9th October 2018



Diamond Drilling Returns High Grades at Contessa and Gidgee Flat

Highlights

CONTESSA

- > Very high-grade intersection returned adjacent to previous high-grade RC result:
 - 5.1m at 28g/t Au from 143m, including 1m at 134g/t Au from 143m (LND003)

GIDGEE FLAT

- > Diamond core twin of previous RC hole LNRC039 (11m at 5.8g/t Au) reported:
 - 6.01m at 2.0g/t Au from 206.45m, including 1.01m at 6.9g/t Au from 211.4m (LND004)
- > Diamond tail of LNRC034, collared 70m east of LND004, reported:
 - 6.62m at 2.0g/t Au from 203.73m, including 1.55m at 4.8g/t Au from 208.1m (LND005).

RC DRILLING ONGOING

Follow-up RC drilling continuing at Contessa and Gidgee Flat with first samples recently dispatched for assaying and results expected by the end of October.

West Australian gold explorer Lodestar Minerals Limited ("Lodestar" or "the Company", ASX: LSR) advises that assay results from the diamond drilling completed to "twin" high-grade gold intersections reported from RC drilling at the Contessa and Gidgee Flat prospects, have been received. The diamond holes were drilled to provide important structural information to assist with targeting the known zones of high-grade gold mineralisation present at both project areas.

Lodestar is currently completing an extensive drill campaign to scope the extent of bedrock gold mineralisation at key prospects on the Company's 100%-owned Neds Creek project in the Murchison region of Western Australia (see Figure 1). The first stage of this program comprised diamond drilling of selected high grade gold intersections in previous RC drilling to resolve structural controls on mineralisation. Assay results from the diamond drilling have been received and confirm the potential for high grade gold mineralisation in both systems. Significant assay results, greater than 1g/t Au, are listed in Table 1 and all assay results greater than 0.1g/t Au are listed in the Annexure.



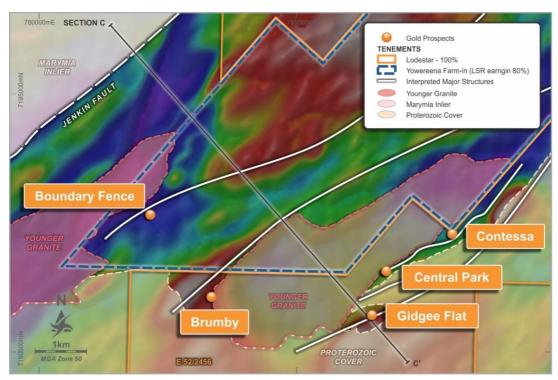


Figure 1. Prospect location plan, showing Contessa and Gidgee Flat - Neds Creek project.

CONTESSA

Diamond drill hole LND003 was completed to a depth of 156.19m, targeting the zone of very high grade gold (4m at 74g/t Au from 140m, including exceptionally high grade gold up to 151g/t Au) reported from LNRC026 (see Lodestar's ASX announcement dated 12th June 2018). The diamond drill hole intersected partly oxidised, strongly deformed and altered diorite with local concentrations of pyrite alteration/mineralisation. LND003 reported significant gold from 140m with the interval from 143m to 148.1m averaging 28g/t Au, including very high grade gold, as reported from LNRC026, of 134g/t Au from 140m to 141m (see Table 1). Collar locations and the distribution of gold are shown in Figures 2 to 4.

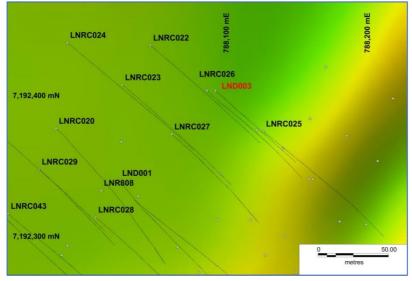


Figure 2. Contessa - collar location plan, showing LND003 and LNRC026 on background 1VDRTP aeromagnetic image.



