	1.55
								102	103	1	0.864
								103	104	1	4.8
								104	105	1	0.551
								105	106	1	0.388
								106	107	1	0.112
								107	108	1	0.69
								108	109	1	0.286

HoleID	East	North	RL	Total Depth	Drill Type	Dip	Azimuth	Depth From	Depth To	Interval (m)	Au g/t
								109	110	1	0.394
								110	111	1	0.911
LNRC033	786457	7190783	580.4	143	RC	-60.89	133.69	24	28	4	2.38
								81	82	1	0.212
								82	83	1	0.241
								83	84	1	0.258
								86	87	1	0.361
								87	88	1	0.285
								88	89	1	1.05
								89	90	1	0.732
								90	91	1	0.108
								95	96	1	0.511
								96	97	1	0.967
								97	98	1	0.138
								100	101	1	0.426
								101	102	1	0.199
								104	105	1	0.271
								105	106	1	0.369
								107	108	1	0.762
								108	109	1	1.48
								109	110	1	1.1
								110	111	1	2.34
								111	112	1	0.878
								112	113	1	0.133
								113	114	1	0.58
								114	115	1	1.03
								115	116	1	0.605
								116	117	1	1.05
								117	118	1	0.194
								119	120	1	1.32
								120	121	1	1.17
								121	122	1	1.05
								122	123	1	0.244
								123	124	1	1.27
								124	125	1	1.48
								125	126	1	0.493
								126	127	1	0.615
								127	128	1	0.754
LNRC034	786442	7190835	581.5	167	RC	-60.71	133.1	71	72	1	0.135
								73	74	1	0.153
								77	78	1	1.54
								78	79	1	0.713
								114	115	1	0.129

HoleID	East	North	RL	Total Depth	Drill Type	Dip	Azimuth	Depth From	Depth To	Interval (m)	Au g/t
								115	116	1	0.292
								130	131	1	0.537
								131	132	1	0.624
								132	133	1	0.344
								133	134	1	0.185
								134	135	1	0.134

JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • RC drill holes were sampled at 1m intervals throughout, with 4m composites also collected through weathered or less altered material. Samples collected from the cyclone were laid in plastic bags in sequence on the ground in rows of 20. • Sample representivity is maintained by placing the 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. • 1m RC samples were collected as a 2.5kg split in calico bags attached to the on-board cone splitter. Composite 4m metre samples were collected by spearing down the side of the plastic bag using a PVC spear and combined to create a 2.5 to 3.0kg composite sample. The samples were submitted to a commercial laboratory for drying, crushing, and pulverising to produce a 40g charge for fire assay of gold and determination of sulphur by LECO furnace.
Drilling techniques	<ul style="list-style-type: none"> • 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). 	<ul style="list-style-type: none"> • RC drilling using a 5.5" face sampling hammer. • RC holes were surveyed with a REFLEX EZ-GYRO north-seeking gyro survey tool.
Drill sample recovery	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Sample recoveries and wet samples were monitored and recorded qualitatively in Lodestar's drill hole database. Recoveries were generally 80 -100% and approximately 1% were reported as wet samples. • High pressure air used to maintain a dry sample and drill sampling equipment was cleaned regularly to minimise contamination. • No relationship between sample recovery and grade has been established.

