

March 2022 Quarterly Activities Report

HIGHLIGHTS

COOLGARDIE WEST (LSR-100%)

Soil geochemistry defines priority, large scale walk-up lithium and gold drill targets

- 2km long Li-Cs-Sn anomaly over pegmatite (to max 194ppm Li)
- Two large, contiguous gold anomalies, 1,2km and 2km extent, (max 37.5ppb Au)

Drilling planned on completion of heritage access agreements and subject to statutory approvals.

EARAHEEDY-Imbin (LSR-100%)

- New tenement application (E69/4030) over large Zn-Pb and Cu anomalies adjacent to regional Scorpion Fault
- Regional soil geochemistry program over 30 late time electromagnetic (EM) anomalies in the 20km long Imbin corridor is scheduled to commence in May

NEPEAN (LSR-20%)

- Induced polarisation (IP) survey completed. Five new regional drill targets identified (POW submitted)
- Post reporting period: Successful metallurgical test work supports completion of JORC-2012 compliant resource estimate (MRE) for shallow Nepean nickel mineralisation

NEDS CREEK JV (Vango Mining earning 51%)

Drill results – significant drill intersections reported from granite contact zone

- 20m at 0.69g/t Au from 120m in LNRC097, including 8m at 1g/t Au from 132m (Contessa south)
- 24m at 0.5g/t Au from 116m in LNRC099 (Central Park)
- 1200m granite contact between Contessa and Central Park prospects is untested and represents a major drill target
- Assays pending for follow up sampling and 1m split samples from the Contessa drilling program

PILBARA TENEMENT, PATERSON OROGEN (LSR-100%)

Acquisition of E45/5735, 8 km north of the giant Telfer gold mine.

CORPORATE

The Company raised \$2.78M before costs by issuing 347.5M fully paid ordinary shares at 0.8 cents per share in an oversubscribed placement, primarily to sophisticated investor clients of Canaccord Genuity and Euroz Hartley. The placement will fund upcoming exploration programs at Earaaheedy, Coolgardie West, Jubilee Well, Bulong and Nepean.

