



# ASX ANNOUNCEMENT

30 April 2015

Electronic lodgement

## COMPANY SNAPSHOT

**LODESTAR MINERALS LIMITED**  
ABN: 32 127 026 528

### CONTACT DETAILS

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### CAPITAL STRUCTURE

**Shares on Issue:**  
324,546,575 (LSR)

**Options on Issue:**  
20,750,000 (unlisted)  
36,077,402 (listed - 31 Mar 2016)

ASX: LSR

### PROJECTS

**Peak Hill – Doolgunna:**  
Base metals, gold



## MARCH 2015 QUARTERLY ACTIVITIES REPORT HIGHLIGHTS

### CAMEL HILLS PROJECT (GOLD)

- Native title negotiations progressing, field reconnaissance to commence in expectation of tenements being granted.
- Targeting orogenic gold within accreted continental margin setting characterised by deep crustal structures - an 18 kilometre gold anomaly in GSWA regional sampling signals potential for a large gold system.
- GSWA published research supports Camel Hills as an under-explored and favourable tectonic environment for lode-style orogenic gold mineralisation. The Glenburgh gold deposits (1Moz in resource) are located 60km west of Camel Hills.
- Priority targets identified from compilation of historic data include an untested, three kilometre long anomaly with up to 27ppb gold reported in stream sampling.

### NEDS CREEK PROJECT CONTESSA (GOLD)

- The Company continues to evaluate options for funding the next phase of drilling at Contessa and is in joint venture discussions with several interested parties. It is the Company's intention to test the high potential Contessa targets in the 2015 field season.

### CAMEL HILLS (E09/2099, E09/2100, E09/2138, E09/2139 & E52/3064)

Lodestar has applied for 924 square kilometres (90 kilometres of strike) over the Errabiddy Shear Zone in the Gascoyne Province of Western Australia. The tenements are under application, pending a negotiated native title agreement. They are located 170 kilometres northwest of Meekatharra and 60 kilometres south east of Gascoyne Resource's Glenburgh gold deposits (Figure 1). 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.



The shear zone has been reactivated during collision of the Yilgarn and Pilbara cratons and is intensely deformed. Recent mineral systems prospectivity mapping by the GSWA<sup>1</sup> 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 area. Limited drilling completed by previous explorers is not regarded as a conclusive test of the gold potential at Camel Hills.

