



LODESTAR MINERALS LIMITED

ABN 32 127 026 528

FINANCIAL REPORT

For the half-year ended 31 December 2023

CONTENTS

Directors' Report	1
Auditor's Independence Declaration	17
Consolidated Statement of Comprehensive Income	18
Consolidated Statement of Financial Position	19
Consolidated Statement of Changes in Equity	21
Consolidated Statement of Cash Flows.....	22
Consolidated Notes to the Financial Report	23
Directors' Declaration.....	33
Independent Auditor's Review Report	34
Additional Information for Public Listed Companies	36
Corporate Directory.....	37

DIRECTORS' REPORT

Your directors submit the Interim Report of the Group comprising Lodestar Minerals Limited ("the Company", "LSR" or "Lodestar") and its controlled entities ("the Group") for the half-year ended 31 December 2023. 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.

Ross Taylor	Non-executive Chairman
Edward Turner	Managing Director
David McArthur	Non-executive Director

REVIEW OF OPERATIONS

HIGHLIGHTS

EARAHEEDY (LSR – 100%) – Base Metals, Gold

- **Three diamond core holes and one RC hole comprising 1,093.4m were completed to follow up the significant RC drilling gold and base metal intersections in the maiden RC drilling programme which comprised 22 holes for 3,900m**
- **Single metre assays from the RC drilling included:**
 - **2m @ 2.00 g/t Au** from 45m in LERC012
 - **1m @ 1.58 g/t Au** from 37m in LERC002
 - **1m @ 1.35 g/t Au** from 34m in LERC022
 - **2m @ 0.15 % Cu** from 76m in LERC012
 - **2m @ 0.14% Zn** from 198m in LERC002
- **Significant copper and gold intersections in multiple targets spread over an area at least 5km x 3km in size tested in the maiden Earacheedy Aircore drilling programme, which was completed in the June Quarter**
- **Best intersections included:**
 - **7m @ 1.03 g/t Au** from 36m (EOH) in LEA0008 and
 - **8m @ 0.95 g/t Au** from 56m in LEA0021
 - inc. 4m @ 1.69 g/t Au** from 52m
- **Assays for 4,650 soil samples received and in the process of being reviewed and interpreted**

DIVESTMENT OF 20% INTEREST IN KANGAROO HILLS LITHIUM JV

- Sale of interest for \$3.5M in cash and shares plus \$3M in performance rights to Future Battery Minerals Limited (ASX:FBM)
- Exposure to 100% of FBM's lithium and nickel projects portfolio
- Lodestar becomes a significant shareholder in FBM

NED'S CREEK PROJECT

- LSR agreed to terminate the JV with Vango Mining Limited and the parties have retained their respective tenements as contained in the JV Agreement

COMPANY PROJECTS

There have been numerous changes in the Company's portfolio since 30 June 2023. The current projects include Earraheedy, Ned's Creek and Coolgardie West (application). Locations are shown in Figure 1.

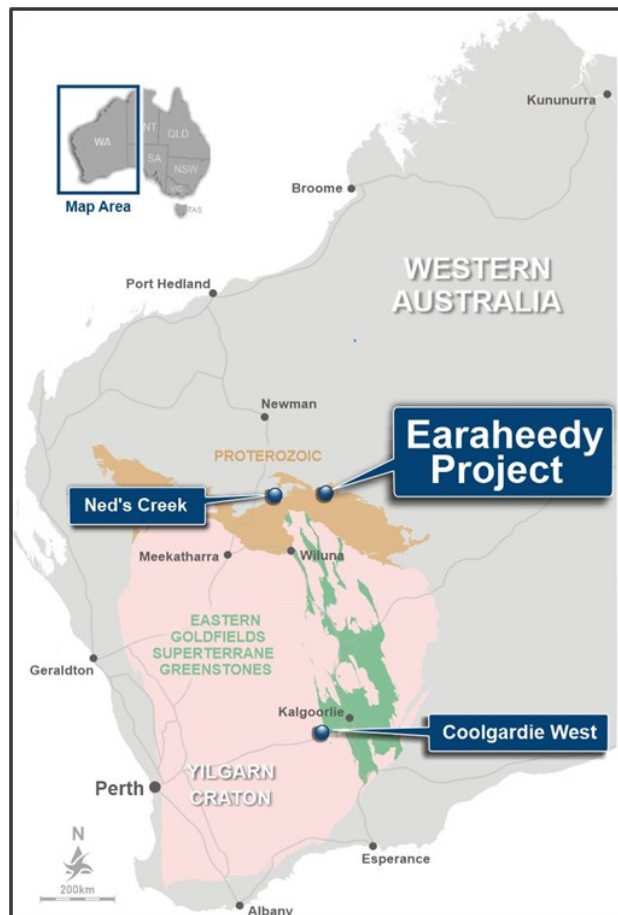


Figure 1: Projects location

EARAHEEDY PROJECT (Lodestar – 100%, Base Metals, Gold)

The Earaheedy Project (the “**Project**”) is located approximately 200km north-east of Wiluna on the opposite side of the Earaheedy Basin to Rumble Resources Chinook base metal discovery (Figure 2).

During the reporting period Lodestar completed a maiden RC drilling programme as well as a maiden diamond core drilling programme to follow up the successful Aircore drilling programme which was completed in the June 2023 Quarter.

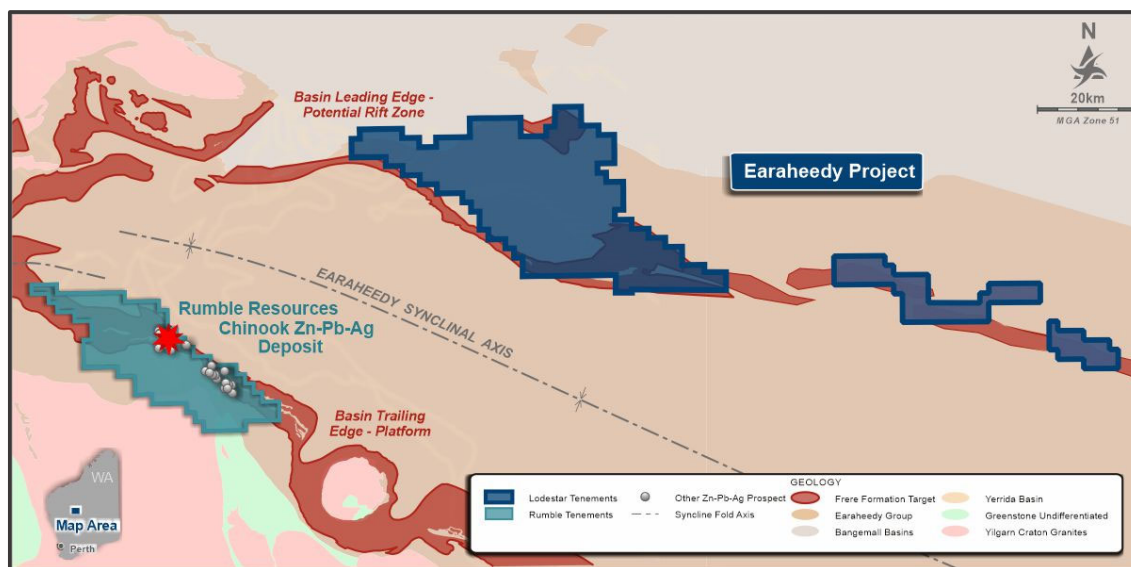


Figure 2: Lodestar's Earaheedy Project tenements

Aircore Drilling

Significant copper and gold intersections were returned at five targets on the seven tested in the Company's maiden aircore drilling programme at the Project (which was completed in June 2023) (Figure 3).

