

## March 2021 Quarterly Activities Report

### HIGHLIGHTS

#### *Revitalised Portfolio*

##### *Nepean (LSR-20%)*

Acquisition of GoldFellas Pty Ltd ("GoldFellas") secures a 20% interest in the Nepean Nickel Project in joint venture with Auroch Minerals (ASX:AOU)<sup>1</sup>

- Advanced project in a proven nickel belt, 30yr exploration gap.
- Historic high-grade Nepean nickel mine produced 32,303t of Ni at 2.99% Ni from 1970 to 1987<sup>2</sup>.
- Major exploration upside and production potential within trucking distance of Kambalda nickel hub.
- Excellent shallow, high-grade nickel assays in Auroch's recent drilling along the mine corridor<sup>3</sup>.
- Additional Bulong gold project (LSR-100%) 40km east of Kalgoorlie.

##### *Jubilee Well (LSR-100%) – Laverton Tectonic Zone*

Addition of prime tenement in the multi-million ounce Sunrise Dam-Granny Smith corridor, subsequent to end of quarter.

- Drill target identified less than 2km along strike from AngloGold's 200koz Au Golden Delicious mine currently under development<sup>4</sup>.

#### *Exploration Commences at Imbin*

##### *Imbin (LSR-100%) – Earraheedy Province*

Contract signed for phase 1 Heli-EM survey to initiate exploration over 50km of prospective basin margin. Follow up work programs to include surface geochemistry, mapping and drilling. Imbin is located on the northern flank of the Earraheedy Basin, 70km ENE of Rumble Resource's major Zn-Pb discovery at the Earraheedy project. The Imbin tenements include 20km of the Yelma-Frere unconformity (host to Zn-Pb mineralisation) and 20km of adjacent historic Cu-Au anomalies and significant historic drill intersections, including 2m at 4.65% Cu and 17.5g/t Ag, within 36m at 0.76% Cu<sup>5</sup>.

### CORPORATE

Lodestar raised a total \$2,159,400 in two tranches for project acquisition and working capital purposes.

<sup>1</sup> See Lodestar's ASX announcement dated 17<sup>th</sup> February 2021.

<sup>2</sup> See Focus Minerals ASX announcement dated 12<sup>th</sup> June 2007.

<sup>3</sup> See Auroch Minerals ASX announcement dated 31<sup>st</sup> March 2021.

<sup>4</sup> Accessed at <https://www.aga-reports.com/20/op> and see Lodestar's ASX announcement dated 9<sup>th</sup> April 2021.

<sup>5</sup> See Lodestar's ASX announcement dated 17<sup>th</sup> July 2014.

- \$839,400 was raised by the issue of 59,957,142 shares at \$0.014 per share with a free attaching unlisted option exercisable at 3 cents before 31<sup>st</sup> December 2022, for every 2 shares applied for<sup>6</sup>.
- An additional \$1,320,000 was raised by the issue of 120,000,000 shares at \$0.011 per share<sup>7</sup>. Shareholders approved the capital raising and acquisition of GoldFellas subsequent to the end of quarter.

Key terms of the GoldFellas acquisition are;

- 250 million fully paid shares in Lodestar issued to GoldFellas shareholders at a deemed consideration of 1.1 cents per share.
- A further \$2.5 million in Lodestar shares to be issued to GoldFellas shareholders if the Nepean project reaches a JORC compliant reserve status.

### NEPEAN NICKEL PROJECT (LSR-20%)

The acquisition of GoldFellas was approved at a general meeting of Lodestar shareholders, subsequent to the end of the March quarter, on 21<sup>st</sup> April 2021. GoldFellas owns a 20% interest in the project, with ASX-listed Auroch Minerals (“Auroch”), operators of the project, holding the remaining 80%.

The Nepean Nickel Project (Nepean), site of the historic high-grade Nepean nickel mine, comprises 13 tenements that cover more than 10km of strike of under explored greenstone extending south and north of the mine (see Figure 1). The Nepean mine operated between 1970 and 1987, the ore was trucked directly to the Kambalda concentrator for processing before the mine shut due to low nickel prices. In 2007-2008 the then owners, Focus Minerals, calculated a remnant resource and conducted trial mining in preparation for re-opening the mine but those plans were cancelled, once again due to a declining nickel price. From 2008 to the present there has been minimal exploration within the project.

Since acquiring the project in December 2020<sup>8</sup> Auroch have completed the first phase of exploration drilling across the tenements, testing near-mine and regional targets. RC drilling south and along strike from the Nepean mine reported significant high-grade, shallow intersections of nickel sulphide mineralisation<sup>9</sup>, extending the mineralised zone within the mine sequence to at least 500m. Auroch is now assessing these results with the aim of advancing a potential open-pit development.

