Lodestar Minerals Limited ABN 32 127 026 528
Level 2, 55 Carrington Street PO Box 985
Nedlands WA 6009 Nedlands WA 6909
Tel: +61 8 9423 3200 Fax: +61 8 9389 8327

ASX ANNOUNCEMENT

24 November 2014

COMPANY SNAPSHOT

LODESTAR MINERALS LIMITED
ABN: 32 127 026 528

CONTACT DETAILS
Bill Clayton, Managing Director
+61 8 9423 3200

Registered and Principal Office
Level 2, 55 Carrington Street
Nedlands, WA 6009

PO Box 985
Nedlands, WA, 6909

admin@lodestarminerals.com.au

www.lodestarminerals.com.au

CAPITAL STRUCTURE
Shares on Issue:
243,394,754 (LSR)

Options on Issue:
16,803,839 (Unlisted)

ASX: LSR

PROJECTS
Peak Hill – Doolgunna:
Base metals, gold

LODESTAR DRILLING UPDATE

Aircore Drilling Confirms Strong Gold Anomalism south west of Contessa – Contessa RC Drilling Underway

CORRECTION

Lodestar Minerals Limited attaches a replacement to the drilling update announcement earlier today which did not disclose the complete JORC Code explanations.

We apologise for the inconvenience caused.

David McArthur
Director

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Electronic lodgement

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CAPITAL STRUCTURE
Shares on Issue:
324,526,157 (LSR)

Options on Issue:
9,975,000 (unlisted)
34,097,820 (listed - 31 Mar 2016)

ASX: LSR

PROJECTS
Peak Hill – Doolgunna:
Base metals, gold

LODESTAR DRILLING UPDATE

Aircore Drilling Confirms Strong Gold Anomalism south west of Contessa – Contessa RC Drilling Underway

HIGHLIGHTS

- First-pass aircore drilling has returned significant intercepts beneath auger gold anomalies, south west of the Contessa prospect
- Drill results include
  - ***LNR758 – 5m at 8.89g/t Au from 30m***
  - ***LNR757 – 5m at 2.15g/t Au from 35m***
  - ***LNR747 – 10m at 1.89g/t Au from 40m***
  - ***LNR741 – 5m at 1.4g/t Au from 60m and 5m at 1.56g/t Au from 80m***
  - ***LNR732 – 5m at 1.83g/t Au from 45m***
  - ***LNR731 – 5m at 1.02g/t Au from 90m***
- Widespread anomalism supports potential for discovery of high-grade primary gold mineralisation
- Additional drilling will be planned once all drill results have been received

Lodestar Minerals (ASX:LSR, "Lodestar" or "the Company") advises that assay results have been received for 32 holes of a recently completed 50 hole aircore programme designed to test extensive auger gold anomalies along strike from the Contessa gold prospect, on the Company's 100% owned Ned's Creek Project (Figure 1).

