

March 5, 2018



Exploration Success Continues at Consuelo Third Drill Hole Intersects Coal Sequence

Perth, Western Australia – March 5, 2018 – Lustrum Minerals Limited (ASX: **LRM**) (**Lustrum** (**Company**)) is pleased to provide an update to its continuing exploration program at its Consuelo Project, located near the operating Rolleston Coal Mine in the Bowen Basin, Queensland.

HIGHLIGHTS

- Third hole at Consuelo (CON003) intersects coal seam sequence totalling approximately 8.25 metres (cumulative thickness).
- Excellent correlation of coal seam sequence between CON003 and CON001 with both coal seam and interburden thickness consistent between the holes
- Geological logging and downhole geophysics point to coal properties and quality comparable with seams being successfully exploited in the region
- CON003 intersected a thicker sequence than CON001, with four seams identified above the sequence seen in this first drill hole (CON003 is a step out hole, located approximately 1 kilometre south of CON001)
- Exploration is continuing with operations set to commence this week on CON004, located approximately 500 metres north of CON002.
- CON004 to be partially cored to provide more detail on the structural setting of the coal sequence and to confirm coal quality and properties.

Consuelo Project Drilling Program

The Company has progressed exploration at its Consuelo Project rapidly, with three drill holes now completed and logged within the project area and a fourth hole about to be drilled. Importantly, this drilling is the first ever coal exploration to be conducted within the Consuelo Project area.

This initial program was designed to target shallow coal seams (less than 250 metres from surface) within the western part of the Company's Exploration Permits for Coal (**EPC**, or collectively **EPCs**). The program aims to identify sequences with coal quality and properties similar to the sequences being mined at the nearby Rolleston Coal Mine and then to quickly progress to resource definition drilling.

The program has already delivered significant success with coal intersected in all three drill holes. The most significant intersections to date are within CON001 and CON003 (see Figure 1. below).

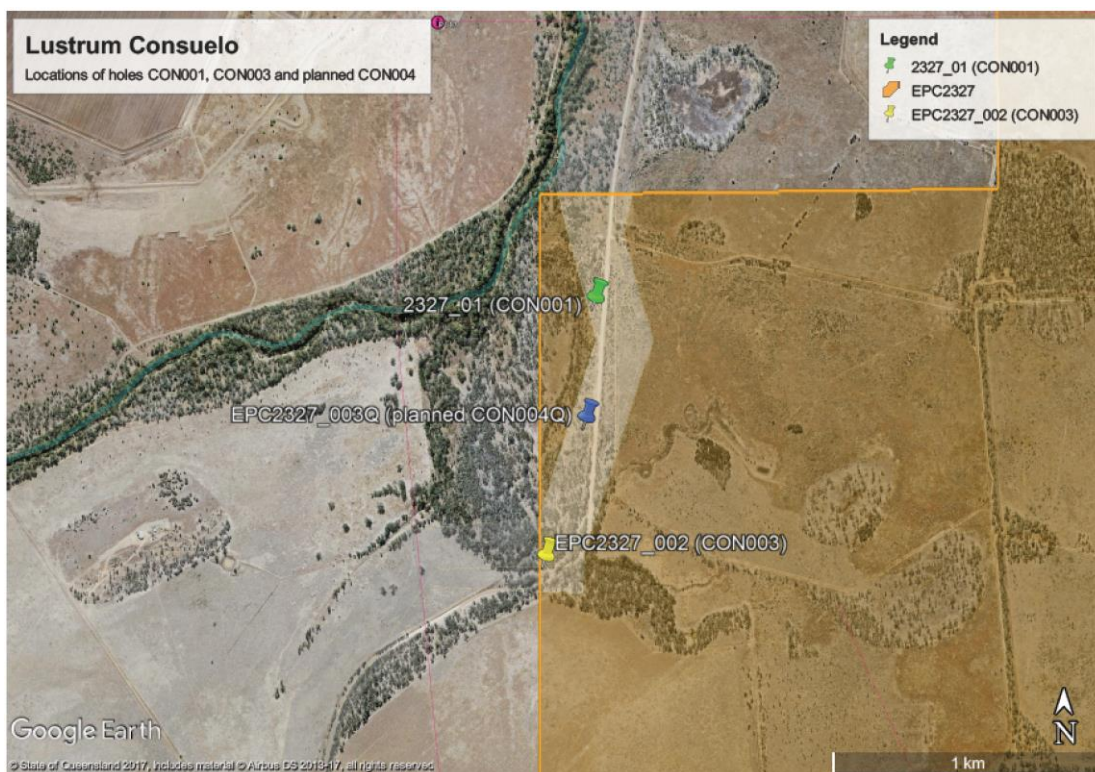


Figure 1. Consuelo Project Initial Drilling Program

CON001 and CON003 are separated by a distance of approximately 1 kilometre on a heading of 11° to true north, on the western boundary of EPC2327.