COMPANY PROJECTS

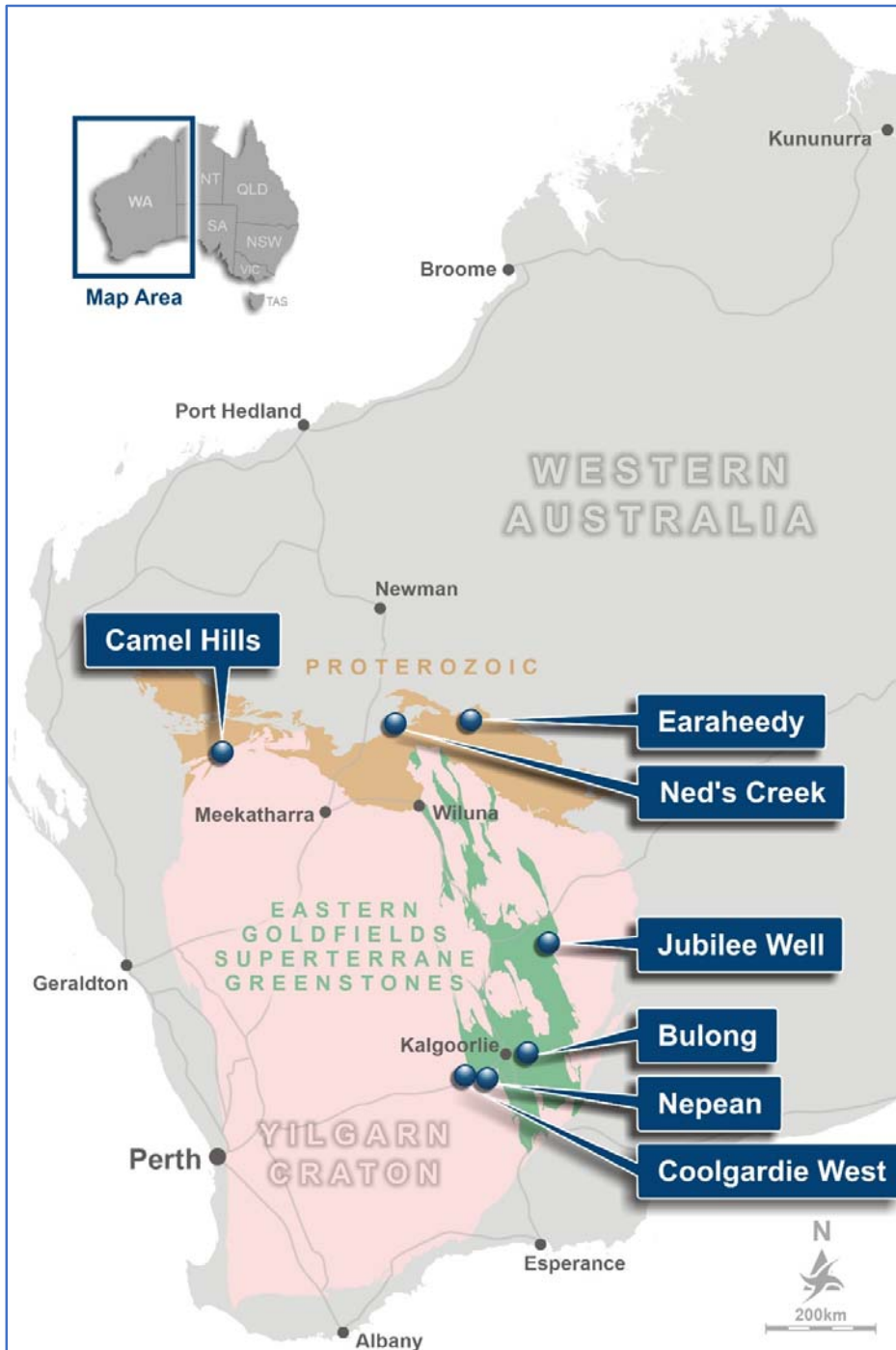


Figure 1 Lodestar project location plan.

COOLGARDIE WEST (LSR 100%, Li, Au, Ni)

Two programs of soil geochemistry have been completed over the Coolgardie West tenement (E15/1813), located 10km west of Coolgardie (see Figure 2).

The initial program of 937 samples highlighted a 2.5km long coincident Li-Cs-Sn-W (LCT) trend (maximum 194ppm Li) associated with the northeast trending Coolgardie greenstone belt¹ (see Figure 3). Field reconnaissance located scattered, historic shallow excavations in pegmatite along the length of the anomaly.

Although poorly exposed, the pegmatite appears to intrude along a shear zone that follows the western margin of the greenstone belt and the linear shape of the anomaly is consistent with a steeply or moderately dipping intrusion. The composition and detailed mineralogy of the pegmatite is currently unknown. Assay results are pending for rock chip samples collected from the pegmatite.

Sampling across the margins and strike extension of the greenstone belt identified two extensive gold anomalies in areas of soil cover with no previous drilling. These anomalies were refined by a second phase of sampling, comprising 377 samples, completed in March. The second phase sampling also extended sampling to the tenement boundary.

Results for the in-fill sampling were received subsequent to the end of the quarter and have confirmed two priority gold targets² (see Figure 4).

- The northern target is located 1.5km along strike from the greenstone pinch-out, adjacent to a prominent northeast trending shear zone that defines the western contact of the Calooli Granite. The 20ppb Au contour extends for 1200m, with a maximum 37.5 ppb Au.
- The western target is located 2.4km northwest of and parallel to the greenstone. The 15ppb Au contour extends for 2,000m in a north easterly direction, with a maximum 30.9ppb Au.

The soil geochemistry has defined priority walk-up drill targets for lithium and gold of significant scale and Lodestar is working to obtain a heritage access agreement over the Coolgardie West tenement in preparation for a planned drilling program.

¹ See Lodestar's ASX announcement dated 11th February 2022.

² See Lodestar's ASX announcement dated 27th April 2022.

