

## DIVESTMENT OF 20% INTEREST IN KANGAROO HILLS LITHIUM JV

### HIGHLIGHTS

- Sale of interest for \$3.5M in cash and shares plus \$3M in performance rights to Future Battery Minerals (FBM)
- Exposure to 100% of FBM's lithium and nickel project portfolio
- Lodestar to become a significant shareholder in FBM
- Eliminates Lodestar's financial commitment to the JV

Lodestar Managing Director Ed Turner commented as follows in relation to the sale:

*"Lodestar is very pleased to complete this transaction. We strongly believe in the future of the Kangaroo Hills lithium project and FBM's ability to continue to prove up an economic resource. With this deal Lodestar no longer has to expend funds on exploration and development but will retain exposure to the upside with the potential growth in FBM's share price as this project, FBM's Nevada Lithium Project and their Saints Nickel Project advance. In addition, we receive cash and shares we can utilise to fund our exploration programmes at the Earraheedy Project which is our primary focus now. The Earraheedy Project has tremendous potential for gold and base metal discoveries as evidenced by our maiden drilling programme that recently intersected significant gold and copper results."*

Lodestar Minerals Limited (ASX: LSR) ("**Lodestar**" or "**the Company**") advises that it has entered into an agreement with Future Battery Minerals Limited (ASX:FBM) for the sale of Lodestar's 20% interest in Eastern Coolgardie Goldfields Pty Ltd ("ECG"). FBM hold the remaining 80% of ECG.

ECG holds the recently discovered Kangaroo Hills lithium project and recently disposed of its interest in the Nepean Nickel Project.

## KEY TERMS

The consideration to be paid by FBM for the acquisition of the 20% interest is:

1. A cash amount of \$250,000 on execution of the agreement
2. A further \$250,000 payable in two instalments- \$125,000 three months from the date of the agreement and \$125,000 six months from the date of the agreement.
3. \$3 million worth of FBM shares, issued at the 15-day Volume-Weighted Average Price (VWAP) on the completion date, being 5 business days after the agreement was executed on 5 August 2023, subject to the following restrictions:
  - (a) \$1,000,000 of the FBM shares can be traded immediately.
  - (b) \$1,000,000 of the FBM shares issued will be voluntarily escrowed for a period of 6 months from the date of issue.
  - (c) \$1,000,000 of the FBM shares issued will be voluntarily escrowed for a period of 12 months from the date of issue.
4. An equal number of Performance Rights as the shares issued in point ii above. These Performance Rights will convert into FBM Shares upon the delineation and announcement by FBM of a Mineral Resource (2012 JORC compliant) of at least 10Mt @ 1.0% Li<sub>2</sub>O at the Kangaroo Hills Lithium Project (KHLP) or in the event of a FBM and/or ECG change of control transaction, including the sale of KHLP. The Performance Rights will have an expiry date of 5 years from the date of issue.

As part of the disposal by Lodestar, FBM will retain the right to receive 100% of the remaining deferred consideration to be received from the previously announced sale of Nepean Nickel assets by ECG.

This release has been authorised by the board of the Company.

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