

## VANGO MINING ENTERS INTO OPTION TO FARM-IN TO LODESTAR'S NED'S CREEK TENEMENTS

- Vango granted four-month option to earn 51% of Ned's Creek by spending \$5M within three years
- Minimum annual expenditure of \$1M to advance recent high-grade gold discoveries at Ned's Creek including Contessa, Gidgee Flat, Central Park and Brumby.
- Upon Vango earning a 51% interest, Lodestar may elect to contribute for its pro-rata 49% share or revert to a 20% free carried interest.
- Ned's Creek located 25 km from Vango's Marymia Gold Project where Vango is aiming to develop a standalone gold mining and processing operation

West Australian gold explorer, Lodestar Minerals Limited ("**Lodestar**" or "**the Company**") (**ASX:LSR**) is pleased to advise that it has entered into a binding term sheet with Vango Mining Limited ("**Vango**") (**ASX:VAN**), whereby Vango has the option to earn a 51% interest in Lodestar's Ned's Creek tenements ("**Tenements**") which contain the Contessa, Gidgee Flat, Central Park and Brumby high-grade gold discoveries ("**Farm-In**").

Under the terms of the Farm-In, Vango will pay Lodestar a non-refundable option fee comprising \$50,000 cash plus \$250,000 in Vango shares (at the share price on the day the term sheet is entered into - being 30 April 2019). In exchange, Lodestar has granted Vango a four-month exclusive option to enter into a Farm-In and Joint Venture agreement to earn a 51% interest in the Tenements by expending \$5 million on exploration over a three-year period, with a minimum spend of \$1 million per annum.

An additional fee of \$200,000 is payable by Vango upon the exercise of the option, such fee to be satisfied through the issue of Vango shares. The issue price of the shares will be the price of Vango shares on the date the option is exercised. The initial option fee and the option exercise fee (a total of \$500,000) shall be deemed to be included in the \$5 million expenditure when Vango exercise its option.

Upon Vango meeting its earn in commitment of \$5 million, Lodestar will have the option to remain as a contributing joint venture partner with respect to its 49% interest, or Lodestar can elect to revert to a 20% free carried interest.

Lodestar and Vango will enter into a formal Farm-In and Joint Venture agreement when Vango exercise their option.

Ned's Creek is located 25 km from Vango's Marymia Gold Project where Vango is fast-tracking a mine plan for the Trident deposit to support a standalone gold mining and processing operation (refer VAN ASX announcement 18 April 2019). A future development at Marymia would provide an obvious location where any deposits defined at Ned's Creek could be transported and processed.

### **Contacts**

#### **Bill Clayton**

Managing Director  
[info@lodestarminerals.com.au](mailto:info@lodestarminerals.com.au)  
+61 8 9435 3200

#### **Media enquiries**

Michael Vaughan, Fivemark Partners  
[michael.vaughan@fivemark.com.au](mailto:michael.vaughan@fivemark.com.au)  
+61 422 602 720

### **About Lodestar**

Lodestar Minerals is an active Western Australian gold explorer with a prospective tenement package spanning more than 2,000km<sup>2</sup> at the edge of the Pilbara and Yilgarn Cratons. Lodestar has three main projects – Ned’s Creek, Camel Hills and Imbin.

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.

### **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.*