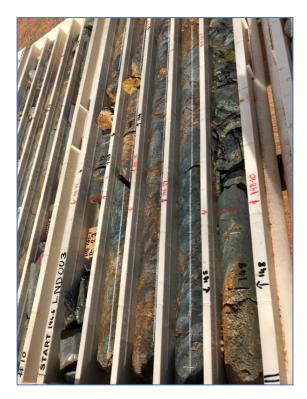


Figure 3. Altered and partly oxidised drill core from mineralised zone, LND003.

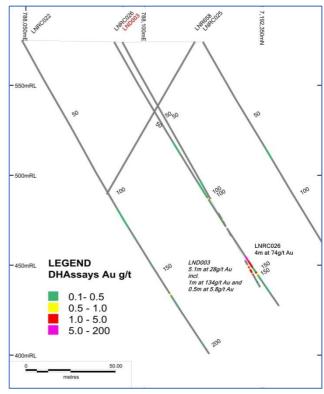


Figure 4. LND003 - Cross-section view, looking northeast.

GIDGEE FLAT

Two diamond drill holes were completed at Gidgee Flat. The first, LND004, was a twin hole to LNRC039 which returned a zone of 11m at 5.8g/t Au including grades of up to 28g/t Au. The second, LND005, was a diamond tail to LNRC034 which was a single hole drilled on the northern traverse of the program completed in March 2018 (see Lodestar's ASX announcement dated 9th May 2018). Results from nearby drill holes suggested that LNRC034 may have been collared too far north of the interpreted position of the target.

LND004 intersected a 6.01m zone grading 2.0g/t Au including a maximum grade of 6.9g/t Au and measurements of foliation indicate a steep to moderately north dipping mineralised zone.

LND005 reported a 6.62m interval grading 2.0g/t Au, including a maximum gold grade of 6.2g/t Au, confirming the presence of the mineralised system to the east of LNRC034 (see Figures 5 to 8).



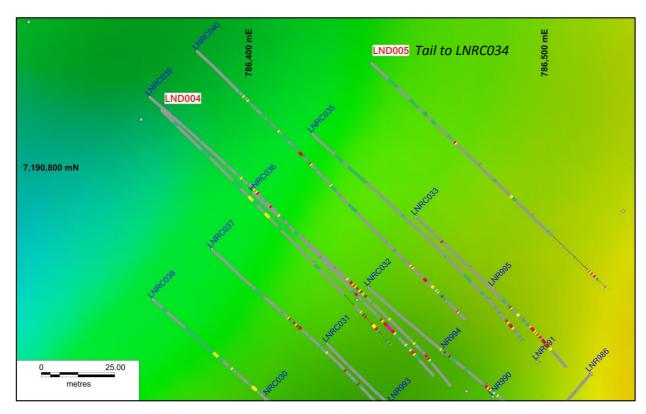


Figure 5. Gidgee Flat collar plan showing LND004 and LND005 on background 1VDRTP aeromagnetic image.



 $Figure\ 6.\ Pyrite\ mineralisation\ with\ silica-Kfeldspar-haematite-calcite\ alteration,\ LND004.$



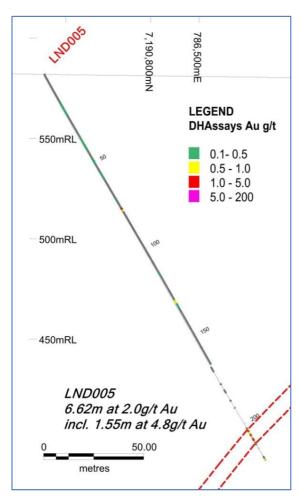


Figure 7. Section view LND005, looking northeast.