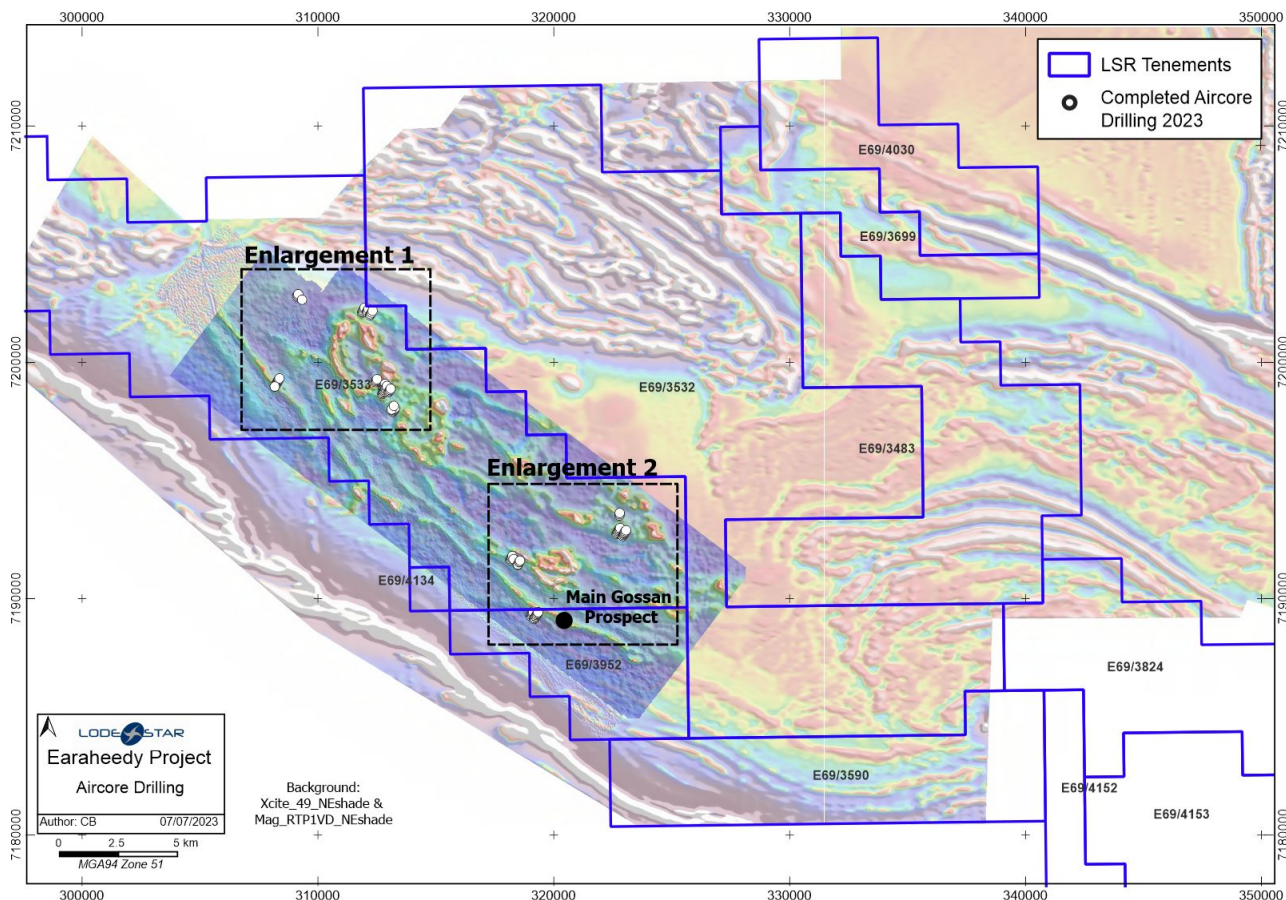


Figure 3: Lodestar Aircore drilling program

DISCUSSION OF RESULTS

99 Aircore holes were drilled for a total of 5,386m. Significant Cu intersections, based upon a threshold of 500ppm Cu (0.05% Cu) are included in Table 1, Figure 4 & 5, and significant Au results (above 0.2 g/t Au) in Table 2. Samples are 4m composites unless the hole finished at an uneven interval less than 4m. Some representative cross sections showing significant Cu and Au intersections are included as Figures 6 - 7.

Table 1: Aircore significant intersections (>4m @ 500ppm Cu)

Hole ID	From (m)	To (m)	Interval (m)	Cu (ppm)	Description
LEA0001	48	54	8	612	8m @ 612 ppm Cu
LEA0002	24	28	4	556	4m @ 556 ppm Cu
LEA0003	20	24	4	514	4m @ 514 ppm Cu
LEA0007	12	36	24	642	24m @ 642 ppm Cu
LEA0008	36	43 (EOH)	7	574	7m @ 574 ppm Cu
LEA0009	0	4	4	570	4m @ 570 ppm Cu
LEA0016	60	64	4	534	4m @ 534 ppm Cu
LEA0052	8	12	4	531	4m @ 531 ppm Cu
LEA0058	8	28	20	962	20m @ 962 ppm Cu
Inc.	12	20	8	1536	8m @ 1536 ppm Cu
LEA0064	12	20	8	959	8m @ 959 ppm Cu
Inc.	12	16	4	1329	4m @ 1329 ppm Cu

LEA0089	40	47	7	625	7m @ 625 ppm Cu
LEA0092	4	16	12	1462	12m @ 1462 ppm Cu
Inc.	4	8	4	3674	4m @ 3674 ppm Cu
LEA0097	4	16	12	510	12m @ 510 ppm Cu

N.B. EOH = end of hole

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Description
LEA0001	12	24	12	0.20	12m @ 0.20 g/t Au
LEA0002	12	16	4	0.22	4m @ 0.22 g/t Au
LEA0003	32	36	4	0.39	4m @ 0.39 g/t Au
LEA0008	36	43 (EOH)	7	1.03	7m @ 1.03 g/t Au
LEA0014	68	72	4	0.23	4m @ 0.23 g/t Au
LEA0019	116	120	4	0.20	4m @ 0.20 g/t Au
LEA0021	16	20	4	0.23	4m @ 0.23 g/t Au
LEA0021	52	60	8	0.95	8m @ 0.95 g/t Au
Inc.	56	60	4	1.69	4m @ 1.69 g/t Au
LEA0022	8	12	4	0.32	4m @ 0.32 g/t Au
LEA0022	32	40	8	0.33	8m @ 0.33 g/t Au
LEA0047	44	47 (EOH)	3	0.31	3m @ 0.31 g/t Au

N.B. EOH = end of hole

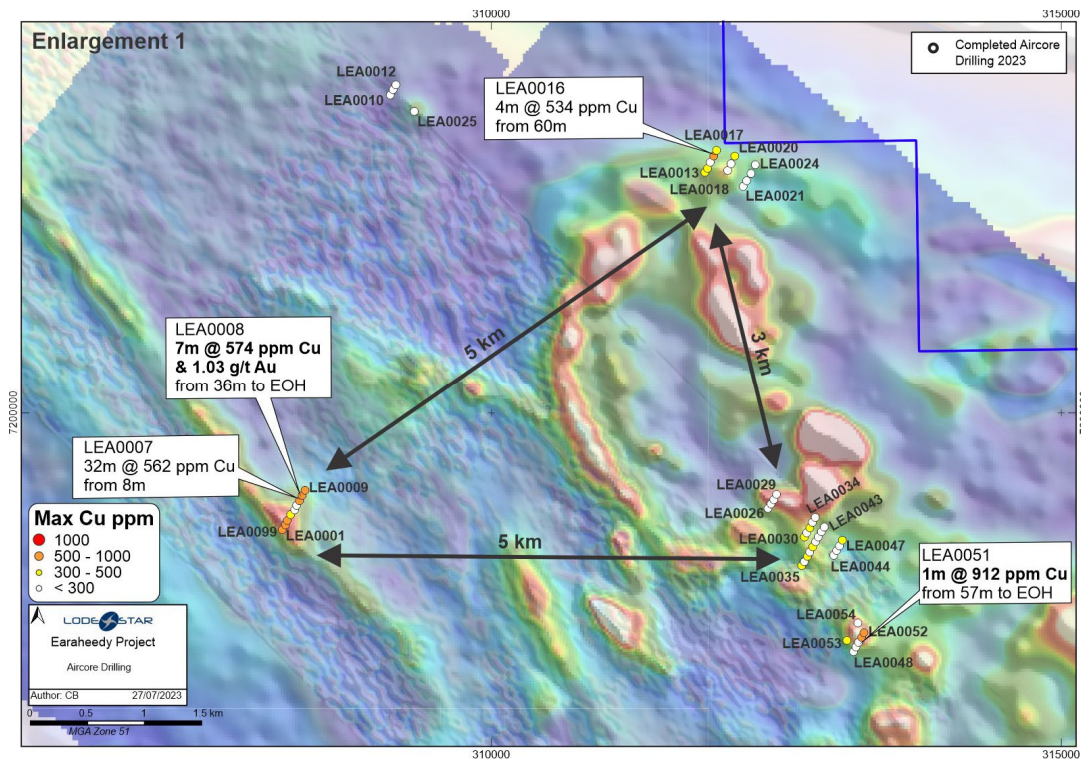


Figure 4: Enlargement 1. Northern drilling area showing Cu results over EM background

