January 29,2018

LUSTRUM MINERALS LIMITED

Coal Intersected at Consuelo Project
Bowen Basin, Queensland

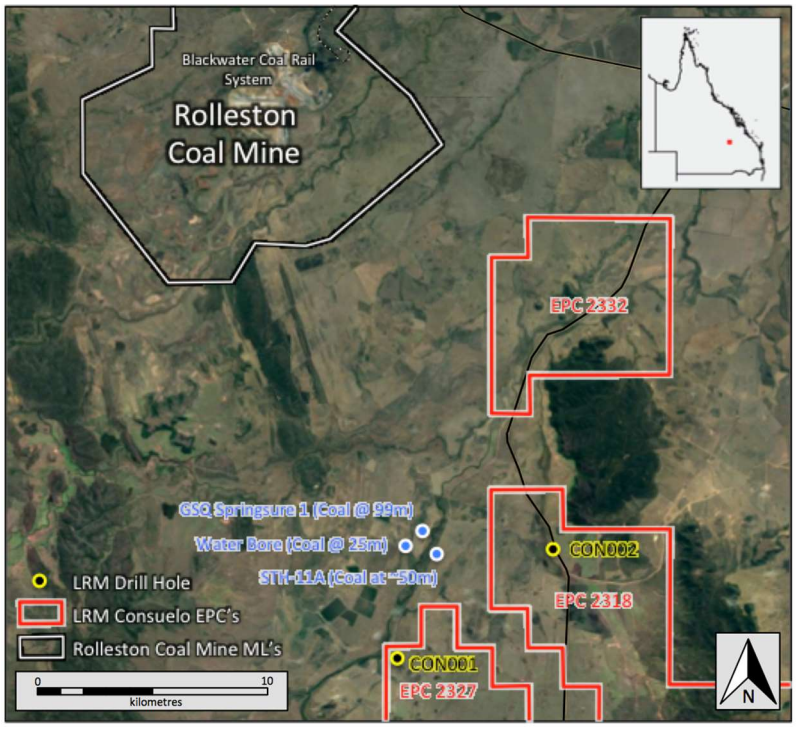
Perth, Western Australia – January 29, 2018 – Lustrum Minerals Limited (ASX: **LRM**) (**Lustrum**) (**Company**) is pleased to provide an update on drilling at the Company's Consuelo Project, located near the operating Rolleston Coal Mine in the Bowen Basin, Queensland.

HIGHLIGHTS

- Maiden Consuelo Project two hole drilling campaign intersects three significant coal seams
- Coal intersected in both holes, providing confirmation of initial geological model
- Exceptional geophysical responses point to coal properties and quality comparable with the seams already being successfully exploited in the region
- Drilling campaign expanded following the success of the initial two-hole program
- Two additional holes to be drilled immediately south of CON001, with one of these holes to be cored to establish coal quality/properties
- Planning underway to move quickly to resource definition drilling

Consuelo Project Drilling Program

The initial drilling campaign at the Consuelo Project (consisting of two open percussion holes) was designed to target potentially open-pitable coal seams and provide stratigraphic control in the Western portion of the Company's EPC 2327 and 2318.



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Drilling operations have now been successfully completed, with both holes reaching the planned objective. Geophysical logging has been completed on the first hole (CON001) and is set to commence shortly on the second hole (CON002).

Hole ID	Easting	Northing	Elevation	Dip	Coal Bearing Sequence*	Depth
CON001	646,994	7,267,266	256m	Vertical	80.9 to 148.25m	333m
CON002	654,794	7,271,980	226m	Vertical	680 to 780m	916m

Table 1. Drill hole collar table
*a series of coal seams were intersected within the Coal Bearing Sequnce (see Table 2 for details of coal seams in CON001 – awaiting geophysical logging to identify individual seams in CON002).

Recently completed hole, CON001 located within EPC 2327, intersected three significant coal seams for a total of 7.11 metres of coal at depths of less than 150 metres (see Table 2 below). This is an extremely positive outcome for the Consuelo Project, with this being the first hole drilled within what was previously considered an early stage exploration project.