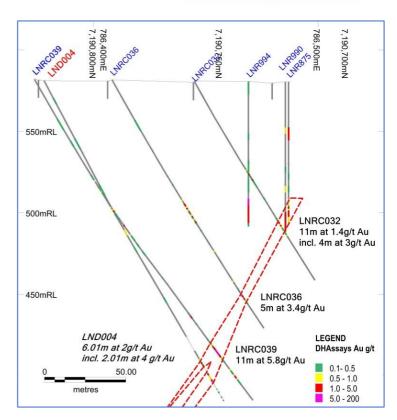


Figure 8. Section view LND004, looking northeast.



NEXT STEPS

More detailed analysis of the diamond core from Contessa and Gidgee Flat will be undertaken in order to further refine future targeting.

Lodestar is well advanced with an extended program of RC drilling to scope the extent of bedrock mineralisation at the Contessa and Gidgee Flat prospects. The first batch of RC samples having been dispatched to the laboratory and results are expected towards the end of October.

The program is currently testing extensions to the Gidgee Flat mineralisation where alteration typical of the mineralised system has been observed in drilling over a strike distance of 200m. The program also includes the first systematic RC drilling at Central Park, where a large supergene anomaly has been defined in aircore drilling in a similar geological setting to Gidgee Flat.

Table 1 Drill hole location and significant drill intersections greater than 1g/t Au.

Hole_ID	Easting	Northing	RL	TotalDepth	DrillType	Dip	Azimuth	From	То	Length	Au g/t
LND003	788093	7192403	574	156.2	DD	-61.7	131.2	122.3	122.7	0.4	1.02
								140.35	140.6	0.25	2.45
								143	144	1	134
								144.92	145.9	0.98	1.41
								145.9	146.54	0.64	2.59
								146.54	147	0.46	4.32
								147.6	148.1	0.5	5.89
								152.75	153.1	0.35	1.28
LND004	786371	7190819	581	225.8	DD	-62	134.5	198.3	199.26	0.96	2.04
								200.3	201	0.7	1.36
								206.45	207.45	1	1.81
								210.45	211.45	1	1.17
								211.45	212.46	1.01	6.94
LND005	786442	7190835	581	221	DD	-61	133.3	203.73	204.43	0.7	3.23
								205.8	206.4	0.6	1.39
								208.1	209	0.9	6.27
								209	209.65	0.65	2.87

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About Lodestar

Lodestar Minerals is an active Western Australian gold explorer with a prospective tenement package spanning more than 2,000km² at the edge of the Pilbara and Yilgarn Cratons. Lodestar has three main projects – Ned's Creek, Camel Hills and Imbin – and is also earning an 80% interest in Vango Mining's Yowereena gold project which is adjacent to Ned's Creek. Ned's Creek is located 35km east of Superior Gold's 5Moz Plutonic gold mine and 170km north of Meekatharra.

Lodestar's main focus is Ned's Creek where it was first to identify the potential for syenite intrusion-related gold mineralisation within a craton margin setting and subsequently has made greenfields gold discoveries at the Contessa and Gidgee Flat prospects. Contessa is one of many partly explored gold anomalies located within a large shear zone developed along the southern margin of a 6



kilometre long, elongate composite granite intrusion. The Yowereena gold project provides Lodestar with access to the unexplored northern margin of the Contessa granite and under explored prospective Archaean greenstone terrane within a region of major gold endowment and production.

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 2012 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.

The information in this announcement that relates to previously released exploration results was disclosed under JORC 2012 in the ASX announcements dated 9th May 2018 "First RC Results from Gidgee Flat Extend Gold Discovery" and 12th June 2018 "Confirmation of Exceptional Gold Grades at Contessa". These announcements are available to view on the Lodestar website. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. 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.



