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Announcement to ASX

9 October 2017

DIAMOND DRILLING COMMENCES AT CONTESSA

Western Australian gold explorer **Lodestar Minerals Limited (ASX: LSR)** ("**Lodestar**" or "**the Company**") advises that diamond drilling has commenced at the Contessa prospect at its 100%-owned Ned's Creek project in WA (see Figure 1).

The first of two planned diamond drill holes at Contessa was started during the weekend and drilling is expected to take close to two weeks to complete. The drilling is being co-funded by the WA Government's Exploration Incentive Scheme.



Figure 1: Diamond drill rig at the Ned's Creek project.

The diamond drilling will follow-up Lodestar's last drilling at Ned's Creek completed between late May and early June. Drilling intersected a gold mineralised hydrothermal vein system thought to be related to the contact between diorite and felsic schist. The contact is adjacent to a major shear zone developed along a granite contact.

Aircore hole LNR906 finished with an intersection of 4m at 4.45g/t Au from 84m until termination of hole at the limit of the rig’s capacity. The hole finished in a quartz ± feldspar vein containing oxidised pyrite that is potentially part of a more extensive vein system developed on the contact of the diorite

The diamond hole currently being drilled (LNRD001) will test the bedrock potential beneath LNR906 (see Figure 2) and a second hole (LNRD002) will test the area from an opposing orientation.

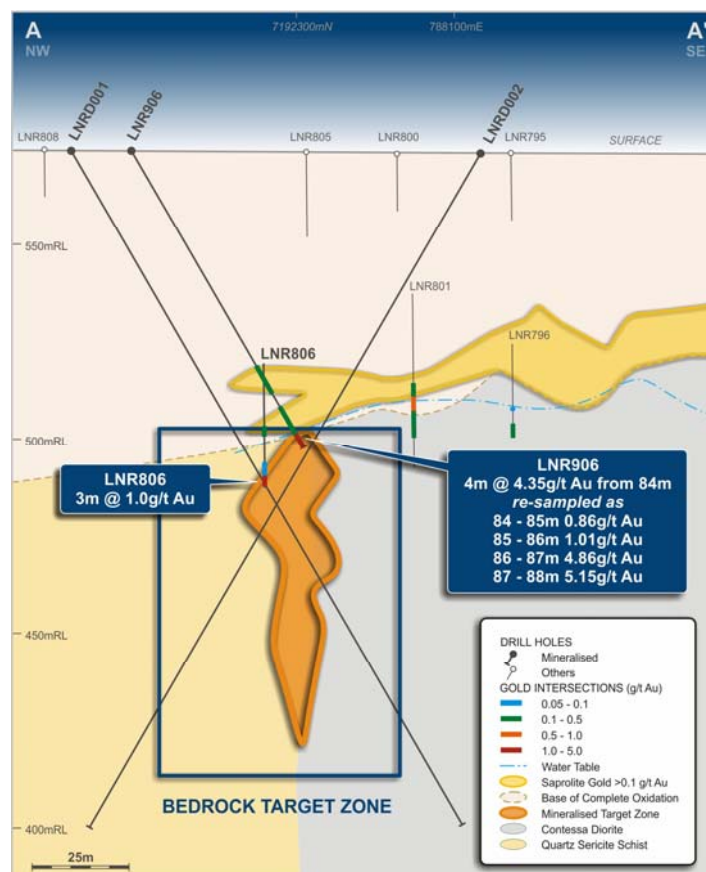


Figure 2: Cross-section of diamond drill holes planned at Contessa.

This first program of diamond drilling at Contessa is expected to provide important structural information and results are expected during November.

For and on behalf of the Board of Lodestar Minerals Limited