Lodestar Minerals Limited ABN 31 127 026 528

Registered office
Level 2
45 Stirling Highway
Nedlands WA 6009

Tel: +61 8 9389 8799
Fax: +61 8 9389 8327

Postal address
PO Box 985
Nedlands WA 6909

Website
www.lodestarminerals.com.au

30 April 2008

ASX Limited

Dear Sir / Madam

The following summarises the results of activity for the quarter ended 31 March 2008:

HIGHLIGHTS

Penfold Nickel Project

- RC drilling at the Abattoir prospect confirms nickel sulphide mineralization in LAPC001, including:
  - 6m at 0.46% Ni, 0.08% Cu, 231ppb Pd and 54ppb Pt from 90m depth; and
  - 3m at 0.49% Ni, 0.13% Cu, 481ppb Pd and 111ppb Pt from 105m.

These results verify that the Abattoir ultramafic remains a highly attractive exploration target.

- A review of historic gold exploration data has identified anomalous nickel-copper values in shallow RAB/aircore drilling. These targets include
  - 8m @ 0.22% Ni and 465ppm Cu from 40 metres in weathered ultramafic in drill hole SSA512 located at 354244E 6563464N
  - 12m @ 0.2% Ni and 422ppm Cu from 32 metres in weathered ultramafic in drill hole 97SDR042 located at 348704E 6561480N
  - 17m @ 0.26% Ni and 593ppm Cu from 50m, ***including 5m @ 0.5% Ni and 900ppm Cu from 60m***, in weathered ultramafic in drill hole FRA_72000_07 located at 346000E 6572200N
- A significant Cu anomaly coincident with the eastern limb of the Saddle Hills ultramafic sequence has been identified from a historic, gold - focused auger sampling program

The results of the exploration review are considered very encouraging for future exploration success on the Penfold Nickel Project (PNP) as they confirm the potential for nickel sulphide mineralization within the Saddle Hills ultramafic sequence – the second major ultramafic sequence located within the PNP, representing approximately 21 kilometres of strike extent.

EXPLORATION ACTIVITIES

Abattoir Prospect

The Penfold exploration program commenced with the drilling of four RC holes to test historic nickel sulphide intersections at the Abattoir prospect.

Diamond drilling completed by Placer during 1970 – 1971 intersected significant disseminated nickel sulphide mineralization over a strike distance of 180m. Vertical drill holes DDH-7 and DDH-8 intersected 6.1m @ 1.88% Ni from 77.5 metres and 15.2m @ 0.64% Ni from 86 metres, respectively. The mineralization remained open along strike and down-dip. Minor follow up exploration carried out by Falconbridge and Shell Minerals (1973 – 1976) and Normandy (1991) was restricted to shallow drilling over the wider Abattoir area and no further significant results were reported.

Four RC drill holes were planned to test the mineralized gabbro – ultramafic contact on approximately 40m drill centres. The holes were drilled at -60 degrees west to intersect the mineralized zones in DDH-7 and DDH-8, with two, deeper, step-out holes completed to test the contact to a vertical depth of 130m. All holes intersected the contact as planned, with LAPC001 returning visible sulphide mineralization and the best assay result of 6m @ 0.46% Ni, 0.08% Cu, 231ppb Pd and 54ppb Pt from 90m and 3m at 0.49% Ni, 0.13% Cu, 481ppb Pd and 111ppb Pt from 105m.

The Abattoir mineralization is believed to occur on the contact of a serpentinised, high magnesium ultramafic sequence with a layered gabbro intrusive, oriented sub-parallel to the stratigraphy. The intrusive relationship is suggested by the absence of significant deformation on the contact and the presence of narrow, gabbro dykes intruding the ultramafic sequence, as seen disrupting the mineralization in LAPC001. The intrusion of the gabbro and consequent disruption of the ultramafic footwall sequence is believed to be most likely explanation for the observed erratic distribution of the mineralization.

Although the drilling program failed to repeat the historic intersections reported from the Placer drilling, it has confirmed the presence of disseminated nickel sulphide mineralization within the ultramafic sequence and therefore continues to demonstrate the exploration potential of the Abattoir ultramafic.