ANNEXURE -Drill intercepts greater than 0.1g/t Au

Hole_ID	Easting	Northing	RL	TotalDepth	DrillType	Dip	Azimuth	From	То	Length	Au g/t
LND003	788093	7192403	574	156.2	DD	-61.7	131.2	88	92	4	0.138
								112	113	1	0.148
								113	114	1	0.724
								114	115	1	0.279
								122.3	122.7	0.4	1.02
								140.35	140.6	0.25	2.45
								140.6	141	0.4	0.264
								142	143	1	0.78
								143	144	1	134
								144	144.92	0.92	0.914
								144.92	145.9	0.98	1.41
								145.9	146.54	0.64	2.59
								146.54	147	0.46	4.32
								147	147.6	0.6	0.771
								147.6	148.1	0.5	5.89
								152.75	153.1	0.35	1.28
								153.1	154	0.9	0.121
								154	155	1	0.219
LND004	786371	7190819	581	225.8	DD	-62	134.5	12	16	4	0.1
								40	44	4	0.129
								44	48	4	0.209
								72	76	4	0.17
								76	80	4	0.315
								88	92	4	0.656
								92	96	4	0.364
								104	108	4	0.536
								116	120	4	0.102
								152	156	4	0.156
								195.8	196.68	0.88	0.652
								196.68	197.3	0.62	0.438
								197.3	198.3	1	0.211
								198.3	199.26	0.96	2.04
								199.26	200.3	1.04	0.204
								200.3	201	0.7	1.36
								205.45	205.76	0.31	0.185
								205.76	206.45	0.69	0.489
								206.45	207.45	1	1.81
								207.45	208.45	1	0.938



								208.45	209.45	1	0.781
Hole_ID	Easting	Northing	RL	TotalDepth	DrillType	Dip	Azimuth	From	То	Length	Au g/t
								209.45	210.45	1	0.571
								210.45	211.45	1	1.17
								211.45	212.46	1.01	6.94
								219.1	220.1	1	0.114
LND005	786442	7190835	581	221	DD	-61	133.3	190.35	190.95	0.6	0.247
								203.03	203.73	0.7	0.515
								203.73	204.43	0.7	3.23
								204.43	205.43	1	0.697
								205.43	205.8	0.37	0.521
								205.8	206.4	0.6	1.39
								207.15	208.1	0.95	0.961
								208.1	209	0.9	6.27
								209	209.65	0.65	2.87
								209.65	210.35	0.7	0.881
								211	212.1	1.1	0.128
								219.95	220.75	0.8	0.819
								220.75	221	0.25	0.108

JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	 Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	 RC precollars were sampled at 1m intervals throughout, with 4m composites also collected through weathered or less altered material. Samples collected from the cyclone were laid in plastic bags in sequence on the ground in rows of 20. Diamond drill core was sampled to geological boundaries as half NQ2 core and cut using a diamond saw along marked cut lines. Sample representivity is maintained by placing the samples in a pre-numbered calico bag with a corresponding sample book entry. Certified reference materials, field duplicates and laboratory repeat samples are analysed routinely. 1m RC samples were collected as a 2.5kg split in calico bags attached to the on-board cone splitter. Composite 4m metre samples were collected by spearing down the side of the plastic bag using a PVC spear and combined to create a 2.5 to 3.0kg composite sample. Approximately 2.5kg of material from chips or core was submitted to a commercial laboratory for drying, crushing, and pulverising to produce a 40g charge for fire assay of gold and determination of sulphur by LECO furnace.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, facesampling bit or other type, whether core is oriented and if so, by what method, etc).	 RC drilling using a 5.5" face sampling hammer and diamond drilling NQ2 drill core. LND003: precollar to 100m; NQ2 to 156.2m. LND004: precollar to 180m; NQ2 to 225.8m and LND005 re-entry NQ2 167m to 221m. RC holes and diamond holes were surveyed with a REFLEX EZ-GYRO north-seeking gyro survey tool.
Drill sample recovery	 Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	 Sample recoveries and wet samples were monitored and recorded qualitatively in Lodestar's drill hole database. Recoveries were generally 80 -100%. High pressure air used to maintain a dry sample and drill sampling equipment was cleaned regularly to minimise contamination. No relationship between sample recovery and grade has been established.