Auroch announced plans to commence a high-powered moving loop EM survey (MLEM) at Nepean<sup>10</sup> to define new regional targets and is drilling extensively throughout the first half of 2021.

The GoldFellas acquisition is a rare opportunity to acquire an interest in an optimally located, former nickel-producing yet underexplored greenstone belt. Importantly, there has been little application of the latest generations of geophysical survey equipment that has guided many of the major nickel sulphide discoveries in Western Australia over the past 20 years. In addition to nickel, there is potential for gold and lithium (LCT) pegmatite mineralisation within the project. Lodestar looks forward to working with Auroch to reap the benefits of its on-going exploration programs at Nepean.

<sup>6</sup> See Lodestar Minerals ASX announcement dated 14<sup>th</sup> January 2021.

<sup>7</sup> See Lodestar Minerals ASX announcement dated 17<sup>th</sup> February 2021.

<sup>8</sup> See Auroch’s ASX announcement dated 17<sup>th</sup> December 2020.

<sup>9</sup> See Auroch’s ASX announcement dated 31<sup>st</sup> March 2021.

<sup>10</sup> See Auroch’s ASX announcement dated 18<sup>th</sup> February 2021.

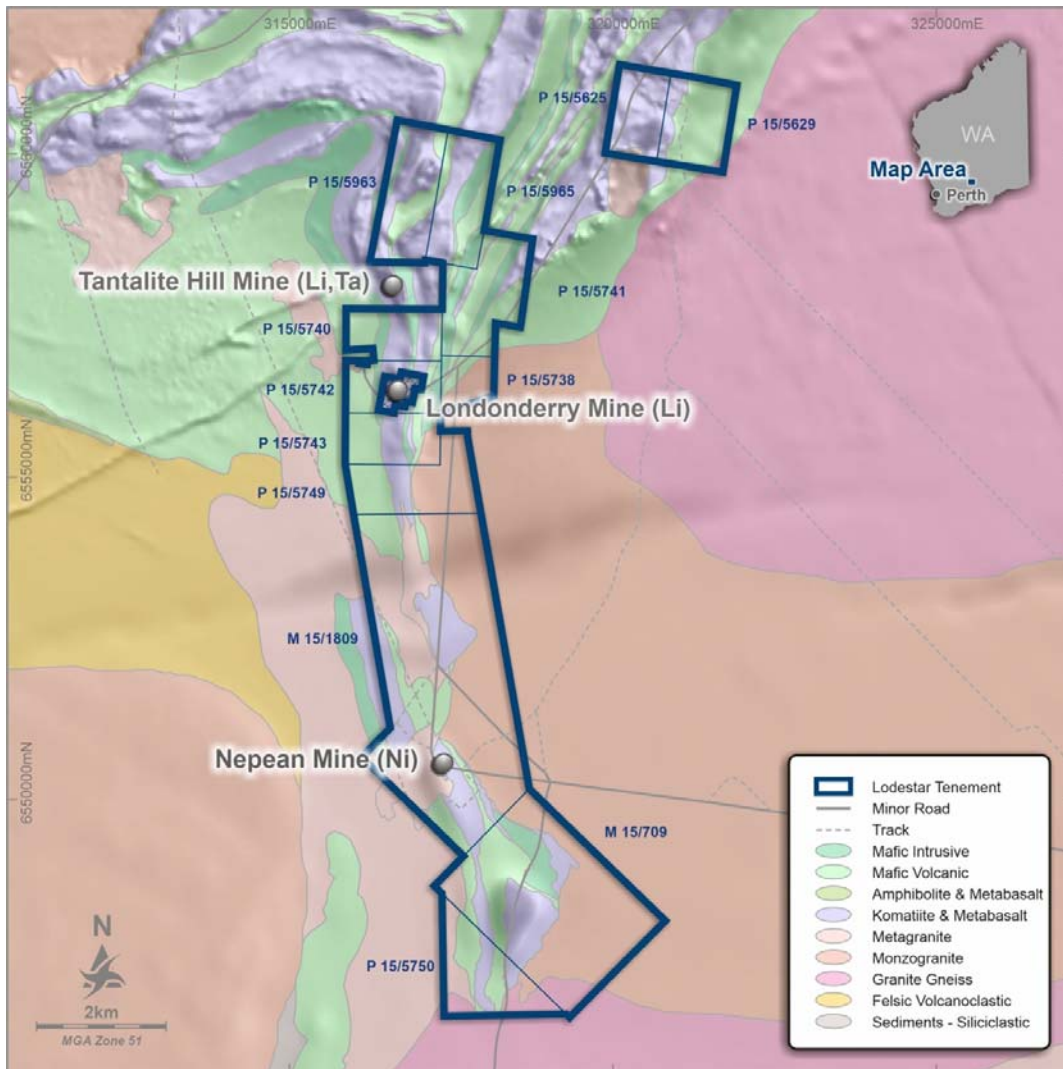


Figure 1 Nepean Nickel Project tenements and geology overlying aeromagnetic image.