A moving loop electromagnetic (MLEM) survey of the Abattoir ultramafic commenced in early March and is currently 20% complete. The initial work included three traverses of detailed survey over the area of the drilling. The results received from this work failed to identify any significant conductors that might indicate massive sulphide style mineralization at depth. In addition, the two deeper RC drill holes, LAPC002 and LAPC004, were logged using down hole electromagnetics (DHEM) on completion of the drilling. The results from the DHEM also failed to identify potential massive sulphide conductors in the area of the drilling.

The MLEM program is on-going and is progressively surveying the area south of the Abattoir prospect.

	Coordinates AMG84 Zone 51				Down hole Interval							
HOLE_ID	NORTHING_AMG_84	EASTING_AMG_84	DIP	AZIMUTH	From (m)	To (m)	Au_ppb	Pt_ppb	Pd_ppb	Ni_ppm	Cu_ppm	Comments
LAPC001	6566348	359903	-60	270	90	91	62	54	232	4080	978	contact position
LAPC001					91	92	61	63	264	4550	1090	
LAPC001					92	93	41	56	244	4440	760	
LAPC001					93	94	22	40	166	4900	626	
LAPC001					94	95	32	63	275	4370	722	
LAPC001					95	96	45	47	205	5600	784	
LAPC001					105	106	190	150	621	5480	2290	
LAPC001					106	107	132	111	496	5100	566	
LAPC001					107	108	91	73	326	4250	1140	
LAPC002	6566359	359939	-60	270	150	152				5360	86	
LAPC004	6566297	359919	-60	270	100	104				4200	248	contact position