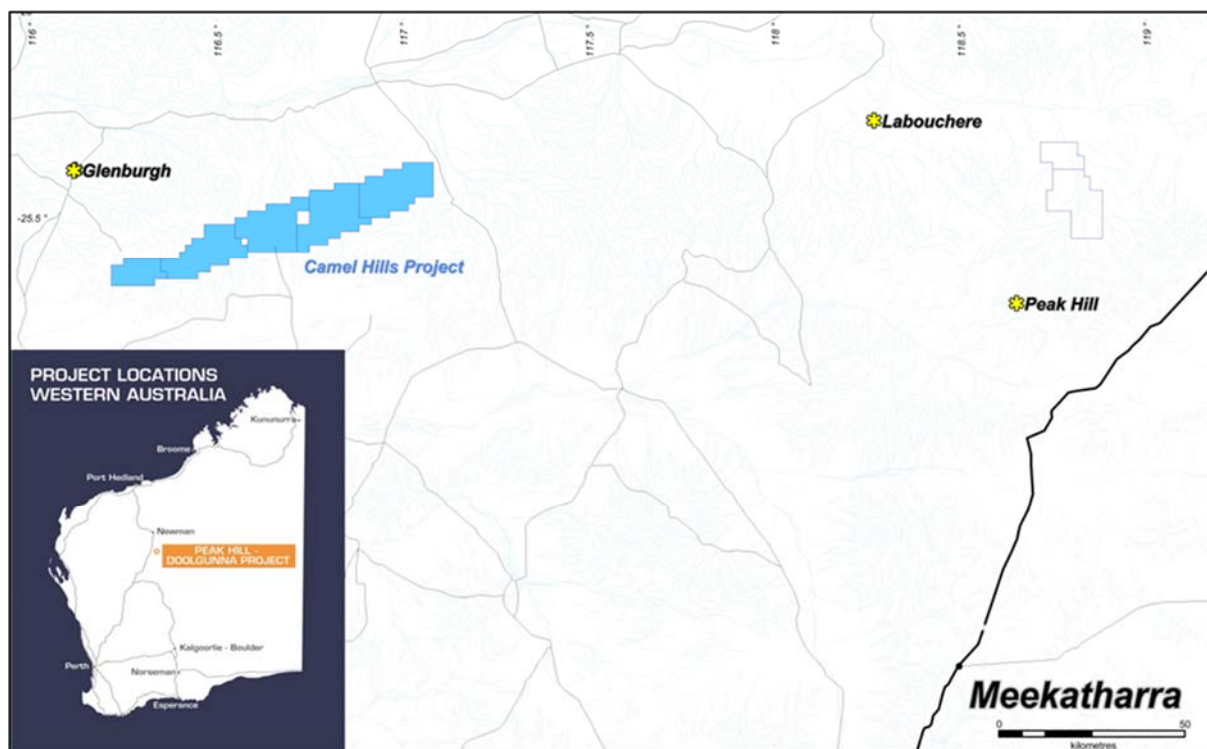


Figure 1 Location Plan – Camel Hills gold project, Peak Hill District.

Lodestar is targeting a large orogenic gold system within the Errabiddy Shear Zone, part of a major crustal suture on the northern margin of the Yilgarn Craton.

Exploration in the Gascoyne Province is benefiting from on-going research by the GSWA and others that has provided key information on the crustal architecture, age relationships and geochemistry of the 400 kilometre wide belt of Proterozoic rocks between the Pilbara and Yilgarn Cratons. The Cardilya Fault and Errabiddy Shear Zone represent the major tectonic boundary between the Narryer Terrane (Archaean) and the Glenburgh Terrane (Palaeoproterozoic) and define the northern margin of the Yilgarn Craton in the Gascoyne region.

Re-worked craton margins are fundamental structures that act as a deep plumbing system, allowing long-lived, repeated transfer of fluids and heat from the upper mantle to the upper crust. These margins are a favourable location for the formation of world-class orebodies (e.g. Tropicana gold deposit located on the southeast margin of the Yilgarn Craton).

<sup>1</sup> Aitken, ARA, Joly, A, Dentith, MC, Johnson, SP, Thorne, AM and Tyler, IM 2014, 3D architecture, structural evolution and mineral prospectivity of the Gascoyne Province: Geological Survey of Western Australia, Report 123, 94p.



The Capricorn deep seismic reflection survey completed over the southern Gascoyne Province, including the Errabiddy Shear Zone, has provided the first detailed interpretation of the lower crust in this area. Importantly, interpretation of the seismic data identifies the Cardilya Fault (Figures 2 & 3) as the fundamental structure marking the boundary between the Narryer Terrane (Archaean, Yilgarn Craton) and the Glenburgh Terrane (Palaeoproterozoic) that persists into the upper mantle. The Errabiddy Shear Zone is linked to the Cardilya Fault at depth, forming a series of north-dipping back-thrusts<sup>2</sup> that were capable of transferring mineralising fluids into the upper crust.

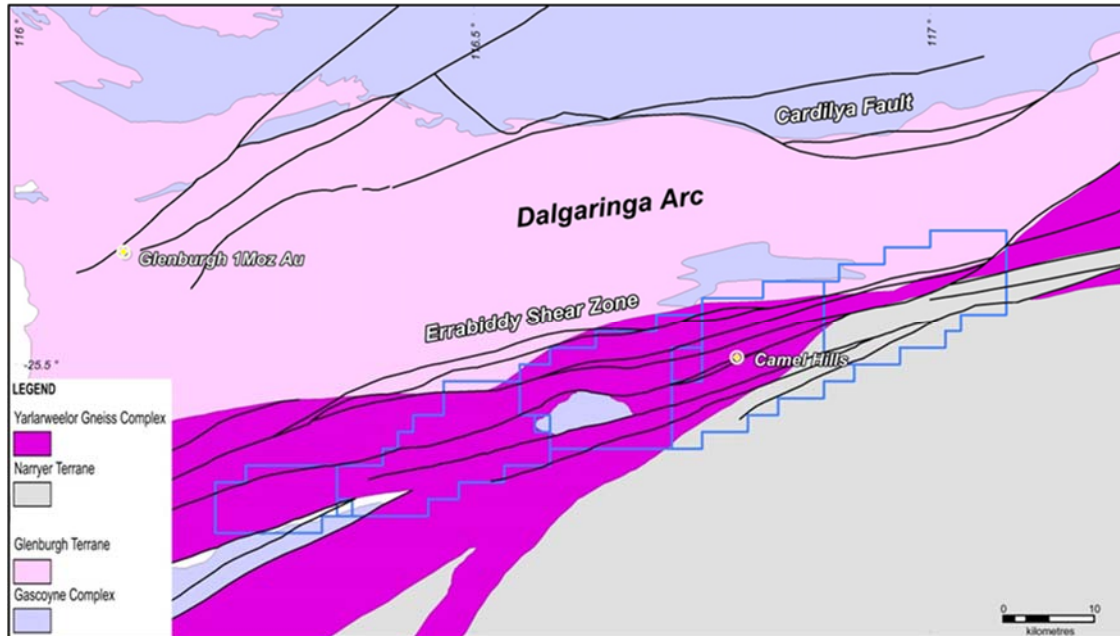


Figure 2 Geology overview, showing the relationship between the Cardilya Fault and the Errabiddy Shear Zone.