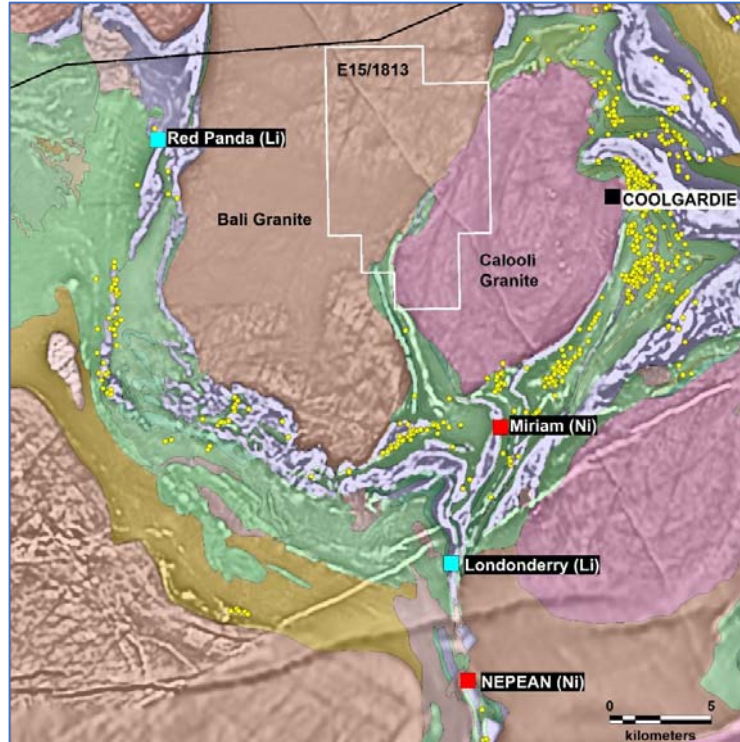


Figure 2 Location plan and interpreted geology, Coolgardie West E15/1813.

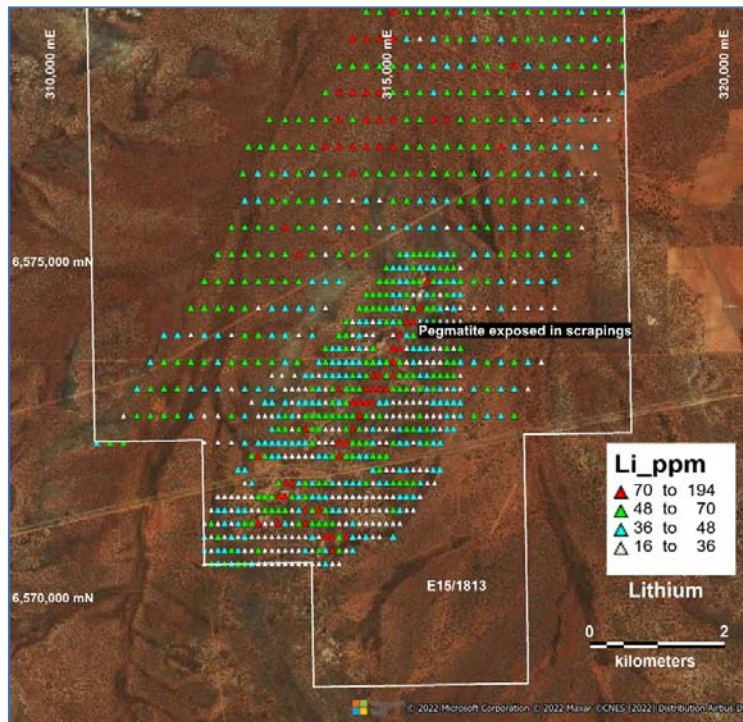


Figure 3 Lithium in soil anomaly, Coolgardie West (MGA94 zone 51).