Table 1 Selected RC drill assay results - Abattoir Prospect

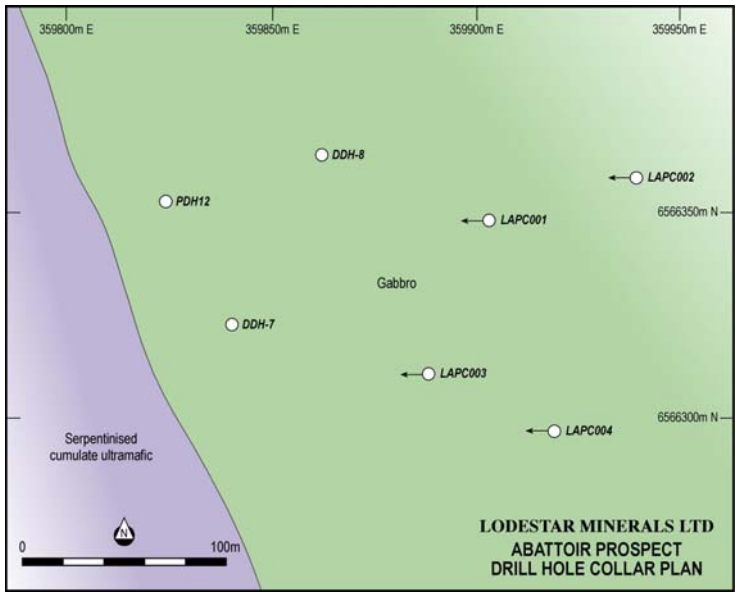

Figure 1 Lodestar drilling collar plan

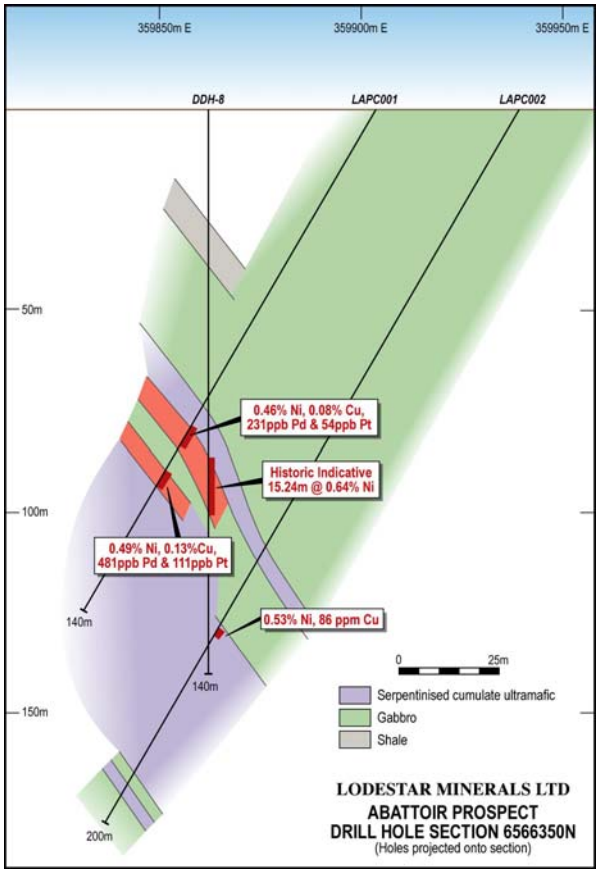

Figure 2 Abattoir Drill hole Section 6566350N

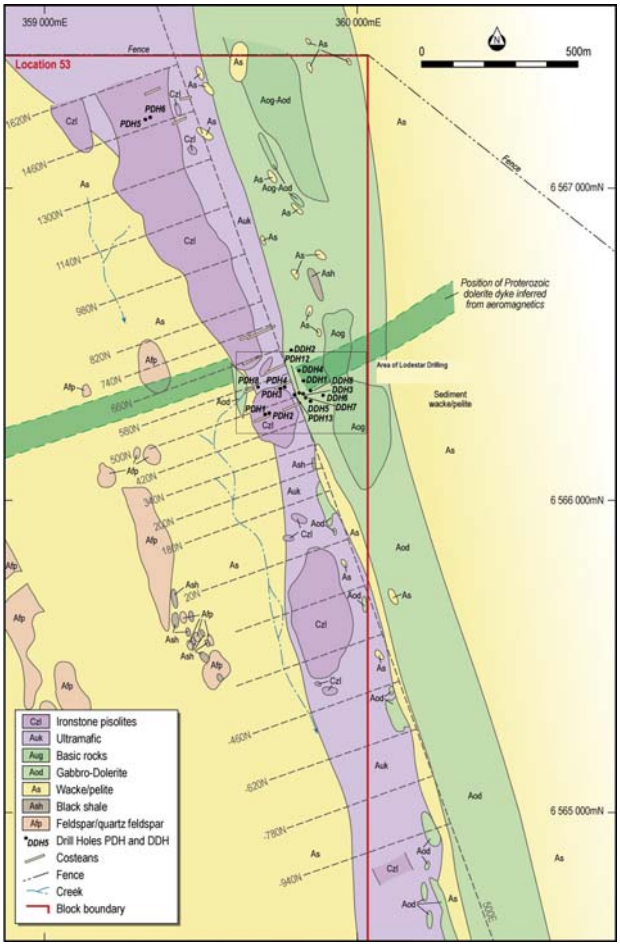

Figure 3 Geology of the Abattoir Prospect area

EXPLORATION REVIEW

Gold Exploration – Drilling

A review of the Penfold gold exploration database has identified a number of nickel-copper geochemical anomalies in historic shallow RAB and aircore drill holes. The anomalies occur in clay-weathered ultramafic lithologies, on both the western and eastern limbs of the Saddle Hills ultramafic sequence, in areas of no or minimal outcrop, that have not been subject to sub-surface nickel exploration. The anomalies represent previously unrecognised nickel sulphide targets in areas of poorly defined ultramafic stratigraphy and will be investigated further during 2008.

Hole_ID	AMG_East	AMG_North	depth_from (m)	depth_to (m)	Cu_ppm	Ni_ppm
97SDAC001	348264	6561925	28	32	258	1900
97SDR042	348704	6561480	32	36	284	1990
			36	40	390	2260
			40	44	849	1740
97SDR063	348143	6562304	40	44	270	2200
FRA_72000_05	346050	6572000	34	39	380	1450
FRA_72200_07	346000	6572200	50	55	470	1400
			55	60	380	1800
			60	65	900	5000
			65	67	670	1600
FRA_74400_04	345650	6574400	23	28	660	1180
MCA72000_2	347800.3	6571999.6	37	41	275	4700
SSA512	354244.02	6563464.12	14	16	258	1970
			40	42	272	2720
			42	44	642	1620
			44	46	522	2090
			46	48	424	2640
SSA512A	360550	6560950	14	16	258	1970
			40	42	272	2720
			42	44	642	1620
			44	46	522	2090
			46	48	424	2640

Table 2 Ni-Cu anomalies identified in the gold exploration database

GOLD EXPLORATION – SURFACE GEOCHEMISTRY

Saddle Hills Cu Anomaly

An historic auger sampling program over the Saddle Hills ultramafic sequence returned highly anomalous Cu values coincident with the ultramafic sequence and associated aeromagnetic feature. The Cu anomaly extends over a strike length of one kilometre, with Cu values ranging up to 740ppm. The associated Ni values generally range between 20 to 100ppm.

