



4 October 2017

ASX Announcement

CONVERSION OF CONVERTIBLE NOTE BY CHAIRMAN

On 22 June 2017, shareholders of Lodestar Minerals Limited (**ASX: LSR**) ("**Lodestar**" or "**the Company**") approved the conversion of a convertible loan and the associated acquisition of a relevant interest in the Company for a loan of up to \$1.2 million to be made available to the Company by Chairman, Ross Taylor.

As of 3 October 2017, Lodestar had drawn \$1,170,000 of the loan funds. Pursuant to the Convertible Note Deed issued to Mr Taylor, Mr Taylor has today elected to convert the full value of the \$1,170,000 loan.

The loan will convert into 117,000,000 fully paid ordinary shares issued at a set price of \$0.01 per share, plus 23,400,000 listed options exercisable at \$0.03 cents each by 31 October 2019. The conversion terms were approved by shareholders at the meeting on 22 June 2017.

Following the issue of shares, Lodestar will be debt free and Mr Taylor will remain Lodestar's largest shareholder with 31.8% of the Company's issued capital.

In conjunction with the capital raising completed in September, Lodestar is also fully funded for its work program through into 2018 which includes the imminent co-funded diamond drilling of targets at Ned's Creek and exploration programs planned at the Yowereena Joint Venture.

For and on behalf of the Board of Lodestar Minerals Limited