



ASX ANNOUNCEMENT

15 November 2012

COMPANY SNAPSHOT

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CAPITAL STRUCTURE

Shares on Issue:
116,489,477 (LSR)

Options on Issue:
4,750,000 (Unlisted)

ASX: LSR

PROJECTS

Peak Hill – Doolgunna:
Base metals, gold

Penfold:
Nickel

Kimberley:
Nickel, copper, PGM's



Significant Copper and Gold Targets at Neds Creek, Peak Hill-Doolgunna Project

1. Copper – Little Well Prospect

- *3.8 kilometres southeast of Thaduna Mine*
- *Copper soil anomalies, mineralised bedrock and large-scale structures define a major target*
- *Potential for significant mineralisation*

2. Gold Brumby Prospect

- *Anomalous gold identified over a large area*
- *Primary source in quartz vein system*
- *First-pass vein sampling reported results to 5.8g/t Au & 68g/t Ag*
- *Mapping and sampling continuing*

Lodestar Minerals Limited (ASX Code: **LSR**, the Company) is pleased to announce significant results from current exploration at Neds Creek (E52/2456 & E52/2468), within the Company's Peak-Hill Doolgunna Project in Western Australia. Lodestar has been undertaking extensive geochemical sampling, regional aircore drilling and geological mapping programs at Neds Creek throughout 2012.

The Neds Creek tenements extend over 830 square kilometres of the eastern Yerrida Basin, 170 kilometres north east of Meekatharra. The tenements are located 2 kilometres southeast of the Thaduna copper mine, currently being evaluated by Ventnor Resources (Figure 1), and immediately east of Sipa Resource's Enigma copper prospect.

LITTLE WELL

At Little Well large-scale structures, hydrothermal alteration and extensive soil and rock chip copper anomalies define the area as a priority copper target. Mapping has located ferruginous outcrop intermittently exposed along a northeast trending structural zone.



In places gossanous ironstone contains varying amounts of malachite (copper-carbonate) mineralisation (see Figure 2) that returned grades of up to 3.3% Cu. There is no evidence of previous exploration along this trend. While the full extent of this zone cannot be determined with confidence at this stage due to patchy minor outcrop through transported cover, the structural setting appears similar to other copper occurrences within the Thaduna district.

The main features of the Little Well target are:

- A small area of copper-rich gossanous ironstone located on the northern margin of a large de-magnetised zone (suggestive of hydrothermal alteration and magnetite destruction, see Figure 3).
- The closest drill hole (LNRC003, 1200m southeast of the gossan) drilled to test a VTEM (airborne electromagnetic) anomaly in 2011 showed extensive chlorite alteration (chlorite is associated with mineralisation at Thaduna). The VTEM anomaly remains unexplained and requires ground EM to provide better definition before follow up drilling
- Silica-dolomite alteration, a style of alteration identified with major Proterozoic sediment-hosted copper deposits, occurs within a fault breccia outcrop 1300m southeast of the gossan and adjacent to the VTEM anomaly. Sampling of this area has reported anomalous copper values up to 1470ppm.
- Two large copper anomalies defined by lag sampling (with a maximum 320ppm Cu) occur adjacent to the fault breccia.

The area will be the first priority of the aircore drilling program planned for the December quarter. A reconnaissance ground EM survey will commence shortly, and will target potential massive sulphide conductors to be tested in the future by deeper drilling.

