

25 July 2022

June 2022 Quarterly Activities Report

HIGHLIGHTS

Earaheedy-Imbin (LSR-100%)

- Commencement of wide-ranging soil geochemistry program to assess multiple potential base metal EM targets within the Earraheedy base metal province.
- Fixed loop EM surveys scheduled to commence late July.
- Collaboration with CSIRO and the Ultrafine Fraction Soil Project to enhance interpretation of soil geochemical data.

Jubilee Well (LSR-100%)

- Heritage clearance for the Jubilee Well gold target completed post the reporting period. RC drill program planned.

Ned's Creek JV (Vango Mining earning 51%)

- Discrete magnetic anomaly within the Contessa shear zone identified as priority drill target. RC drilling planned.

Coolgardie West (LSR-100%)

- Advanced negotiations proceeding with the native title claimants to expedite heritage clearance of lithium and gold drill targets.

Nepean Project (LSR – 20%)

- JORC2012 compliant resource update for the shallow Nepean nickel mineralisation underway.

Earaheedy-Imbin (LSR-100%, Cu-Zn-Pb)

The extensive program of multi-element soil geochemistry, comprising some 2,000 samples, commenced at the end of June following a delay imposed by unseasonal rainfall. The soil program is testing multiple late time electromagnetic (EM) conductors, many under shallow sand cover, identified by the Xcite EM survey completed in 2021¹. The sampling program is expected to be completed shortly and samples will be submitted for ultrafine UFF™ analysis, providing a very comprehensive suite of data from which to select priority drill targets. Lodestar will be assisted in the interpretation of the soil geochemistry results by the CSIRO and the Ultrafine Fraction Soil Project; a research project designed to fingerprint ore-related geochemical haloes in areas of surface cover.

¹ See Lodestar's ASX announcement dated 15th December 2021

In addition, fixed loop EM surveys are scheduled to commence over the MC8, MC9 and SC3 conductors located along strike from the Main Gossan copper occurrence. Each of the conductors is associated with historic geochemical anomalies of base metal and pathfinder elements. The fixed loop surveys will define the orientation of the target conductors, from which the final drill hole locations will be determined. Drilling of the conductors is planned on receipt of Program of Work and heritage clearance approvals.

Jubilee Well (LSR-100%, Au)

Heritage clearance for the Jubilee Well gold target was received post the reporting period. Lodestar is now seeking to engage a drilling contractor to complete RC drilling of the target², located 2km along strike from AngloGold's +100,000 oz Au Golden Delicious deposit .

Ned's Creek JV (Vango Mining earning 51%, Au)

Preparations are underway to drill test a discrete magnetic "bull's eye" adjacent to the southern contact of the Contessa granite³. The anomaly itself is untested but aircore drilling in the near vicinity of the anomaly has intersected significant alteration and elevated gold within the Contessa shear zone to a maximum 3.14g/t Au.

Modelling of the anomaly indicates a target 200m long and dipping at ~60deg to the southeast. The anomaly may represent the expression of a residual Fe-rich lithology (i.e. ultramafic-mafic and a potential host to gold mineralisation under conditions of brittle deformation) or a discrete zone of magnetite alteration related gold mineralisation within the Contessa hydrothermal system. A program of RC drilling is planned to test the anomaly and will commence once a suitable drilling contractor is engaged.

Coolgardie West (LSR-100%, Li-Au)

Negotiations with native title claimants over the Coolgardie West tenement are progressing and it is expected that access agreements will be concluded within the September quarter. Once the agreements are finalised heritage surveys can be completed over the priority lithium and gold targets thereby minimising delays.

Appendix 5B Disclosures

ASX LR 5.4.1: Exploration expenditure during the quarter totalled \$258k.

ASX LR 5.4.3: Tenement schedule attached to activities report.

ASX LR 5.4.5: Payments to related parties totalled \$103k and was in respect of Directors' salaries and superannuation payments, in addition to payments for corporate management services to Director related entities.