A Cu anomaly of this size and magnitude suggests a sulphide source, possibly related to the underlying ultramafic sequence. The location of coincident Ni-Cu anomalies in surrounding drill holes FRA_72000_05, FRA_72200_07, FRA_74400_04 and MCA72000_2 is believed to be significant. Consequently this area represents a priority target for future MLEM surveys, following completion of the Abattoir program.

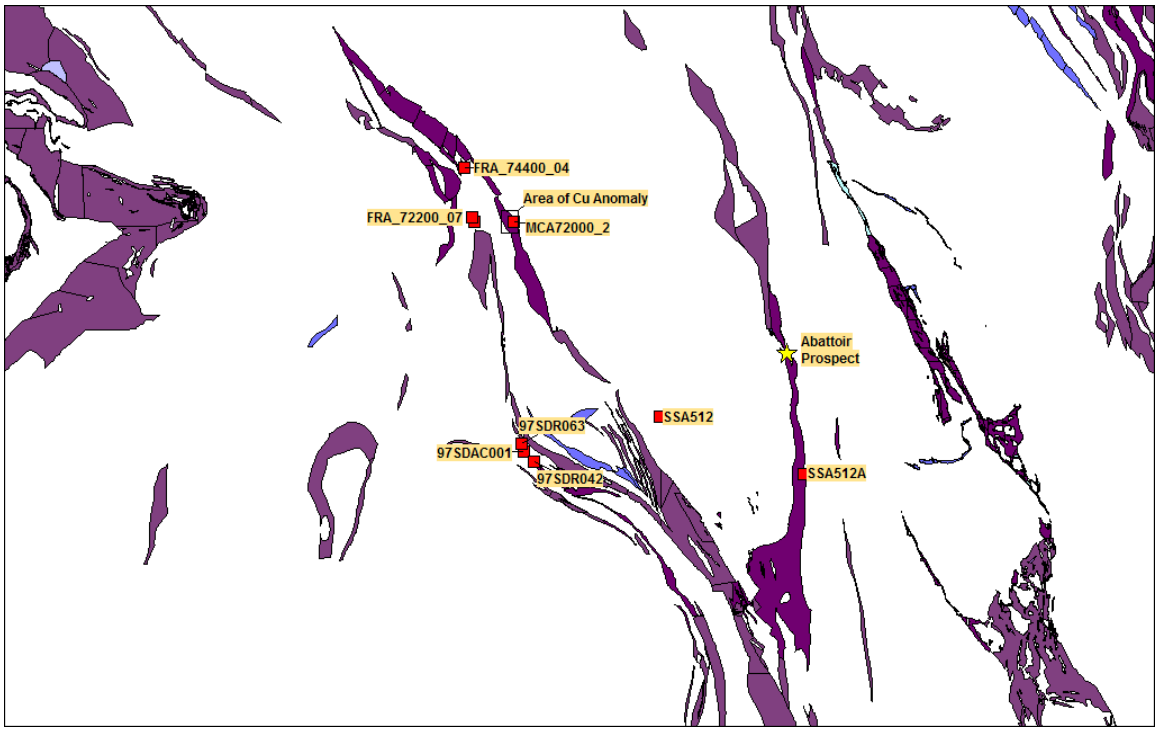

Figure 4 Location plan showing recently identified anomalies

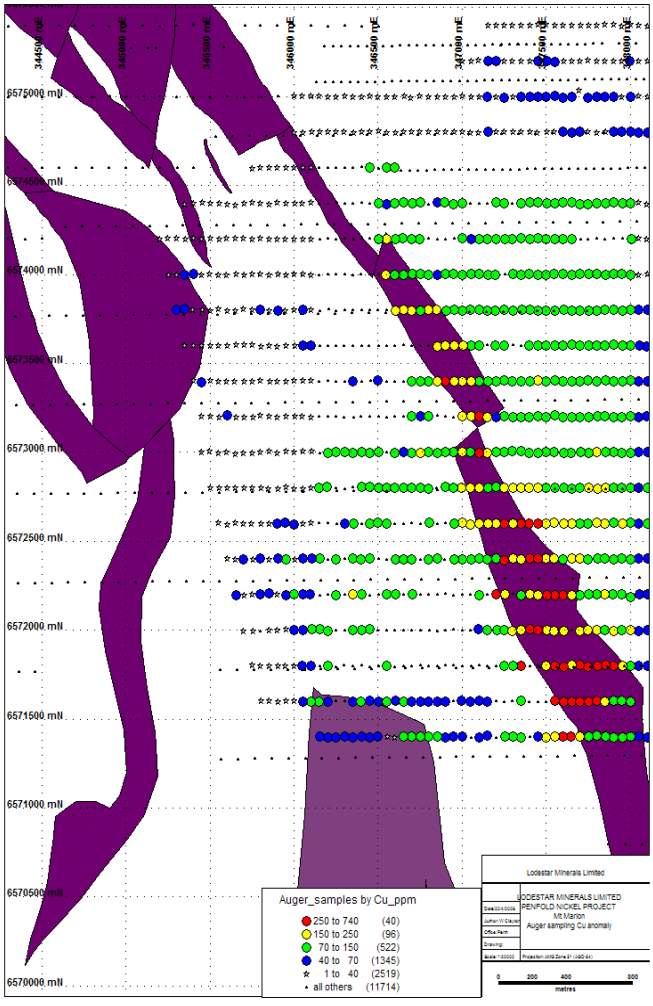

Figure 5 Saddle Hills auger sampling results, showing the distribution of ultramafic units

PLANNED ACTIVITIES FOR NEXT QUARTER

Exploration activities will include:

- Reconnaissance drilling (9,000m) of selected areas north of the Abattoir ultramafic sequence where aeromagnetic features under cover, possibly representing a continuation of the Abattoir sequence, are currently untested.
- The MLEM survey over the Abattoir ultramafic sequence will continue and will be extended to cover the Cu anomaly identified over the Saddle Hills ultramafic. Follow up drilling will be scheduled as required.

- Orientation soil sampling programs over selected areas of the Saddle Hills and Coolgardie ultramafic sequences.

Bill Clayton
Managing Director
T: 9389 8799

Peter Harris
Professional Public Relations
T: 9388 0944

Yours faithfully
LODESTAR MINERALS LIMITED

BILL CLAYTON
Managing Director

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 2004 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.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

LODESTAR MINERALS LIMITED

ACN or ARBN	Quarter ended ("current quarter")
127 026 528	31 March 2008

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (9 months) $A'000
Cash flows related to operating activities				
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	(196)	(199)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(135)	(229)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		71	72
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net Operating Cash Flows		(260)	(356)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	(4)	(4)