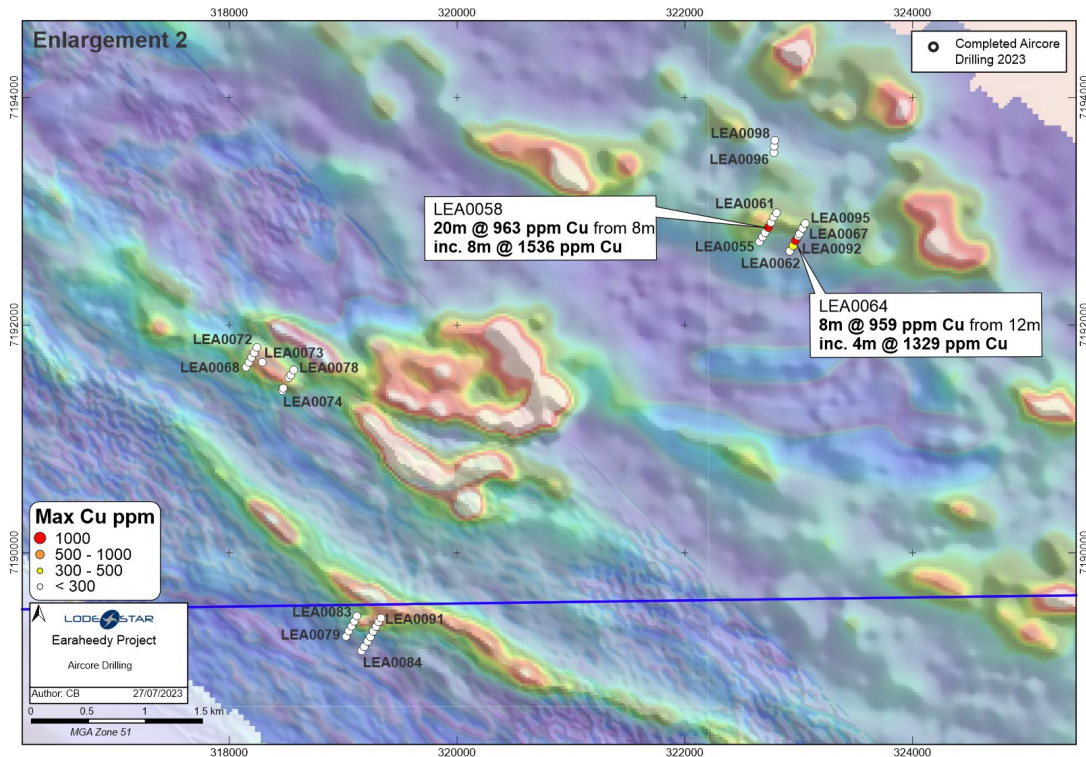


Figure 5: Enlargement 2. Southern drilling area showing Cu results over EM background

The cross sections below (Figures 3 - 5) are across the three main copper-gold target areas showing the spread of the significant results in the aircore holes. The spread of the intersections is highly significant and show the excellent potential for economic copper-gold mineralisation within the Project.

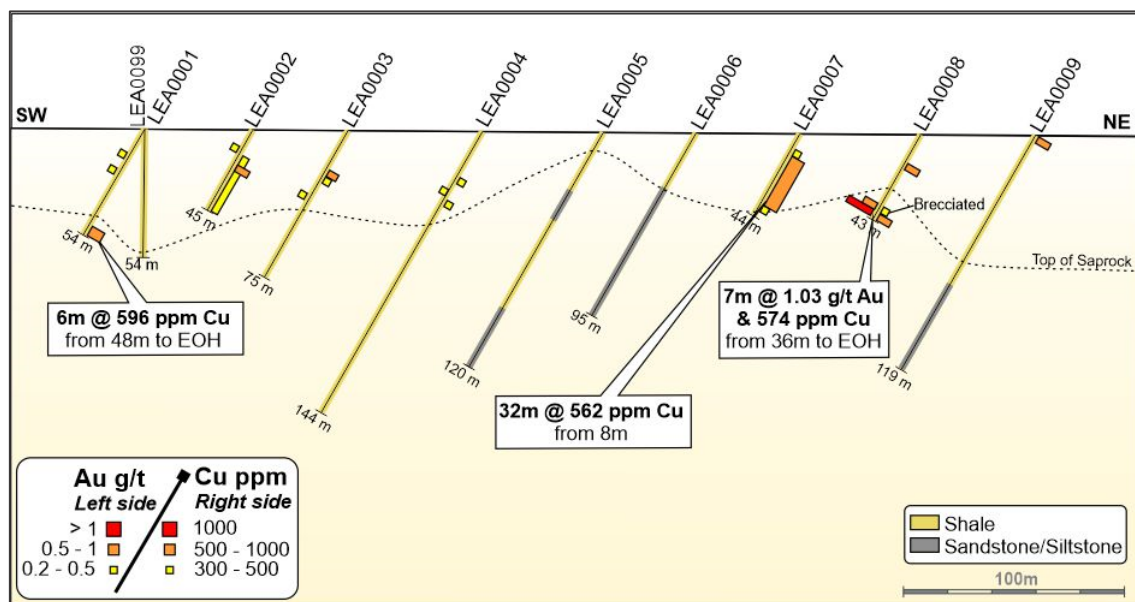


Figure 6: Cross Section LEA0001 – LEA0009 + LEA0099

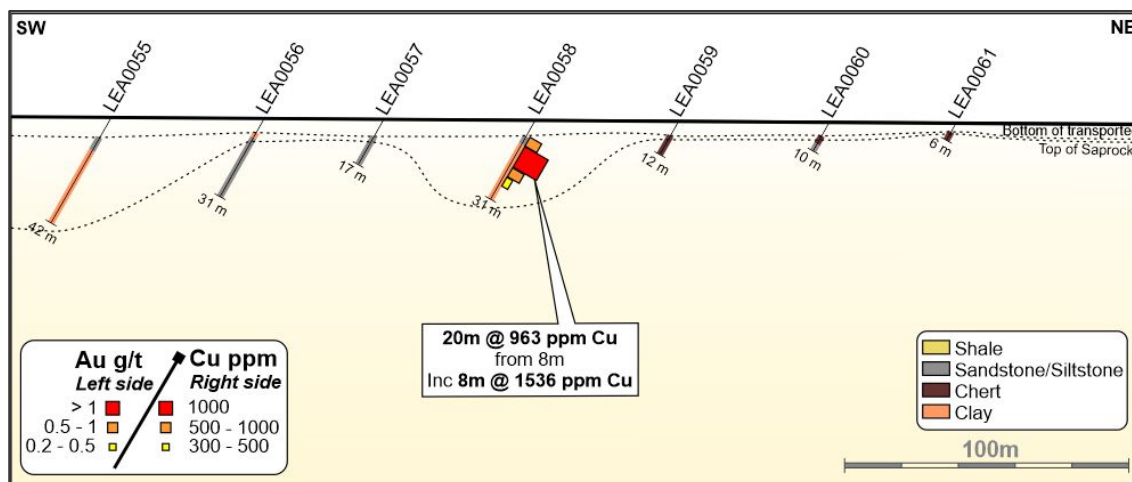


Figure 7: Cross Section LEA0055 – LEA0061

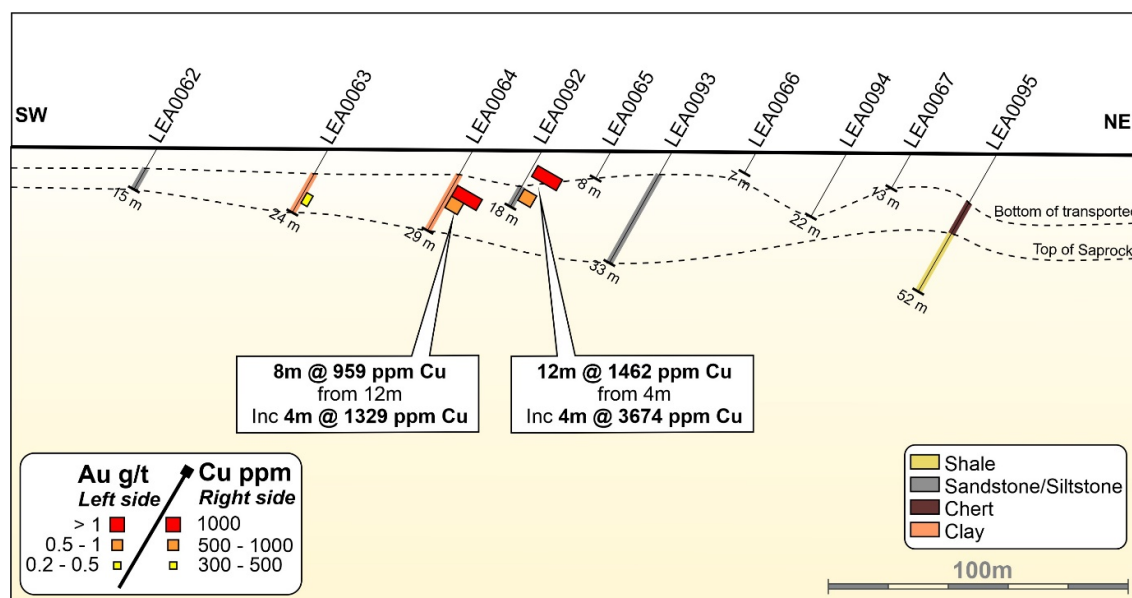


Figure 8: Cross Section LEA0062 – LEA0067 and LEA0092 – LEA0095

RC Drilling

A total of 22 RC holes comprising 3,900m were completed to follow up significant gold and copper intersections in first pass Aircore drilling as reported on 17 July 2023 and 2 August 2023.