² See Lodestar's ASX announcement dated 9th April 2021

³ See Lodestar's ASX announcement dated 9th June 2022

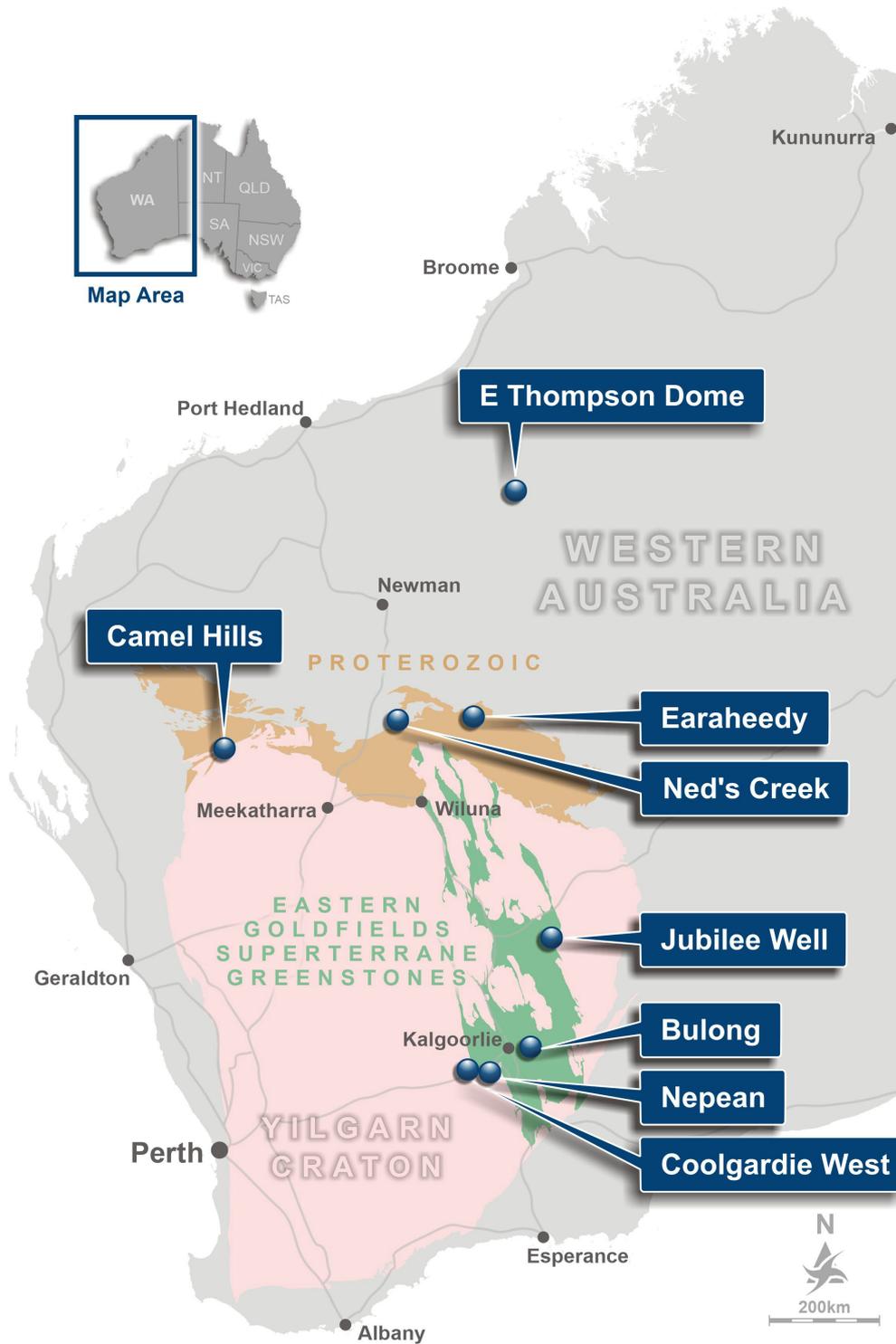


Figure 1 Lodestar project locations.

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 have been planned. Coolgardie West, located 12km west of Coolgardie, has potential for greenstone hosted gold, nickel and LCT pegmatite mineralisation with priority lithium and gold drill targets identified by soil geochemistry.