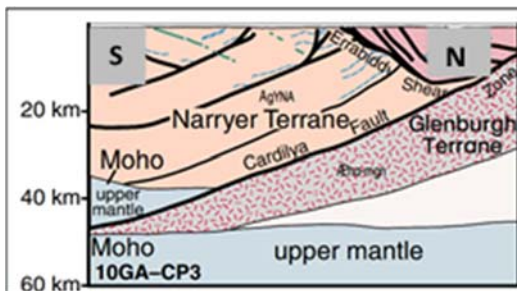


Figure 3 Interpreted cross-section through the crust based on deep seismic reflection. It shows the relationship between the Cardilya Fault, as a terrane bounding structure, and the Errabiddy Shear Zone, northern Yilgarn margin (reproduced with permission (Korsch et al., 2011)).

The GSWA has completed wide-spaced regolith sampling across the Glenburgh 1:250 000 geology sheet. Stream samples from the GSWA data identify a large (~18 kilometre long) gold anomaly, overlying the Errabiddy Shear Zone, in the Camel Hills area (Figure 4). The Glenburgh gold discovery of Helix Resources resulted from the follow up of values between 2ppb and 17.2ppb gold in stream sampling and provides context for anomalous values in stream sampling within this region; the GSWA sampling reported a maximum 8ppb gold within the Camel Hills anomaly.

<sup>2</sup> Korsch et al., 2011, Geodynamic implications of the Capricorn deep seismic reflection survey: from the Pilbara Craton to the Yilgarn Craton *In* Johnson SP, Thorne, AM and Tyler, IM (eds.) 2011, Capricorn Orogen seismic and MT workshop 2011, extended abstracts. Geological Survey of Western Australia, Record 2011/25, 120p.

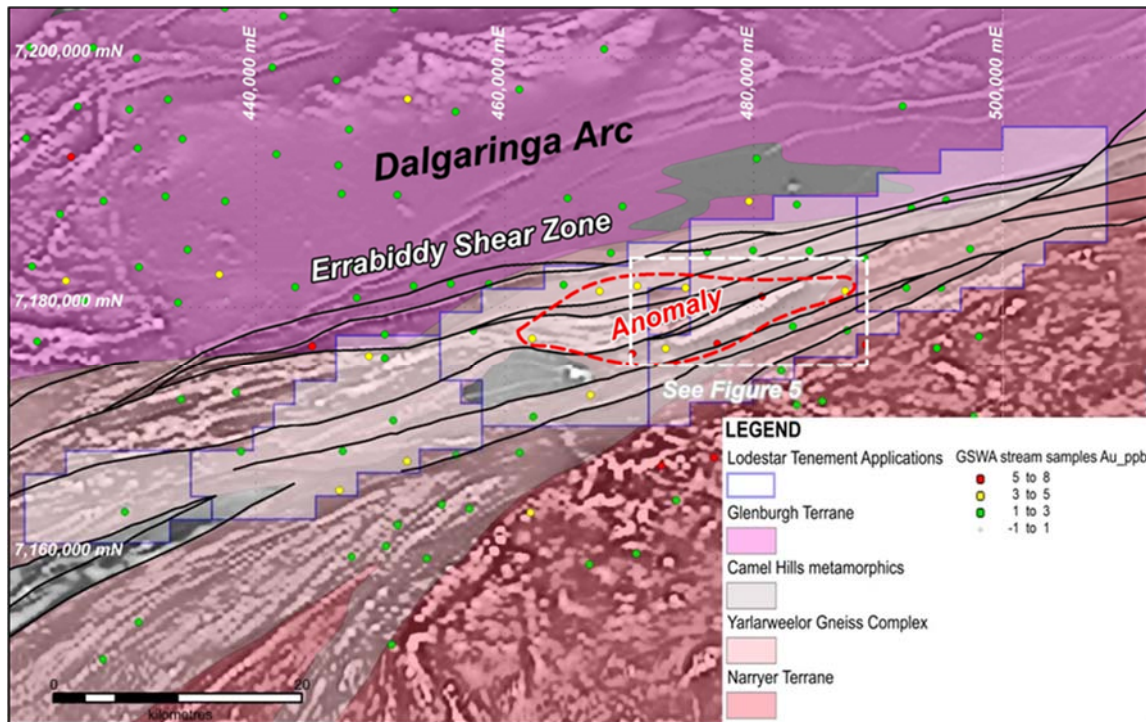


Figure 4 GSWA regional stream anomaly overlying the Errabiddy Shear Zone (background RTP 1VD aeromagnetic image - GDA94 MGA Zone 50).

