



ASX ANNOUNCEMENT

30 April 2014

COMPANY SNAPSHOT

LODESTAR MINERALS LIMITED
ABN: 32 127 026 528

CONTACT DETAILS

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CAPITAL STRUCTURE

Shares on Issue:
222,233,215 (LSR)

Options on Issue:
9,750,000 (Unlisted)

ASX: LSR

PROJECTS

Peak Hill – Doolgunna:
Base metals, gold



MARCH 2014

QUARTERLY ACTIVITIES REPORT

EXPLORATION

Ned's Creek Project

- Auger geochemical programme scheduled to commence in May.
 - Preparations completed for exploration to resume at the Contessa Gold Prospect.
 - The objective of the auger programme is to identify gold anomalies north east and south west of Contessa, demonstrating that Contessa is part of a large gold system within a prospective and untested belt of Archaean greenstone host rocks.
 - Delineation of additional anomalies along the 8 kilometre trend will enhance the significance of both the Contessa Trend and the Contessa Target, and will add support for immediate drill testing of Contessa and other targets with the aim of locating a primary gold source.

Troy Creek Opportunity (Cu-Au; Au)

- Applications for two additional tenements were submitted, bringing the total area under application to 1126 square kilometres and the strike length of prospective Troy Creek stratigraphy under Lodestar's control to approximately 75 kilometres.
- A review of open file data has confirmed little or no exploration within large areas of the prospective tectonic basin margin beneath relatively thin surface cover. Scope for further drilling exists within and along strike from the known gold and copper anomalies.



PEAK HILL-DOOLGUNNA

Ned’s Creek (E52/2440, E52/2444, E52/2456, E52/2468 & E52/2733)

The Neds Creek tenements cover 830 square kilometres of the Proterozoic Yerrida Basin and surrounding Archaean greenstone and granite basement. They are located 170 kilometres north east of Meekatharra and 7 kilometres east of the Thaduna-Green Dragon copper mines, currently being evaluated by Ventnor Resources and Sandfire Resources.

The Yerrida Basin contains thick volcano-sedimentary sequences that are bounded by large scale structures, the Jenkin and McDonald Well Faults and there is good potential for large scale base metal mineralisation adjacent to these structures.

During 2013 Lodestar discovered significant gold mineralisation at the Contessa Prospect. Contessa lies within a 7 kilometre long gold anomaly overlying Archaean greenstone, within a major structural corridor traversing the Kalgoorlie Terrane, on the southern margin of the Marymia Inlier.

