



LODESTAR MINERALS LIMITED

ABN 32 127 026 528

FINANCIAL REPORT

For the half-year ended 31 December 2020

CONTENTS

Directors' Report	1
Auditor's Independence Declaration	8
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position.....	10
Consolidated Statement of Changes in Equity.....	11
Consolidated Statement of Cash Flows	12
Consolidated Notes to the Financial Report.....	13
Directors' Declaration	17
Independent Auditor's Review Report	18
Corporate Directory	20

DIRECTORS' REPORT

Your Directors submit the Interim Report of the Group comprising Lodestar Minerals Limited ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2020. To comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

The names of the directors who held office during the whole of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

William Clayton	Managing Director
Ross Taylor	Non-executive Chairman
David McArthur	Non-executive Director

REVIEW OF RESULTS AND FINANCIAL POSITION

Lodestar Minerals Limited is listed on the Australian Securities Exchange (ASX: LSR), classified as a West Australian junior gold and base metal explorer, and has approximately 1,035 million shares on issue at the date of this report. The Group has not reached a stage in its development where it is generating an operating profit.

The net loss after income tax for the half-year was \$208,402 (\$31 December 2019: 276,992), which included exploration expenditure of \$108,149 (31 December 2019: \$97,782).

REVIEW OF OPERATIONS

HIGHLIGHTS

Ned's Creek Project

Joint venture partner Vango Mining Limited (Vango) completed the second phase of exploration RC and diamond drilling, targeting syenite-related gold mineralisation at the Contessa and Gidgee Flat prospects.

Follow up RC drilling of the supergene gold zone at Contessa targeted extensions to earlier intersections of **16m at 2.16g/t Au from 84m in VCTRC0003 and 27m at 1.05g/t Au in VCTRC0002**¹. The four hole, phase two RC drilling program continued to report significant results supporting open-pit resource potential at Contessa, including:

- **11m at 2.29g/t Au from 52m, including 1m at 15.18g/t Au from 54m in VCTRC0015**
- **5m at 1.06g/t Au from 47m in VCTRC014 and**
- **3m at 3.61g/t Au from 46m in VCTRC0012**²

Three diamond drill holes were completed at Contessa targeting the down-plunge extension of high-grade gold intersected in LNRC026 (**4m @ 74g/t Au from 140m**).³

At Gidgee Flat a diamond drill hole targeted a major fault that displaces the mineralised syenite contact, north east of the Gidgee Flat prospect. Assay results from the diamond drilling program are pending.

¹ See Vango Mining's (ASX:VAN) announcement to the ASX dated 10th February 2020.

² See Vango Mining's announcement to the ASX dated 23rd November 2020.

³ See Lodestar's (ASX: LSR) announcement to the ASX dated 22nd May 2018.

Vango was awarded up to \$150,000 (50% of drilling costs) of WA government funding under Round 22 of the competitive Exploration Incentive Scheme (EIS) to extend deep diamond drilling of the Gidgee Flat fault zone in 2021.

Camel Hills Project

Lodestar entered into a farm-out agreement with private company GoldFellas Pty Ltd (“GoldFellas”) whereby GoldFellas can earn up to a 49% interest in the Camel Hills project tenements by contributing \$800,000 of exploration expenditure⁴. Goldfellas will earn an initial 25% interest by spending \$300,000 on exploration.

A first pass aircore drilling program, funded by GoldFellas, targeted the Constellation gold anomaly in November 2020. Wide spaced reconnaissance drilling reported **3m at 1.54g/t Au from 16m** in drill hole LCR0159 (LCR0159 ended in mineralisation) from the 5km long, under explored north eastern contact of the Camel Hills magnetic anomaly⁵. Follow up systematic geochemistry is planned over the area.

NED’S CREEK PROJECT – 400sq km

(E52/2440, E52/2456, E52/2468, E52/2734, E52/3473, E52/3476 and M52/779, M52/780, M52/781 and M52/782 – VAN earning 51%)

The Ned’s Creek tenements are located 150 kilometres north east of Meekatharra along geological trend from the Thaduna and DeGrussa copper deposits, 35 km east of the Plutonic gold mine and 20km south of Vango Mining’s 1Moz Marymia Gold Project. The tenements flank the Jenkin Fault zone, a major structure that defines the northern boundary of the Bryah-Yerrida volcano-sedimentary basins and extend over 400 sq. km. of the northern Yerrida Basin and under-explored Archaean granite-greenstone basement. The Archaean basement has yielded significant gold discoveries related to a large composite granite/syenite intrusion at Contessa, Central Park and Gidgee Flat (Figure 1).