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Chip samples were routinely geologically logged throughout the hole. • Logging is qualitative in nature. • All RC holes are geologically logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No core samples taken. • Individual 1m split samples collected from the cone splitter are submitted for assay. Most samples were dry. Selected intervals were composited from bagged 1m samples to produce a 2.5kg 4m composite using a PVC spear. 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 involves 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 (1:25), certified reference standards (1:20) and laboratory repeats are used to monitor satisfactory reproducibility. • Sample size is appropriate for early exploration drilling where mineral grain size is unknown.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Following sample preparation a 40 gram charge was submitted for fire assay (with ICP-AES finish); the detection limit is 1ppb. 1:20 duplicate samples retained for analysis after fine crushing. 1:20 pulverised samples analysed for satisfactory grind size. The fire assay method is considered an estimation of total gold content. • No geophysical tools were used to determine any element concentrations. • Laboratory QAQC includes the use of laboratory standards and replicates; Lodestar's reference standards and field duplicates indicate acceptable accuracy and precision.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Significant intersections have not been independently validated at this time. No twinned holes have been completed for Lodestar drilling. Field and laboratory data are 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. In the Contessa and Gidgee Flat areas drill hole collar RL's have been adjusted to the DEM surface derived from a detailed aeromagnetic survey using Bendix/King radar altimeter equipment with a resolution of 0.3m.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drill holes at Contessa were placed at a nominal hole spacing of 50m (north-south) and 40m (east-west) and at Gidgee Flat 50m (north-south) and 30m (east-west). The drilling subject of this announcement has not been used to prepare Mineral Resource estimates at this stage. Compositing has been applied for the RC samples.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> At Gidgee Flat the target mineralisation is believed to dip towards the north, the dip has not been determined. RC holes are oriented perpendicular to the regional strike of stratigraphy. No orientation based sampling bias has been identified in the data.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were stored at Lodestar's exploration camp in sealed bags under supervision prior to dispatch by Lodestar contractors and registered courier to Bureau Veritas - UltraTrace Laboratories.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews have been carried out.

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Contessa and Gidgee Flat are located on E52/2456, within Lodestar's Ned's Creek project. The tenement is owned by Audacious Resources, a wholly-owned subsidiary of Lodestar Minerals and expires on 16/09/2020. The tenement is within the native title claim WC99/46 of the Yugunga-Nya Group. Lodestar has signed a Heritage Agreement with the traditional owners to carry out mineral exploration on the tenement. Yowereena –Contessa may extend into M52/780. The tenements on which the historic exploration was completed and in which Lodestar is earning an 80% interest are held by Vango Mining Limited and Dampier (Plutonic) Pty Ltd (a wholly-owned subsidiary of Vango Mining Limited). <ul style="list-style-type: none"> M52/780 expires on 26/09/2034 (VANGO 60/100:DAMPIER 40/100). Lodestar is earning an 80% interest in the tenements by spending \$357,000 before the anniversary of the farm-in agreement, in May 2018. M52/780 is located within the Yugunga Nya people native title claim WAD6132/1998.
Exploration done by other parties	<ul style="list-style-type: none"> 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. Gold exploration in the Plutonic Well greenstone belt commenced in 1986. Marymia Exploration, in their 1994 report, state that there had been little or no previous exploration within the Yowereena tenements.
Geology	<ul style="list-style-type: none"> 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, overlies Archaean basement rocks on the northern margin of the Yerrida Basin. The basement-sediment contact trends east-west and Lodestar's exploration has identified extensive gold anomalism adjacent to this contact. The basement consists of granite and fringing mafic to intermediate and ultramafic rocks that are not well 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 from 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	<ul style="list-style-type: none"> Tabulated data is provided in Table 1 and the Annexure.
Data aggregation methods	<ul style="list-style-type: none"> Assay data are reported as individual 1 metre or 4 metre composites for RC samples. Selected RC intervals are reported as aggregates of individual 1m samples in zones where mineralisation was observed. <ul style="list-style-type: none"> Gidgee Flat intersections were calculated using no top-cut, a minimum 0.5g/t Au cut-off and up to 2m internal dilution.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> Drilling at Gidgee Flat was oriented towards 130 degrees, perpendicular to the regional strike of stratigraphy. Measurement of foliation in the area indicates steep dips but mineralisation intersected in the oxide and transition zones appears to dip shallowly to the north. The actual dip of mineralisation and its relationship to the drill hole intersections is not known at this stage of exploration.

Diagrams

- See Figures 2 to 4.

Balanced reporting

- All drill holes are reported in the Annexure.

Other substantive exploration data

- None to report.

Further Work

- Contiguous gold mineralisation was intersected by aircore drilling. RC drilling has confirmed and extended the mineralisation and demonstrated a spatial association with the granite contact. This contact is open along strike from the RC drilling and requires systematic testing, initially by aircore drilling.