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ASX ANNOUNCEMENT/MEDIA RELEASE

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GEOCHEMICAL SAMPLING CONFIRMS SIZEABLE BASE METAL ANOMALIES AT LODESTAR MINERALS' PEAK HILL – DOOLGUNNA PROJECT IN WESTERN AUSTRALIA

HIGHLIGHTS

- **Eight kilometer zone of copper anomalism at the 50ppm level, with a maximum copper value of 711ppm identified in surface lag sampling completed on the McDonald Well tenement.**
- **Strong spatial association identified between elevated copper values and black shale as a potential host to sediment-hosted mineralization, structures and untested VTEM anomalies.**
- **Result compares very favorably with regional copper targets identified elsewhere within the Doolgunna district and supports Lodestar's exploration model.**
- **First-pass soil sampling over the Marymia VTEM anomalies (T1 & T2) identifies base metal anomalies over the surface projection of the modeled conductors.**
- **Follow up RAB and targeted RC drilling programs likely to begin in Quarter 3 following receipt of statutory and heritage clearance approvals.**

Perth-based explorer **Lodestar Minerals Limited** (ASX: **LSR**), ("**Lodestar**" or the "**Company**") is pleased to report positive results from recently completed geochemical lag and soil sampling carried out over the Neds Creek (E52/2456 – McDonald Well) and Marymia tenements (E52/2492 – now named Transformer prospect, Figure 1) at the Peak Hill-Doolgunna Project in the Murchison Region of Western Australia.

Lodestar Managing Director, Bill Clayton, said the identification of a large zone of copper anomalism at McDonald Well is an important step in the Company's development of its "Flagship" Peak Hill Project exploration holdings.

"This is a very pleasing result and supports Lodestar's belief in the copper potential of the Doolgunna district and our exploration model for the area."

Mr Clayton added that the Company is also excited about the early stage results received from soil sampling at Marymia, where anomaly peaks representing 3 to 4 times background levels were found to persist through the hardpan layer.

"Lodestar now looks forward to following up this early promise with a targeted RC drilling program and a large reconnaissance RAB drilling program at both McDonald Well and Marymia, which we hope to undertake in the September quarter."

The Company has submitted statutory and heritage clearance approvals for a combined RAB and RC drilling program on both areas to test the geochemical and geophysical anomalies, with the RC holes to be drilled up to 150m below surface and the near surface RAB program to total several thousand metres.

OVERVIEW

McDonald Well (E52/2456)

Lag sampling across the tenement on a 400m x 800m grid has identified a large zone of copper (and multi-element) anomalism associated with black shale at the contact between the Juderina Formation and Johnson Cairn Formation and major structures. At the 50ppm Cu threshold the anomaly covers approximately 8 kilometres of prospective stratigraphy adjacent to the margins of the Yerrida Basin.

This result compares very favourably with regional copper targets identified elsewhere within the Doolgunna district and supports Lodestar's exploration model of stratiform, sediment-hosted copper mineralization as a potential source of the fault-hosted Thaduna deposits.

The relationship between the McDonald Well copper anomaly and numerous, as yet untested, discrete VTEM anomalies is shown in Figure 2. The geochemistry shows a broad correlation with the black shale – sandstone contact and northwest-trending structures. The association of maximum copper values at the northern end of the anomaly with an adjacent VTEM conductor is of particular interest.

The geochemical targets will be tested initially by a program of RAB drilling whilst selected VTEM anomalies to the west of the black shale unit, representing down-dip or down-plunge positions, are to be tested by RC drilling.

Marymia (E52/2492) - Transformer prospect

Results from first-pass soil sampling over the T1 and T2 conductors at the Transformer prospect have identified low-level base metal anomalies located over the surface projection of the conductors (Figures 3 & 4). The anomalies persist through a hardpan layer (a cemented layer of transported material between the soil and weathered rock that suppresses the bedrock geochemical response) and anomaly peaks represent 3-4 times background levels.