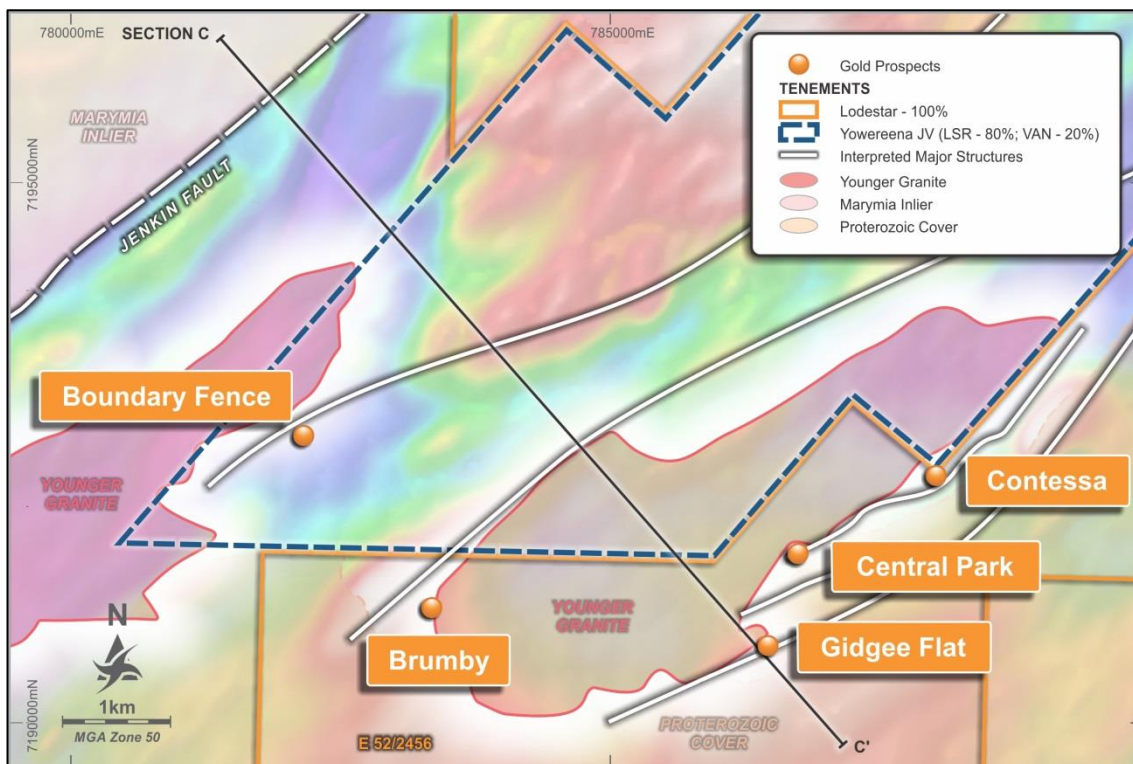


Figure 1 Prospect location plan showing the Contessa late granite/syenite-related intrusion on TMI magnetic image.

⁴ See Lodestar Minerals (ASX: LSR) announcement to the ASX dated 11th August 2020.

⁵ See Lodestar’s ASX announcement dated 22nd December 2020.

Vango are earning up to a 51% interest in the Ned's Creek project tenements by contributing \$4.5 million of exploration expenditure over 3 years⁶.

Contessa

Vango's drilling has focussed on defining and extending zones of supergene and primary mineralisation at the Contessa prospect.

At Contessa, 10 drill holes were completed for 852m of RC drilling and 498.6m of diamond core. The drilling included water bores to meet requirements for diamond drilling.

Four RC holes (VCTRC0012 to VCTRC0015) targeted the supergene zone with significant results listed below⁷(see Figures 2 and 3):

VCTRC0012 – 3m at 3.61g/t Au from 46m, including 1m at 8.35g/t Au from 46m

VCTRC0014 – 5m at 1.06g/t Au from 47m and

VCTRC0015 - 11m at 2.29g/t Au from 52m, including 1m at 15.18g/t Au from 54m

The results are consistent with Vango's previously reported RC drilling at Contessa and provide further evidence of open-pit resource potential as supplementary feed for Vango's adjacent Marymia gold project.

Three diamond drill holes were completed to test the down-dip, down-plunge extent of high-grade gold intersected in LNRC026. Assay results from these holes are pending and a future work will be planned by Vango once all data has been reviewed.