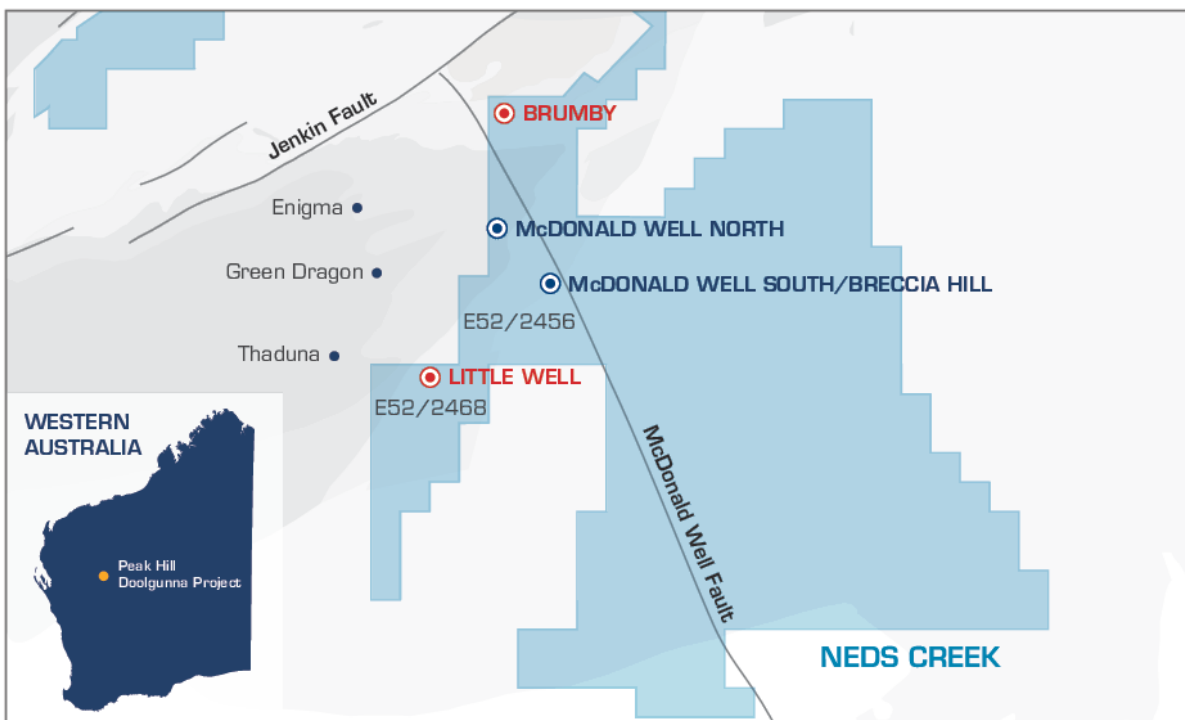


Figure 1 Location of the Little Well and Brumby prospect areas, Neds Creek, Peak Hill-Doolgunna Project