Criteria	JORC Code explanation	Commentary
Logging	 Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	 Chip samples were routinely geologically logged throughout the hole. Logging is qualitative in nature. All RC holes are geologically logged in full.
Sub-sampling techniques and sample preparation Quality of assay data and laboratory tests	 If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. The nature, quality and appropriateness of the assaying and laboratory procedures used and 	 Core was samples as half NQ2 core obtained by a diamond core saw cutting along marked cut lines Individual 1m split samples collected from the cone splitter are submitted for assay. Selected intervals were composited from bagged 1m samples to produce a 2.5kg 4m composite using a PVC spear. All samples for assay are stored in pre-numbered bags and submitted to Bureau Veritas Laboratories for sample preparation and analysis. Sample preparation for drill samples involves drying the whole sample, crushing to 3mm and pulverising to 90% passing -75 microns. The pulverised sample was split with a rotary sample divider to obtain a 40 gram charge. Duplicate field samples, certified reference standards and laboratory repeats are used to monitor satisfactory reproducibility. Sample size is appropriate for early exploration drilling where mineral grainsize is unknown. Following sample preparation a 40 gram charge was submitted for fire assay (with ICP-AES finish); the detection limit is 1ppb. 1:20 duplicate samples
insuration y tests	whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	retained for analysis after fine crushing. 1:20 pulverised samples analysed for satisfactory grind size. The fire assay method is considered an estimation of total gold content. No geophysical tools were used to determine any element concentrations. Laboratory QAQC includes the use of laboratory standards and replicates; Preliminary review of Lodestar's reference standards and field duplicates indicate acceptable accuracy and precision.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	 The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	 Significant intersections have not been independently validated at this time. Drill results report assays of twinned holes. Field and laboratory data are collected electronically and entered into a relational database. Data collection protocols are recorded in Lodestar's operation manual. There has been no adjustment to assay data. A length weighted average has been calculated for diamond drilling using no top-cut, a 0.5g/t Au lower cut-off and up to 2m of internal dilution
Location of data points	 Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	 Drill hole locations are fixed by handheld GPS, accuracy is estimated to be +/-5 metres, to be verified by DGPS. Drill hole coordinates were recorded in MGA94 Zone 50 grid. The topography within prospect areas is generally flat; RL's are averaged from GPS readings of individual drill holes in each area and are subject to significant error. In the Contessa and Gidgee Flat areas drill hole collar RL's have been adjusted to the DEM surface derived from a detailed aeromagnetic survey using Bendix/King radar altimeter equipment with a resolution of 0.3m.
Data spacing and distribution	 Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	 Drill holes at Contessa were placed at a nominal hole spacing of 50m (north-south) and 40m (east-west) and at Gidgee Flat 50m (north-south) and 30m (east-west). The drilling subject of this announcement has not been used to prepare Mineral Resource estimates at this stage. Compositing has been applied for the RC samples and a length weighted average has been calculated for diamond drilling using a 0.5g/t cut-off and up to 2m of internal dilution.
Orientation of data in relation to geological structure	 Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	 At Gidgee Flat the target mineralisation is believed to dip towards grid north at approximately 70 degrees, indicating intersection widths are around 1.5 times true thickness. RC and diamond holes are oriented perpendicular to the regional strike of stratigraphy. At Contessa the target mineralisation is also believed to dip towards the north, based on limited diamond drilling, but awaits confirmation from additional drilling. No orientation based sampling bias has been identified in the data.
Sample security	The measures taken to ensure sample security.	Samples were stored at Lodestar's exploration camp in sealed bags under supervision prior to dispatch by Lodestar contractors and registered courier to Bureau Veritas - UltraTrace Laboratories.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits or reviews have been carried out.