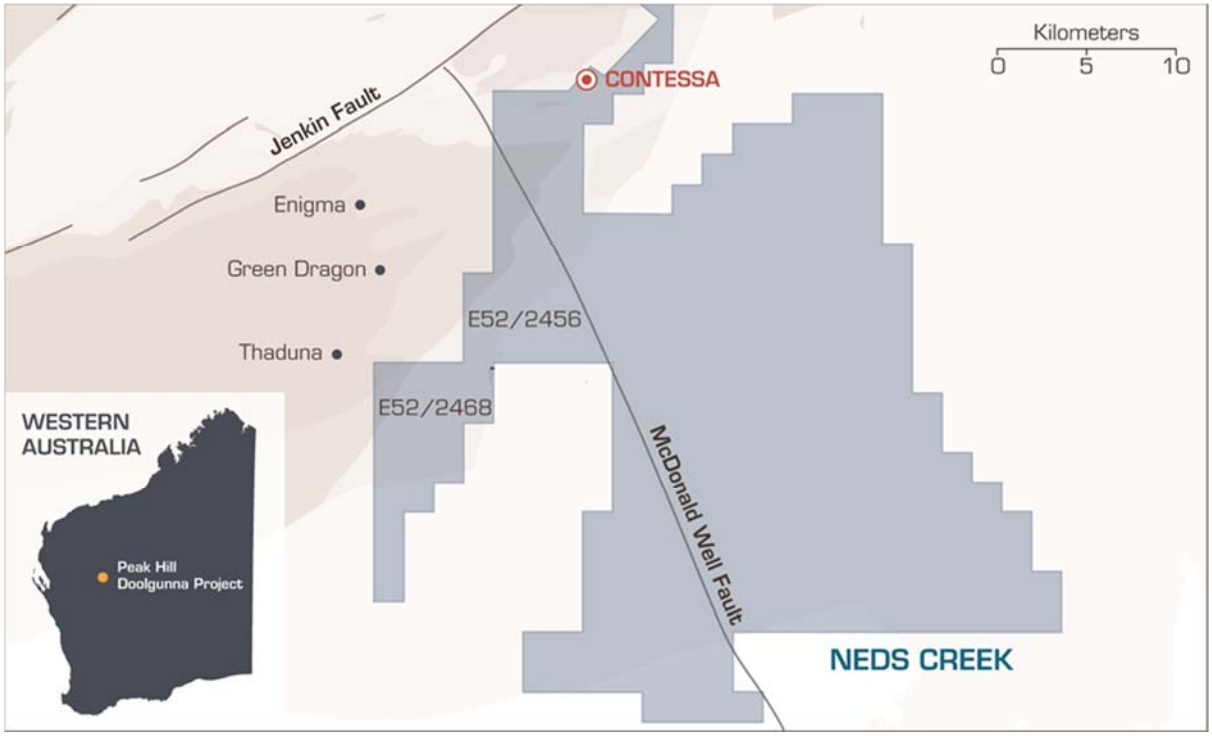

Figure 1 Location Plan - Contessa Prospect, Ned's Creek Project

The drilling targeted auger gold anomalies associated with a north east trending sequence of metamorphosed Archaean felsic schists and mafic to ultramafic rocks known as the Contessa Trend (Figure 2). The Contessa Trend is a continuous litho-structural zone, clearly defined in aeromagnetic images, that extends for more than 8 kilometres in Lodestar's tenements.