The first hole CON001 was drilled to investigate an anomaly seen in deep ground-penetrating radar, and CON003 was drilled to assess seam similarities and depths in a direction thought to be approximately along strike.

There is generally excellent correlation of the coal sequence between CON001 and CON003. CON003 intersected additional coal intersections above the sequence seen in CON001. Below these additional intersections, both holes contained a very similar seam sequence, with both seam thicknesses and interburden thickness being consistent between the holes.

The total cumulative coal thickness intersected in CON003 is 8.25 metres, compared to 7.11 metres in CON001. The seams encountered in CON003 are summarised in the Table 1. below.

Coal Top Depth (metres)	Coal Base Depth (metres)	Thickness (metres)
144.60	145.60	1.00
152.30	152.50	0.20
161.50	161.80	0.30
164.50	164.95	0.45
169.80	170.40	0.60
189.00	191.10	2.05
195.25	195.75	0.50
215.70	218.30	2.60
235.70	236.20	0.50
Total		8.25

Table 1. CON003 – Coal seams identified from logging



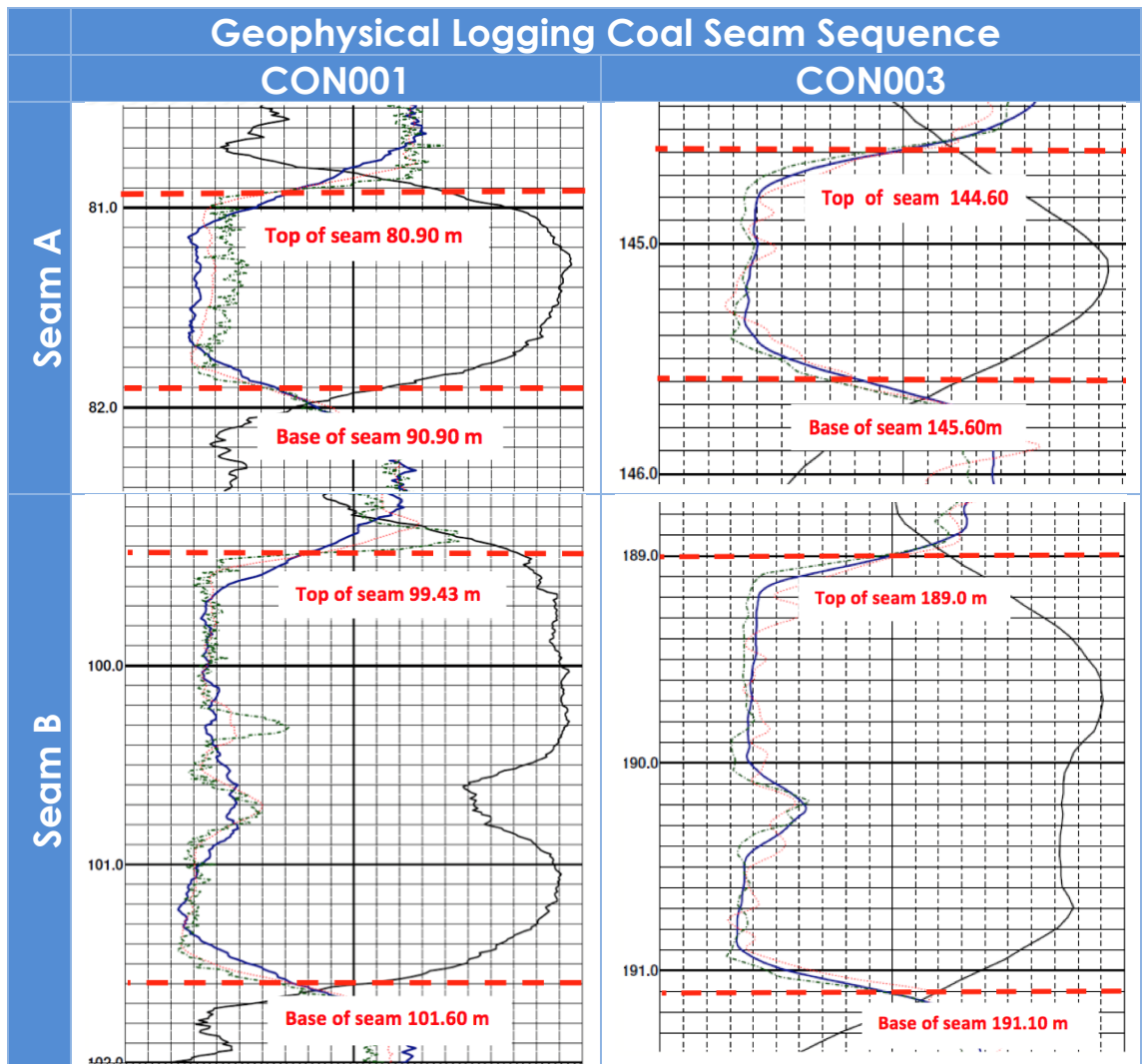
All seam thicknesses and depths have been interpreted from logged chips and downhole geophysics.

