



Lodestar Minerals Limited

ABN 32 127 026 528

*Registered office*

Level 2, 55 Carrington Street  
Nedlands WA 6009

*Postal address*

PO Box 985  
Nedlands WA 6909

Tel: +61 8 9423 3200

Fax: +61 8 9389 8327

*Website*

[www.lodestarminerals.com.au](http://www.lodestarminerals.com.au)

25 October 2012

## ASX Limited

Electronic lodgement

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### **LODESTAR RECEIVES COMMITMENTS FOR A PRIVATE PLACEMENT OF \$1.4 MILLION AND ANNOUNCES 1:2 RIGHTS ISSUE TO RAISE A FURTHER \$ 2.3 MILLION.**

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The Board of Lodestar Minerals Limited ("Lodestar" or the "Company") is pleased to advise that it has received commitments for a private placement to raise \$1,400,000 before costs, through a placement to professional and sophisticated investors. The lead manager for the placement is Blackswan Equities Limited.

The placement of 40,000,000 shares at a price of 3.5 cents per share is being undertaken pursuant to S708 of the Corporations Act (Cwth) 2001.

15,000,000 shares will be placed pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1, and as such is not subject to shareholder approval. This tranche of the placement will raise \$515,000 before costs.

The balance of 25,000,000 shares will be placed subject to approval of shareholders at the Annual General Meeting to be held on 27 November 2012. This second tranche of the placement will raise \$875,000 before costs.

The Company also wishes to announce a pro rata non-renounceable rights issue to subscribe for one (1) new fully paid ordinary share for every two (2) ordinary shares held by Eligible Shareholders at 3.5 cents per share to raise up to \$2,301,065 before costs.

New shares issued under the rights issue will rank equally with all ordinary shares on issue. The Company will issue up to a maximum of 65,744,738 new ordinary shares pursuant to the rights issue.

The Rights Issue is not currently underwritten. The Directors reserve the right to obtain an underwriter at any stage in accordance with the Corporations Act (Cwth) 2001 and the ASX Listing Rules. Subject to any underwriting, the Rights Issue will contain a shortfall facility. Blackswan Equities have a first right of refusal to underwrite the rights issue and to place any shortfall in conjunction with the Board.

The Directors of the Company have indicated it is their present intention to take up their rights under the proposed rights issue.

Following completion of the capital raising and the rights issue, the Company will be well funded to continue its exploration programme over its highly prospective Peak Hill / Doolgunna tenements.

The Company does not believe that the issue of shares under the Rights Issue will have a material effect or consequence on the control of the Company. However, eligible shareholders who do not take up their rights will have their proportional interest in the Company diluted.

The timetable and a prospectus setting out further details of the Rights Issue will be issued in the near future accompanied by a personalised entitlement and acceptance form and instructions on how eligible shareholders may accept their entitlement. Any eligible shareholder who wishes to acquire new shares under the Rights Issue will need to complete the personalised entitlement and acceptance form that will accompany the Rights Issue prospectus.

**For and on behalf of the Board.**

**Contact:**

**Company**

David McArthur  
Executive Director  
Lodestar Minerals Limited  
Tel: +61 8 9423 3200

**Media**

Colin Hay  
Professional Public Relations  
Tel: +61 9388 0944

**About Lodestar Minerals**

*Lodestar Minerals Limited is a Perth-based explorer with projects in the Kimberley, Peak Hill and Kalgoorlie regions. Lodestar acquired the 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 2300 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 believes the region has potential to host a number of styles of base metal deposit and is embarking on an aggressive exploration program to assess the potential of the under-explored north Murchison base metal province.*