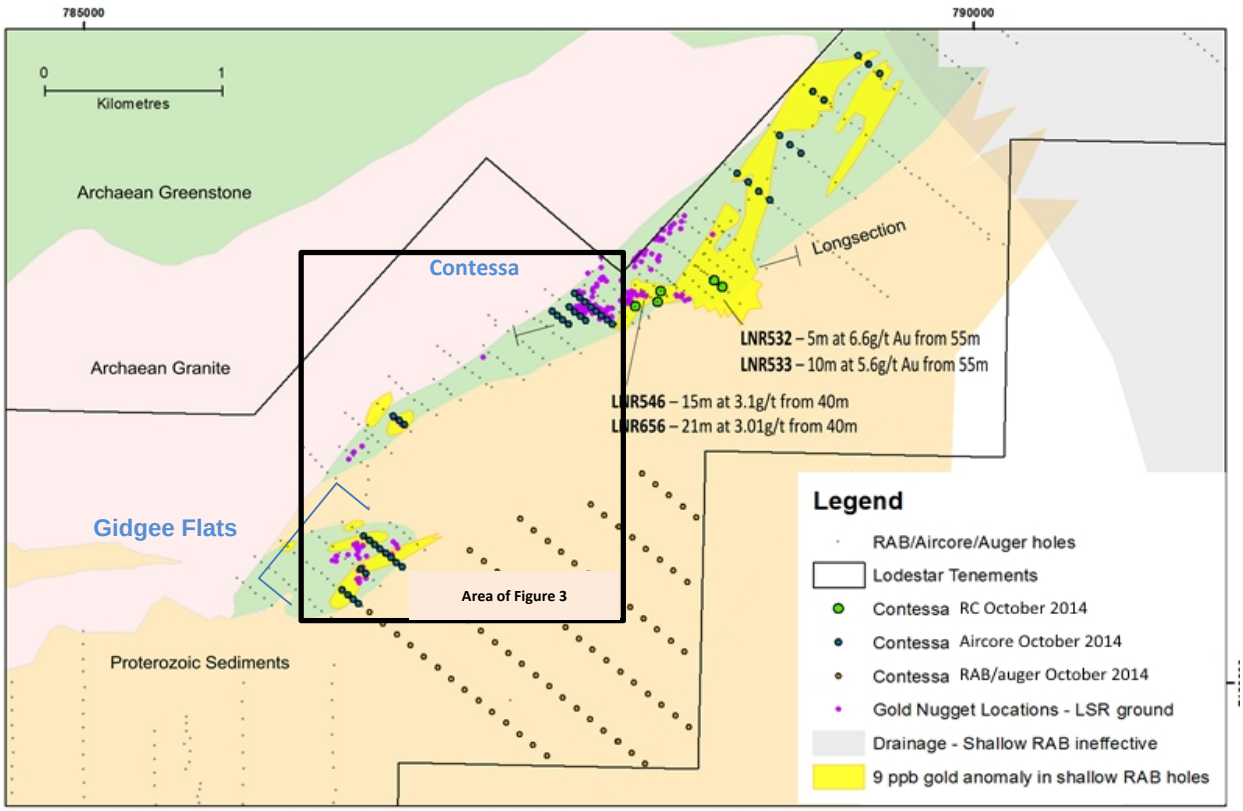

Figure 2 Contessa Trend - Auger gold anomalies targeted by aircore drilling

The aircore programme tested auger anomalies on a 160m by 40m (Gidgee Flats) or 80m by 40m drill pattern (Contessa south). The best results were reported from a single traverse between Gidgee Flat and Contessa where previous scout RAB drilling reported 12m at 0.18g/t Au from 28m in LNR027 and 8m at 0.12g/t Au from 52m in LNR028 (Figure 3, see Lodestar's ASX announcement dated 16 January 2012).

Results from two of the three holes drilled on this traverse (LNR757 and LNR758, LNR759 results awaited) are significant and highlight the untested potential of the 1 kilometre strike towards Contessa, within an interpreted shear zone adjacent to the granite contact. South of Contessa, LNR731 reported a 40m interval at 0.6g/t Au from 55m, coinciding with the position of this structure.