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

- *9th April 2021 "Jubilee Well Acquisition- Along Strike from Sunrise Dam".*
- *15th December 2021 "Earraheedy-Imbin Exploration Update".*
- *9th June 2022 "Lodestar Exploration Update".*

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 1: Schedule of Exploration Tenements as at 30th June 2022

Tenement Description	Tenement Numbers	Status	Percentage Interest
Ned's Creek			Subject to JV: Vango Mining earning 51%
7 Mile Well	E52/2440	Granted	100% - Audacious Resources
Yowereena Hill	E52/2456	Granted	100% - Audacious Resources.
Little Well	E52/2468	Granted	100% - Audacious Resources
Yowereena Hill	E52/2493	Granted	100% - Audacious Resources
Yowereena Hill	E52/2734	Granted	100% - Lodestar Minerals
Yowereena Hill	E52/3473	Granted	100% - Lodestar Minerals
Yowereena Hill	E52/3476	Granted	100% - Lodestar Minerals
Yowereena Hill	M52/779	Granted	80% - Lodestar Minerals: 20% - Vango Mining
Yowereena Hill	M52/780	Granted	80% - Lodestar Minerals: 20% - Vango Mining
Yowereena Hill	M52/781	Granted	80% - Lodestar Minerals: 20% - Vango Mining
Yowereena Hill	M52/782	Granted	80% - Lodestar Minerals: 20% - Vango Mining
Ned's Creek			Not Subject to JV
Pinyrinny	E52/3798	Granted	100% - Lodestar Minerals
Earaheedy-Imbin			
Ingebong Hills	E69/3483	Granted	100% - Lodestar Minerals
Ingebong Hills	E69/3532	Application	
Ingebong Hills	E69/3952	Granted	100% - Lodestar Minerals
Ingebong Hills	E69/3533	Granted	100% - Lodestar Minerals
Ingebong Hills	E69/3590	Granted	100% - Lodestar Minerals
Ingebong Hills	E69/3699	Granted	100% - Lodestar Minerals
Ingebong Hills	E69/4030	Application	
Camel Hill / Mt Erong			
Meekatharra	E09/2099	Granted	100% - Lodestar Minerals
Meekatharra	E09/2100	Surrendered	

Tenement Description	Tenement Numbers	Status	Percentage Interest
Nepean	M15/709	Granted	Nepean JV: Auroch-Lodestar (80:20)
	M15/1809	Granted	Nepean JV: Auroch-Lodestar (80:20)
	M15/1887	Application	Nepean JV: Auroch-Lodestar (80:20)
	M15/1890	Application	Nepean JV: Auroch-Lodestar (80:20)
	E15/1828	Application	Nepean JV: Auroch-Lodestar (80:20)
	P15/5738	Granted	Nepean JV: Auroch-Lodestar (80:20)
	P15/5740	Granted	Nepean JV: Auroch-Lodestar (80:20)
	P15/5741	Granted	Nepean JV: Auroch-Lodestar (80:20)
	P15/5742	Granted	Nepean JV: Auroch-Lodestar (80:20)
	P15/5743	Granted	Nepean JV: Auroch-Lodestar (80:20)
	P15/5749	Granted	Nepean JV: Auroch-Lodestar (80:20)
	P15/5750	Granted	Nepean JV: Auroch-Lodestar (80:20)
	P155963	Granted	Nepean JV: Auroch-Lodestar (80:20)
	P15/5965	Granted	Nepean JV: Auroch-Lodestar (80:20)
	P15/6681	Application	Nepean JV: Auroch-Lodestar (80-20)
Jubilee Well	E38/3054	Granted	100%
Bulong	P25/2593	Granted	100%
	P25/2594	Granted	100%
	P25/2595	Granted	100%
	P25/2596	Granted	100%
	P25/2626	Granted	100%
	P25/2627	Granted	100%
	P25/2628	Granted	100%
	P25/2629	Granted	100%
	Coolgardie West	E15/1813	Application
Pilbara	E45/5735	Application	

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")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(258)	(1,963)
(b) development	-	-
(c) production	-	-
(d) staff costs	(89)	(310)
(e) administration and corporate costs	(101)	(355)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(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	(448)	(2,629)
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 (12 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)	-	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	3	(252)
3.5	Proceeds from borrowings	-	75
3.6	Repayment of borrowings	-	(75)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities right of use assets)	(3)	(15)
3.10	Net cash from / (used in) financing activities	-	3,513
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,374	930
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(448)	(2,181)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	112

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 (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,513
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,926	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	1,926	2,374
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)	1,926	2,374

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	103
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	Total facility amounts at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	(448)
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)	(448)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,926
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,926
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4.30
<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: 25 July 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.