### BULONG GOLD PROJECT (LSR-100%)

Lodestar acquired the Bulong project as part of the GoldFellas transaction. The Bulong project consists of 8 prospecting licences located on the western margin of Lake Yindarlgooda, 40km east of Kalgoorlie (see Figure 2).

The Bulong project has had little exploration drilling and covers the down-plunge continuation of a mineralised, folded, layered mafic intrusive. The area immediately south of the project tenements contains a number of old workings and was explored by Western Mining Corporation (WMC) and AngloGold Ashanti as the Glandore project. RC and diamond drilling by WMC intersected significant gold mineralisation on the southern boundary of P25/2626 (one of the Bulong tenements) and shallow RC drilling north of the boundary reported numerous anomalous intersections in saprolite and the underlying basement rocks (see Lodestar’s ASX announcement dated 21<sup>st</sup> April 2021). Lodestar has planned a program of reconnaissance aircore drilling targeting major structural boundaries under the lake surface and is seeking the necessary approvals prior to drilling.

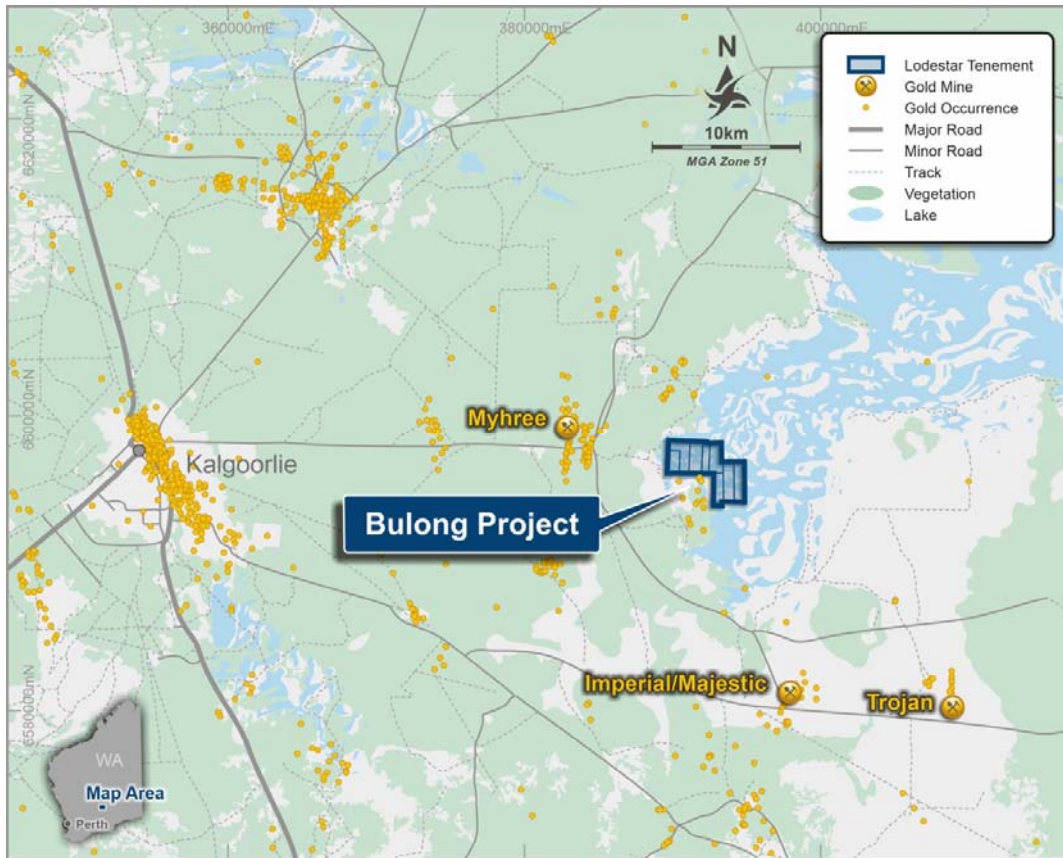


Figure 2 Bulong project tenements.