The seams were encountered at depths highlighted in the following table:

Coal Top depth (metres)	Coal Base depth (metres)	Thickness (metres)
80.90	81.90	1.00
99.43	101.60	2.17
107.19	107.77	0.58
128.23	131.19	2.96
147.85	148.25	0.40
Total		**7.11m**

Table 2. CON001 – Coal Seams Identified From Geophysical Logging

The seam sequence has been confirmed to correlate very well to the Bandanna Formation (the same seam sequence being mined at the nearby Rolleston Coal Mine). Work on the final correlation and naming of the seams is in progress.

Geophysical logging of CON001 provided exceptional responses pointing to coal properties and qualities comparable with the better seams being exploited in the region (see Figure 1 - 5 below).

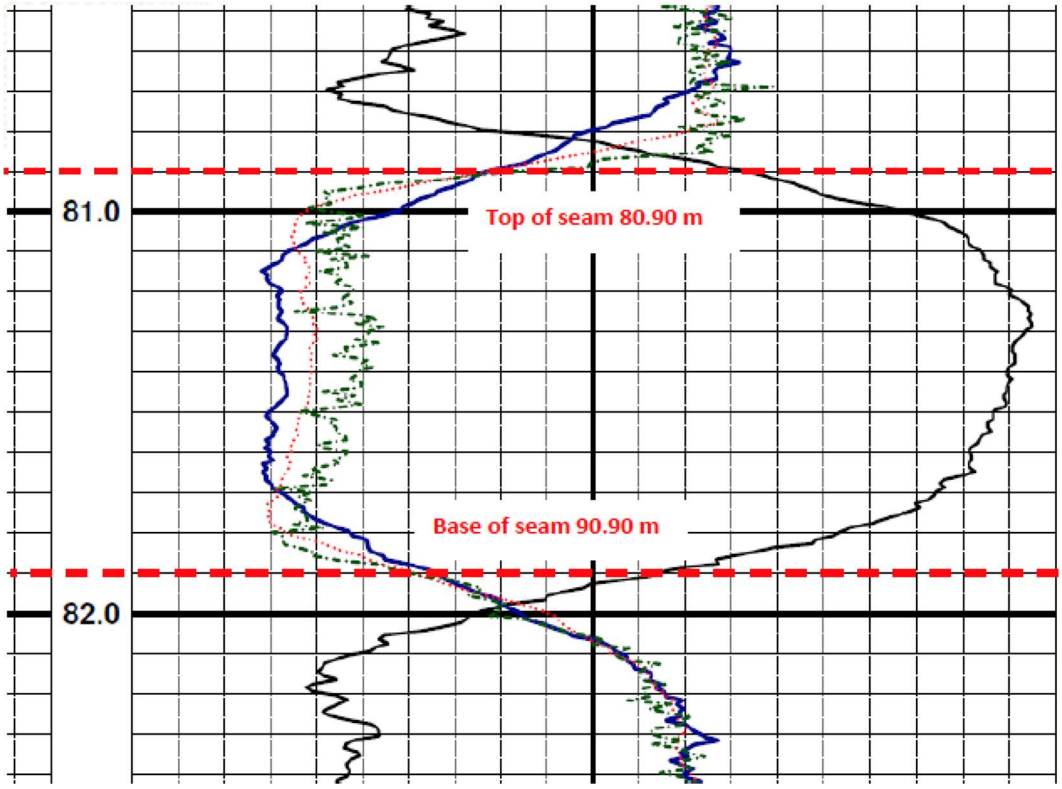

Figure 1. Seam A

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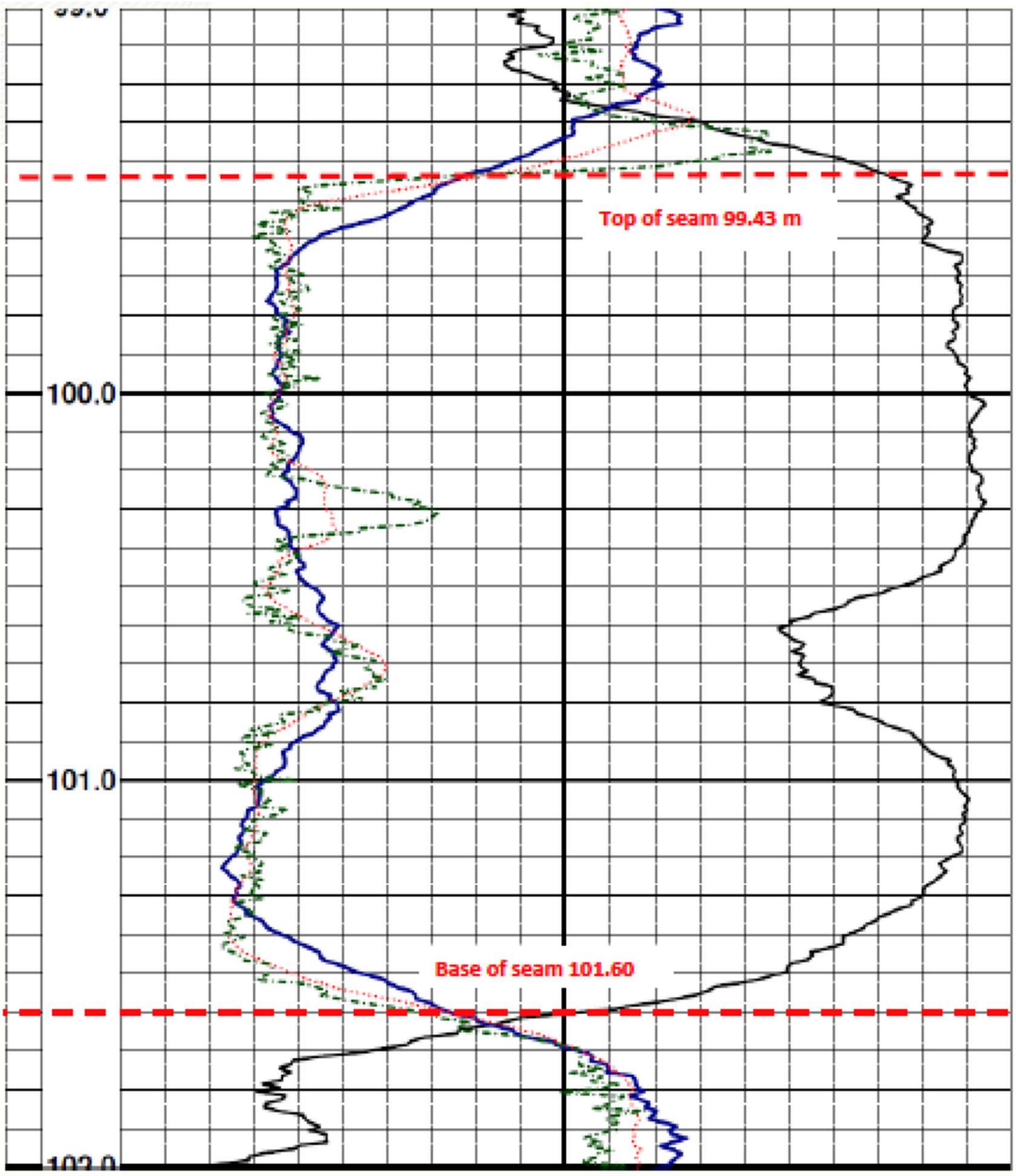