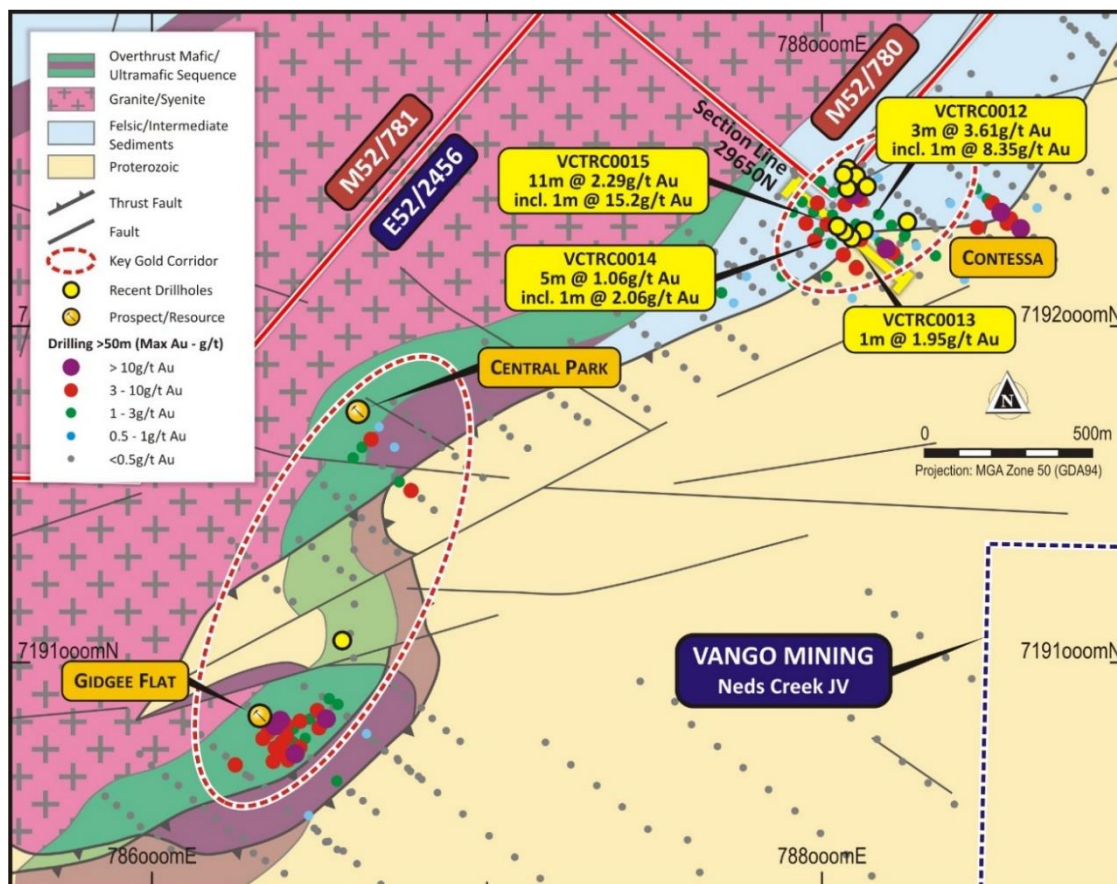


Figure 2 Contessa and Gidgee Flat prospects showing drilling completed.

⁶ See Lodestar's ASX announcement dated 17th July 2019.

⁷ See Vango's ASX announcement dated 23rd November 2020.