Assays from single metre re-splits in the RC drilling confirmed numerous significant gold, copper and zinc mineralisation in numerous intervals in 15 of the 22 holes drilled (Table 3).

Table 3: Significant RC drill intersections

Hole ID	From (m)	To (m)	Interval (m)	Au g/t	Au Description (>1m @ 0.2 g/t)	Cu %	Zn %	Cu/Zn Description (>1m @0.05%)
LERC001	12	13	1	0.21	1m @ 0.21 g/t Au from 12m			
LERC001	16	17	1	0.28	1m @ 0.28 g/t Au from 16m			
LERC001	28	29	1	0.49	1m @ 0.49 g/t Au from 28m			
LERC001	90	91	1			0.05		1m @ 0.05% Cu from 90m
LERC001	94	97	3			0.07		3m @ 0.07% Cu from 94m
LERC001	99	100	1			0.06		1m @ 0.06% Cu from 99m
LERC001	102	107	5			0.11		5m @ 0.11% Cu from 102m
LERC001	108	109	1			0.06		1m @ 0.06% Cu from 108m
LERC001	116	127	11			0.07		11m @ 0.07% Cu from 116m
LERC001	137	138	1			0.10		1m @ 0.10% Cu from 137m
LERC001	154	155	1			0.05		1m @ 0.05% Cu from 154m
LERC001	156	157	1			0.05		1m @ 0.05% Cu from 156m
LERC002	37	38	1	1.58	1m @ 1.58 g/t Au from 37m			
LERC002	45	46	1	0.58	1m @ 0.58 g/t Au from 45m			
LERC002	48	49	1	0.20	1m @ 0.20 g/t Au from 48m			
LERC002	50	53	3			0.05		3m @ 0.05% Cu from 50m
LERC002	65	67	2			0.08		2m @ 0.08% Cu from 65m
LERC002	70	72	2			0.07		2m @ 0.07% Cu from 70m
LERC002	107	113	6			0.05		6m @ 0.05% Cu from 107m
LERC002	189	207	18			0.06		18m @ 0.06% Cu from 189m
inc	196	197	1			0.10		1m @ 0.10% Cu from 196m
inc	200	207	7				0.08	7m @ 0.08% Zn from 200m
LERC002	212	216	4			0.08	0.06	4m @ 0.08% Cu & 0.06% Zn from 212m
LERC003	179	180	1			0.06		1m @ 0.06% Cu from 179m
LERC003	186	200	14			0.06	0.07	14m @ 0.06% Cu & 0.07% Zn from 186m

inc	190	191	1			0.11		1m @ 0.11% Cu from 190m
inc	198	200	2				0.14	2m @ 0.14% Zn from 198m
LERC003	193	194	1	0.28	1m @ 0.28 g/t Au from 193m			
LERC005	96	97	1			0.05		1m @ 0.05% Cu from 96m
LERC005	97	101	4	0.53	4m @ 0.53 g/t Au from 97m			
LERC007	49	51	2	0.44	2m @ 0.44 g/t Au from 49m			
LERC008	8	15	7	0.77	7m @ 0.77 g/t Au from 8m			
inc	9	13	4	1.10	4m @ 1.1 g/t Au from 9m			
LERC008	66	68	2	0.63	2m @ 0.63 g/t Au from 66m			
LERC012	29	30	1	0.22	1m @ 0.22 g/t Au from 29m			
LERC012	45	51	6	0.94	6m @ 0.94 g/t Au from 45m			
inc	45	47	2	2.00	2m @ 2.00 g/t Au from 45m			
LERC012	55	62	7			0.09		7m @ 0.09% Cu from 55m
LERC012	57	60	3			0.11		3m @ 0.11% Cu from 57m
LERC012	67	68	1			0.06		1m @ 0.06% Cu from 67m
LERC012	69	70	1			0.06		1m @ 0.06% Cu from 69m
LERC012	77	78	1			0.06		1m @ 0.06% Cu from 77m
LERC012	84	86	2			0.08		2m @ 0.08% Cu from 84m
LERC012	122	123	1	0.63	1m @ 0.63 g/t Au from 122m			
LERC014	34	51	17			0.06		17m @ 0.06% Cu from 34m
inc	46	47	1			0.12		1m @ 0.12% Cu from 46m
LERC014	78	80	2	0.25	2m @ 0.25 g/t Au from 78m			
LERC014	75	89	14			0.09		14m @ 0.09% Cu from 75m
inc	76	78	2			0.15		2m @ 0.15% Cu from 76m
inc	81	82	1			0.13		1m @ 0.13% Cu from 81m
inc	84	85	1			0.10		1m @ 0.10% Cu from 84m
LERC014	101	102	1			0.05		1m @ 0.05% Cu from 101m

LERC014	112	113	1			0.05		1m @ 0.05% Cu from 112m
LERC015	10	12	2			0.10		2m @ 0.10% Cu from 10m
LERC015	29	30	1	0.48	1m @ 0.48 g/t Au from 29m			
LERC015	32	33	1	0.20	1m @ 0.2 g/t Au from 32m			
LERC016	14	15	1			0.09		1m @ 0.09% Cu from 14m
LERC016	74	75	1	0.30	1m @ 0.3 g/t Au from 74m			
LERC016	74	88	14			0.09		14m @ 0.09% Cu from 74m
inc	77	83	6			0.14		6m @ 0.14% Cu from 77m
LERC017	12	18	6			0.09		6m @ 0.09% Cu from 12m
inc	15	17	2			0.13		2m @ 0.13% Cu from 15m
LERC017	40	50	10			0.11		10m @ 0.11% Cu from 40m
LERC017	48	49	1				0.06	1m @ 0.06% Zn from 48m
LERC018	25	27	2			0.08		2m @ 0.08% Cu from 25m
LERC018	34	40	6			0.05		6m @ 0.05% Cu from 34m
LERC019	61	62	1			0.07		1m @ 0.07% Cu from 61m
LERC019	135	136	1				0.06	1m @ 0.06% Zn from 135m
LERC020	163	168	5			0.06		5m @ 0.06% Cu from 163m
LERC020	173	174	1				0.06	1m @ 0.06% Zn from 173m
LERC020	174	177	3			0.07		3m @ 0.07% Cu from 174m
LERC022	6	7	1	1.02	1m @ 1.02 g/t Au from 6m			
LERC022	6	7	1			0.08		1m @ 0.08% Cu from 6m
LERC022	15	39	24			0.06		24m @ 0.06% Cu from 15m
inc	34	35	1			0.11		1m @ 0.11% Cu from 34m
LERC022	27	28	1	1.27	1m @ 1.27 g/t Au from 27m			
LERC022	34	35	1	1.35	1m @ 1.35 g/t Au from 34m			
LERC022	90	96	6			0.05		6m @ 0.05% Cu from 90m

Diamond Core Drilling

Three diamond core holes were also completed for 793.40m (including a 102m RC pre-collar in LEDD003) and one RC hole was completed for 300m (Table 4). This RC hole replaced one of the planned diamond core holes because of a lack of water within the vicinity which is required to drill diamond core. See Figure 9 for drill hole location plan.

All assays have been received with the best Au intersection was 1m @ 0.34 g/t Au from 249.6m in LEDD002. Significant Cu intersections are included in Table 4. See Figure 10 for cross section.

This program has helped the team understand the geological structural controls, ground conditions and logistics requirements for larger diamond drilling program in the future.

