



ASX ANNOUNCEMENT

1 December 2015

Electronic lodgement

COMPANY SNAPSHOT

LODESTAR MINERALS LIMITED
ABN: 32 127 026 528

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CAPITAL STRUCTURE

Shares on Issue:
336,288,286 (LSR)

Options on Issue:
35,750,000 (unlisted)
34,355,691 (listed - 31 Mar 2016)

ASX: LSR

PROJECTS

Peak Hill – Doolgunna:
Camel Hills – gold
Neds Creek – gold
Marymia – gold
Imbin – gold and base metals



DRILLING TO TARGET HIGH-GRADE GOLD EXTENSIONS AT BIG SKY

HIGHLIGHTS

- **Comprehensive auger drilling program to follow-up exceptional early RC drill results at Big Sky, including:**
 - **6 metres at 6.6g/t gold from 13 metres in LCC011 (including 1 metre at 33.3g/t gold from 13 metres); and**
 - **6 metres at 20.3g/t gold from 21 metres in LCC012 (including 1 metre at 105g/t gold from 21 metres and 1 metre at 12.8g/t gold from 26 metres)¹.**
- **Gold and pathfinder element geochemistry in drilling defines a primary target of 330 metres by 200 metres extending west of the high grade RC drill intersections.**
- **Program to test for extensions to the high-grade lode gold mineralisation expected to commence early December.**

CAMEL HILLS

West Australian gold and base metal explorer Lodestar Minerals Limited (ASX:LSR, "Lodestar", the "Company") advises that a comprehensive auger drill sampling program at the Company's 100%-owned Big Sky gold prospect within the Camel Hills project (Figure 1) is planned to commence in early December. The program follows a study of multi-element geochemistry from recent drill samples, completed by the Company's geological consultant and gold exploration specialist, Dr Walter Witt.

¹ See Lodestar's ASX announcement dated 20th October 2015.

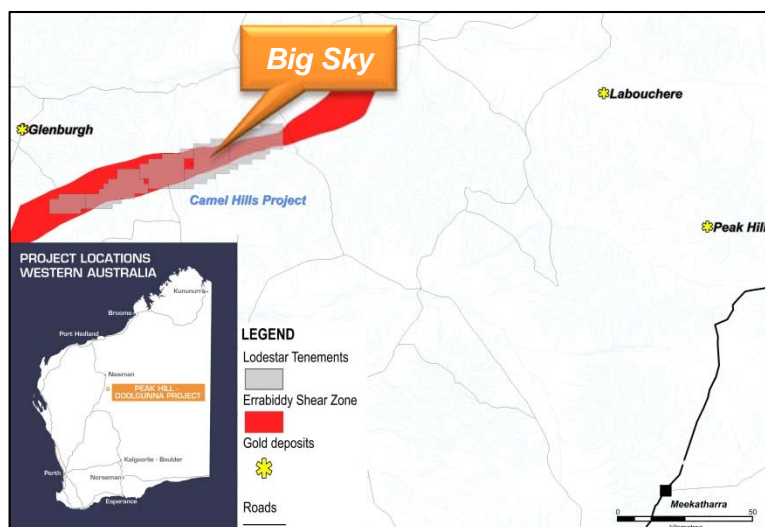


Figure 1: Big Sky prospect location plan

Geochemical indices are useful in mapping the intensity of hydrothermal alteration related to mineralisation. Multi-element pathfinder geochemical analysis is an important targeting tool and much more effective in the Big Sky environment than traditional soil sampling for gold, primarily because the gold is very particulate and does not leave a significant geochemical halo around the mineralised areas.

The auger sampling will fulfil a key recommendation of Dr Witt's report for follow-up exploration along strike to the west of the RC drilling to identify sub-vertical, en echelon, high-grade lodes within an extensive alteration system.

The auger program, comprising approximately 1500 sample points, marks the next phase of exploration at Big Sky, where Lodestar's drilling has defined an extensive low-grade gold anomaly over the 600 metres of strike tested to date. The gold anomaly closely follows the contact of the magnetic Petter Calc-silicate unit (as defined by ground magnetometer surveying) and distinguishes this contact as a key structural control on mineralisation. The high-grade gold "lode" intersected in drilling occurs within the more extensive low-grade envelope and is located on this contact. Drilling of the contact to the west of the lode is incomplete but it does identify untested gold anomalies with pathfinder elements demonstrating greater intensity of hydrothermal alteration in this region.

Detailed auger drilling will test the immediate vicinity of the lode and a larger area of 330 metres by 200 metres (see Figure 2) extending beyond the current limit of drilling to the south west, targeting the structural contact of the Petter Calc-silicate unit. Assay results are expected to be received in early January 2016 and targets defined by this program will be tested by RC drilling as soon as practicable in the 2016 field season.

Lodestar's exploration has identified the calc-silicate contact as an important regional gold target that extends 5 kilometres to the south west of Big Sky, where historic drainage sampling has reported significant untested gold anomalies that will be pursued in 2016.

NED'S CREEK

Lodestar advises that a heritage survey was completed for the Marymia gold target² at the Ned's Creek Project in November. Marymia was identified through a sampling program which returned anomalous results up to 1.5g/t gold from rock chips. The target is located on the southern tectonic margin of the Plutonic Well greenstone belt (10Moz gold production and resources) and some 9 kilometres south of the historic Marymia gold mine.