### Historic Data

Lodestar has compiled the historic public domain data for the Camel Hills tenements; several generations of stream, soil and rock sampling have highlighted anomalous gold results within a 6 kilometre by 2 kilometre area, known as “Main Grid” at Camel Hills (Figure 5). Soil sampling on 100 metre traverses defined anomalies of >100ppb gold, reporting a maximum value of 907ppb gold. The anomalies were tested by an 11 hole RC drilling programme, on 5 widely spaced traverses covering 100m lateral width, over a strike distance of 1400m (see Desert Mines and Metals (ASX:DSN) ASX announcement dated 22 April 2013). The maximum value reported in drilling was 2m at 369ppb (0.37g/t) gold, wide intersections of anomalous gold (e.g. 75m at 54ppb) suggest that the drilling may have intersected a low grade mineralised envelope similar to that at Glenburgh, where extensive intersections of low grade gold occur around the lode systems.

Recent research<sup>3</sup> has dated gold mineralisation at Glenburgh between 2035Ma and 1991Ma. Gold mineralisation is overprinted by high-grade metamorphism, resulting in the loss of many of the characteristics of the hydrothermal fluids associated with the original event, so that the gold is typified by

- High fineness (low silver and pathfinder elements) and gold is the only pathfinder for gold.
- Having no obvious association with alteration mineralogy or host lithology.

<sup>3</sup> Roche, L (2015), The Glenburgh Au deposit, Gascoyne Province – evidence of metamorphosed Au? Accessed at [http://www.dmp.wa.gov.au/documents/Glenburgh\\_Au-Lisa\\_Roche-GSWA\\_2015.pdf](http://www.dmp.wa.gov.au/documents/Glenburgh_Au-Lisa_Roche-GSWA_2015.pdf) 20/04/2015.





The ~2000 Ma Glenburgh Orogeny age is, in Lodestar’s opinion, broadly coeval with the development of the mineralised back-arc Bryah-Doolgunna rift (DeGrussa Cu-Au deposit) and the interpreted Imbin rift (where Lodestar has 1100 square kilometres under tenement application) suggesting that it is part of a regional metallogenic event across the northern Yilgarn margin.

**Forward Programme**

Field activities will commence in the next quarter with an initial reconnaissance visit prior to commencing systematic exploration. There will be a focus on gaining a better understanding of the relationship between the structural setting and the location of gold anomalies at both prospect and regional scales, in addition to expanding the area of prospecting beyond the Main Grid area, to include the highly anomalous (up to 27ppb gold in stream samples) region, 2 kilometres west of Main Grid.