Criteria

Commentary

Mineral tenement and land tenure status

- Contessa and Gidgee Flat are located on E52/2456, within Lodestar's Ned's Creek project. The tenement is owned by Audacious Resources, a wholly-owned subsidiary of Lodestar Minerals and expires on 16/09/2020. The tenement is within the native title claim WC99/46 of the Yugunga-Nya Group. Lodestar has signed a Heritage Agreement with the traditional owners to carry out mineral exploration on the tenement.
- Yowereena Contessa may extend into M52/780. The tenements on which the historic
 exploration was completed and in which Lodestar is earning an 80% interest are held by
 Vango Mining Limited and Dampier (Plutonic) Pty Ltd (a wholly-owned subsidiary of Vango
 Mining Limited).
 - o M52/780 expires on 26/09/2034 (VANGO 60/100:DAMPIER 40/100).
- Lodestar has earnt an 80% interest in M52/780.
- M52/780 is located within the Yugunga Nya people native title claim WAD6132/1998.

Exploration done by other parties

- Exploration commenced at McDonald Well in the late 1960's, WMC explored for Zambian Copper Belt style mineralisation and completed regional geological mapping and sampling, followed by minor percussion drilling. CRA Exploration completed regional mapping and auger sampling, also at McDonald Well. No significant anomalies were identified on the tenements. Minor exploration drilling by Barrick and CRA Exploration east and south of Contessa intersected ultramafic lithologies, confirming the extent of the greenstone sequence in this area. There has been no material exploration by other parties over the Contessa area.
- Gold exploration in the Plutonic Well greenstone belt commenced in 1986. Marymia Exploration, in their 1994 report, state that there had been little or no previous exploration within the Yowereena tenements.

Geology

• The geology of the project area comprises the northern margin of the Proterozoic Yerrida Basin. The geology forms two discrete terranes; Proterozoic sediments of the Yerrida Basin that are prospective for sediment-hosted copper and base metal mineralisation in black shale and carbonate sequences, with evidence of secondary and primary copper mineralisation in the Thaduna district, overlie Archaean basement rocks on the northern margin of the Yerrida Basin. The basement-sediment contact trends east-west and Lodestar's exploration has identified extensive gold anomalism adjacent to this contact. The basement consists of granite and fringing mafic to intermediate and ultramafic rocks that are not well exposed at surface. The mafic-ultramafic rocks and the adjacent granite that hosts gold mineralisation are thought to be Archaean in age but may be part of the Glenburgh orogenic event along the northern Yilgarn margin. Identification of syenite-hosted, intrusion-related gold mineralisation indicates that this region differs from other lode gold occurrences in the Plutonic Well greenstone belt and the surrounding Proterozoic fold belt and does not form part of the adjacent Marymia Inlier.

Drill hole information

• Tabulated data is provided in Table 1 and the Annexure.

Data aggregation methods

- Assay data are reported as individual 1 metre or 4 metre composites for RC samples. Selected RC intervals are reported as aggregates of individual 1m samples in zones where mineralisation was observed. Diamond drill results
 - o Intersections were calculated using no top-cut, a minimum 0.5g/t Au cut-off and up to 2m internal dilution.

Relationship between mineralisation widths and intercept lengths

• Drilling was oriented towards 130 degrees, perpendicular to the regional strike of stratigraphy. Measurement of foliation in the area indicates steep dips however mineralisation appears to dip moderately to steeply to the north. The actual dip of mineralisation and its relationship to the drill hole intersections has been not confirmed at Contessa and at Gidgee Flat is estimated to be 90% of true width.

Diagrams See Figures 2 to 8. **Balanced reporting** All drill holes are reported in the Annexure. Other substantive None to report. exploration data **Further Work** Contiguous supergene and transition zone gold mineralisation was intersected by aircore drilling. RC drilling confirmed a bedrock source, extended the mineralisation and demonstrated a spatial association with the granite contact at Gidgee Flat and a major shear zone on the granite contact at Contessa. Diamond drilling has confirmed the potential for high-grade gold in shoots and lenses associated with the contact between syenite intrusives and altered mafic hostrocks at Gidgee Flat and within intensely altered diorite at Contessa. RC drilling is underway at Gidgee Flat and Contessa to provide additional coverage along strike.