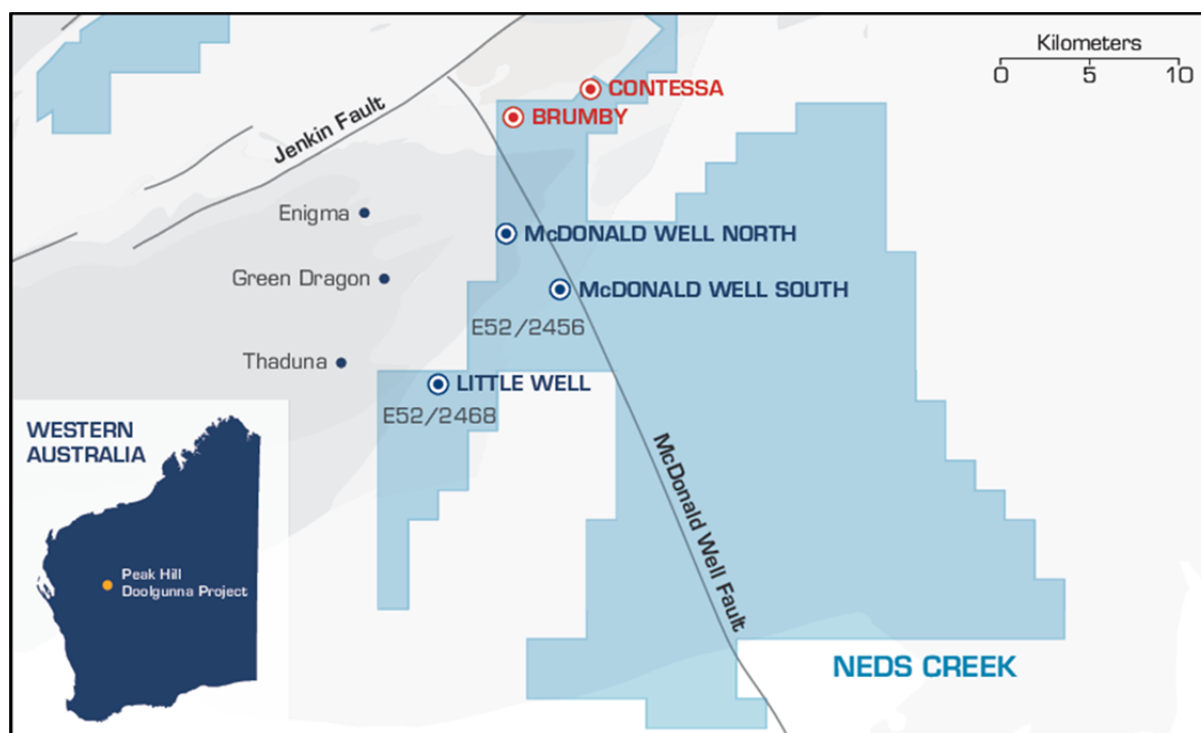


Figure 1. Location Plan showing the main Ned's Creek prospects (Gold - red, Copper - blue)

Contessa

Auger sampling will be undertaken along the Contessa trend on 160 and 320 metre line spacings (Figure 2) to delineate additional zones of gold anomalism, similar to the 600m x 400m anomaly apparent at Contessa. Positive results will lead to infill geochemical sampling and aircore drilling. RC drilling of Contessa and other targets will then be planned within the context of the evaluation of a large gold system.

