



Lodestar Minerals Limited ABN 31 127 026 528

**Registered office**  
41 Stirling Highway  
Nedlands WA 6009

**Tel:** +61 8 9423 3200  
**Fax:** +61 8 9389 8327

**Postal address**  
PO Box 985  
Nedlands WA 6909

**Website**  
[www.lodestarmaterials.com.au](http://www.lodestarmaterials.com.au)

11 MARCH 2011

**ASX Limited**

**Electronic lodgement**

Dear Sirs

**CANCELLATION OF OPTIONS/ ISSUE OF OPTIONS**

In February 2009 the Company issued 1.5 million unlisted options to Mr Bill Clayton, the Company's managing director. Shareholder approval to issue the options was granted at the Annual General Meeting held in November 2008. The options were not issued to Mr Clayton until February 2009, which was outside the one month period required by the ASX Listing Rules to issue the options. Accordingly, the ASX have advised the Company that the options must be cancelled. The Company advises that the 1.5 million options have been cancelled.

The board of the Company wish to advise that they have resolved to issue 2.5 million options to Mr Clayton. Pursuant to the requirements of Listing Rule 10.11 of the ASX Listing Rules, and Section 208 of the Corporations Act, the issue of the new options will be subject to approval at the next meeting of shareholders of the Company.

The options to be issued, subject to the above shareholder approval, will have the following terms:

1,000,000 exercisable at 15 cents each within 5 years of the date of issue, vesting 12 months from the date of issue.

750,000 exercisable at 20 cents each within 5 years of the date of issue, vesting 24 months after the date of issue.

750,000 exercisable at 30 cents each within 5 years of the date of issue, vesting 36 months after the date of issue.

Yours faithfully,

A handwritten signature in black ink that reads "D McArthur".

**David McArthur**  
**DIRECTOR**