Figure 2. Seam B

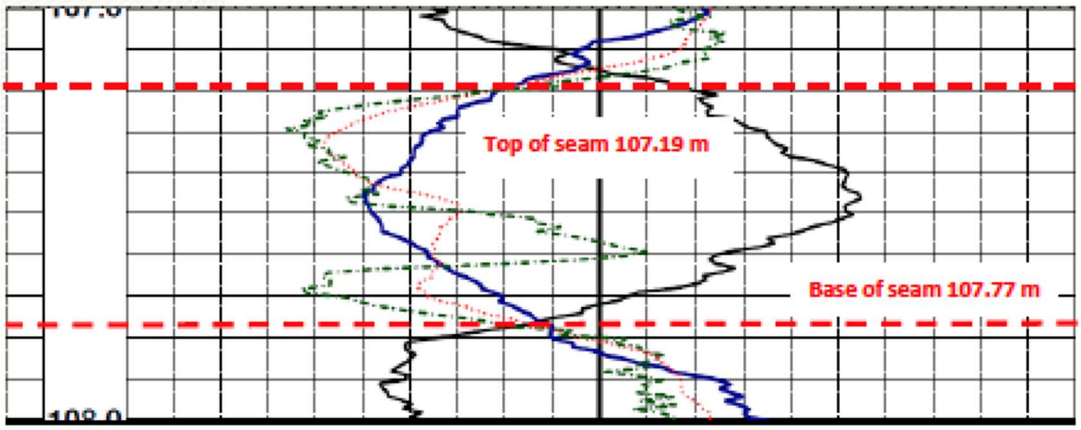

Figure 3. Seam C

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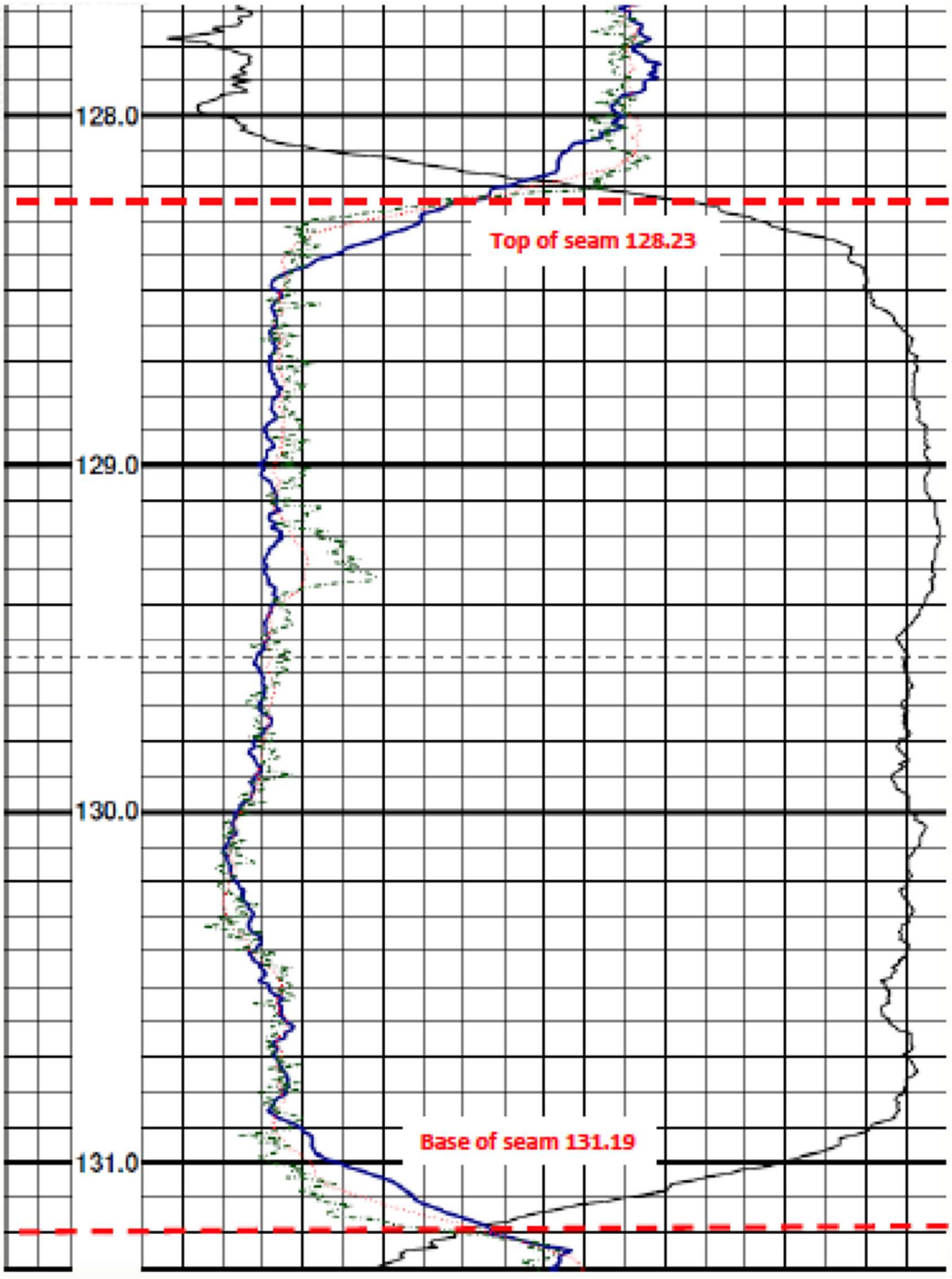