Table 4: Significant Cu intersections

Hole ID	From	To	Interval	Cu %	Description
LEDD001	94.90	110.50	15.60	0.06	15.6m @ 0.06 % Cu from 94.9m
Inc	106.20	107.40	1.20	0.17	1.2m @ 0.17 % Cu from 106.2m
LEDD002	309.00	311.34	2.34	0.06	2.34m @ 0.06 % Cu from 309m
LEDD002	323.87	325.65	1.78	0.09	1.78m @ 0.09 % Cu from 323.87m
LEDD002	327.26	334.00	6.74	0.05	6.74m @ 0.05 % Cu from 327.26m
LEDD002	364.00	366.00	2.00	0.06	2m @ 0.06 % Cu from 364m

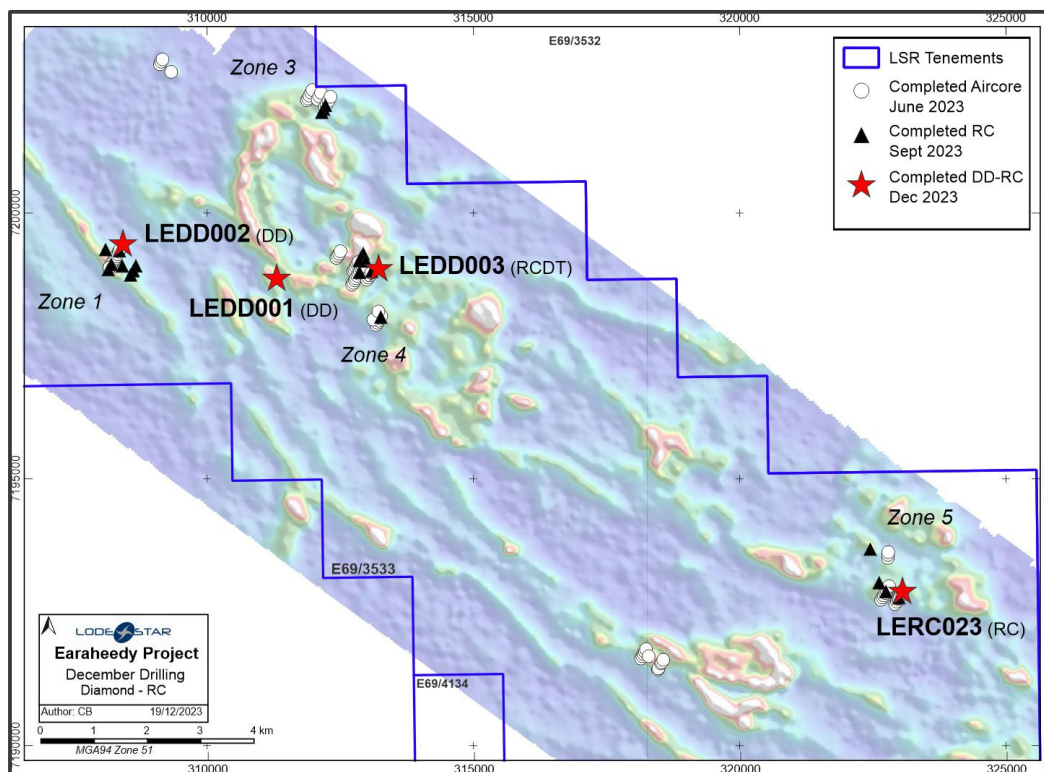


Figure 9: Drill hole location plan in relation to LSR Tenure on electro-magnetic background

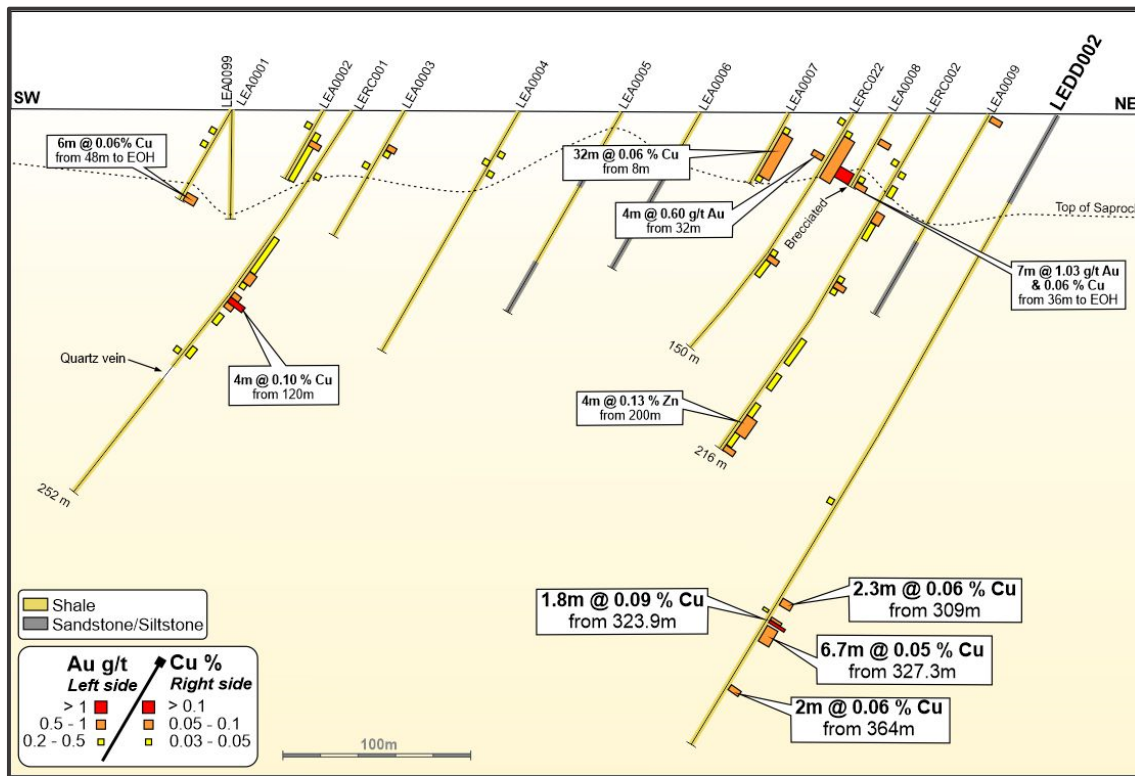


Figure 10: Drill cross section showing LEDD002 results and earlier aircore and RC drill intersections

LEDD001 and LEDD002 presented strong deformation and folding of the sedimentary package, mainly constituted of black shales and fine to medium grained sandstone. Multiple generations of pyrite and veining were observed (Figure 11). LEDD003 presented a less deformed sedimentary package, with little veining and hydrothermal origin pyrite.

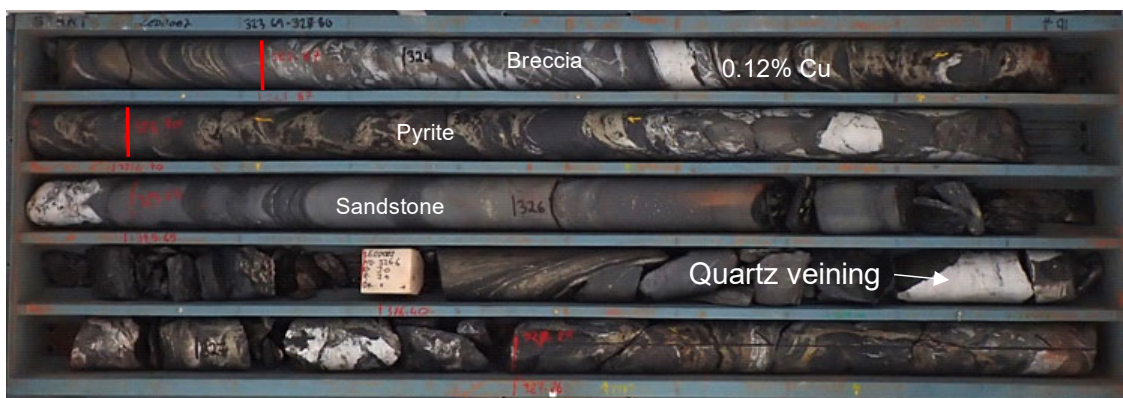


Figure 11: Core tray of LEDD002 showing the strong deformation of the stratigraphy.

As presented on the core tray above, the pyrite and the veins are highly deformed and brecciated indicating the high level of deformation throughout the area. These deformation as well as the relationship between the mineralisation and the sedimentary package could not have been observed with RC or Aircore drilling, due to the size of the chips. Pyrite is often associated with black shale, but we have been able to observe multiple generations of pyrite of which some are linked to the sedimentary deposition and some of hydrothermal origin which could be linked to copper and gold mineralisation.