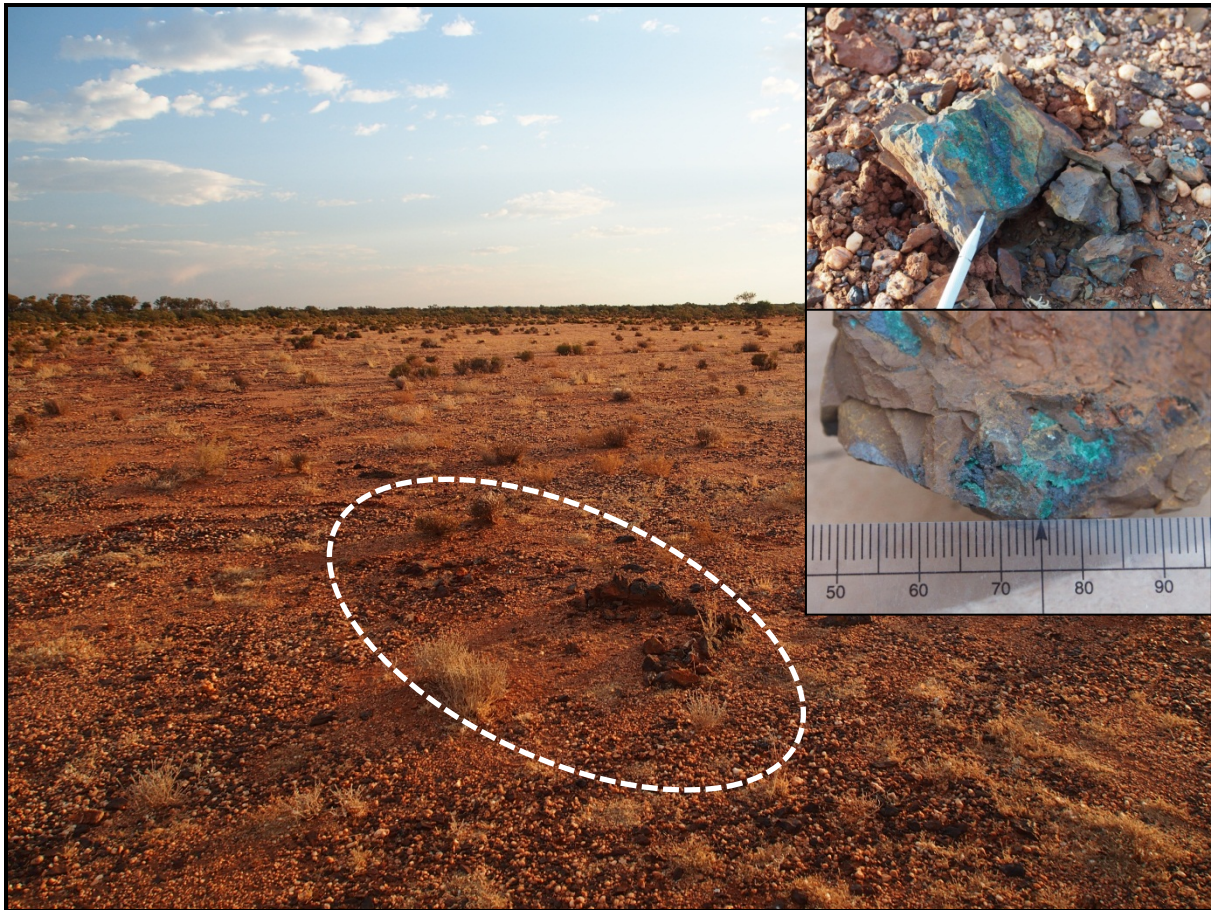


Figure 2 Iron-rich gossan outcropping on alluvial plain, Little Well area (776400E 7174427N MGA94), showing sampled material (insets)

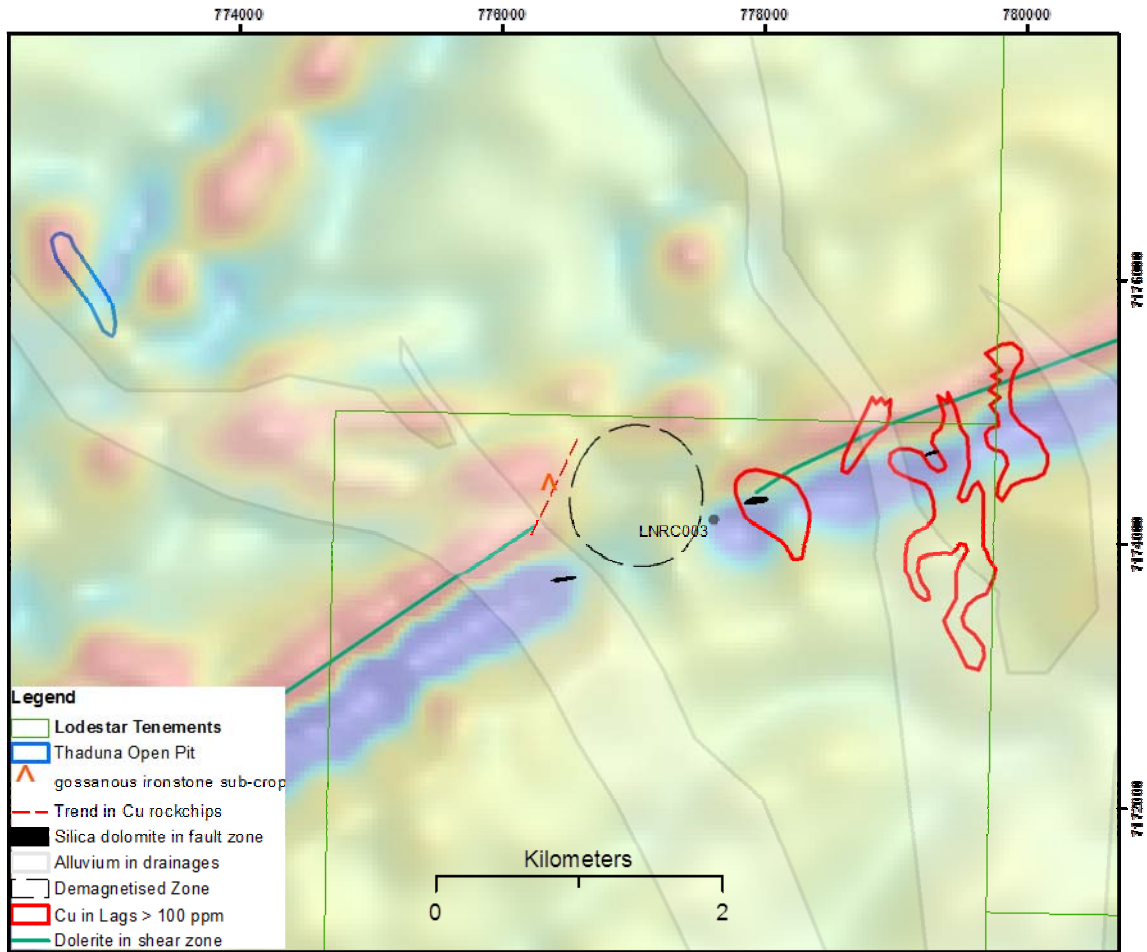


Figure 3 Location of the Little Well gossanous ironstone on 1VD aeromagnetic image showing lag copper anomalies, prominent break in magnetics and drainages where surface sampling is ineffective.