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.10	Loans to other entities		(87)	-
1.11	Loans repaid by other entities		-	-
1.12	Other		-	5
	Net investing cash flows		(91)	1
1.13	Total operating and investing cash flows (carried forward)		(351)	(355)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(351)	(355)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	14	4,993
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	51	(275)
	Net financing cash flows	65	4,718
	Net increase (decrease) in cash held	(286)	4,363
1.20	Cash at beginning of quarter/year to date	4,649	-
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	4,363	4,363

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	57
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Includes salaries paid to directors and director-related entities during the quarter, along with superannuation paid on behalf of directors. Also included is office rental expenses paid to a related entity.

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

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

N/A

+ See chapter 19 for defined terms.

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	100
4.2	Development	-
	Total	**100**

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.2		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	4,363	4,649
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	4,363	4,649

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.

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**	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 ****	50,000,000	49,316,245	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities**	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**			*Exercise price*	*Expiry date*
	Listed options	0	0	N/A	N/A
7.8	Issued during quarter	N/A	N/A	N/A	N/A
7.9	Exercised during quarter	0	0	N/A	N/A
7.10	Expired during quarter	Nil	N/A	N/A	N/A
7.11	**Debentures** *(totals only)*	Nil	N/A		
7.12	**Unsecured notes** *(totals only)*	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 Law or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2008

Director

Print name: David 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.

== == == == ==

+ See chapter 19 for defined terms.