#### JUBILEE WELL GOLD PROJECT (LSR-100%)

Lodestar acquired a 100% interest in E38/3054, located 9km north of the multi-million ounce Sunrise Dam gold mine. The tenement geology includes deformed andesitic volcanics and volcanoclastics with interlayered thin banded iron formations and sediments. The sequence is intruded by felsic intrusives and granodiorites. The geological sequence is similar to that at Sunrise Dam and the tenement straddles a highly prospective zone of north to north east trending shears and faults linking the Sunrise Dam and Granny Smith gold deposits.

A review of historic data has identified gold anomalies in historic drilling that present an attractive walk-up drill target up less than 2km north along strike from AngloGold's Golden Delicious mine under development (see Lodestar's ASX announcement dated 9<sup>th</sup> April 2021). Lodestar is currently seeking the necessary approvals prior to drilling.

#### IMBIN, EARAHEEDY BASE METAL-GOLD PROJECT (LSR-100%)



The Imbin project comprises 900 sq. km of tenure on the northern margin of the Earraheedy Basin (see Figure 3). The recent major Zn-Pb discovery on the south western flank of the basin by Rumble Resources supports Lodestar’s view that the Earraheedy represents a significant metallogenic province.

The project includes approximately 20km of strike of the Yelma-Frere unconformity, host to Zn-Pb mineralisation at Chinook, and 50km of strike of folded metasediments intruded by mafic dykes and sills, a setting analogous to that of the DeGrussa Cu-Au deposit, hosted by rocks of similar age in the Bryah Basin.

A heli-EM survey over the Cu-Au corridor at Imbin, targeting potential massive sulphide conductors, is scheduled for June and preparations for follow up field programs to include surface geochemistry and drilling are underway.

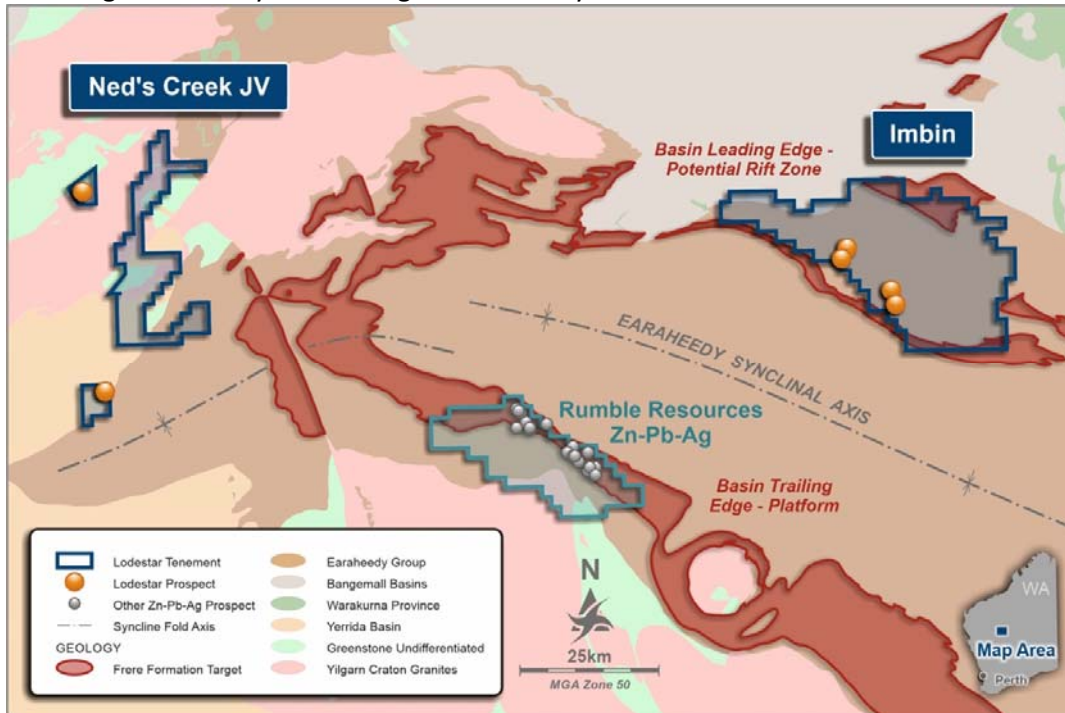


Figure 3 Imbin project tenements showing relationship to recent Zn-Pb discovery and Lodestar base metal prospects.