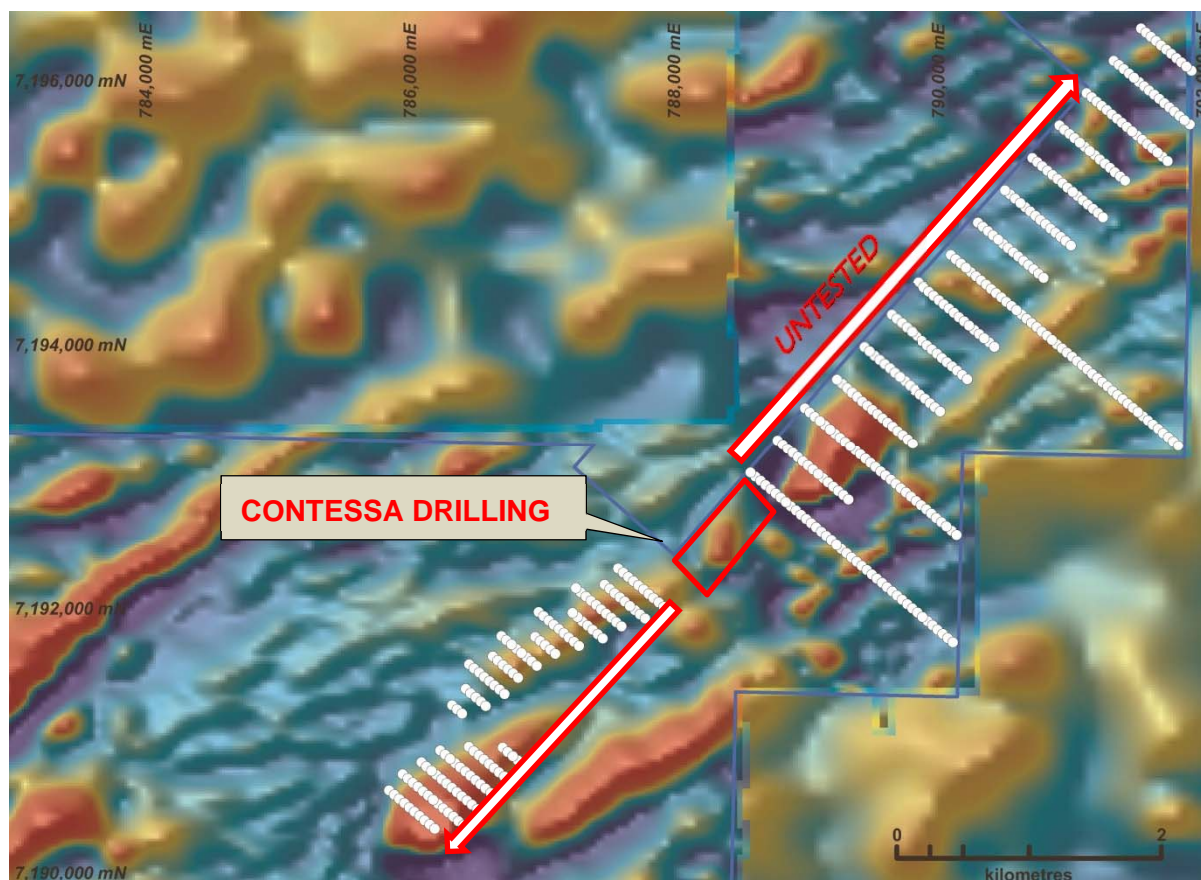


Figure 2. Contessa trend proposed auger sampling programme, showing untested magnetic greenstone units (1VD magnetic image, GDA94 Zone 50)

The programme is designed to extend regional exploration to the northeast and southwest of the Contessa Target where first-pass drilling in 2013, on 80 metre section spacings, returned the following encouraging results (see Lodestar's (ASX:LSR) ASX releases dated 18th March 2013 and 4th June 2013);

- 21m at 3.01g/t gold from 40m in LNR656
- 10m at 5.6g/t gold from 55m in LNR533
- 10m at 1.2g/t gold from 50m in LNR545 and
- 15m at 3.1g/t gold from 40m in LNR546

These results have not yet been followed up.

Reconnaissance drilling information along the Contessa trend suggests that the Contessa Target is part of a system that extends for at least 8 kilometres, and further exploration is likely to produce additional targets. For example, encouraging drilling results from an isolated aircore traverse 1.6 kilometres southwest from Contessa (12m @ 0.16g/t gold, see LSR ASX release 16th January 2012) indicate that the mineral system extends well beyond the Contessa Target. To the northeast of Contessa, a single reconnaissance aircore traverse picked up indications that the Contessa system extends at least 1 kilometre to the north east, where it remains open.



Assay results from the upper part of the drill holes at Contessa show that, had Contessa been explored with 10m auger sampling rather than surface lag sampling, it would have produced a robust 600 x 400m auger anomaly. The complications of transported surface material are reduced with auger sampling, and this is now the preferred tool for extending geochemical coverage at Contessa.

Auger sampling will commence in May, subject to contractor availability, with initial results expected by June.

TROY CREEK

The Troy Creek region is located 260 kilometres northeast of Wiluna. Recent dating of the Frere Iron Formation in this region gave ages similar to those expected for the Bryah Basin, implying that the rocks stratigraphically below the Frere Formation (i.e. the Troy Creek Beds) are Bryah Basin age equivalents (Figure 3).

The Bryah Basin hosts a number of significant copper and gold deposits, including the DeGrussa discovery of Sandfire Resources NL. Equivalent age rocks along the northern margin of the Yilgarn Craton may have similar prospectivity and historic gold and copper prospects in the Troy Creek region have added significance when considered in the context of the tectonic setting, gold and copper endowment and metal associations of the Bryah Basin.

Applications for two additional tenements were submitted, bringing the total area under application to 1126 square kilometres and the strike length of prospective Troy Creek stratigraphy under LodeStar's control to approximately 75 kilometres.

A review of open file data has confirmed little or no exploration within large areas of the prospective tectonic basin margin. Scope for further drilling exists within and along strike from the known gold and copper anomalies.