Figure 4. Seam D

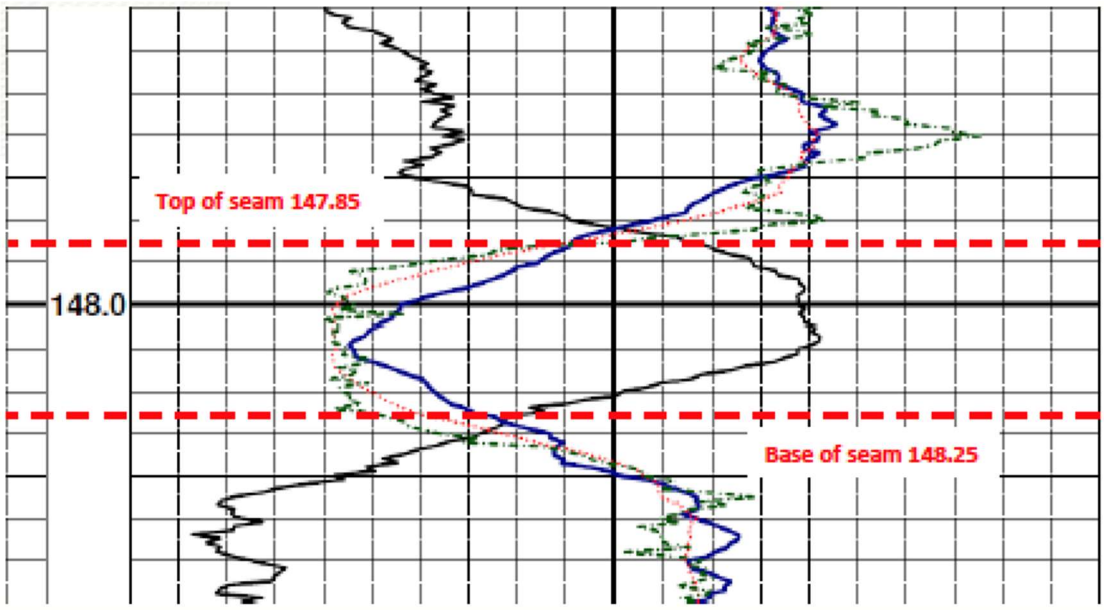

Figure 5. Seam C

Hole CON002 was designed as a stratigraphic hole, allowing early correlation of seams across EPC 2327 and 2318. CON002 is located approximately 10 kilometres north of CON001, within EPC 2318. As expected, the coal was successfully intersected at depth.

Coal was observed between 689 and 690m, 738 and 740m, 764 and 768m and 774 to 778m.

These intervals will now be geophysically logged to ascertain the seam thicknesses, and confirm correlation with the shallow seams intersected in CON001.

Correlation of the seams after logging will further inform the local and regional geology of the EPCs and refine predictions of seam depths in areas with resource potential.

Expanded Initial Drilling Program

Following the success of the initial two-hole program, the Company has moved quickly to expand its current drilling program.

As a result of the shallow intersection of coal in hole CON001 we have been able to revisit the exploration plan and revise our expectations of hole depths and drilling durations.

The Company will drill two additional holes immediately south of CON001. These holes will help to define the dip and direction of the coal seams, and provide confidence in the extent of strike.

One of these additional holes will also be cored so that we are able to establish coal quality/properties.

Geophysical logging at the base of CON001 identified an unexpected change in density, which may represent an additional seam. This potential will be tested in this expanded program by pushing one of the additional holes slightly deeper than CON001.

Resource Drilling Planning

The Company has also moved quickly with planning to progress to resource definition drilling within EPC 2327.

