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24 August 2010

**ASX Limited**

**By Electronic Lodgement**

Dear Sirs,

**RE: PEAK HILL PROJECT**

Please find attached a copy of a company presentation for Lodestar Minerals Limited.

Yours faithfully,

A handwritten signature in black ink that reads "D M McArthur". The signature is written in a cursive, flowing style.

David M McArthur  
Director

# LODESTAR MINERALS LIMITED

## EXPLORING IN AUSTRALIA'S NEWEST BASE METAL PROVINCE



August 2010

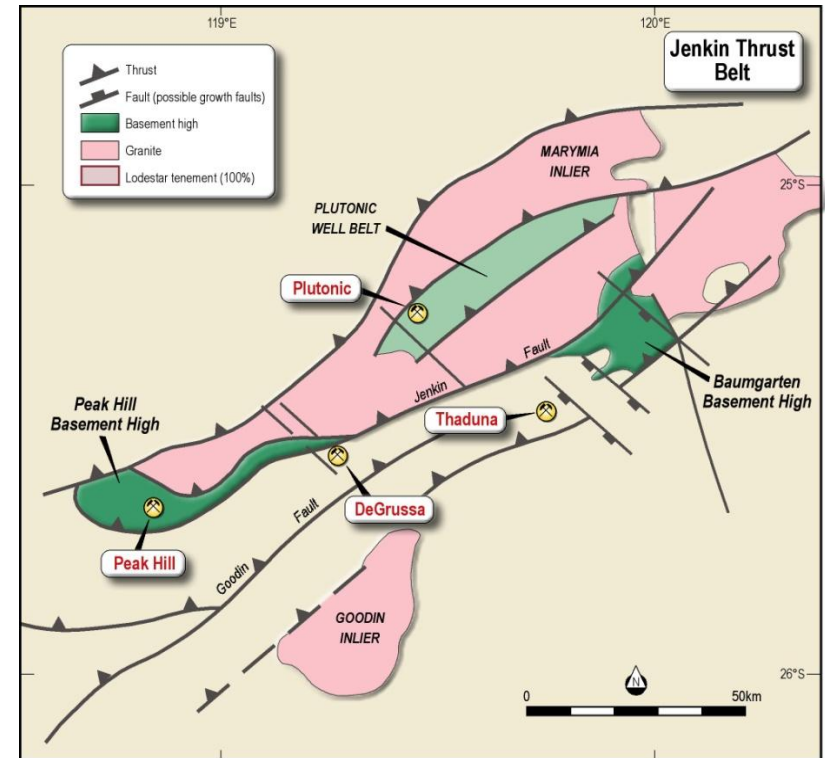
## **Forward Looking Statements**

Forward Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Lodestar Minerals' exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Lodestar Minerals believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

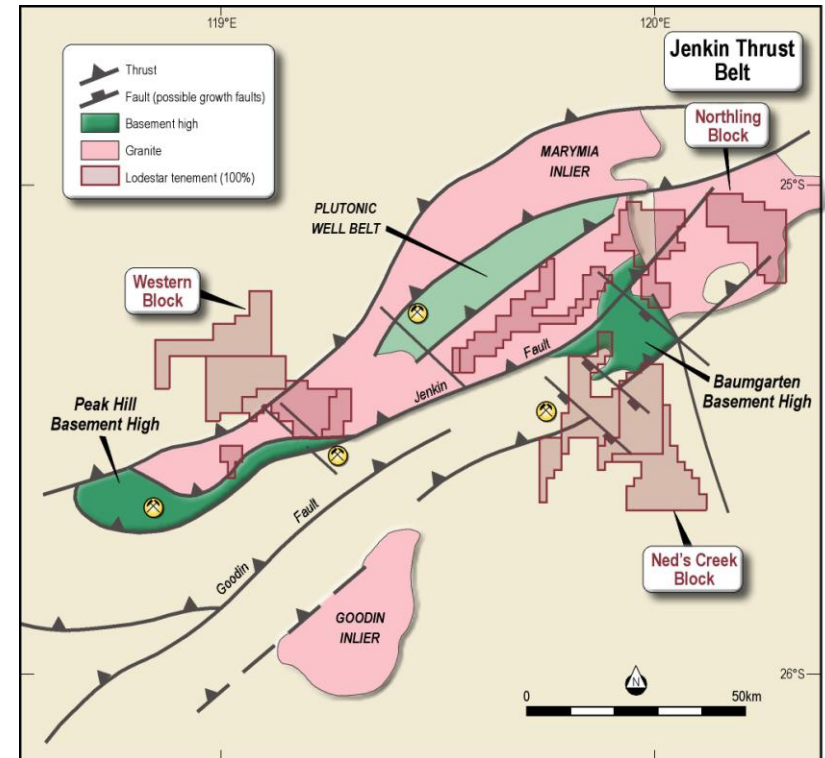
## **JORC Compliance**

The information in this report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Bill Clayton who is a member of the Australian Institute of Geoscientists. Bill Clayton is a full-time employee of the Company. Bill Clayton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves". Bill Clayton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

