

LODESTAR 2019 AGM CHAIRMAN'S ADDRESS

It has been an extraordinarily tough year in the junior explorer end of the market. I believe Lodestar is in a good position as we have three excellent projects, the primary one being Ned's Creek where we have discovered a large gold bearing structure with striking similarities to the 6 million ounce Plutonic belt 20 kilometres to our north and where amongst many excellent gold intersections we found bonanza grades of gold running at 78 grams per tonne.

The market seems to have taken the view that we will have difficulty advancing the project and has ascribed little to no value to it. It's been extraordinarily frustrating to see this happen, but we know we have something special and we worked hard to find a solution and push the development along.

Vango Mining were our Joint Venture partners on 4 of their mining leases abutting the Contessa, Gidgee Flats, Central Park and Brumby discoveries. Vango themselves have a large project on the Plutonic Belt and are in the process of building a 1 million tonne per annum plant and are working hard to build a resource to justify that as quickly as possible. We have spent considerable time with Vango but quite quickly they saw the opportunity that Lodestar represents and that Contessa in particular has the potential to rapidly add to their resource and importantly could be mined quickly due to the thick shallow supergene intersections that would be suitable for open pit mining which would lead into underground mining of the bonanza zone.

We struck a deal with Vango where they now are farming into Lodestar and all of our Ned's Creek tenements and spending 5 million dollars over three years for 51%. It's a fantastic deal for Lodestar and we also have the option to elect to pro-rate fund once the five million has been spent or drop to a 20% free carried interest.

As you will have seen from our announcement yesterday, Vango are commencing drilling at Contessa before the end of the month. Concentrating on the supergene zone and the high-grade zone and likely extensions of it. They are also embarking on a reconnaissance aircore program just to the north to chase down some geochem and structural anomalies that we have identified.

Whilst it's been a frustrating year, it has actually been a very productive year given the market conditions and Lodestar now is set back on course and fully funded for the Ned's Creek Project. I would like to thank my fellow Directors, David and Bill for ensuring we saw this through.

We will continue our discussions over our Imbin Project and expect to be able to strike a favourable Joint Venture deal over that copper gold target. We are finalising plans for further work at Camel Hills so that we can get back on the ground there in the new year and search for the source of the very strong and discrete gold anomalism that we have.

Overall - frustrating, difficult, time consuming, but we are back on track! I am looking forward to the next few months and 2020 in particular.

Ross Taylor
Chairman