#### PLANNED ACTIVITIES

- **Nepean**
  - MLEM survey and on-going drilling programs.
- **Imbin**
  - Target definition - Heli-EM scheduled for June.
  - Finalise access and commence ground programs including surface geochemistry, mapping and drilling.
- **Jubilee Well**
  - Gain approvals to drill target on Golden Delicious trend.
- **Bulong**
  - Gain approvals to carry out reconnaissance drilling of structural targets.
- **Camel Hills**
  - Commence surface geochemistry over 6km long Big Sky trend.
- **Ned’s Creek JV**

- Confirm YR3 drilling program, expected to commence June Qtr.

### Contacts

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### About Lodestar

Lodestar Minerals is an active Western Australian gold and base metal explorer with a prospective tenement package spanning 1,560km<sup>2</sup> at the edge of the Pilbara and Yilgarn Cratons. With recent acquisitions Lodestar’s projects comprise the Nepean Nickel Project, Ned’s Creek, Camel Hills, Imbin, Jubilee Well and Bulong.

Lodestar’s primary focus to 2019 was the Ned’s Creek Gold Project where it identified syenite intrusion-related gold mineralisation within a craton margin setting and made greenfields gold discoveries at the Contessa, Central Park and Gidgee Flat prospects. The Ned’s Creek project is subject to a Farm-In and Joint Venture with Vango Mining Limited whereby Vango are earning a 51% interest by expenditure of \$5M over 3 years.

The Imbin project represents a significant land holding in the emerging Earraheedy province, site of Rumble Resource’s recent major Zn-Pb 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 up to 20km of strike of the mineralised Yelma-Frere unconformity.

Bulong and Jubilee Well are recent acquisitions with strong evidence of mineralisation in highly endowed gold districts; first-pass drill programs are planned.

### 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 these announcements that relates to previously released exploration results was disclosed under JORC 2012 in the ASX announcements dated*

- 17<sup>th</sup> February 2014 “Lodestar Corporate Presentation”.
- 14<sup>th</sup> January 2021 “Capital Raising to Commence Exploration at Imbin”.
- 17<sup>th</sup> February 2021 “Capital Raising”
- 9<sup>th</sup> April 2021 “Jubilee Well Acquisition – Along Strike from Sunrise Dam”.
- 21<sup>st</sup> April 2021 “Investor Presentation – General Meeting 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 31 March 2021

Tenement Description	Tenement Numbers	Status	Percentage Interest
<b>Ned's Creek</b>			<b>Subject to JV: Vango Mining earning 51%</b>
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
<b>Ned's Creek</b>			<b>Not Subject to JV</b>
Pinyrinny	E52/3798	Application	
<b>Imbin – Troy Creek</b>			
Ingebong Hills	E69/3483	Granted	100% - Lodestar Minerals
Ingebong Hills	E69/3532	Application	
Ingebong Hills	E69/3533	Application	
Ingebong Hills	E69/3590	Granted	100% - Lodestar Minerals
Ingebong Hills	E69/3699	Granted	100% - Lodestar Minerals
<b>Camel Hill / Mt Erong</b>			
Meekatharra	E09/2099	Granted	100% - Lodestar Minerals
Meekatharra	E09/2100	Granted	100% - Lodestar Minerals
Meekatharra	E09/2215	Granted	100% - Lodestar Minerals

Tenement Description	Tenement Numbers	Status	Percentage Interest
<b>Nepean</b>	M15/709	Granted	Nepean JV: Auroch-Lodestar (80:20)
	M15/1809	Granted	Nepean JV: Auroch-Lodestar (80:20)
	P15/5625	Granted	Nepean JV: Auroch-Lodestar (80:20)
	P15/5629	Granted	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
<b>Jubilee Well</b>	E38/3054	Granted	100%
<b>Bulong</b>	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%



## 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")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(61)	(146)
(b) development	-	-
(c) production	-	-
(d) staff costs	(67)	(178)
(e) administration and corporate costs	(158)	(246)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(7)	(11)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	36
1.8 Other (Farm-out funds received)	-	50
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(293)</b>	<b>(495)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(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 (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	211
	(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) *	(367)	(367)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(367)</b>	<b>(156)</b>
* Loan funds advanced to GoldFellas Pty Ltd for operations commenced prior to consolidation upon acquisition.			
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,959	1,959
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	(105)	(105)
3.5	Proceeds from borrowings	-	38
3.6	Repayment of borrowings	(125)	(164)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities right of use assets)	(6)	(12)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,723</b>	<b>1,716</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	14	12
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(293)	(495)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(367)	(156)

Appendix 5B  
Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,723	1,716
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,077</b>	<b>1,077</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,077	14
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,077</b>	<b>14</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	134
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (provide details if material)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(293)
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)	(293)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,077
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,077
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	3.68
<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: 30 April 2021

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.