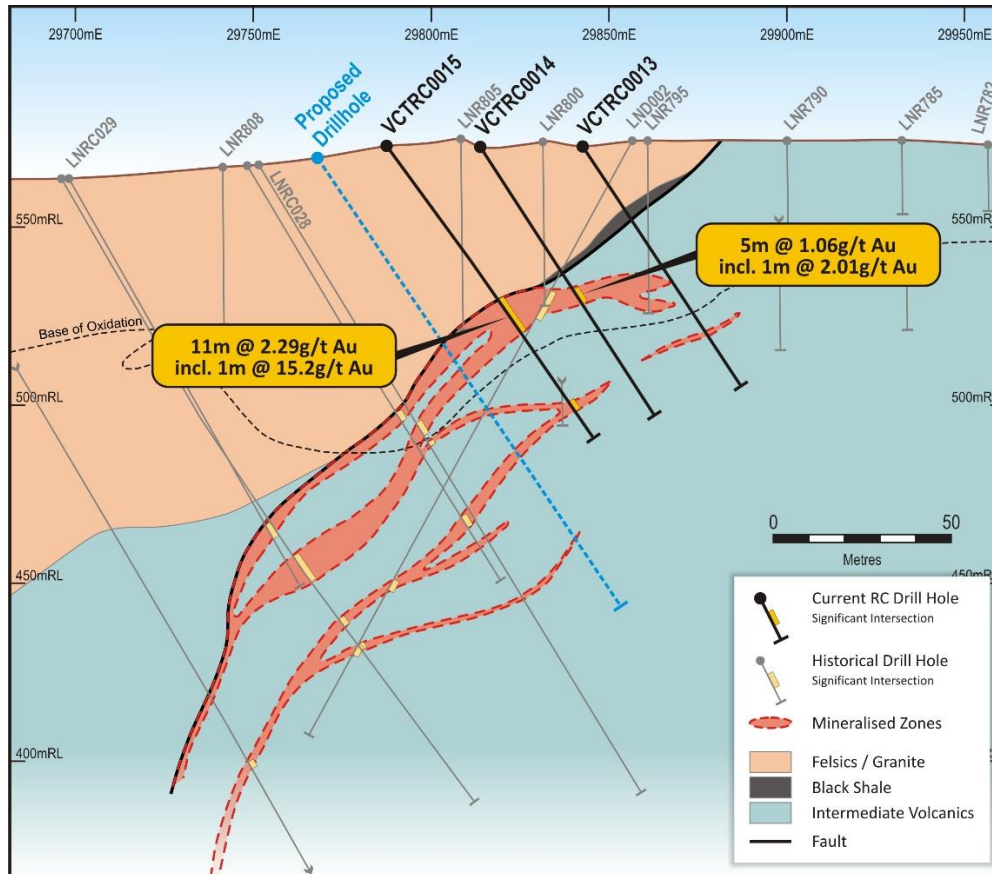


Figure 3 Contessa Prospect RC drilling and geological interpretation, cross-section 29650mN.

Gidgee Flat / Central Park

Extensive syenite-related gold mineralisation in drilling at Gidgee Flat and Central Park prospects is spatially associated with the granite-mafic contact. A major structural displacement of this contact between the two prospects presented a high priority exploration target.

A single diamond drill hole targeted the flexure zone, north east of the Gidgee Flat prospect (see Figure 2). The hole (VGFRCD001) comprised an 80m RC precollar and a 219.9m diamond tail.

The hole intersected quartz veining and intensely silica altered syenite overlying chlorite altered metasediments and chlorite-albite altered mafic units on the Central Park (northern) side of the fault. The fault is expressed as intense silicification together with chlorite-albite alteration over a 20m interval, passing into alkali feldspar granite, with the hole terminating in the granite at 299.9m. The southern granite-mafic contact (being the equivalent of Gidgee Flat) was not intersected but will be tested by follow up diamond drilling under the EIS co-funded drilling program. Assay results from the diamond drilling are pending.

Regional

Surface sampling at Ned's Creek has highlighted additional areas that require systematic exploration. A total of 26 rock samples were collected, reporting a maximum 5.8g/t Au⁸.

1. Follow up sampling over a thrust faulted contact between Archaean mafic-metasedimentary greenstone and the Marymia Inlier reported 5.7g/t gold from a 0.3m wide quartz vein containing oxidised sulphide mineralisation. The sample is located 2.7km east of the main arsenic-antimony anomaly at West Pinnyriny and this result is a further indicator of the significant potential for gold mineralisation in this large and under-explored area adjacent to the Marymia Inlier.
2. An historic RAB drill hole with a reported intersection of 10m at 1.2g/t Au was located and sampled. Degraded chips containing fresh disseminated pyrite in an altered mafic rock returned 5.8g/t Au, confirming the historic mineralisation. The hole is located on a drill traverse some 1,200m north east of the Boundary Fence prospect (see Figure 1) where significant supergene gold mineralisation has been identified. The sampled drill hole penetrated below the supergene zone, into altered but weakly weathered mafic rocks hosting the mineralisation. Rock sample and drill hole anomalies are spatially associated with a north east trending granite contact over 2.5km, there has been no systematic drilling of this contact beyond Boundary Fence.