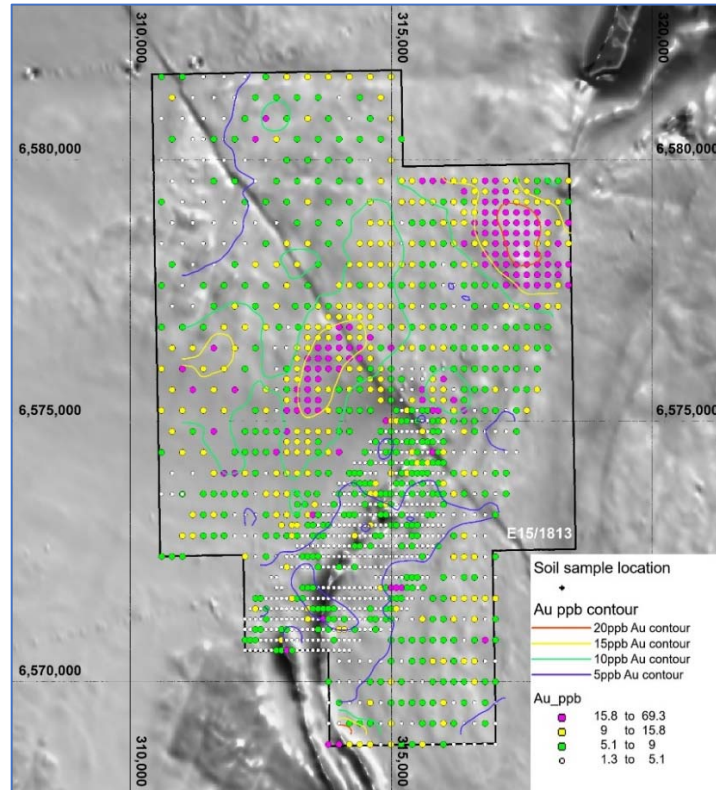


Figure 4 Gold in soil anomalies, Coolgardie West on aeromagnetic image E15/1813 (MGA94 zone 51)

EARAHEEDY – Imbin (LSR 100%, Cu-Zn-Pb)

Lodestar applied for E69/4030 on the northern margin of the Earraheedy Basin, extending the project area under granted tenure or application to 965sq. km (see Figure 5)³. Exploration success by Rumble Resources Limited, resulting in the discovery of extensive Zn-Pb-Ag mineralisation indicates the Earraheedy Basin has potential to become a major base metal metallogenic province.

E69/4030 is located adjacent to the Salvation Fault, the boundary fault between the Earraheedy Basin and the later Bangemall Basin to the north. The Salvation Fault is a major structure and was targeted as a potential growth fault and feeder for sediment-hosted base metal mineralisation.

Seven wide spaced, historic RC drill holes tested soil and RAB geochemical anomalies to a depth of 200m. Extensive low-level Zn-Pb anomalies were reported from the weathered zone in support of the geochemical targeting. Deeper intersections also appear to support the potential of the sequence to host base metal mineralisation e.g.

- NRC03 – 32m at 0.12% Zn and 0.02% Pb
- NRC04 – 40m at 0.09% Zn, 0.08% Pb, 1.2g/t Ag, including 4m at 0.21% Zn, 0.06% Pb, 2.3g/t Ag
- NRC05 – 26m at 0.06% Zn, 0.12% Pb, 1.1g/t Ag from 172m (see Figure 2).

RC drilling intersected chlorite phyllite with minor quartz veining containing pyrite-sphalerite/galena (Zn/Pb) in holes NRC-01 and NRC-02, pyritic shale and carbonaceous shale. The geology appears very similar to the Yelma Formation elsewhere on the northern margin of the basin.

In addition to the well-defined surface zinc anomalies south of the Salvation Fault, rock chip sampling has outlined an extensive 5km by 1.5km Cu-Pb-Zn anomaly south of and parallel to the Salvation Fault that has not been targeted by drilling. On grant of the tenement Lodestar will complete first-pass multi-element geochemical sampling, including the extensive areas under shallow sand cover, to provide an initial framework for exploration targeting.

³ See Lodestar’s ASX announcement dated 8th March 2022.

