



ASX ANNOUNCEMENT

22 August 2014

Electronic lodgement

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



LODESTAR RAISES \$ 275,000 IN PRIVATE PLACEMENT AND ANNOUNCES 1:3 ENTITLEMENTS ISSUE TO RAISE A FURTHER \$ 1.053.000 MILLION

The Board of Lodestar Minerals Limited (“Lodestar” or the “Company”) is pleased to advise that it has placed 21,153,846 Shares at 1.3 cents each to raise \$275,000, through a placement to professional and sophisticated investors. The placement is being undertaken pursuant to S708 of the Corporations Act (Cwth) 2001 to professional and sophisticated investors, and pursuant to the Company’s 15% placement capacity under Listing Rule 7.1 (the placement utilised the full available capacity). The placement also includes the issue of one option for every three shares applied for, being a total of 7,051,282 options. The options are to be issued for nil consideration and are exercisable at 3 cents on or before the date 18 months from the date of issue.

The Company also wishes to announce a pro rata non-renounceable entitlements issue to subscribe for one (1) new fully paid ordinary share for every three (3) ordinary shares held by Eligible Shareholders at 1.3 cents per share to raise up to \$1,050,000 before costs. One (1) option exercisable at 3 cents at the exercise date of the options issued pursuant to the placement will be issued for nil consideration for every three (3) shares applied for in the entitlements issue.

New shares issued under the placement and the entitlements issue will rank equally with all ordinary shares on issue. The Company will issue up to a maximum of 81,129,020 new ordinary shares and 27,043,007 new options pursuant to the entitlements issue (subject to rounding).

The Entitlements 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 Entitlements Issue will contain a shortfall facility.

The Directors of the Company have indicated it is their present intention to take up their rights under the proposed entitlements issue, and should an Underwriter be appointed to be considered for Sub-underwriting of the issue.



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The timetable and Offer Documents setting out further details of the Entitlement Issue will be issued in the near future (anticipated within 3 weeks) accompanied by a personalised entitlement and acceptance form and instructions on how eligible shareholders may accept their entitlement.

The funds from the Capital Raising and Entitlements Issue will be used to progress the Company's base metal and gold projects in the Doolgunna region, including the highly prospective Imbin and Camel Hills terranes identified by Lodestar's recent review of the northern Yilgarn margin. The exploration focus will be drilling of advanced targets at Ned's Creek, including the Contessa Gold targets, and commencement of fieldwork at the Imbin and Camel Hills projects as soon as practicable.

Ned's Creek

- Additional drilling to advance gold targets in the Contessa area, with the aim of identifying a primary source to ore-grade intercepts reported in first-pass aircore drilling and beneath extensive gold geochemical anomalies identified by Lodestar.
- Drilling within the eastern margin of the Thaduna Copper Province will target strike extensions to the large copper oxide "blanket" identified at the Enigma Prospect on Sipa Resource's adjacent tenement. The margin represents a proven setting for sediment-hosted replacement and structurally-controlled copper deposits.

Imbin

- Back-arc rift setting of similar age to the Bryah Basin. Cu-Au intersections in historic drilling highlight potential for high-value base metal targets. The initial programme will include field assessment of the geological setting and drill results, to be followed by drilling programmes.

Camel Hills

- Continental arc setting, large surface gold anomaly within the Errabiddy Shear Zone extends over 19 kilometres, limited historic drilling over 1400 metres intersected wide intervals of low-grade gold mineralisation. Located 60 kilometres south east of Gascoyne Resource's Glenburgh Project (21.1Mt @ 1.5g/t Au (1Moz)). Field assessment of the geology and alteration system is required prior to drilling.

For and on behalf of the Board.

Ross Taylor
Chairman
LODESTAR MINERALS LIMITED