CAMEL HILLS PROJECT – 240sq km (E09/2099, E09/2100, E09/2215 – GoldFellas earning up to 49%)

The Camel Hills tenements are located 170 kilometres northwest of Meekatharra, Western Australia and 60 kilometres south and east of Gascoyne Resources Limited's Glenburgh gold deposits (1Moz. resources). The tenements cover 240sq km and 35km of strike over the Errabiddy Shear Zone (ESZ), a 5km to 20 km wide structure that marks the boundary between the Archaean Narryer Terrane to the south and the accreted Palaeoproterozoic Glenburgh Terrane to the north. The ESZ is linked at depth to the Cardilya Fault, a deep crustal fault that marks the major tectonic boundary between the Archaean Yilgarn Craton and accreted Palaeoproterozoic terrane. Lodestar's exploration has located high grade gold mineralisation within the ESZ at Camel Hills.

Lodestar entered into a farm-in agreement with private company GoldFellas Pty Ltd (GoldFellas) to explore the Camel Hills project. Under the terms of the agreement GoldFellas can earn a 49% interest in the tenements by spending up to \$800,000 on exploration. The initial phase of the earn-in required GoldFellas to spend \$300,000 on exploration within 6 months of signing the agreement to earn a 25% interest⁹.

Lodestar completed rock sampling, a heritage survey and aircore drilling over the project.

A first pass aircore drilling program was completed over the Constellation soil gold anomaly (see Figure 4), an extensive +10ppb gold in soil and adjacent BLEG drainage anomaly¹⁰. Drilling was completed on traverses 50m to 100m apart with drill hole spacing varying from 20m to 40m on traverse. A total of 76 drill holes were completed for 1425m with an average hole depth of 19m due to a combination of shallow weathering and the capacity of the drill rig.

The Camel Hills area has a stripped weathering profile, abundant outcrop on the main ridges and generally a very shallow depth of weathering (to several metres below surface). Drilling was carried out using a hammer bit and close-spaced drilling was required to compensate for the shallow depth of the drill holes.

The Constellation area consists of steeply north-dipping, strongly deformed quartz biotite feldspar schists containing minor, discontinuous bands of calc-silicate rocks and multiple conformable quartz veins ranging from millimetres to 30cm wide. The sequence is intruded by dolerite and pegmatite dykes.

Of the 76 holes completed at Constellation, 36 holes reported greater than 10ppb Au in the interval 0-4m (to a maximum 100ppb Au), supporting the extensive low-level gold values identified by the soil geochemistry.

⁸ See Lodestar's ASX announcement dated 30th September 2020.

⁹ See Lodestar's ASX announcement dated 11th August 2020.

¹⁰ See Lodestar's ASX announcement dated 31st October 2019.

Two drill holes reported greater than the 0.1g/t Au value considered significant in this program. The target is considered to be adequately tested.