A petrography study will be completed to determine the different generations of pyrite, allowing us to have a better understanding of the mineralising events.

Geochemical Soil Sampling

All assays have been received from multiple soil sampling programmes completed in late 2023. In total 4,650 samples were collected over numerous areas that were previously untested (Figure 12). These programmes cover a large percentage of the 1,400 square km Project area however large areas still remain to be sampled.

A thorough review of the results is underway and follow up programmes will be planned following the interpretation of the results.

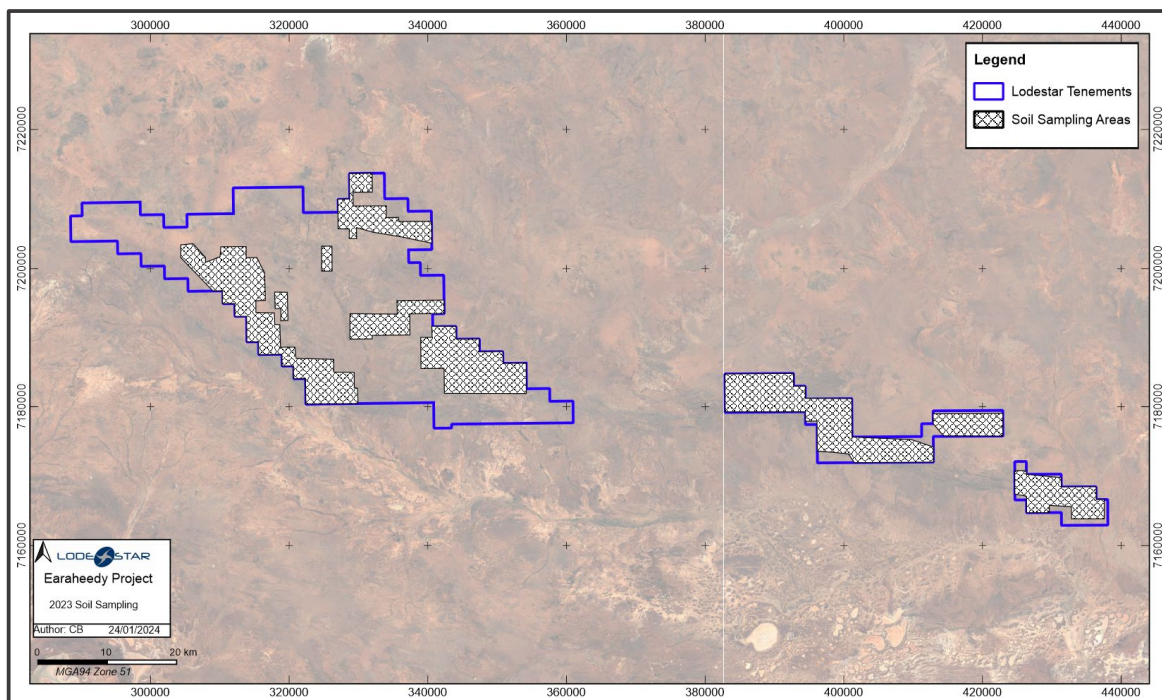


Figure 12: Geochemical soil sample coverage by Lodestar in 2023

NED'S CREEK PROJECT

On 27 October 2023, LSR reached an agreement with Vango Mining Limited ("Vango") in respect of balances owed to Lodestar under its JV Agreement with Vango.

The JV Parties agreed to terminate the JV Agreement with each party retaining its respective tenements as contained in the JV Agreement.

As a result, LSR has retained 100% ownership of E52/2456, E52/2734, E52/3473 and E52/3476 and Vango has retained 100% ownership of M52/779-782.

There was no field exploration completed at Ned's Creek during the reporting period.

COMPETENT PERSONS' STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr Ed Turner who is a full-time employee for Lodestar and a Member of the Australasian Institute of Geoscientists. Mr Turner 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 Turner 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:

- 10th July 2023 "Earaheedy Project Exploration Update".
- 17th July 2023 "Multiple Gold Hits in Maiden Earraheedy Drill Programme".
- 2nd August 2023 "Significant Copper Intersected in Earraheedy Drilling".
- 7th August 2023 "Divestment of 20% Interest in Kangaroo Hills Lithium JV".
- 31st August 2023 "RC Drilling Commences at Earraheedy Copper-Gold Project".
- 27th September 2023 "Lodestar Reaches Agreement on JV Receivable".
- 6th November 2023 "Gold and Base Metal Mineralisation Confirmed at Earraheedy".
- 20th November 2023 "Diamond Core Drilling Starts at Earraheedy Project".
- 20th December 2023 "Diamond Core Drilling Completed at Earraheedy Project".
- 30th January 2024 "Earaheedy Project 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.

TRADITIONAL OWNERS

Lodestar Minerals would not be able to operate successfully without the support of the Traditional Owners and the local communities in which we operate. We continue to build trust and respect between Lodestar Minerals and our key stakeholders through transparency, listening, acting on concerns, and looking for innovative and sustainable ways of ensuring that the Traditional Owners are participating in the journey to explore and develop, responsibly and sensitively. We are working closely with our Native Title holders to identify mutually supportive initiatives which will see a growing range of business and employment opportunities being developed and importantly ensuring that the local community has the capability and opportunity to grow with the Company.

CORPORATE

Lodestar Minerals Limited is listed on the Australian Securities Exchange (ASX: LSR), classified as a Western Australian junior gold and base metal explorer.

At the date of this report, the Company has approximately 2,023 million shares on issue.

Annual General Meeting

On 27 September 2023, the Company provided its 2023 Annual Report to Shareholders. The Annual General Meeting was held on the 6 November 2023 and all Resolutions presented were passed by a poll.

REVIEW OF RESULTS AND FINANCIAL POSITION

The net loss after income tax for the half-year was \$2,913,584 (31 December 2022: \$1,164,179), which included exploration expenditure of \$1,815,676 (31 December 2022: \$797,625).

At the end of the reporting period the Group had cash on hand of \$605,608 (30 June 2023: \$637,350).

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 12 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 17.

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



EDWARD TURNER
Managing Director

5 March 2023
Perth, WA

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Lodestar Minerals Limited for the year ended 31 December 2023, 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
5 March 2024

B G McVeigh
Partner

hlb.com.au

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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 2023

	Note	31 December 2023 \$	31 December 2022 \$
Other income	3	640,635	-
Finance income		7,038	11,192
Exploration expenditure expensed through profit or loss		(1,815,676)	(797,625)
(Reversal of) / site restoration costs		4,772	(6,092)
Marketing and business development costs		(68,005)	(9,767)
Personnel expenses		(418,092)	(170,580)
General and administration costs		(85,299)	(76,522)
Professional fees		(138,846)	(93,969)
Depreciation expense		(15,976)	(10,012)
Amortisation expense		(11,116)	(8,218)
Fair value loss on finance assets	5	(997,624)	(1,751)
Other losses		-	(516)
Finance costs		(15,395)	(319)
Loss before income tax		(2,913,584)	(1,164,179)
Income tax expense		-	-
Loss for the period		(2,913,584)	(1,164,179)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(2,913,584)	(1,164,179)
Total comprehensive loss attributable to owners of the Company		(2,913,584)	(1,164,179)
Loss per share (cents per share)			
Basic and diluted		(0.15)	(0.07)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
Assets			
Cash and cash equivalents		605,608	637,350
Trade and other receivables	3	181,021	15,259
Prepayments	4	124,161	63,293
Other financial assets	5	1,407,836	3,514,657
Total current assets		2,318,626	4,230,559
Property, plant, and equipment		120,178	112,625
Right of use assets	6	97,255	-
Intangible assets		4,464	5,106
Other financial assets	5	2,059	2,059
Total non-current assets		223,956	119,790
Total assets		2,542,582	4,350,349
Liabilities			
Trade and other payables	7	834,233	670,952
Borrowings	8	8,230	565,551
Lease liabilities	9	14,964	-
Employee benefits		58,720	31,243
Site restoration provision		-	6,400
Total current liabilities		916,147	1,274,146
Lease liabilities	9	84,548	-
Employee benefits		7,988	-
Total non-current liabilities		92,536	-
Total liabilities		1,008,683	1,274,146
Net assets		1,533,899	3,076,203

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As of 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
Equity			
Share capital		37,096,840	35,998,910
Reserves		1,389,305	1,180,855
Accumulated losses		(36,952,246)	(34,103,562)
Total equity		1,533,899	3,076,203