- ❑ Host to Sandfire's growing Degruusa discovery
- ❑ Base metal/Gold mineralisation recorded at a number of locations over 100-150 kilometres
- ❑ Historical exploration is limited
- ❑ Degruusa, potentially the first major discovery in a new base metal province



- ❑ Key land position (2,000km<sup>2</sup>) within the Jenkin Thrust Belt
  - Ned's Creek Project
  - Western Project
  - Northling Project
  
- ❑ Immediate drill targets based on VTEM/ base metal geochem anomalies



A large, under-explored land holding in Australia's newest base metal province  
immediate drill targets

- ❑ A large, strategic tenement holding in a new and under-explored growing base metal province
- ❑ Prospectivity on a par or better than many higher capped competitors
- ❑ Lowest market cap entry into the province
- ❑ Major share price growth potential

Company	Commodity	Status	Market Cap \$M
<i>Sandfire</i>	Cu-Au	Resource (Cu-Au)	670
<i>Thundelarra</i>	Cu-Au	Exploration	134
<i>Talisman</i>	Cu-Au	Exploration	91
<i>Sipa</i>	Cu, Au	Exploration	40
<i>Alchemy</i>	Au, Cu-Au	Resource (Au)	32
<i>Great Western</i>	Cu-Au	Exploration	23
<i>Ausgold</i>	Au, Cu-Au	Exploration	16
<i>Chrysalis</i>	Cu-Au	Exploration	12
<b><i>Lodestar</i></b>	<b>Cu, Au</b>	<b>Exploration</b>	<b>9</b>

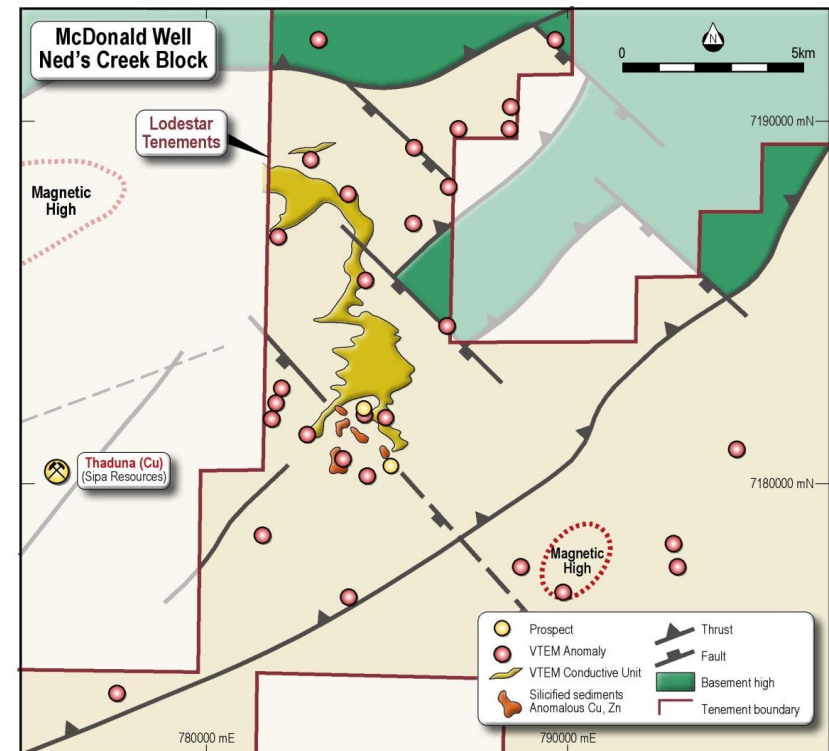
Sandfire demonstrates the success case in this province

- ❑ **ASX code:**  
LSR
  
- ❑ **Issued Capital:**  
65 million shares/6 million unlisted options
  
- ❑ **Cash:**  
\$1.3 million (27 July 2010)
  
- ❑ **Market capitalisation:**  
\$9.0 million (16 August 2010)
  