The Transformer anomalies represent well-defined geochemical targets to be tested to bedrock by RAB drilling. Deeper testing of the T1 & T2 conductors, thought to represent the source of the geochemical anomalies, will be achieved with RC drilling.

Drilling will be scheduled as soon as statutory and native title heritage clearance approvals are received.

Exploration Update

- Results for approximately 75% of the >400 square kilometer regional geochemical program have been received. The Company is now awaiting the imminent receipt of the results of the 1 kilometre-spaced lag sampling program across E52/2492 (Marymia), with these results to assist in the prioritization of exploration over the remainder of the tenement.
- Follow up surface rock chip sampling has been completed over a number of the areas identified from the regional geochemical lag and soil sampling on E52/2456 and E52/2492. Assay results of these rock samples are expected in the near future.
- Additional sampling to close-off the southern soil anomaly at the Transformer prospect is planned.

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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.

About Lodestar Minerals:

Lodestar Minerals Limited is a Perth-based explorer with projects in the Kimberley, Peak Hill and Kalgoorlie regions. Lodestar acquired its “Flagship” Peak Hill – Doolgunna project in March 2010. The Peak Hill – Doolgunna project forms the core of Lodestar’s project portfolio and represents a strategic landholding of 2200 square kilometres covering 120 kilometres of the Jenkin Thrust Belt, a regional fault system that is adjacent to the recently discovered DeGrussa Cu-Au deposit. Lodestar is embarking on an aggressive exploration program to assess the excellent potential of the emerging and under-explored north Murchison base metal province.

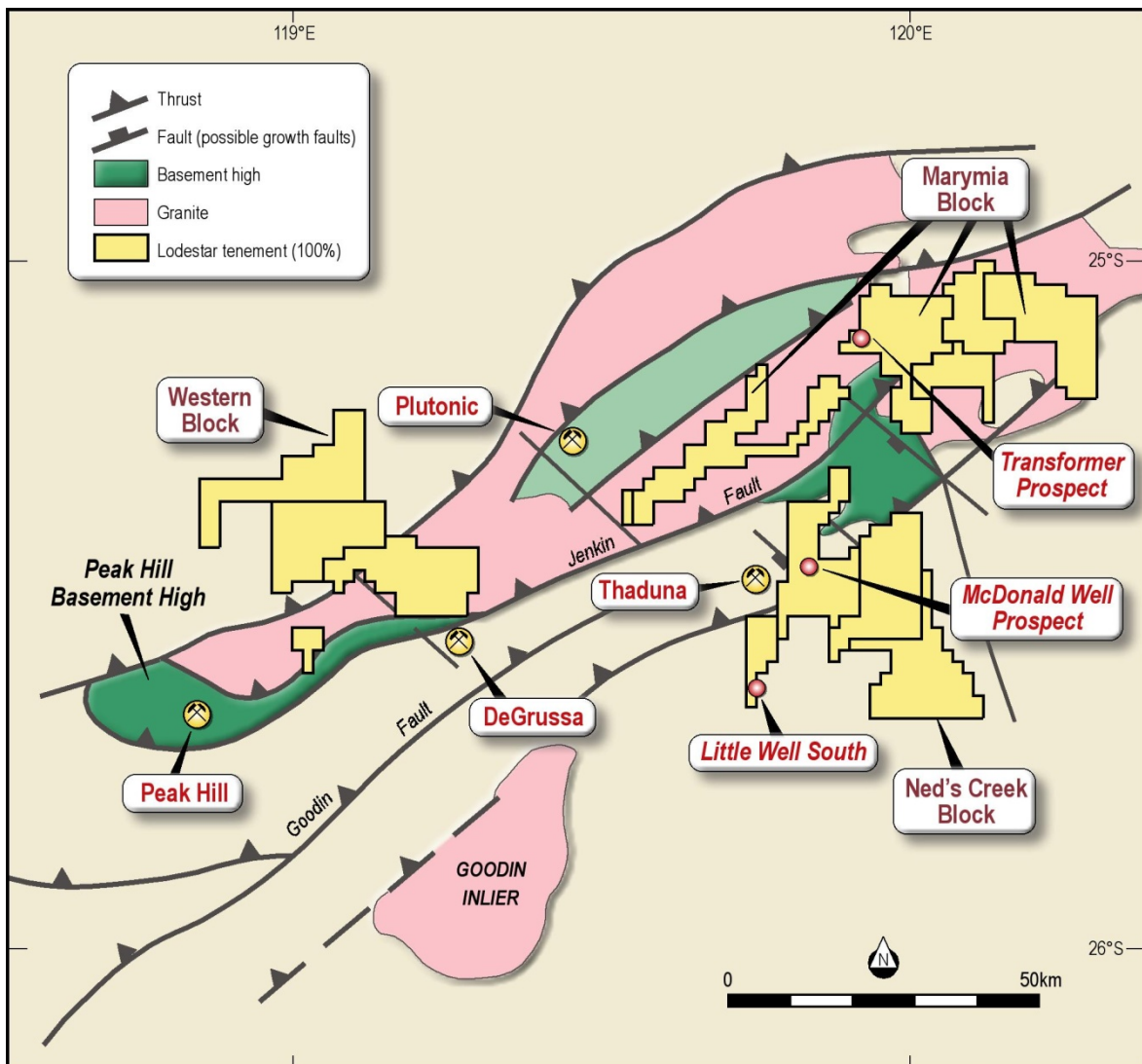
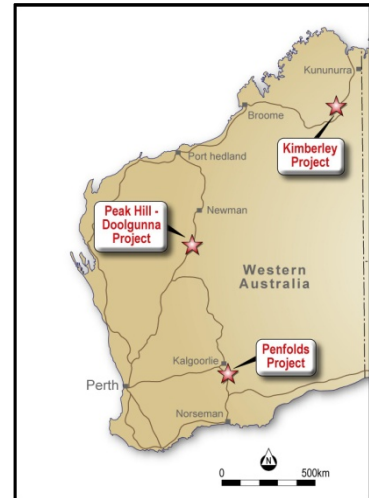