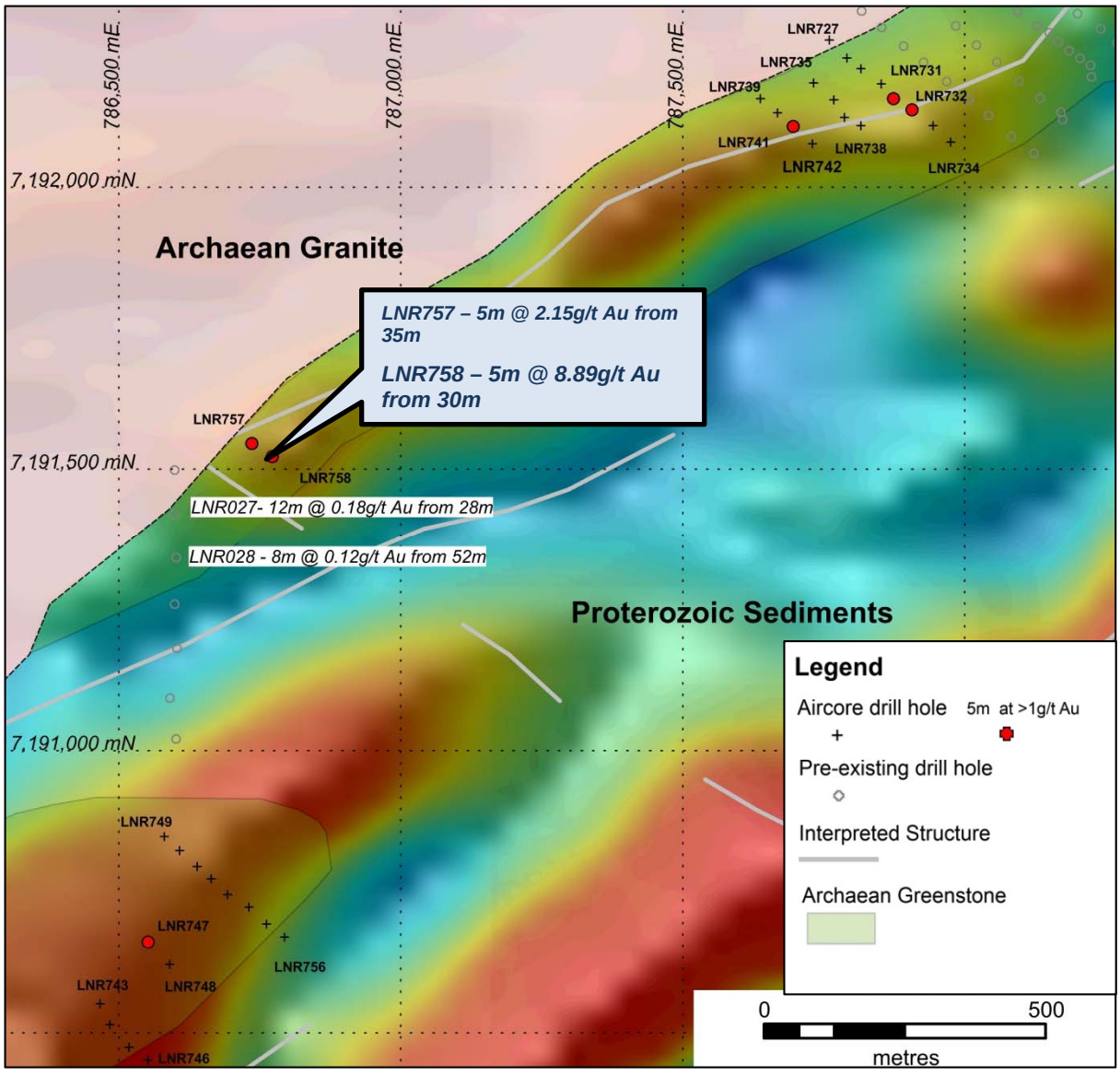

Figure 3 Aircore drilling, south west Contessa Trend on aeromagnetic image – 1VDRTP, significant intersections listed in Table 1.

At Gidgee Flats anomalous gold values were reported from the northern end of each of three traverses (Figure 3). LNR750 and LNR751 reported maximum values of 0.71g/t in 5m composite samples. LNR747 reported 10m at 1.89g/t Au from 40m and LNR743 reported a maximum of 0.66g/t Au in 5m composite samples (see Table 1 and Schedule 1 – Assay Results).

SUMMARY

First-pass aircore drilling has validated the auger sampling results and confirmed widespread gold anomalism within the southern Contessa Trend, enhancing the potential for discovery of high grade primary gold mineralisation in this area. The area between Contessa and the significant intersection in drill hole LNR758 is untested and represents a high priority target for systematic follow up drilling.

Table 1 Aircore Drill Intersections Greater Than 1g/t Au

Hole	Easting	Northing	Depth (m)	Azimuth	Dip	From	Length	Au (g/t)
LNR731	787875	7192158	96	310	-60	90	5	1.02
LNR732	787910	7192138	81	310	-60	45	5	1.83
LNR741	787695	7192107	93	310	-60	60	5	1.4
LNR741	787695	7192107	93	310	-60	80	5	1.56
LNR747	786551	7190657	61	310	-60	40	5	2.12
LNR747	786551	7190657	61	310	-60	45	5	1.66
LNR757	786736	7191546	96	310	-60	35	5	2.15
LNR758	786772	7191521	75	310	-60	30	5	8.89

CONTESSA

As advised on 17 November 2014 the Contessa RC drilling programme has commenced.
The programme will comprise 1300 metres of drilling and will test beneath significant intersections of supergene gold mineralisation at the Contessa gold project. The thickness and grade of gold intersections reported from first-pass aircore drilling at Contessa are indicative of a primary gold system at depth (see Lodestar's ASX announcements dated 18 March 2013 and 4 June 2013). The RC drill holes have a planned downhole depth of 200m and are targeting vein-hosted, lode-style gold within a metamorphosed mafic-felsic host sequence that displays extensive surface gold anomalies.

The drilling programme is expected to take approximately two weeks to complete.

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 Code 2004 in the ASX announcement dated 16 September 2012 "Initial Drill Results Identify Gold Anomalies in the Contessa Area, Ned's Creek". The 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.