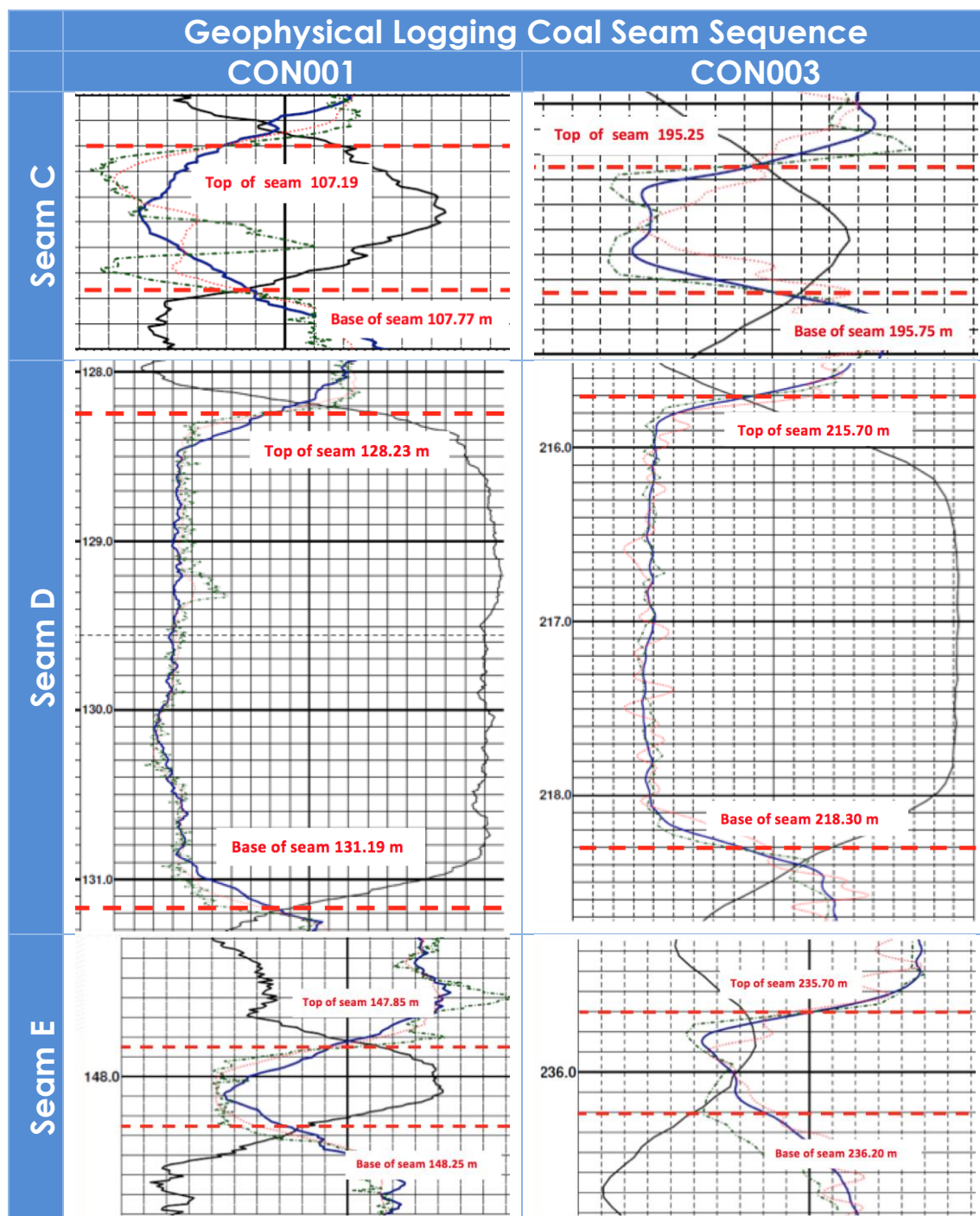
The seams sequences in CON003 are interpreted to correlate very well to the Bandanna Formation, the same sequence being mined at the nearby Rolleston Coal Mine.