- ❑ **Top 20 Shareholders:**  
49%

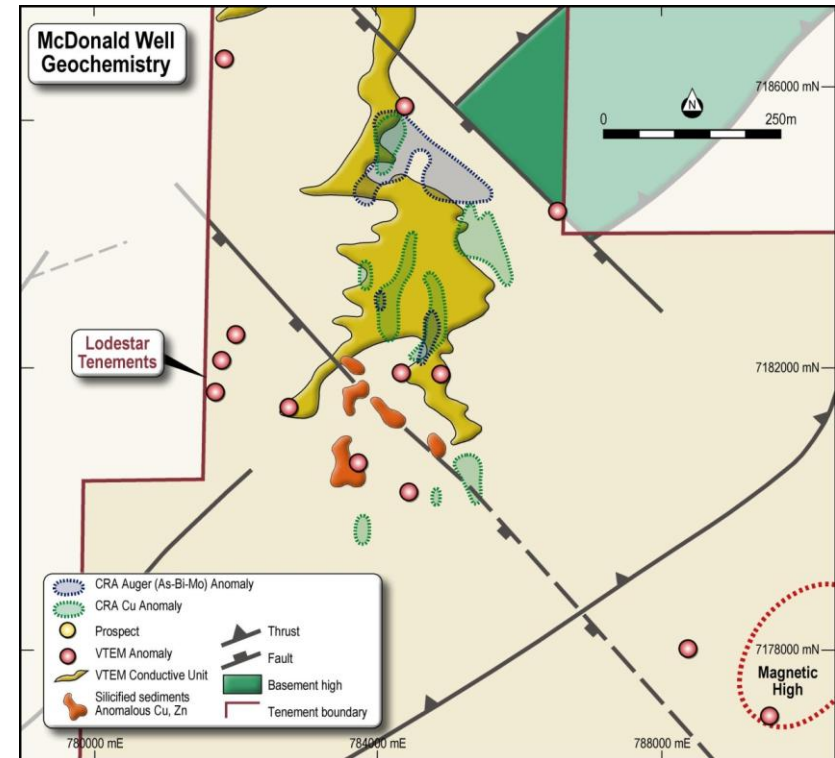
12 month Share Price Performance		
Low	High	Current
0.037	0.19	0.14



- ❑ Widespread copper/base metal mineralisation on adjacent tenements
- ❑ Anomalous base metal geochemistry on district-wide basis suggests a large mineralising system
- ❑ Graben structures interpreted adjacent to Basement High
- ❑ Analogous structural settings recognised in major Proterozoic base metal provinces world wide



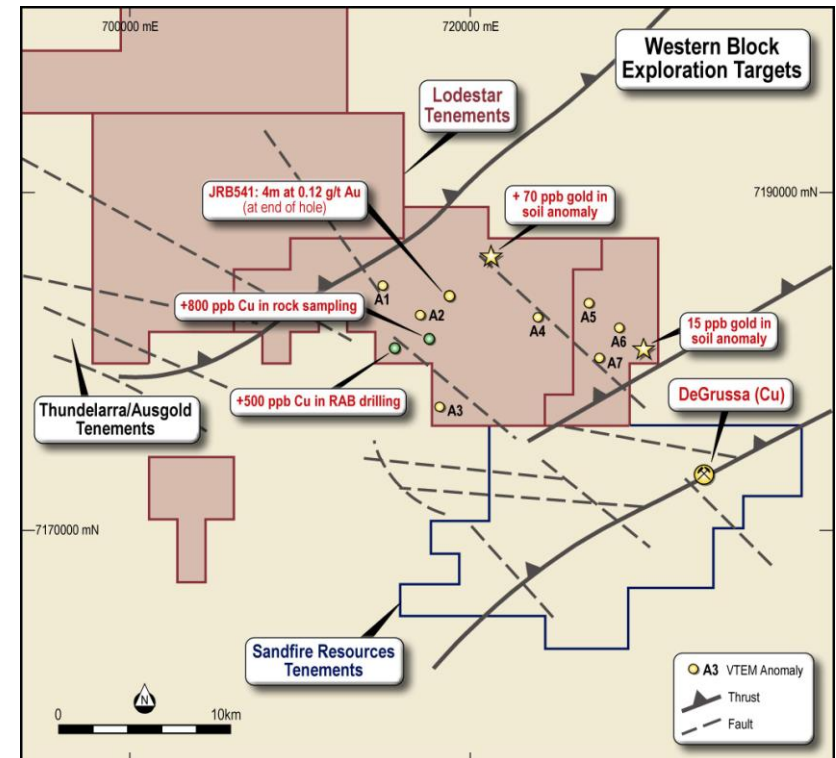
- Historic exploration:
  - **WMC** rock chips to **4100ppm Cu** and **1120ppm Zn**
  - **CRA** anomalous Cu in shallow (1-3m) auger drilling
  