In anticipation of potential positive results from the expanded drilling program outlined above, the Company has commenced planning for a resource definition program within EPC 2327. Preliminary work suggests that an additional 15 holes (including a number of partly cored holes) covering an area of approximately 5km^2 could define an indicated resource within the western portion of EPC 2327.

The Company looks forward to providing further updates as work at the Consuelo Project continues.

For, and on behalf of the Board of the Company,

Loren King
Non-Executive Director and Secretary

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Forward-Looking Statements

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Lustrum Minerals Limited's planned exploration programs, corporate activities and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should" and similar expressions are forward-looking statements. Lustrum Minerals Limited believes that its forward-looking statements are reasonable; however, forward looking statements involve risks and uncertainties and no assurance can be given that actual future results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

Competent Persons Statement

The information in this report that relates to Exploration Results are based on information compiled by Mr Ian Prentice. Mr Prentice is a consulting geologist for Lustrum and a member of the Australian Institute of Mining and Metallurgy. Mr Prentice has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this report and to the activity which they are undertaking 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' ("JORC Code"). Mr Prentice consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 Sections 1 and 2

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

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.*	• Rotary percussion drilling was used to provide sample for geological logging. • Steel casing was used to case overburden sequences. • Downhole slimline logging of density, natural gamma, sonic velocity, resistivity and survey has been completed on CON001 and is pending on CON002.
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, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Rotary percussion drilling, open hole, with steel casing of overburden sequences.
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.*	• Samples have been recovered for geological logging purposes. • No samples collected for analysis.
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.*	• Geological logging completed for stratigraphic control and confirmation of presence of coal seams. • Downhole slimline logging of density, natural gamma, sonic velocity, resistivity and survey completed for definition of individual coal seams.

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *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.*	• None – no samples collected for analysis
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and 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.*	• No samples collected for analysis • Downhole slimline logging of density, natural gamma, sonic velocity, resistivity and survey completed
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.*	• No sampling or assaying was undertaken • Geophysical logs subjected to peer review.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The grid system used for collar positions is GDA 94 – Zone 55J. • Planned hole collar positions were located using a hand held global positioning system (GPS) instrument.
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*	• Data spacing is not intended for resource calculation at this stage, and gives indications for exploration planning and targeting.

Criteria	JORC Code explanation	Commentary
	Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	
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.*	• Holes were vertical • Stratigraphy is interpreted to be relatively flatly dipping to the east in the area of drilling, with intervals expected to approximate true widths.
Sample security	• *The measures taken to ensure sample security.*	• Not relevant
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• None

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The tenements referred to in this announcement are held by Consuelo Coal (EPC2327) Pty Ltd, a wholly owned subsidiary of Lustrum Minerals Ltd, and are as follows: ○ EPC2327 consisting of 50 sub-blocks, granted 24 July 2013 and expires 29 Jan 2018 (renewal application submitted) ○ EPC2332 consisting of 20 sub-blocks, granted 30 Jan 2014 and expires 22 July 2021 ○ EPC2318 consisting of 26 sub-blocks, granted 24 July 2013 and expires 23 July 2021
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• None
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Coal seams within the Bowen Basin with potential for thermal and semi-soft coking coal
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar*	• See Table 1 for collar table including all relevant drill hole information.

Criteria	JORC Code explanation	Commentary
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No data aggregation was undertaken
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Mineralisation of coal seams is broadly horizontal except where affected by significant structure, and seams are expected to split, merge and thicken or thin over a range of 100s of metres to several kilometres. Reported intercepts in this statement are vertical or close to vertical, and therefore are a reasonable indication of coal true thickness.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plan view of drill hole collar locations has been included as Figure 1.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not available
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Deep Ground-Penetrating Radar (DGPR) survey carried out in October 2017, along a 1.5 km section of Rewan Rd reserve between points 647035 E, 7277660 S and 646772 E, 7266257 S (GDA 94 zone 55J)

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Two additional holes are proposed to be completed immediately south of CON001 on EPC 2327, with one of these holes expected to be cored through the target coal bearing zone. • Positive results from these additional holes is expected to lead to the commencement of a resource definition drilling program of up to an additional 15 holes, with a combination of open and part cored holes.