Figure 1 Lodestar’s Peak Hill – Doolgunna project

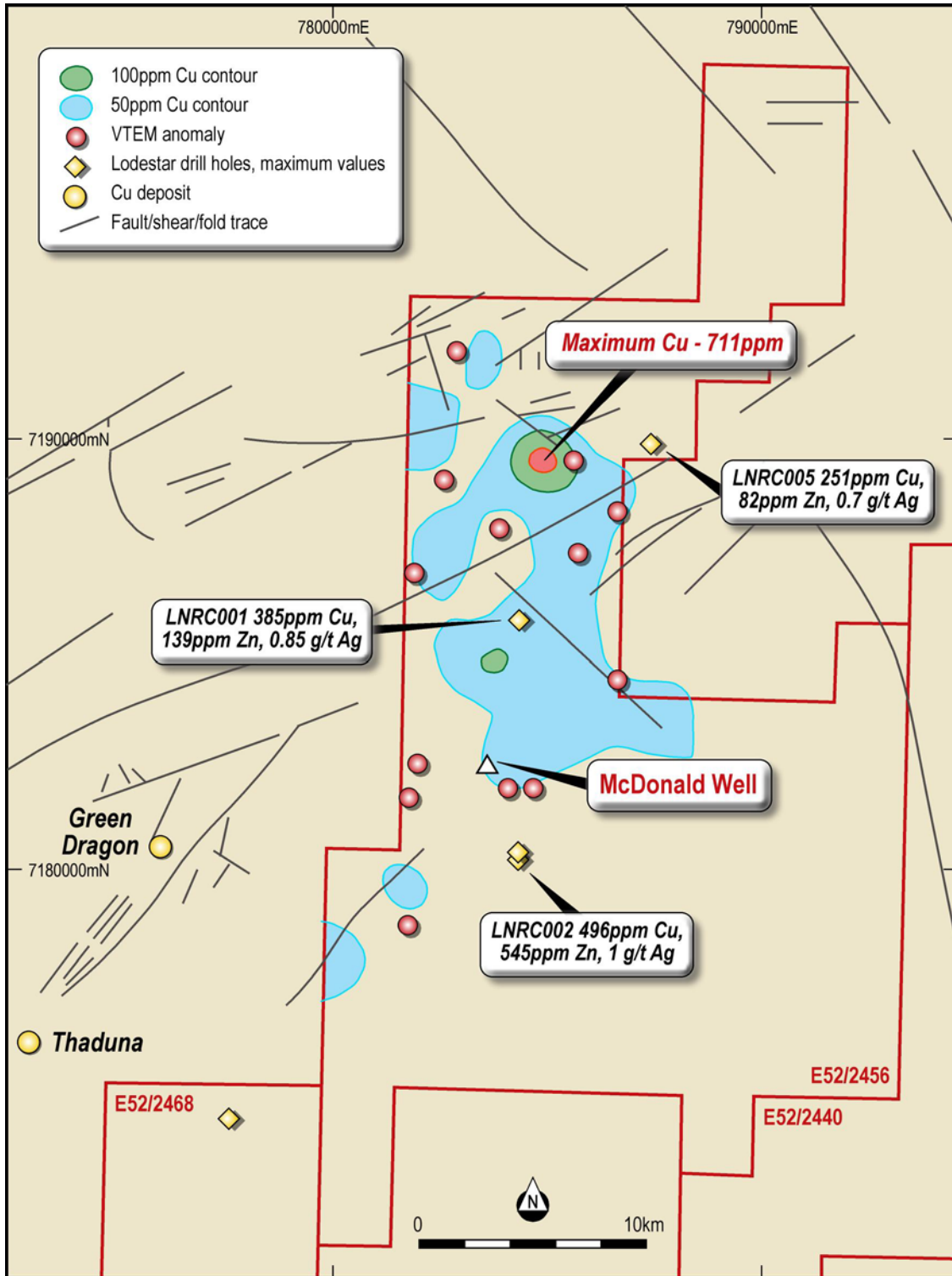


Figure 2 Cu contours, showing VTEM conductors (pale blue represents >50ppm Cu)

