



ASX ANNOUNCEMENT

18 October 2017

LODESTAR
MINERALS

COMPANY SNAPSHOT

LODESTAR MINERALS LIMITED

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CAPITAL STRUCTURE

Shares on Issue:

635,788,328 (LSR)

Options on Issue:

113,183,702 (listed)

38,800,127 (unlisted)

ASX: LSR

PROJECTS

Peak Hill – Doolgunna:

Camel Hills – gold

Neds Creek – gold

Marymia – gold

West Pinyrinny – gold



COMPLETION OF DRILLING AT CONTESSA

Western Australian gold explorer **Lodestar Minerals Limited (ASX: LSR)** ("**Lodestar**" or "**the Company**") advises that it has completed two diamond drill holes at the Contessa prospect at its 100%-owned Ned's Creek project in WA (see Figure 1).

The first diamond hole completed (LND001) tested the bedrock potential beneath aircore hole LNR906 drilled in early June which ended in 4m at 4.45g/t gold from 84m (see Lodestar announcement 9 October 2017).

LND001 intersected a zone of strongly weathered and broken ferruginous quartz veining at the contact between quartz – sericite schist and altered diorite, below LNR906. LND001 continued to a final depth of 214.9m, finishing in diorite with zones of alteration and iron oxide filled fractures noted in the diorite below the quartz vein interval (see Figure 1).

LND002, a scissor hole, targeted the same zone and drilled through variably altered diorite to the end of hole at 191.5m. LND002 did not intersect felsic schist, implying that it was drilled parallel to the diorite contact.

Drill core is being transported to Perth for processing and comprehensive sampling and assay results will be completed as a matter of priority. Results are expected in several weeks.

These two first diamond holes ever drilled at Contessa have provided critical new geological information that will significantly assist drill targeting in upcoming programs. The drilling has identified a quartz vein system developed on a major lithological contact (a common setting for shear-related gold mineralisation) and suggests that the contact and the vein system dip to the north, indicating significant scope for extending mineralisation (subject to confirmation from assays) into an area that is currently untested.

The diamond drilling was partly co-funded by the WA Government's Exploration Incentive Scheme.

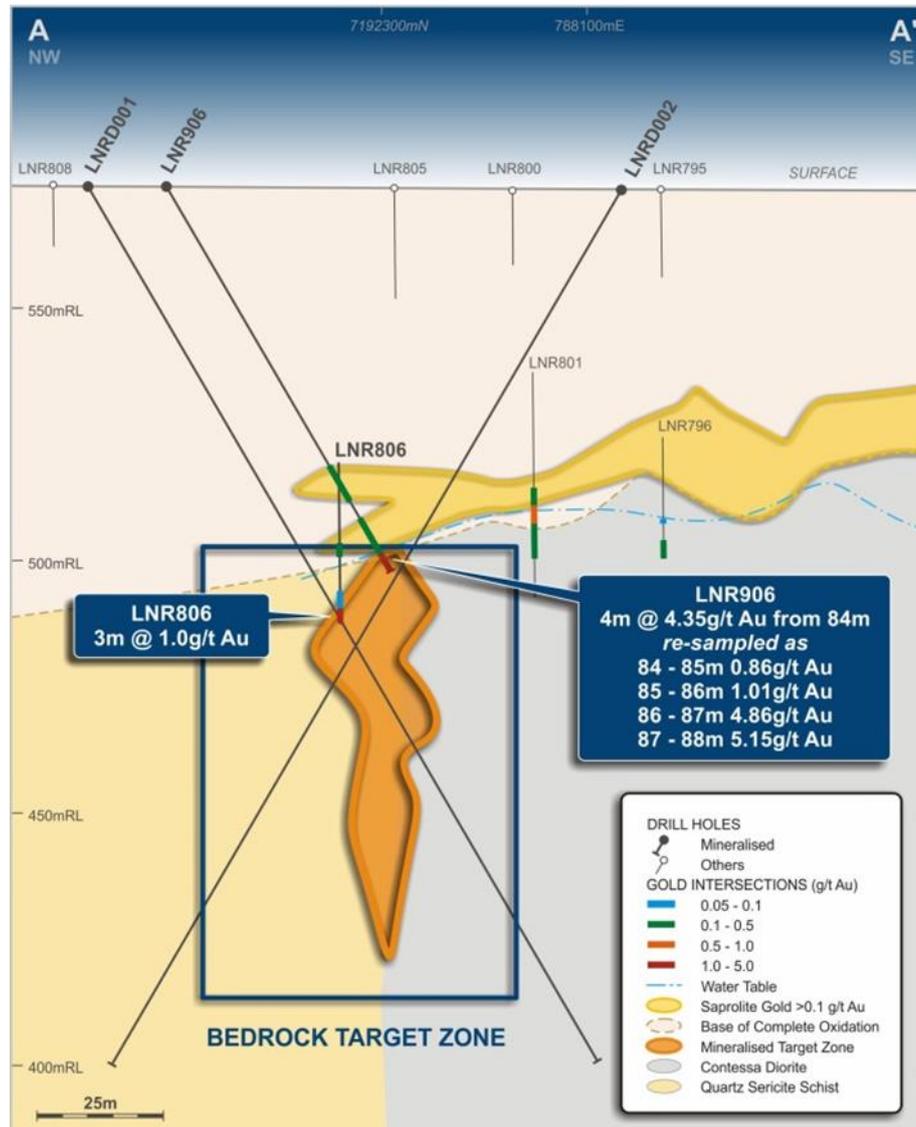


Figure 1: Cross-section of diamond drill holes completed at Contessa

For and on behalf of the Board of Lodestar Minerals Limited

Bill Clayton
Managing Director

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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 1st December 2016 “Contessa – Brumby Aircore Drilling Results” and 10th July 2017 “Widespread high grade gold results advance Neds Creek target”. 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.