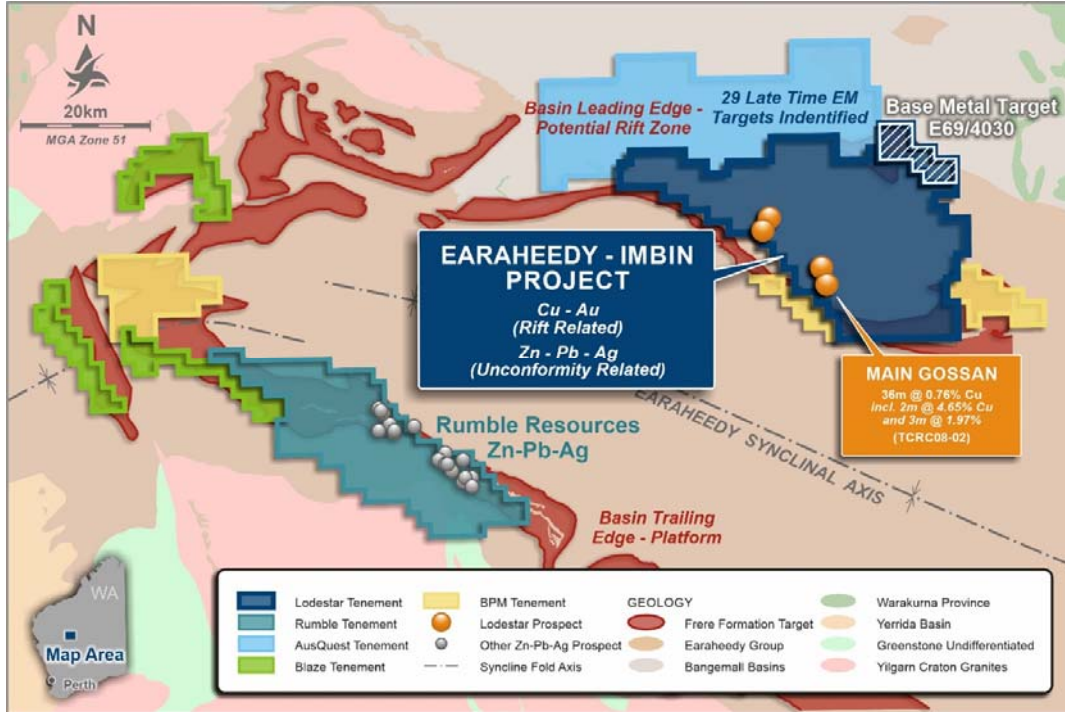


Figure 5 Location plan, application E69/4030.

NEPEAN NICKEL PROJECT (LSR-20%, Ni, Li)

Auroch Minerals Limited (ASX:AOU), operators of the project, completed a ground induced polarisation (IP) survey over the northern tenements of the Nepean Nickel Project. Strong chargeability anomalies were identified below the weathering profile within the mafic-ultramafic package of the Nepean greenstone and five targets have been selected for RC drilling⁴.

Assays from pegmatite intersected in drill holes in the vicinity of rock samples that reported anomalous lithium values also reported anomalous values up to 0.88% Li₂O (1m at 0.88% Li₂O within 4m at 0.35% Li₂O from 78m in NPRC051)⁵. NPRC051 was not targeting lithium or lithium-caesium-tantalum (LCT) pegmatites and the result confirms the potential for LCT pegmatites within the project and particularly the northern tenements adjacent to known LCT pegmatites at Londonderry and Lepidolite Hill. Further exploration is planned.

Subsequent to the reporting period, Auroch received confirmation of the successful completion of preliminary metallurgical test work on samples of shallow, high-grade nickel sulphide from drilling directly south of the historic Nepean nickel mine⁶. Following the success of the metallurgical work, resulting in recovery of saleable nickel concentrate grades, work will focus on the completion of a JORC-2012 compliant mineral resource estimate (MRE) for the shallow, remnant mineralisation.

⁴ See Auroch Minerals ASX announcement dated 10th February 2022.

⁵ See Auroch Minerals ASX announcement dated 7th April 2022.

⁶ See Auroch Minerals ASX announcement dated 27th April 2022.

NED'S CREEK JOINT VENTURE (Vango Mining earning 51%, Au)

Partial assay results for the RC drilling program completed at Contessa in November 2021 were received. The program comprised twelve vertical RC holes targeting a sub-horizontal supergene gold zone developed near the base of complete oxidation and fourteen exploration RC holes targeting the granite contact at Contessa (over 600m) and Central Park prospects⁷.

The main outcome of the contact exploration drilling was the intersection of significant gold mineralisation in LNRC097 (southern Contessa) and LNRC099 (Central Park). The 1200m interval between these holes has received no drilling below the depth of oxidation and the contact, which is now believed to be the main structural control on mineralisation, has not been tested.

Significant intersections from 4m composite sampling include:

- **20m at 0.69g/t Au from 120m in LNRC097, including 8m at 1g/t Au from 132m and**
- **24m at 0.51g/t Au from 116m in LNRC099**

RC drilling targeting supergene gold at Contessa returned significant intersections from 1m split sampling, including:

- **12m at 1.46g/t Au from 50m in LNRC083**
- **8m at 1.84g/t Au from 36m in LNRC089**
- **7m at 2.99g/t Au from 58m in LNRC092 and**
- **4m at 1.5g/t Au from 36m in LNRC086**

Assays for drill holes LNRC073 to LNRC078 (contact exploration) are pending, as are the assays for 1m split samples from the mineralised intervals in LNRC097 and LNRC099.

