



ASX ANNOUNCEMENT

15 April 2014

COMPANY SNAPSHOT

LODESTAR MINERALS LIMITED
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CONTACT DETAILS

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CAPITAL STRUCTURE

Shares on Issue:
222,233,215 (LSR)

Options on Issue:
9,750,000 (Unlisted)

ASX: LSR

PROJECTS

Peak Hill – Doolgunna:
Base metals, gold



EXPLORATION TO TARGET EXTENSIONS TO CONTESSA GOLD DISCOVERY

Significant gold mineralisation was discovered by Lodestar at the Contessa Prospect, on Lodestar's 100% owned Ned's Creek tenements, during 2013. Exploration is now about to commence to follow up this discovery.

Contessa lies within a 7 kilometre long gold anomaly overlying Archaean greenstone, within Kalgoorlie Terrane rocks on the southern margin of the Marymia Inlier (see Lodestar's (LSR) ASX releases dated 31st January 2013 and 30th October 2013). The Kalgoorlie Terrane comprises a narrow belt of highly productive greenstone rocks that stretches more than 800 kilometres, from south of Norseman to north of Wiluna. It hosts many large gold deposits to the south of Lodestar's ground, and underlies a large area of Lodestar's tenements. The high gold endowment of the Kalgoorlie Terrane increases the significance of the Contessa gold anomalism. Aeromagnetic surveys demonstrate that the prospective greenstone at Contessa, already defined by mapping and sampling over 7 kilometres, extends at least another 4 kilometres to the northeastern boundary of Lodestar's tenement.

PLANNED PROGRAMME

Geochemical drilling will be undertaken along the Contessa trend on 160 and 320 metre section spacings to delineate additional zones of anomalism, similar to the 600m x 400m anomaly apparent at Contessa. Positive results will lead to infill geochemical sampling and aircore drilling. RC drilling of Contessa and other targets will then be planned within the context of the evaluation of a large gold system. Geochemical drilling will commence in early May, subject to contractor availability, with initial results expected by June.

Confirmation that Contessa forms part of a larger gold system will add significant value to Contessa as a target and will justify accelerated exploration of the Contessa trend.

BACKGROUND

Results from first pass aircore drilling at Contessa, on 80 metre section spacings (previously reported and not yet tested by deeper drilling, see LSR ASX releases dated 18th March 2013 and 4th June 2013), were highly encouraging and included:



- 21m at 3.01 g/t gold from 40m in LNR656;
- 10m at 5.6 g/t gold from 55m in LNR533;
- 10m at 1.2 g/t gold from 50m in LNR545 and
- 15m at 3.1 g/t gold from 40m in LNR546.

Drill results of this order indicate proximity to a significant primary gold source.

At surface the Contessa mineralisation has a subtle geochemical expression, defined by a 3 ppb gold anomaly in lag samples. Lag sampling was not extended east of Contessa due to the presence of transported surface material.

Assay results from the upper part of the drill holes at Contessa show that, had Contessa been explored with 10m auger sampling rather than surface lag sampling, it would have produced a robust 600 x 400m anomaly greater than 10 ppb gold, with peak values greater than 40 ppb. The complications of transported surface material are reduced with auger sampling, and this is now the preferred tool for extending geochemical coverage at Contessa.

Sparse drilling information along the Contessa trend suggests that Contessa is part of a system that extends for at least 7 kilometres and further exploration is likely to produce additional targets. For example, encouraging drilling results from an isolated aircore traverse 1.6 kilometres southwest from Contessa (12m @ 0.16g/t gold, see LSR ASX release 16th January 2012), indicate that the mineral system extends well beyond the area of systematic drilling at Contessa. To the northeast of Contessa, a single reconnaissance aircore traverse picked up indications that the Contessa system extends at least 1 kilometre to the north east (greater than 10 ppb gold in the upper 10 metres of some holes, with a peak value of 41 ppb gold), where it remains open.

Bill Clayton
Managing Director

Competent Person's Statement

The information in this report that relates to exploration results is based on information compiled by Bill Clayton, a Competent Person, who is a member of the Australian Institute of Geoscientists. The information in this announcement that relates to previously released exploration results was disclosed under JORC Codes 2004 and 2012 for the Contessa Prospect. This information is extracted from reports entitled "Gold Anomalies in the Contessa Gold Area" created on 16th January 2012; "December 2012 Quarterly Activities Report", created on 31st January 2013; "Significant Gold Results from Contessa" created on 18th March 2013; "Significant Gold Discovery at Contessa" created on 4th June 2013; "September 2013 Quarterly Activities Report" created on 30th October 2013 and is available to view on www.iodestarminerals.com.au. 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.

Bill Clayton is Managing Director and a full-time employee of the Company. Bill Clayton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Bill Clayton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.