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 2023

	Share capital \$	Options reserves \$	Accumulated losses \$	Total equity \$
Balance on 1 July 2022	35,878,617	878,805	(33,795,644)	2,961,778
Loss after income tax expense for the year	-	-	(1,164,179)	(1,164,179)
Total comprehensive loss for the year	-	-	(1,164,179)	(1,164,179)
<i>Transactions with owners in their capacity as owners</i>				
Share-based payment transactions	-	89,500	-	89,500
Balance on 31 December 2022	35,878,617	968,305	(34,959,823)	1,887,099
Balance on 1 July 2023	35,998,910	1,180,855	(34,103,562)	3,076,203
Loss after income tax expense for the year	-	-	(2,913,584)	(2,913,584)
Total comprehensive loss for the year	-	-	(2,913,584)	(2,913,584)
<i>Transactions with owners in their capacity as owners</i>				
Contributions of equity, net of transactions costs	1,097,930	-	-	1,097,930
Transfer to accumulated losses on exercise of options	-	(64,900)	64,900	-
Share-based payment transactions	-	273,350	-	273,350
Balance on 31 December 2023	37,096,840	1,389,305	(36,952,246)	1,533,899

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 2023

	Note	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities			
Recovery of bad debts		468,750	-
Cash paid to suppliers and employers		(749,726)	(350,153)
Interest paid		(30,896)	(319)
Interest received		7,038	11,192
Payments for exploration and evaluation		(1,218,022)	(765,363)
Net cash used in operating activities		(1,522,856)	(1,104,643)
Cash flows from investing activities			
Proceeds from sale of financial assets at fair value through profit or loss		1,109,197	-
Payments for property, plant, and equipment		(23,529)	(97,158)
Net cash from / (used in) investing activities		1,085,668	(97,158)
Cash flows from financing activities			
Proceeds from issue of shares		825,000	-
Proceeds from the conversion of options		192,500	-
Repayment of premium funding facility		(18,740)	-
Repayment of other short-term loans		(550,000)	-
Repayment of right of use lease liability		(8,216)	(7,479)
Payment of transaction costs related to loans		(3,028)	-
Payment of capital raising costs		(32,070)	-
Net cash from / (used in) financing activities		405,446	(7,479)
Net decrease in cash and cash equivalents		(31,742)	(1,209,280)
Cash and cash equivalents on 1 July		637,350	1,925,894
Cash and cash equivalents on 31 December		605,608	716,614

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 2023

1. CORPORATE INFORMATION

The financial statements cover Lodestar Minerals Limited (“the Company”) as a Group consisting of Lodestar Minerals Limited and the entities it controlled (“the Group”) at the end of, or during the half-year. The financial statements are presented in Australian dollars, which is Lodestar Minerals Limited’s functional and presentation currency.

Lodestar Minerals Limited is a listed public company limited by shares incorporated and domiciled in Australia. The address of its registered and principal office is Level 1, 31 Cliff Street, Fremantle, WA, 6160.

A description of the nature of the Group’s operations and its principal activities are included in the directors’ report, which is not part of the financial statements.

The financial statements were authorised for issue in accordance with a resolution of the directors on 5 March 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *‘Interim Financial Reporting’* and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *‘Interim Financial Reporting’*.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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 Going concern

The consolidated financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. For the period ended 31 December 2023, the Group recorded a loss of \$2,913,584 and had net cash outflows from operating activities of \$1,523,356 (including \$1,218,022 of exploration payments). On 31 December 2023, the Group had net assets of \$1,533,899, with total cash on hand of \$605,608.

The directors are aware that additional funds may need to be sourced from one or more of the following alternatives for the Group to carry on its business, meet its working capital requirements and its planned exploration commitments for tenements held:

- Capital raising such as:
 - Private placement
 - Entitlement issue
 - Share purchase plan
- Borrowings from related or third parties
- Farming out assets to reduce exploration expenditures

On 12 April 2023, the Company signed an At-the-Market Subscription Agreement (ATM) with Acuity Capital. The ATM provides Lodestar with up to \$2,000,000 of standby equity capital up until 31 July 2026.

On 6 September 2023, the Company issued 137,500,001 fully paid ordinary shares at 0.6 cents each to raise \$825,000 (before costs) in working capital. One (1) free attaching unlisted option exercisable at 2 cents on or before 31 August 2024 will be issued for every two (2) shares subject to shareholder approval.

On 6 September 2023, the Company issued 25,000,000 fully paid ordinary shares on the conversion of unlisted options exercisable at 0.7 cents each on or before 14 April 2024.

On 8 September 2023, the Company 2,500,000 fully paid ordinary shares on the conversion of unlisted options exercisable at 0.7 cents each on or before 14 April 2024.

If further equity/ loan funds are not achieved, it may give rise to a material uncertainty which may cast significant doubt as to whether or not the Group will be able to continue as a going concern, given the current cash position and the Group's ability to raise cash when required, the directors are of the opinion the Group can carry on operations for the foreseeable future, and that it will be able to realise its debts and discharge its liabilities in the normal course of business. If necessary, the Group has the capacity to delay or cancel expenses that are discretionary in nature, including administrative costs and exploration expenditure that are not contractually binding. The timing of raising additional capital will depend on the investment markets, current and future planned exploration activities.

2.4 Segment information

For management purposes, the Group is organised into one main operating segment, which involves exploration for 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 segments internally are the same as those contained in note 2.2 to the accounts.

3. TRADE AND OTHER RECEIVABLES

	31 December 2023 \$	30 June 2023 \$
Current		
Ned's Creek drilling costs due from Vango	156,250	796,990
Provision for expected credit losses ⁽¹⁾	-	(796,990)
Authorised government agencies	24,711	14,665
Other receivables	60	594
	181,021	15,259
Movement in the allowance for expected credit losses		
Opening balance	796,990	-
(Reversal of) / additional provisions recognised	(156,355)	796,990
Recovery of bad debts	(640,635)	-
	-	796,990

⁽¹⁾ As disclosed to the market on 25 August 2023, the Company filed proceedings in the Supreme Court of Western Australia for the winding up of Vango Mining Limited (a wholly owned subsidiary of Catalyst Metals Limited (ASX:CYL)) following noncompliance with a statutory demand served by Lodestar on Vango on 23 June 2023. As advised to the market on 27 October 2023, the Company reached a commercially confident settlement with Vango in respect of balances owed under its JV Agreement.

4. PREPAYMENTS

	31 December 2023 \$	30 June 2023 \$
Current		
ATM Establishment Fee	50,000	50,000
Aspermont Mining News Conferences (Sydney / Perth)	12,000	8,000
Australian Securities Exchange	13,700	-
Insurance	20,988	1,460
Software licence	24,161	-
Right-of-use lease and outgoings	-	110
Other	3,312	3,723
	124,161	63,293

5. OTHER FINANCIAL ASSETS

	31 December 2023 \$	30 June 2023 \$
Current	1,407,836	3,514,657
Non-current	2,059	2,059
	1,409,895	3,516,716
Listed ordinary shares – designated at fair value through profit or loss	1,407,836	14,657
Working interest in Nepean Nickel project – designated at fair value through profit or loss	-	3,500,000
Deposits and bonds	2,059	2,059
	1,409,895	3,516,716

5. OTHER FINANCIAL ASSETS (continued)

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	Listed shares \$	Unlisted shares \$	Deposits and bonds \$	Total \$
Balance on 1 July 2022	17,950	500,000	52,059	570,009
Disposal of VAN shares	(16,199)	-	-	(16,199)
Issue of CYL shares	18,749	-	-	18,749
Loss on revaluation of listed shares	(5,843)	-	-	(5,843)
Expensed to exploration	-	-	(50,000)	(50,000)
Gain on revaluation of investment in ECG	-	3,000,000	-	3,000,000
Balance on 30 June 2023	14,657	3,500,000	2,059	3,516,716
Fair value revaluation of 19,035 CYL shares at \$0.48 per share	(5,520)	-	-	(5,520)
Sale of 19,035 CYL shares at \$0.48 per share	(9,137)	-	-	(9,137)
Cash received on completion of the sale of ECG to FBM	-	(500,000)	-	(500,000)
Issue of 27,505,429 FBM shares at \$0.105 per share ⁽¹⁾	3,000,000	(3,000,000)	-	-
Loss on initial recognition of FBM shares at fair value ⁽¹⁾	(111,930)	-	-	(111,930)
Fair value revaluation of 27,505,429 FBM shares at \$0.073 per share	(880,174)	-	-	(880,174)
Sale of 8,220,000 FBM shares \$0.073 per share	(600,060)	-	-	(600,060)
Balance on 31 December 2023	1,407,836	-	2,059	1,409,895

- (i) The issue of 27,505,429 fully paid ordinary FBM shares were calculated via the 15-day VWAP (10.907 cents per share) immediately prior to completion. On the date of issue, the share price was 10.5 cents per share resulting in a fair value loss of \$111,930 on Day 1.