The granite contact between Contessa and Central Park is concealed beneath shallow cover and the Company is investigating methods to define the contact position more precisely prior to commencing step out drilling.

PILBARA – PATERSON OROGEN (LSR-100%, Au)

The Company acquired an interest in E45/5735 after a successful outcome by ballot selection⁸. The tenement is located 8km north of the giant Telfer gold mine on the southern end of East Thompson's Dome, an anticlinal structure that hosts several vein-hosted gold prospects along strike to the northwest of E45/5735. Lodestar intends to carry out surface prospecting to identify and assess potential gold targets for follow up exploration.

APPENDIX 5B DISCLOSURES

ASX LR 5.4.1: Exploration expenditure during the quarter was \$121k. This includes \$36k of cash calls for the Nepean joint venture with Auroch Minerals Limited and \$51k for Imbin.

ASX LR 5.4.3: Tenement schedule attached to activities report.

ASX LR 5.4.5: Payments to related parties totalled \$101k and was in respect of Directors' salaries and superannuation payments, in addition to payments for corporate management services to Director related entities, and interest paid on a director loan.

⁷ See Lodestar Minerals ASX announcement dated 14th March 2022.

⁸ See Lodestar's ASX announcement dated 6th April 2022.

Contacts

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About Lodestar

Lodestar Minerals is an active Western Australian gold and base metal explorer.

Lodestar's projects comprise the advanced Nepean Nickel Project JV, the Ned's Creek JV and the 100% owned Camel Hills, Earraheedy-Imbin, Jubilee Well, Bulong and Coolgardie West projects.

The Earraheedy-Imbin Project is a major strategic land holding in the emerging Earraheedy Province, site of Rumble Resource's recent and potentially world-class Zinc-Lead discoveries. The Imbin Project is located on the northern margin of the prospective basin and is the site of significant historic copper intersections in drilling and approximately 20km of strike of the target Yelma-Frere unconformity.

Lodestar discovered multiple zones of syenite intrusion-related gold mineralisation at the Ned's Creek Project on the Yilgarn craton margin, 150km west of Imbin. Vango Mining Limited is earning a 51% interest in the Ned's Creek JV by contributing \$5M of expenditure over 3 years.

Bulong and Jubilee Well are recent acquisitions in highly endowed gold districts; first-pass drill programs are planned. Coolgardie West, located 12km west of Coolgardie, has potential for greenstone hosted gold, nickel and LCT pegmatite mineralisation.

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 2012 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.

The information in this announcement that relates to previously released exploration results was disclosed under JORC 2012 in the ASX announcements dated

- 11th February 2022, *Lithium Potential Upgraded at Coolgardie West*”.
- 8th March 2022, *“Lodestar Extends Earraheedy Base Metal Footprint”*.
- 14th March 2022, *“Contessa – Large Target Identified on Granite Contact”*.
- 6th April 2022, *“Lodestar Adds Pilbara Tenement”*.
- 27th April 2022, *“In-fill Sampling Confirms Large Gold Targets, Coolgardie West”*.

These announcements are available to view on the Lodestar website. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Lodestar Minerals Limited

ABN

32 127 026 528

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(121)	(1,705)
(b) development	-	-
(c) production	-	-
(d) staff costs	(77)	(221)
(e) administration and corporate costs	(76)	(254)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(275)	(2,181)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(12)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	-	-
	(d) investments	-	124
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	112

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,780	3,780
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(186)	(255)
3.5	Proceeds from borrowings	75	75
3.6	Repayment of borrowings	(75)	(75)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities right of use assets)	(4)	(12)
3.10	Net cash from / (used in) financing activities	2,590	3,513

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	59	930
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(275)	(2,181)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	112

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,590	3,513
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,374	2,374

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	59
5.2	Call deposits	-
5.3	Bank overdrafts	-
5.4	Other (provide details)	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	59

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amounts of payments to related parties and their associates included in item 1
6.2	Aggregate amounts of payments to related parties and their associates included in item 2

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amounts at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (provide details if material)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(275)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(275)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,374
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,374
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	8.63
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	N/A
8.8.2 Has the entity 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?	N/A
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	N/A
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022

Authorised by: Bill Clayton – Managing Director
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.