It is intended that a first-pass, shallow reconnaissance RAB drilling program of this target will be completed by the end of 2015.

Bill Clayton
Managing Director

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About Camel Hills

The Camel Hills project is located 170 kilometres northwest of Meekatharra and 60 kilometres south and east of Gascoyne Resource's Glenburgh gold deposits (1Moz Au). The Errabiddy Shear Zone is 5 to 20 kilometres wide and is linked at depth to the Cardilya Fault, a major tectonic boundary between the Archaean Narryer Terrane and the accreted Palaeoproterozoic Glenburgh Terrane to the north. Re-worked craton margins are a favourable location for the formation of world-class orebodies, including orogenic gold deposits (e.g. Tropicana). The Errabiddy Shear Zone was reactivated during the collision of the Yilgarn and Pilbara cratons and is intensely deformed. Recent mineral systems prospectivity mapping by the GSWA has identified the Errabiddy Shear Zone as a favourable site for large-scale gold mineralisation, this view is supported by historic surface sampling that has identified strong gold anomalies associated with outcropping gneiss in the Main Grid (Big Sky) area.

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.

² See Lodestar's ASX announcement dated 21st September 2015

The information in this announcement that relates to previously released exploration results was disclosed under JORC 2012 in the ASX announcements dated 21st September 2015 “New Priority Gold Target at Marymia” and 20th October 2015 “Big Sky RC Drilling results high-grade gold”. The 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.

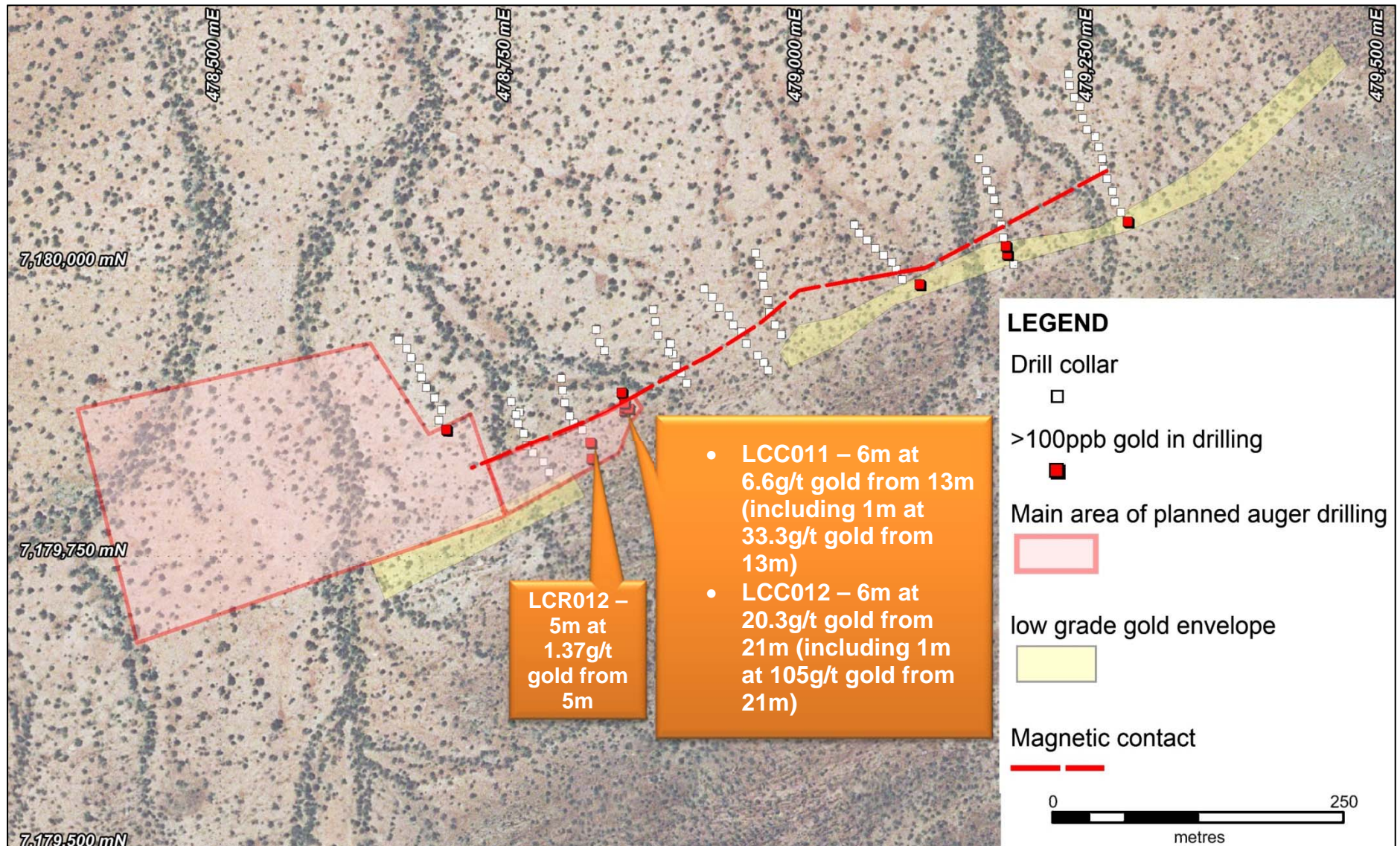


Figure 2 Big Sky - Target area for planned auger drill sampling to test for extensions to high-grade lode gold.