Table 2 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.*	• Aircore drill holes were sampled at 1m intervals from a cyclone on the rig. From 0m to end of hole, samples submitted for assays were composited to 5 metre samples or less than 5m, where the hole depth is not a multiple of 5m. • Hole locations are fixed using a hand held GPS. Samples are logged and ground conditions that impact sample recoveries are recorded. • Sample results reported in Table 1 and Schedule 1 used the sampling protocol described below. Samples from 0m to end of hole were collected as 5 metre composites by scooping consistently down the side of bagged 1 metre samples using a PVC spear. Approximately 2.5kg of material was dried, crushed pulverised and split to produce a 40g charge for aqua regia digest.
Drilling techniques	• *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).*	• Aircore drilling technique using a 2.5" blade or hammer bit
Drill sample recovery	• *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.*	• Sample recoveries and wet samples were monitored and included in Lodestar's drill hole database. • Aircore drilling of wet samples is avoided by drilling practices. Drill sampling equipment was cleaned regularly to minimise contamination. • Lodestar monitors the distribution of high grade gold and sample recoveries.

Criteria	JORC Code explanation	Commentary
Logging	• *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.*	• Chips samples were routinely geologically logged. The drilling and sampling methods used were exploration methods and not intended to support Mineral Resource estimation.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging is qualitative in nature. • All aircore samples were geologically logged.
Sub-sampling techniques and sample preparation	• *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.*	• Aircore samples were recovered from the drill hole via a cyclone at 1 metre intervals. Each 1m sample was placed in a plastic bag on the ground in sequence. A hollow PVC spear is used to obtain a sub-sample through each 1 metre interval, these are combined for submission as a 2.5kg 5m composite sample. Wet samples were not encountered. • Field duplicates of composite samples are regularly submitted for assay, results of duplicate samples are monitored for reproducibility. All samples are stored in pre-numbered bags and submitted to UltraTrace Laboratories for sample preparation and assay. • Sample preparation involved drying the whole sample, crushing and pulverising to 90% passing -75 microns. The pulverised sample was split with a rotary sample divider to obtain a 40 gram charge. • Sample size is appropriate for early exploration drilling where grainsize is unknown.
Quality of assay data and laboratory tests	• *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.*	• For 5m composite samples a nominal 40 gram charge is digested with aqua regia and gold determined by ICP-MS, the detection limit is 1ppb. This is a partial digest although it is extremely efficient for the extraction of gold. Base metals were analysed from the aqua regia solution by ICP-AES and ICP-MS. • No geophysical tools were used to determine any element concentrations. • Laboratory QAQC involves the use of internal laboratory standards and replicate samples. Lodestar's certified reference standards and field duplicates were inserted throughout the programme. Results indicate that sample assay values are accurate and repeatable.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *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.*	• Significant intersections have not been independently validated at this time. • No twinned holes have been completed. • Field and laboratory data were 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	• *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.*	• 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.
Data spacing and distribution	• *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.*	• Drill holes are spaced at 40 metres on section and 80metres to 160metres between sections. The data is insufficient to establish continuity for Mineral Resource estimation. • 1 metre aircore samples have been composited to 5 metre samples for assay.
Orientation of data in relation to geological structure	• *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.*	• The aircore drilling method does not provide structural information and the orientation of the underlying geology has not been established. Drilling is oriented perpendicular to the strike of the lithology as determined from interpretation of aeromagnetic data and local mapping.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored at Lodestar's exploration camp in sealed bags under supervision prior to dispatch by licenced courier service (TOLL IPEC) to UltraTrace Laboratories.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out.

Criteria	Commentary
Mineral tenement and land tenure status	• Contessa is 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. • E52/2456 expires on 16/09/2016
Exploration done by other parties	• 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.
Geology	• The geology of the project area comprises the northern margin of the Proterozoic Yerrida Basin. The geology forms two discrete units; o 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. o Archaean basement rocks on the northern margin of the Yerrida Basin. The basement-sediment contact trends east-west and Lodestar's exploration has recently identified extensive gold anomalism adjacent to this contact. The basement consists of granite and fringing mafic-ultramafic rocks that are not widely exposed at surface. The mafic-ultramafic rocks and the adjacent granite host the gold mineralisation and are thought to be Archaean in age and similar to the sequences that host the lode gold deposits in the Plutonic and Baumgarten greenstone belts.
Drill hole information	• Tabulated data is provided in Schedule 1, attached.
Data aggregation methods	• Assay data are reported as 5 metre composite samples. No cutting of high grades has been applied.
Relationship between mineralisation widths and intercept lengths	• Drilling is oriented -60 degrees towards 310 degrees at Contessa, perpendicular to the interpreted strike of the host sequence. The mineralisation generally forms a sub-horizontal body on section, close to the interface between partly weathered and completely weathered rock. This flat-lying orientation is believed to be a result of gold being mobilised by weathering processes and precipitated near the base of oxidation. Intercept widths or apparent thickness may be less than (~90%) the true thickness of the mineralisation.
Diagrams	• See Figure 3.
Balanced reporting	• All drill holes and intercepts are reported in Schedule 1.
Other substantive exploration data	• None to report.
Further Work	• Extensive zones of anomalous gold greater than 100ppb (0.1g/t) have been identified in drilling at Contessa. The mineralisation remains open at depth and along strike along the granite contact. Further drilling is planned, including systematic aircore drilling south west of the Contessa prospect and RC drilling to test bedrock targets beneath the highest grade intercepts at Contessa.