The Troy Creek gold and copper prospects occur as isolated outcrops extending over a strike distance of 14 kilometres. The prospects appear related to a large-scale mineralising system localised within a major northwest trending tectonic margin. Large areas within the prospective tectonic margin, concealed by a relatively thin veneer of transported material, remain unexplored and are key areas for future evaluation.

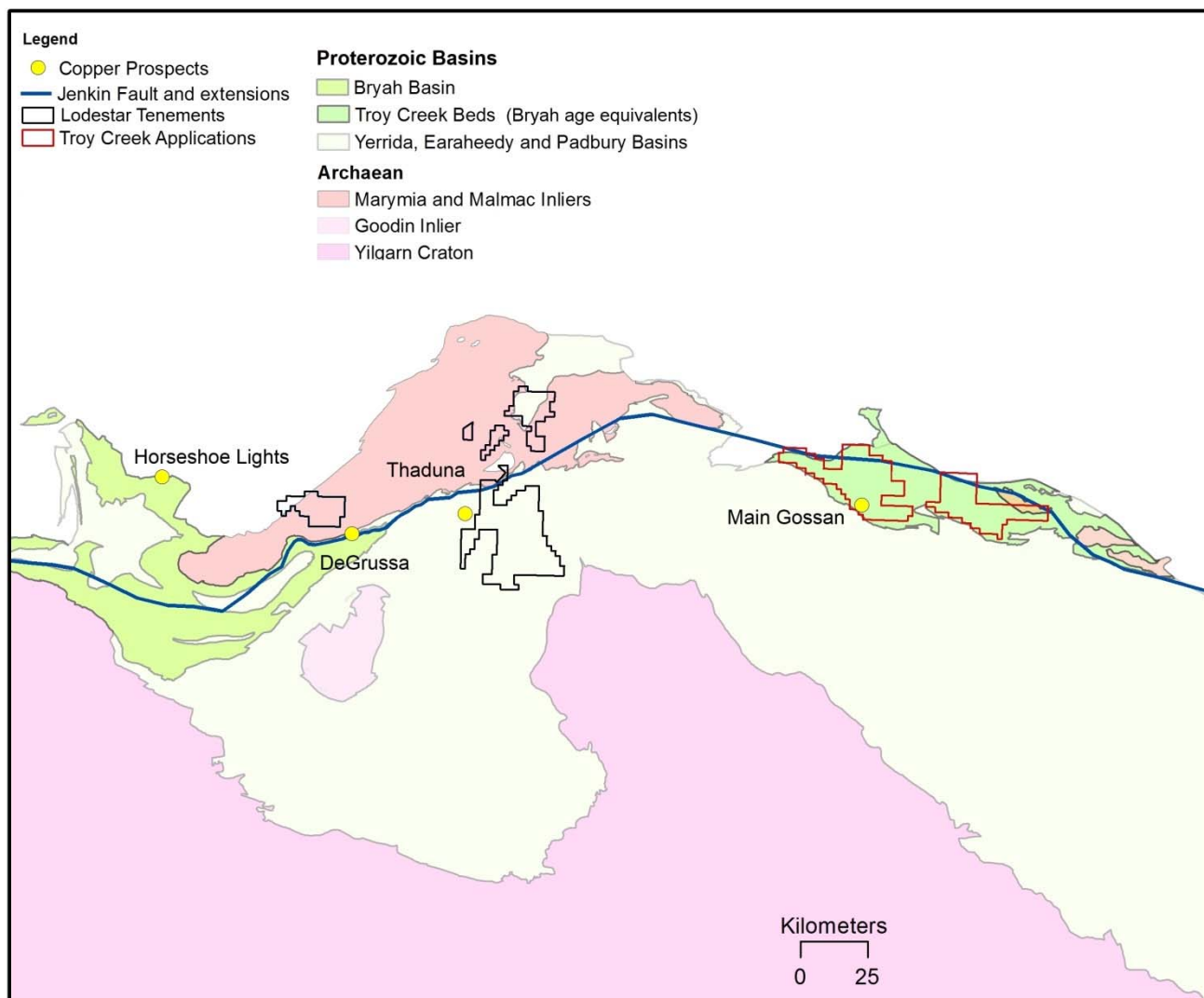


Figure 3. Regional Setting of Lodestar's Troy Creek applications

Competent Person's Statement

The information in this report that relates to exploration results is based on information compiled by Bill Clayton, a Competent Person, who is a member of the Australian Institute of Geoscientists. The information in this announcement that relates to previously released exploration results was disclosed under JORC Codes 2004 and 2012 for the Contessa Prospect. This information is extracted from reports entitled "Gold Anomalies in the Contessa Gold Area" created on 16th January 2012; "Significant Gold Results from Contessa" created on 18th March 2013; "Significant Gold Discovery at Contessa" created on 4th June 2013 and is available to view on www.lodestarminerals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Bill Clayton is Managing Director and a full-time employee of the Company. Bill Clayton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for 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.


APPENDIX 1: Schedule of Exploration Tenements as at 31 March 2014

Project/Tenement	Location	Interest at Beginning Quarter	Interest at End Quarter	Acquired during Quarter	Disposed during Quarter	Registered Holder
PEAK HILL						
Robinson Range	W. Australia					
E52/2403		100%	100%	-	-	Lodestar Minerals
E52/2512		100%	100%	-	-	Money, Glenn
Ned's Creek	W. Australia					
E52/2440		0%	100%	-	-	Audacious Resources Limited ⁽¹⁾
E52/2444		0%	100%	-	-	Audacious Resources Limited ⁽¹⁾
E52/2733		100%	100%	-	-	Lodestar Minerals
E52/2456		100%	100%	-	-	Money, Glenn ⁽²⁾
Yowereena Hill	W. Australia					
E52/2493		0%	100%	-	-	Audacious Resources Limited ⁽¹⁾
E52/2734		100%	100%	-	-	Lodestar Minerals
E52/2492		0%	100%			Audacious Resources Limited ⁽¹⁾
Little Well	W. Australia					
E52/2468		0%	100%	-	-	Audacious Resources Limited ⁽¹⁾

⁽¹⁾ Audacious Resources Limited is a wholly-owned subsidiary of Lodestar Minerals Limited - title transferred from Glenn Money

⁽²⁾ Awaiting transfer of title from Glenn Money

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/01, 01/06/10, 17/12/10

Name of entity

LODESTAR MINERALS LIMITED

ABN

32 127 026 528

Quarter ended ("current quarter")

31 MARCH 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(37)	(436)
(b) development	-	-