Table 2. below provides drill collar detail, elevation etc. for holes drilled at Consuelo to date.

Hole	Easting	Northing	Elevation	Dip	Hole Depth	Top of Coal	Thickness of Sequence
CON001	646998.537	7267267.230	256m	90°	333	80.90	67.35
CON002	654798.380	7271978.740	226m	90°	911.68	685	78.00
CON003	646805.000	7266285.000	TBA	90°	654	144.60	91.60

Geophysical logging of the coal seam sequences in CON003 are set out below, in column two of the table. Logs of the corresponding seams in CON001 are set out in column 1.





Exploration is continuing at the Consuelo Project, with operations set to commence this week on CON004, located approximately 500 metres north of CON002. CON004 will be partially cored to provide more detail on the structural setting of the coal sequence and to confirm coal quality and properties.

Subject to receiving encouraging results from CON004, a program of step out drilling will be undertaken with the aim of moving to a resource definition program.

The Company looks forward to providing further updates as work at Consuelo 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 to CON003.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Rotary percussion drilling, open hole, with steel casing of overburden sequences.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Samples have been recovered for geological logging purposes. No samples collected for analysis.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • None – no samples collected for analysis
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No samples collected for analysis • Downhole slimline logging of density, natural gamma, sonic velocity, resistivity and survey completed
Verification of sampling and assaying	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No sampling or assaying was undertaken • Geophysical logs subjected to peer review. • Historic seismic data were checked at line intersections for consistency and compared to the interpolated surface contained in QDEX report CR_9739_5
Location of data points	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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. • Completed holes have been surveyed using a DGPS (hole CON003 survey pending)
Data spacing and distribution	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Data spacing is not intended for resource calculation at this stage, and gives indications for exploration planning and targeting.



Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Not relevant
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> EPC2327 consisting of 59 sub-blocks, granted 30 Jan 2014 and expires 29 Jan 2022 EPC2332 consisting of 20 sub-blocks, granted 23 July 2013 and expires 22 July 2021 EPC2318 consisting of 26 sub-blocks, granted 23 July 2013 and expires 22 July 2021
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Seismic information was gained from review of seismic sections across the area and a seismic horizon interpolation plot contained in QDEX report CR_9379_5. The interpolation was undertaken by AAR Ltd in March 1981 in relation to AtoP-119P. Stratigraphic, coal exploration and water bore drilling has been completed adjacent to the Consuelo Project, with data from these holes used to plan exploration activities: <ul style="list-style-type: none"> GSQ Springsure 1 was drilled by BMR in 1962 to a total depth of 366m. Geophysical traces have been digitized by Geological Survey of Qld and coal intersections and interpreted seams reported in QGMJ Vol 77 No 894 (April 1976). These reports



Criteria	JORC Code explanation	Commentary
		<p>were used to inform the interpretation.</p> <ul style="list-style-type: none"> ○ Xstrata hole STH-11A was a 110mm diameter rotary open hole, drilled in 2004 on EPC 737 to a total depth of 252 m (driller's depth) / 236.61 m (logger's depth). A coal seam was interpreted at a depth of 50.05 to 53.65 m from the geophysical short-space density and gamma logs. Data was retrieved from QDEX report CR_37397. ○ Waterbore RN103493 drilled in 1998 to depth of 30.48 m; coal was logged by driller between 25.60 and 27.43 m. No sampling or logging was undertaken. Data was retrieved from DNRM groundwater database.
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • Coal seams within the Bowen Basin with potential for thermal and semi-soft coking coal
Drill hole Information	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ 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. 	<ul style="list-style-type: none"> • See Table 2 for collar table including all relevant drill hole information. • DGPS survey on CON003 is pending – therefore elevation is TBA. • Top of coal depths are accurate to 0.1m and interpreted from chip logs and downhole geophysics.
Data aggregation methods	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No data aggregation was undertaken



Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Plan view of drill hole collar locations has been included as Figure 1.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not available
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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)
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> One additional hole is proposed to be completed immediately south of CON001 and north of CON003 on EPC 2327, which will be part cored to retain coal quality samples. Additional drilling on road reserves is under consideration for areas where information is not yet available. 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.