	31 December 2023 \$	31 December 2022 \$
Fair value movement on revaluation of financial assets	997,624	1,751

Refer to note 10 for further information on fair value measurement.

6. RIGHT-OF-USE ASSETS

	31 December 2023 \$	30 June 2023 \$
Land and buildings – right of use	83,224	43,094
Less: accumulated depreciation	(8,091)	(43,094)
	75,133	-
Field equipment – right of use	24,505	18,239
Less: accumulated depreciation	(2,383)	(18,239)
	22,122	-
	97,255	-

Additions to the right-of-use assets during the year were \$107,728.

The Group leases land and buildings for its office, a storage facility for its field equipment and has various exploration tenement leases under agreements of between five and fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

7. TRADE AND OTHER PAYABLES

	31 December 2023 \$	30 June 2023 \$
Current		
Trade payables	602,606	460,589
Other payables and accrued expenses	231,627	210,363
	834,233	670,952

8. BORROWINGS

	Premium Funding	Sophisticated investor loans	Total
	\$	\$	\$
Balance on 1 July 2022			-
Loans and borrowings received	-	550,000	550,000
Interest charged	-	15,551	15,551
Balance on 30 June 2023	-	565,551	565,551
Financing of premium funding facility	26,970	-	26,970
Interest charge	649	10,126	10,775
Less principal repayments	(18,740)	(550,000)	(568,740)
Less interest payments	(649)	(25,677)	(26,326)
Balance on 31 December 2023	8,230	-	8,230

As disclosed in the prior year, the Company entered into an At-the-Market Subscription Agreement (ATM) with Acuity Capital. The ATM provides Lodestar with up to \$2,000,00 of standby equity capital until 31 July 2026.

9. LEASE LIABILITIES

	31 December 2023	30 June 2023
	\$	\$
Opening balance	-	15,193
Recognition of lease liabilities	107,728	-
Interest charged	4,570	413
Less principal repayments	(8,216)	(15,193)
Less interest payments	(4,570)	(413)
Lease liabilities included in the consolidated statement of financial position	99,512	-
Current	14,964	-
Non-current	84,548	-
	99,512	-

10. FINANCIAL INSTRUMENTS

Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the levels within hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis:

	December 2023		
	Fair value	Fair value hierarchy	Valuation technique
	\$		
Equity investments designated at fair value through profit or loss	1,407,836	Level 1	Quoted market prices in an active market

Transfers

During the period ending 31 December 2023, the Group's investment in ECG (Level 2) was sold. As disclosed in note 5, part of the consideration received was 27,505,429 FBM shares (Level 1).

Not measured at fair value

The Group has various financial instruments which are not measured at fair value on a recurring basis in the statement of financial position.

The Directors consider that the carrying amounts of current receivables, current payables and current borrowings are a reasonable approximation to their fair values.

The methods and valuation techniques used for the purposes of measuring fair values are unchanged compared to the previous reporting period.

11. SHARE-BASED PAYMENTS

On 31 December 2023, a summary of the Group options issued and not exercised under the share-based payment programme are as follows:

Grant date	Vesting date	Expiry date	Exercise Price (cents)	Balance at the start of the period	Granted during the period	Exercised during the period	Expired / forfeited during the period	Balance at the end of the period	Vested and exercisable at the end of the period
21-Apr-21	21-Apr-21	15-Apr-24	2.5	82,750,000	-	-	-	82,750,000	82,750,000
09-Dec-22	09-Dec-22	31-Jan-26	1.5	25,000,000	-	-	-	25,000,000	25,000,000
22-Mar-23	22-Mar-23	31-Jan-26	1.5	25,000,000	-	-	-	25,000,000	25,000,000
06-Apr-23	06-Apr-23	14-Apr-24	0.7	55,000,000	-	(27,500,000)	-	27,500,000	27,500,000
15-Aug-23	15-Aug-23	31-Jan-26	1.5	-	10,000,000	-	-	10,000,000	10,000,000
06-Nov-23	06-Nov-23	31-Jan-26	1.5	-	81,000,000	-	-	81,000,000	81,000,000
Total				187,750,000	91,000,000	(27,500,000)	-	251,250,000	251,250,000
Weighted average exercise price (cents)				1.71	1.50	(0.70)	-	1.74	1.74

At the reporting date, the weighted average remaining contractual life of options outstanding on 31 December 2023 was 1.30 years.

Key valuation assumptions made at valuation date under the Black & Scholes option pricing model are summarised below:

	Number of Options	Exercise Price (cents)	Grant date	Expiry Date	Life of the Options (years)	Volatility %	Risk free Rate %	Fair value at grant date (cents)	Share price at grant date (cents)
Tranche 1	82,750,000	2.5	21-Apr-21	15-Apr-24	2.99	153.95	0.10	1.06	1.40
Tranche 2	25,000,000	1.5	09-Dec-22	31-Jan-26	3.15	151.07	3.27	0.36	0.50
Tranche 3	25,000,000	1.5	22-Mar-23	31-Jan-26	2.87	146.79	3.12	0.33	0.50
Tranche 4	27,500,000	0.7	06-Apr-23	14-Apr-24	1.02	146.99	3.16	0.24	0.50
Tranche 5	10,000,000	1.5	15-Aug-23	31-Jan-26	2.47	159.44	3.83	0.67	0.90
Tranche 6	81,000,000	1.5	06-Nov-23	31-Jan-26	2.24	167.58	4.12	0.25	0.40

12. MATTERS SUBSEQUENT TO THE BALANCE DATE

On 21 February 2023, Susan McArthur a related party to David McArthur, provided a \$260,000 cash loan to the Company, accruing interest at 10% per annum, pro rata, repayable within six months. The loan is secured against shares held by the Company in FBM.

Other than as disclosed above, no matters or circumstance has arisen since 31 December 2023 that has 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 2023

In the opinion of the Directors of Lodestar Minerals Limited (the 'Group'):

- (a) the consolidated 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 2023 and of its performance for the six months ended on that date; and
 - (ii) complying with Australian Accounting standards, AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 200*, and mandatory professional reporting requirements, and.
- (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.

Signed in accordance with a resolution of the Directors.



EDWARD TURNER
Managing Director

5 March 2023
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 half-year financial report of Lodestar Minerals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group 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 accompanying 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 Group's financial position as at 31 December 2023 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.3 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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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 Group's financial position as at 31 December 2023 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
5 March 2024



B G McVeigh
Partner

ADDITIONAL INFORMATION FOR PUBLIC LISTED COMPANIES

Schedule of Exploration Tenements on 5 March 2023

Tenement description	Tenement number	Status	Percentage interest
Earaheedy			
	E69/3483	Granted	100% - Lodestar Minerals
	E69/3532	Application	100% - Lodestar Minerals
	E69/3533	Granted	100% - Lodestar Minerals
	E69/3590	Granted	100% - Lodestar Minerals
	E69/3699	Granted	100% - Lodestar Minerals
	E69/3824	Granted	100% - Lodestar Minerals
	E69/3882	Granted	100% - Lodestar Minerals
	E69/3883	Granted	100% - Lodestar Minerals
	E69/3952	Granted	100% - Lodestar Minerals
	E69/4030	Granted	100% - Lodestar Minerals
	E69/4134	Granted	100% - Lodestar Minerals
	E69/4152	Granted	100% - Lodestar Minerals
	E69/4153	Granted	100% - Lodestar Minerals
	E69/4202	Application	100% - Lodestar Minerals
Ned's Creek			
	E52/2456	Granted	100% - Audacious Resources
	E52/2734	Granted	100% - Lodestar Minerals
	E52/3473	Granted	100% - Lodestar Minerals
	E52/3476	Granted	100% - Lodestar Minerals
	E52/3798	Granted	100% - Lodestar Minerals
Coolgardie West			
	E15/2013	Application	100% - Lodestar Minerals

CORPORATE DIRECTORY

Directors

Mr Ross Taylor
Mr David McArthur
Mr Edward Turner

Secretaries

Mr David McArthur
Mr Jordan McArthur

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Stock Exchange Listing

Shares: ASX Code LSR

Website and Email

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