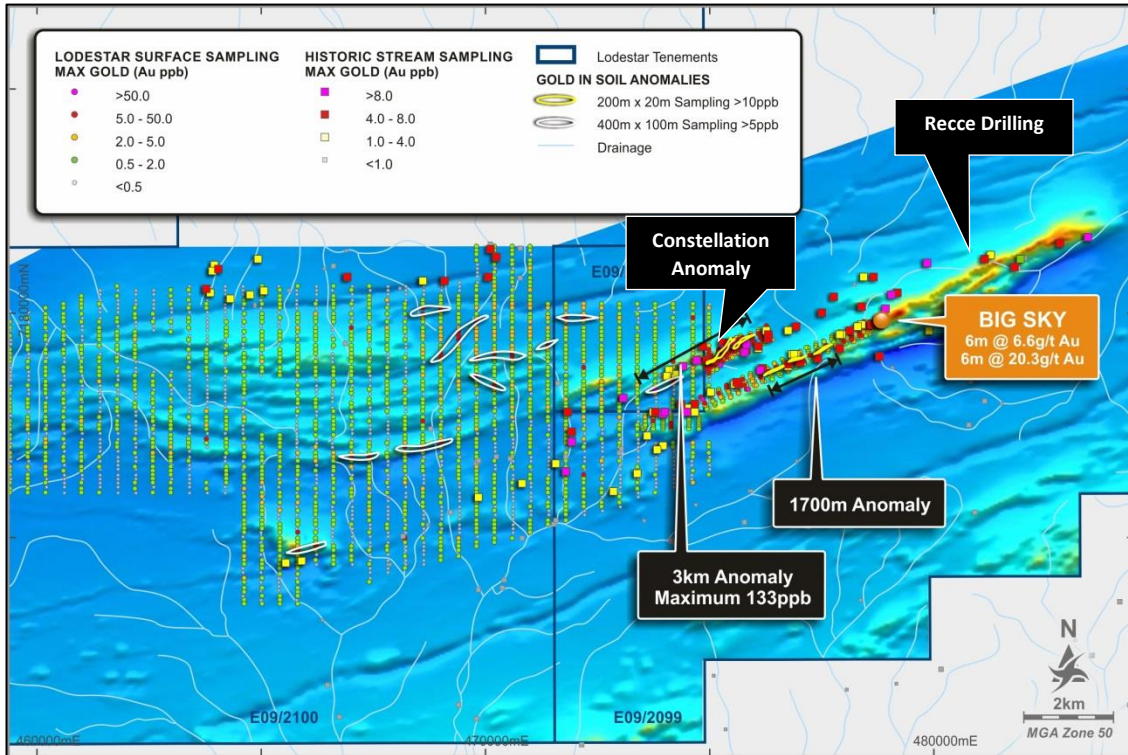


Figure 4 Gold anomalies and aircore drill targets on TMI magnetic image.

Additional drilling was carried out on three wide spaced traverses located 2.2km north east of the Big Sky prospect to test the magnetic contact. 15 holes were completed to an average depth of 14m for a total of 204m. Drilling was carried out on three traverses 700m to 1,000m apart with holes spaced at 50m on each traverse. At this spacing it is expected that anomalous sequences will be poorly defined. One hole, LCR159, reported **3m at 1.54g/t Au from 16m¹¹** (ending in mineralisation). This result, from an arbitrarily placed drill hole in an area that has not been subjected to systematic exploration, has confirmed the potential of this major structural target.

Additional sampling is planned over the 5km length of the north eastern extent of the Camel Hills magnetic anomaly.

¹¹ See Lodestar’s ASX announcement dated 22nd December 2020.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by William 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:

- 22nd May 2018 "Outstanding RC Drill Results at Gidgee Flat and Contessa".
- 31st October 2019 "September 2019 Quarterly Activities and Cash Flow Report".
- 30th October 2020 "October 2020 Quarterly Activities Report".
- 22nd December 2020 "Camel Hills Aircore Drilling Results".

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 announcements. 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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as reported above in the Review of Operations, there were no matters that significantly affected the affairs of the Group during the reporting period.

MATTERS SUBSEQUENT TO THE BALANCE DATE

Other than as disclosed in note 6 to the financial statements, there have been no other matters or circumstances that have arisen since the end of the financial period that have significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 8.

This report is made in accordance with a resolution of the directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



WILLIAM CLAYTON
Managing Director

10 March 2021
Perth, WA

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Lodestar Minerals Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
10 March 2021



N G Neill
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hbw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2020

	31 December 2020 \$	31 December 2019 \$
Other operating income	101,000	200,000
Government grants	23,805	-
Exploration expenditure expensed through profit or loss	(108,149)	(97,782)
Personnel expenses	(66,147)	(130,161)
General and administration	(33,050)	(51,434)
Professional fees	(76,745)	(74,200)
Depreciation	(3,924)	(5,816)
Amortisation – right of use assets	(7,173)	(7,738)
Loss on sale of financial assets	(29,924)	(101,629)
Results from operating activities	(200,307)	(268,760)
Finance costs	(8,095)	(8,232)
Loss before income tax	(208,402)	(276,992)
Income tax expense	-	-
Loss for the period	(208,402)	(276,992)
Total comprehensive loss for the year	(208,402)	(276,992)
Total comprehensive loss attributable to owners of the Company	(208,402)	(276,992)
Loss per share (cents per share)		
Basic and diluted	(0.02)	(0.04)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
Assets			
Cash and cash equivalents		13,917	12,144
Trade and other receivables		83,773	15,231
Prepayments		20,030	4,756
Other financial assets	5	-	242,694
Total current assets		117,720	274,825
Property, plant and equipment		28,478	32,402
Right of use assets		6,800	13,973
Other financial assets	5	2,059	2,059
Total non-current assets		37,337	48,434
Total assets		155,057	323,259
Liabilities			
Trade and other payables		145,343	126,647
Borrowings	3	129,555	112,531
Lease liabilities		6,601	14,336
Employee benefits		71,686	59,909
Site restoration provision		6,400	6,400
Total current liabilities		359,585	319,823
Total liabilities		359,585	319,823
Net (deficiency) / assets		(204,528)	3,436
Equity			
Share capital	4	27,471,957	27,471,519
Reserves		181,173	181,173
Accumulated losses		(27,857,658)	(27,649,256)
Total (deficiency) / assets		(204,528)	3,436