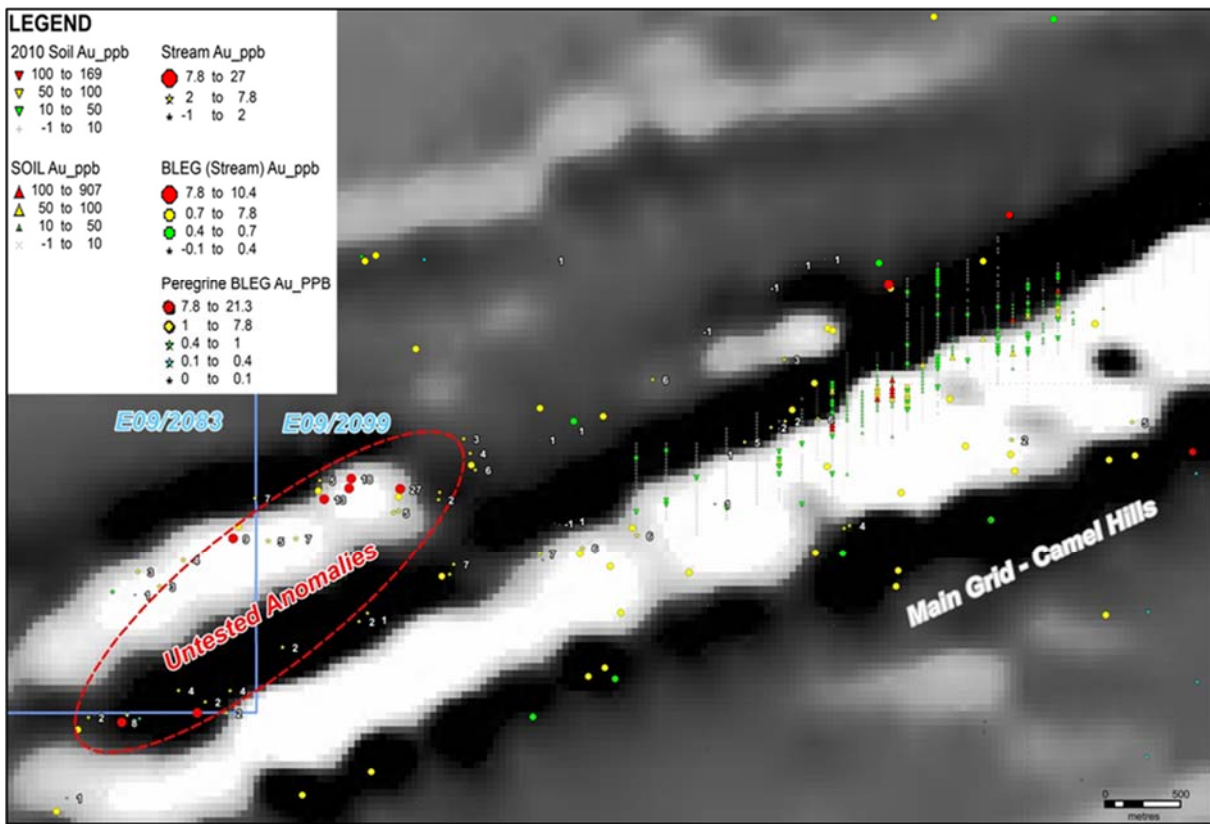


Figure 5 Untested stream sample anomaly located 2 kilometres west of the Main Grid, background RTP 1VD

**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.



## APPENDIX 1: Schedule of Exploration Tenements as at 30 April 2015

Tenement Description	Tenement Numbers	Status	Percentage Interest
<b>Peak Hill</b>			
Mowara Bore	E52/3112	Granted	100%
Dynamite Bore	E52/3113	Granted	100%
Marymia	E52/2440	Granted	100%
Marymia	E52/2444	Granted	100%
Yowerrena Hill	E52/2456	Granted	100%
Little Well	E52/2468	Granted	100%
Yowerreena Hill	E52/2492	Granted	100%
Yowerreena Hill	E52/2493	Granted	100%
Marymia	E52/2733	Granted	100%
Yowerrena Hill	E52/2734	Granted	100%

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/01, 01/06/10, 17/12/10

Name of entity

LODESTAR MINERALS LIMITED

ABN

32 127 026 528

Quarter ended ("current quarter")

31 MARCH 2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(64)	(584)
(b) development	-	-
(c) production	-	-
(d) administration	(107)	(415)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes received / (paid)	-	-
1.7 Other -	-	-
<b>Net Operating Cash Flows</b>	<b>(169)</b>	<b>(993)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(169)</b>	<b>(993)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(169)	(993)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	1,295
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	-	(102)
	<b>Net financing cash flows</b>	-	1,193
	<b>Net increase (decrease) in cash held</b>	(169)	200
1.20	Cash at beginning of quarter/year to date	595	226
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	426	426

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	95
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 - Includes salaries paid to directors, as well as superannuation paid on behalf of directors. Also includes corporate and accounting services paid to a company associated with one of the directors. A percentage of the Managing Director's salary has been expensed to exploration activities.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None



### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	24
4.2 Development	-
4.3 Production	-
4.4 Administration	112
<b>Total</b>	<b>136</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	76	95
5.2 Deposits at call	350	500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>426</b>	<b>595</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**


*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	Nil	N/A	N/A	N/A
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A	N/A
7.3 +Ordinary securities **	324,546,386	324,546,386	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,672	1,672	3	3
7.5 +Convertible debt securities <i>(description)</i>	Nil	N/A	N/A	N/A
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A
7.7 Options <i>(description and conversion factor)</i>	2,500,000 2,250,000 36,077,591 16,000,000	- - 360,77,591 -	<i>Exercise price</i> Various Various 3 cents 5 cents	<i>Expiry date</i> 29 November 2016 8 May 2017 31 March 2016 16 December 2017
7.8 Issued during quarter				
7.9 Exercised during quarter	1,672	1,672	3 cents	31 March 2016
7.10 Expired during quarter	N/A	N/A	N/A	N/A
7.11 Debentures <i>(totals only)</i>	Nil	N/A		
7.12 Unsecured notes <i>(totals only)</i>	Nil	N/A		

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2015  
Company Secretary

Print name: David M McArthur

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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