(c) production	-	-
(d) administration	(154)	(532)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	23
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes received / (paid)	-	-
1.7 Other -	-	-
Net Operating Cash Flows	(183)	(945)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(22)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(22)
1.13 Total operating and investing cash flows (carried forward)	(183)	(967)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(183)	(967)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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 – capital raising costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(183)	(967)
1.20	Cash at beginning of quarter/year to date	825	1,609
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	642	642

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	75
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 - Includes salaries paid to directors, as well as superannuation paid on behalf of directors. Also includes corporate and accounting services paid to a company associated with one of the directors. A percentage of the Managing Director's salary has been capitalised to exploration activities.

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

None

- 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

None

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	135
4.2 Development	-
4.3 Production	-
4.4 Administration	91
Total	226

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.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	142	125
5.2 Deposits at call	500	700
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	642	825

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.

Appendix 5B
Mining exploration entity quarterly report

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 <i>(description)</i>	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 **	222,233,215	222,233,215	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	N/A	N/A	N/A	N/A
7.5 *Convertible debt securities <i>(description)</i>	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 <i>(description and conversion factor)</i>	2,500,000 2,250,000 5,000,000	- - -	<i>Exercise price</i> Various Various 5 cents	<i>Expiry date</i> 29 November 2016 8 May 2017 16 December 2017
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	N/A	N/A	N/A	N/A
7.10 Expired during quarter	N/A	N/A	N/A	N/A
7.11 Debentures <i>(totals only)</i>	Nil	N/A		
7.12 Unsecured notes <i>(totals only)</i>	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 Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2014
Company Secretary

Print name: David M 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

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