

2 December 2019

Ryan Gava  
Listings Compliance (Perth)  
ASX Limited  
Level 40, Central park,  
152-158 St Georges Tce, Perth, WA, 6000.

Dear Mr Gava,

**RE: Lodestar Minerals Limited- Appendix 5B Query**

Reference is made to your letter of 28 November 2019.

The company responds to each of the questions raised as follows:

1. The company expects that it will continue to have negative operating cash flows for the time being as the company has no source of revenue as an exploration company.
2. At the AGM of the Company held on 19 November 2019, shareholders approved the issue of 50,000,000 shares by way of a placement to raise working capital. The Company confirms that it is in active discussions with interested parties in relation to this proposed capital raising. In addition to the \$33,000 cash at the end of the quarter, the company also held 1,142,857 shares in Vango Limited, with a market value at 30 June of \$217,000. The company is also in discussions with interested parties in relation to farm in opportunities over the company's Imbin and Camel Hills projects, both which would also realise up-front cash consideration.
3. Based on the response to question 2, the Company expects to be able to continue its operations and to meet its business objectives.
4. The Company can confirm that it is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. The response to this letter has been authorised and approved by the board of the company.

Yours faithfully,



**David McArthur**  
Director



28 November 2019

Mr David McArthur  
Company Secretary  
Lodestar Minerals Limited

By email

Dear Mr McArthur

**Lodestar Minerals Limited ('LSR'): Appendix 5B Query**

ASX refers to LSR's Appendix 5B quarterly report for the period ended 30 September 2019 lodged with ASX Market Announcements Platform on 31 October 2019 (the 'Appendix 5B').

ASX notes that LSR has reported:

- negative net operating cash flows for the quarter of \$139,000;
- cash at the end of the quarter of \$33,000; and
- estimated cash outflows for the next quarter of \$110,000.

It is possible to conclude, based on the information in the Appendix 5B that if LSR were to continue to expend cash at the rate indicated by the Appendix 5B, LSR may not have sufficient cash to continue funding its operations.

In view of that, ASX asks LSR to respond separately to each of the following questions and requests for information:

1. Does LSR expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has LSR taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does LSR expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that LSR is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that LSR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of LSR with delegated authority from the board to respond to ASX on disclosure matters.

**When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3.00 PM AWST Tuesday, 3 December 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in LSR's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, LSR's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

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ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1 and Listing Rule 3.1A**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to LSR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that LSR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in LSR's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Enquiries**

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

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**Ryan Gava**  
Listings Compliance (Perth)