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2020

	Issued capital \$	Options reserves \$	Accumulated losses \$	Total equity \$
Balance on 1 July 2019	26,703,737	367,453	(27,120,369)	(49,179)
Loss after income tax expense for the year	-	-	(276,992)	(276,992)
Total comprehensive loss for the year	-	-	(276,992)	(276,992)
<i>Transactions with owners in their capacity as owners</i>				
Contributions of equity, net of transaction costs	767,782	-	-	767,782
Transfer to accumulated losses on expiry of options	-	(200,910)	200,910	-
Share-based payment transactions	-	14,630	-	14,630
Balance on 31 December 2019	27,471,519	181,173	(27,196,451)	456,241
Balance on 1 July 2020	27,471,519	181,173	(27,649,256)	3,436
Loss after income tax expense for the year	-	-	(208,402)	(208,402)
Total comprehensive loss for the year	-	-	(208,402)	(208,402)
<i>Transactions with owners in their capacity as owners</i>				
Capital raising costs – GST refund	438	-	-	438
Balance on 31 December 2020	27,471,957	181,173	(27,857,658)	(204,528)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2020

	31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities		
Cash received from PAYG cash flow boost	36,199	-
Cash paid to suppliers and employers	(133,549)	(180,712)
Interest paid	(4,245)	(3,373)
Payments for exploration and evaluation	(149,604)	(101,162)
Receipts from farm-out	50,000	-
Net cash used in operating activities	(201,199)	(285,247)
Cash flows from investing activities		
Proceeds from sale of financial assets at fair value through profit or loss	211,175	261,835
Net cash from investing activities	211,175	261,835
Cash flows from financing activities		
Proceeds from issue of shares and options	-	200,000
Proceeds from exercise of options	-	367
Repayment of borrowings	(10,856)	(12,991)
Proceeds from related party loans	38,000	60,000
Repayment of loans from related parties	(28,000)	(30,000)
Payment of capital raising costs	438	-
Payment of transaction costs related to borrowings	(50)	(60)
Repayment of right of use lease liability	(7,735)	(7,332)
Net cash (used in) / from financing activities	(8,203)	209,984
Net increase in cash and cash equivalents	1,773	186,572
Cash and cash equivalents on 1 July	12,144	23,567
Cash and cash equivalents on 31 December	13,917	210,139

The above statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED NOTES TO THE FINANCIAL REPORT

Half-year ended 31 December 2020

1. CORPORATE INFORMATION

The financial report of Lodestar Minerals Limited (“the Company”) and its controlled entity (“the Group”) for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 10 March 2021.

The Company is a company limited by shares incorporated and domiciled in Australia whose shares are publicly listed on the Australian Securities Exchange. The Group is primarily involved in the exploration and evaluation of the Group’s gold and base metal tenements situated in Western Australia.

The address of the registered office is Level 1, 31 Cliff Street, Fremantle, WA, 6160.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

This financial report for the half-year ended 31 December 2020 is a condensed general purpose financial report prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial report.

The half-year financial report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2020.

It is also recommended that the half-year financial report be considered together with any public announcements made by Lodestar Minerals Limited during the half-year ended 31 December 2020 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

2.2 Accounting policies

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

There were no new Accounting Standards and Interpretations relevant to the Group during the reporting period.

2.3 Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to nature of exploration activities and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently, resulting from the Coronavirus (COVID-19) pandemic.

2.4 Segment information

For management purposes, the Group is organised into one main operating segment, which involves exploration of gold and base metals. All the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole. The accounting policies used by the Group in reporting segment internally are the same as those contained in note 2.2 to the accounts.

2.5 Exploration and evaluation expenditure

The exploration and evaluation accounting policy is to expense all exploration and evaluation expenditure as incurred. Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure prior to securing legal rights to explore an area, is expensed to profit or loss as incurred.

2.6 Other operating income

As announced on 11 August 2020, the Company entered into a farm-out agreement with Goldfellas Pty Ltd ("Goldfellas") to earn up to 49% interest in the Camel Hills tenements by spending up to \$800,000 on exploration. Goldfellas were granted exclusive right to earn a 25% interest in the tenements on receipt of \$50,000 cash and sole funding \$250,000 of exploration agreed by both parties, over the tenements within six months. During the period, William Clayton was engaged for Geological and project co-ordination services of Camel Hills, generating income of \$51,000.