- 2010 VTEM survey identifies VTEM anomalies and conductive unit coincident with anomalous base metal geochemistry
  
- Immediate targets for drilling



Coincident anomalous VTEM and base metal geochemistry endorse high prospectivity

- ❑ **VTEM:**  
Extend Survey to cover entire project area (August 2010)
  
- ❑ **Land Access:**  
Finalise negotiations with Traditional Owners (September)
  
- ❑ **Exploration:**
  - Geological mapping, Soil and Rock Chip Sampling and surface EM (September – October)
  
  - RC Drilling (November – December) five priority VTEM ± geochem targets at depths of less than 200m

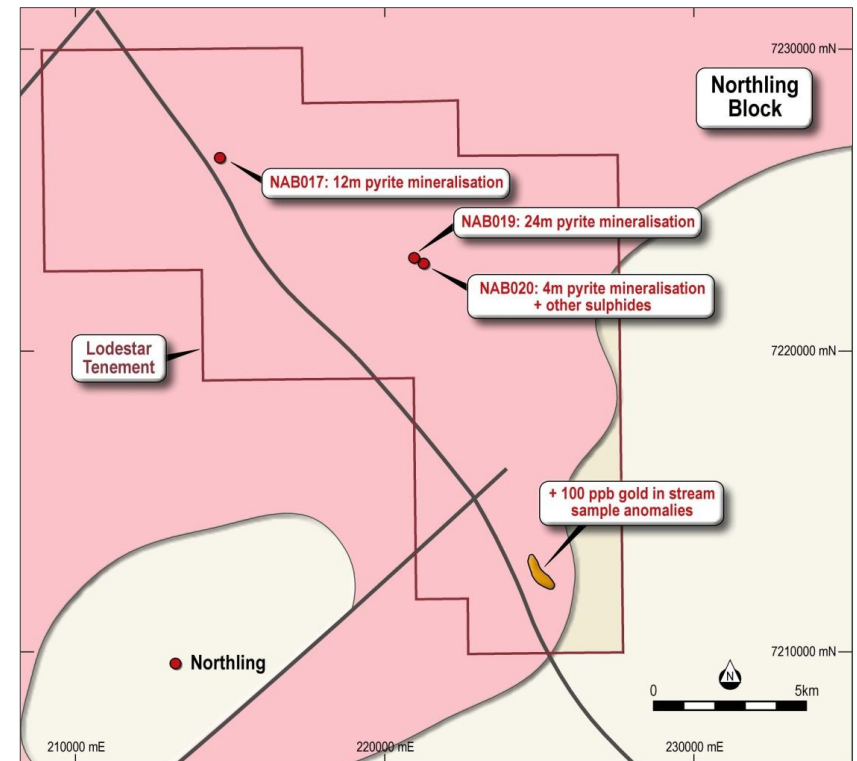
- ❑ **LANDHOLDING:**  
Adjoins Sandfire and Ausgold tenements
- ❑ **LOCATION:**  
Between major gold camps, 6km NW of DeGrussa
- ❑ **HISTORIC EXPLORATION:**
  - effectiveness reduced by extensive soil/hardpan cover
  - soil sampling anomalies to 80ppb
  - wide spaced RAB reported 4m @ 0.12g/t at end of hole (not followed up)
- ❑ **NE STRUCTURES**  
NE trending thrust faulting.  
Anomalous Cu to 800ppm in rock chip and RAB in breccia
- ❑ **VTEM**  
Low amplitude anomalies identified under cover



**NE thrust faulting and linking structures – potential controls on mineralisation**

- Land Access:**  
Finalise heritage access agreement (August-September)
  
- Geochemistry:**  
Regional stream/soil/rock chip geochemistry – first pass exploration gold, copper, base metals (October – November)
  
- Exploration under cover:**  
Geological / structural study – focus on potentially mineralised structures and lithologies (December – March 2011)  
Follow up geophysical programs
  
- Drilling**  
Targeted drilling beneath cover (April – May 2011)

- ❑ Little systematic exploration, extensive soil cover
- ❑ Diamond exploration intersected ultramafic/mafic basement with sulphides in historic drilling – not assayed
- ❑ Unresolved gold in stream samples to 164ppb associated with NNW – trending fault
- ❑ Soil sampling reported contiguous gold to 4ppb, inadequate coverage failed to fully delineate stream anomaly



- ❑ **Land Access:**
  - Heritage agreement signed with Gingirana July 2010
  
- ❑ **Geochemistry:**
  - Review and plan geochemical programs for gold exploration infill (August)
  
  - Field checking / mapping / soil geochemistry for base metals and gold (September – October 2010)

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