SCHEDULE 1 – Drill Hole Locations and Intersections greater than 0.1g/t (100ppb) Au

HoleID	Easting	Northing	Depth(m)	Azimuth	Dip	From	To	Au(ppb)
LNR727	787760	7192261	57	310	-60	0	57	nsi[1]
LNR728	787791	7192229	76	310	-60	0	76	nsi
LNR729	787816	7192210	86	310	-60	0	86	nsi
LNR730	787852	7192183	90	310	-60	55	60	340
						85	90	386
LNR731	787875	7192158	96	310	-60	55	60	570
						60	65	323
						65	70	880
						70	75	324
						75	80	336
						85	90	821
						90	95	**1020**
						95	96	188
LNR732	787910	7192138	81	310	-60	45	50	**1830**
						50	55	732
LNR733	787944	7192109	45	310	-60	25	30	107
						30	35	328
						35	40	146
						40	45	375
LNR734	787975	7192080	39	310	-60	0	39	nsi
LNR735	787732	7192185	89	310	-60	50	55	266
LNR736	787768	7192155	99	310	-60	55	60	552
						75	80	318
LNR737	787787	7192124	92	310	-60	65	70	268
						70	75	208
						85	90	126
LNR738	787816	7192109	88	310	-60	70	75	402
LNR739	787638	7192157	84	310	-60	0	84	nsi
LNR740	787668	7192132	102	310	-60	85	90	257
						90	95	190
						100	102	130
LNR741	787695	7192107	93	310	-60	60	65	**1400**
						65	70	203
						70	75	104
						75	80	348
						80	85	**1560**
						85	90	219
LNR742	787730	7192077	84	310	-60	65	70	176
						75	80	783
LNR743	786467	7190552	84	310	-60	10	15	161
						20	25	163
						35	40	468
						40	45	663

HoleID	Easting	Northing	Depth(m)	Azimuth	Dip	From	To	Au(ppb)
						50	55	346
						60	65	260
LNR744	786484	7190515	84	310	-60	15	20	297
						70	75	340
LNR745	786518	7190475	81	310	-60	0	81	nsi
LNR746	786552	7190452	83	310	-60	0	83	nsi
LNR747	786551	7190657	61	310	-60	35	40	510
						40	45	**2120**
						45	50	**1660**
LNR748	786590	7190622	83	310	-60	0	83	nsi
LNR749	786581	7190848	74	310	-60	60	65	267
LNR750	786608	7190823	72	310	-60	50	55	281
						55	60	254
						65	70	710
						70	72	149
LNR751	786639	7190795	49	310	-60	30	35	710
LNR752	786664	7190773	75	310	-60	25	30	118
						55	60	203
LNR753	786693	7190745	69	310	-60	0	69	nsi
LNR754	786731	7190723	77	310	-60	0	77	nsi
LNR755	786762	7190693	83	310	-60	50	55	473
						55	60	280
LNR756	786794	7190670	76	310	-60	55	60	394
						60	65	112
LNR757	786736	7191546	96	310	-60	25	30	208
						30	35	859
						35	40	**2150**
						40	45	233
						55	60	106
LNR758	786772	7191521	75	310	-60	25	30	488
						30	35	**8890**
						35	40	712
						40	45	159
						45	50	230
						50	55	230
						55	60	427
						60	65	161

[1]**nsi –no significant intersection (>0.1g/t Au)**