BRUMBY

At the Brumby Prospect, lag sampling identified anomalous gold over a large area in the northern part of E52/2456 (Figure 4). Reconnaissance mapping and evaluation of the geological setting has identified a number of quartz veins associated with a large structure on an Archaean granite-sediment contact. Recently received assay results from reconnaissance sampling of these veins reported a maximum 5.8g/t Au and 68g/t Ag. Higher gold assays within the veins, some of which contain visible sulphide mineralisation, are associated with anomalous bismuth, molybdenum and tellurium. There is a strong association of the gold mineralisation with potassium anomalism in the regional radiometrics, suggesting potassium alteration.

Sampling and mapping of the Brumby prospect is continuing with the aim of defining the scale and structural orientation of the mineralised vein system.

Lodestar is maintaining a very active exploration program on its highly prospective tenements and looks forward to updating investors on results as the work progresses.

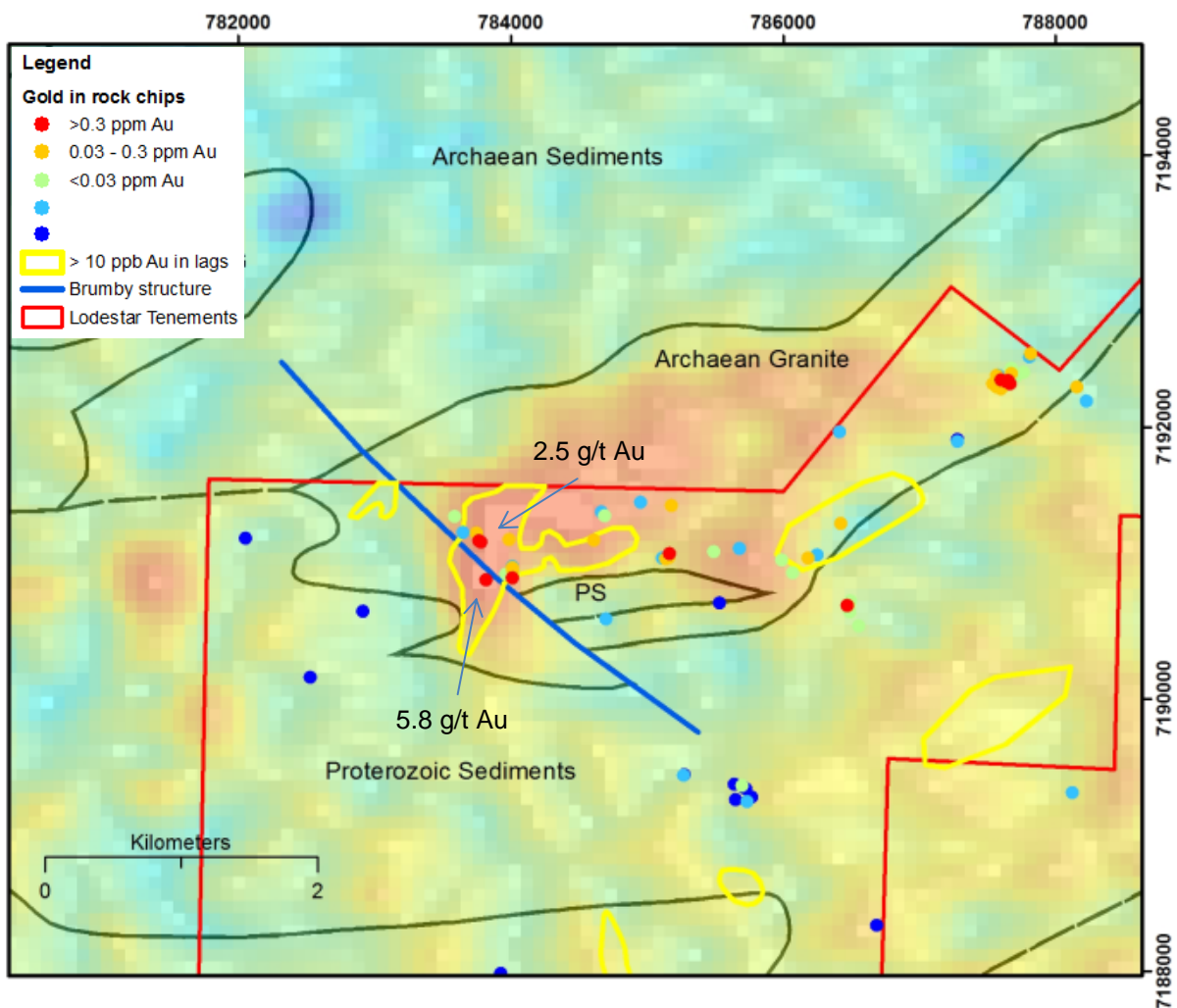


Figure 4 Brumby Gold Prospect showing gold-in-lag anomalism and rock chip gold results over regional potassium radiometrics. GSWA regional geological interpretation is shown.

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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 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 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.