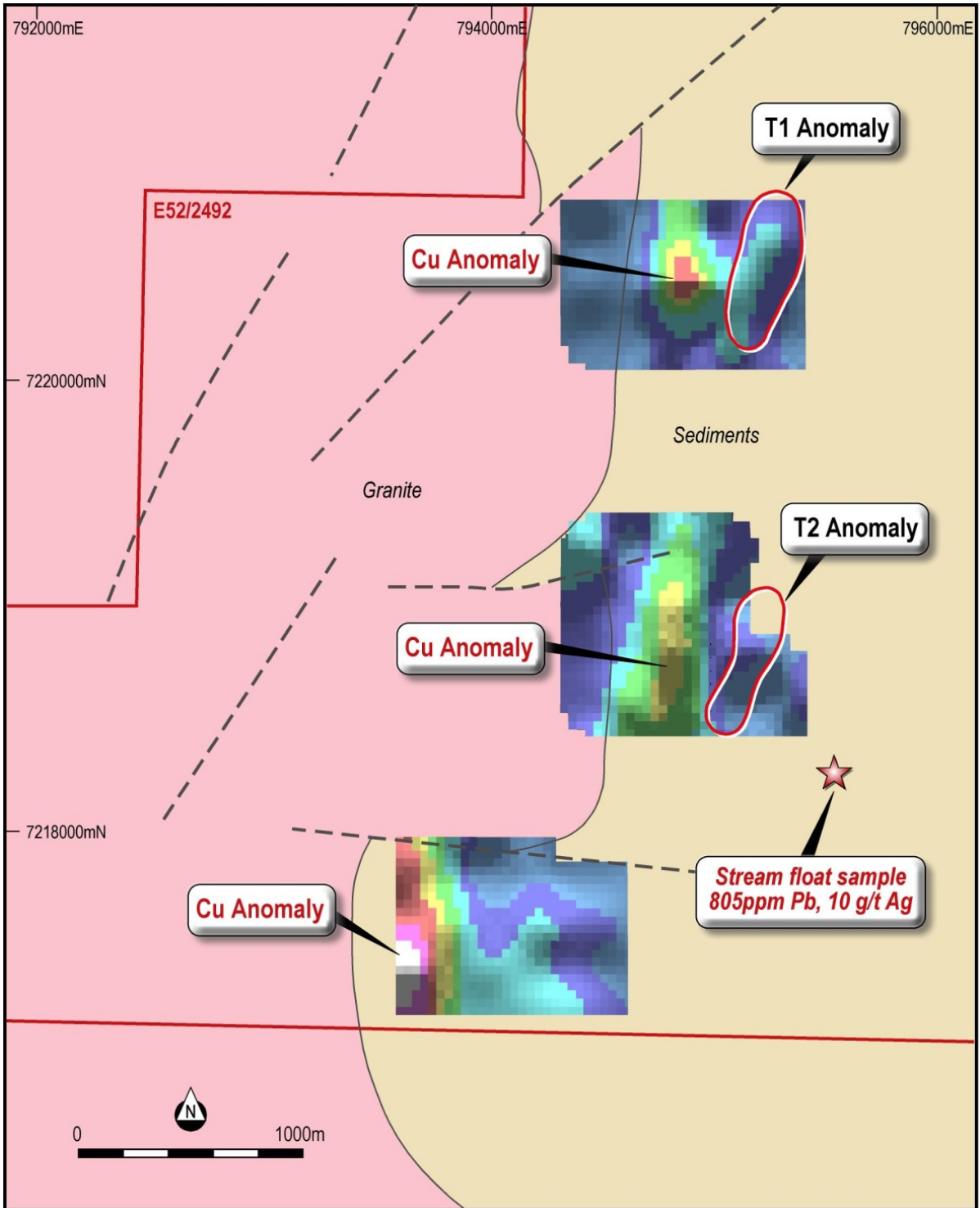


Figure 3 Transformer Prospect - Copper geochemistry image showing T1 & T2 VTEM anomalies

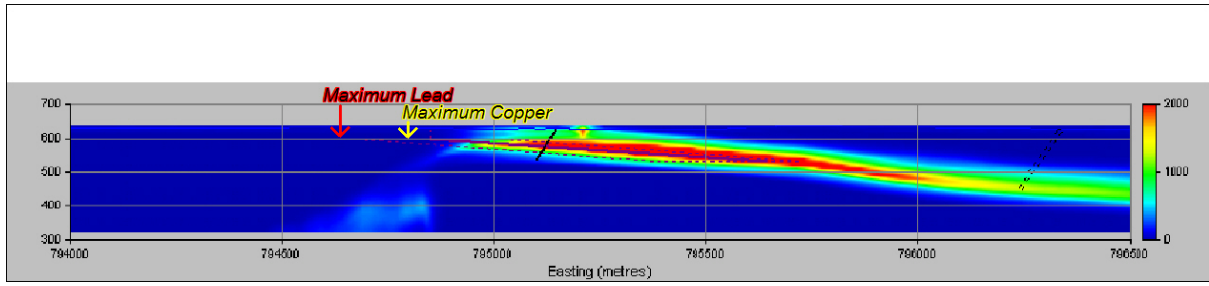


Figure 4 CDI (conductivity-depth image) cross-section view of the T2 VTEM anomaly showing the location of soil anomalies.