3. BORROWINGS

	Loans from a director ⁽²⁾ \$	Premium funding \$	Total \$
Balance on 1 July 2019	81,359	-	81,359
Loans and borrowings received ⁽²⁾	200,000	-	200,000
Financing of premium funding facility	-	18,755	18,755
Interest charged	9,619	722	10,341
Less: repaid ⁽¹⁾	(178,447)	(19,477)	(197,924)
Balance on 30 June 2020	112,531	-	112,531
Loans and borrowings received ⁽²⁾	38,000	-	38,000
Financing of premium funding facility	-	15,675	15,675
Interest charged	5,616	544	6,160
Less repaid ⁽¹⁾	(31,411)	(11,400)	(42,811)
Balance on 31 December 2020	124,736	4,819	129,555

⁽¹⁾ amounts repaid include interest and loan establishment costs, and

⁽²⁾ David McArthur, a director of the Company, provided cash loans to the Group, accruing interest at 10% per annum, pro rata, repayable within six months, if, and when, the Group is in a financial position to do so.

4. CONTRIBUTED EQUITY

Share Capital

Ordinary shares

	Number of shares		Amount in \$	
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
Movement in contributed equity				
Opening balance	852,801,994	749,218,328	27,471,519	26,703,737
Issue of fully paid shares for cash	-	28,571,429	-	200,000
Issue of shares to joint venture partner	-	75,000,000	-	600,000
Issue of fully paid shares on exercise of options	-	12,237	-	367
Capital raising costs – GST refund	-	-	438	(32,585)
Closing balance	852,801,994	852,801,994	27,471,957	27,471,519

5. OTHER FINANCIAL ASSETS

	31 December 2020 \$	30 June 2020 \$
Listed ordinary shares – at fair value through profit or loss	-	242,694
Deposits and bonds – at amortised cost	2,059	2,059
	2,059	244,753
Current	-	242,694
Non-current	2,059	2,059
	2,059	244,753
<u>Reconciliation</u> Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	244,753	91,256
Additions	-	800,000
Disposals	(242,694)	(436,819)
Revaluation	-	(209,684)
Closing fair value	2,059	244,753

5. OTHER FINANCIAL ASSETS (continued)

The Company have financial instruments which are not measured at fair value on a recurring basis. The carrying amounts of these financial instruments approximate their fair value.

6. MATTERS SUBSEQUENT TO THE BALANCE DATE

On 21 January 2021, the Company announced it had raised \$839,350, by the issue of 59,953,574 fully paid ordinary shares at 1.4 cents each. 29,976,787 unlisted options were issued for nil consideration on a 1:2 basis, such options exercisable at 3 cents each on or before 31 December 2022.

On 17 February 2021, the Company announced it had signed a binding term sheet to acquire 100% of the issued shares in GoldFellas Pty Ltd, subject to the approval of GoldFellas shareholders.

On 23 February 2021, the Company announced it had raised \$1,320,000 by the issue of 120,000,003 fully paid ordinary shares at 1.1 cents each.

Other than as disclosed above, no other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION
For the half-year ended 31 December 2020

1. In the opinion of the Directors of Lodestar Minerals Limited (the 'Company'):
 - (a) the accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as of 31 December 2020 and of its performance for the half-year then ended; and
 - (ii) complying with Australian Accounting standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - (c) the interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5)(a) of the *Corporations Act 2001* for the half-year ended 31 December 2020.

This declaration is signed in accordance with a resolution of the board of Directors.



WILLIAM CLAYTON
Managing Director

10 March 2021
Perth

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Lodestar Minerals Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Lodestar Minerals Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lodestar Minerals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
10 March 2021



N G Neill
Partner

CORPORATE DIRECTORY

Directors

Mr Ross Taylor
Mr William Clayton
Mr David McArthur

Secretaries

Mr David McArthur
Mr Jordan McArthur

Registered and Principal Office

Level 1, 31 Cliff Street
Fremantle WA 6160

Telephone: +61 8 9435 3200

Postal Address

PO Box 584
Fremantle WA 6959

Auditor

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

Share Registry

Computershare Limited
Level 11, 172 St Georges Terrace
Perth WA 6000

Stock Exchange Listing

Shares: ASX Code LSR

Website and Email

Website: www.lodestarminerals.com.au
Email: admin@lodestarminerals.com.au