

CODE OF CONDUCT POLICY

PURPOSE

This code outlines how Lodestar Minerals Limited (**LSR**) expects directors and employees (collectively “**Employees**”) of LSR and its controlled entities (“**the Group**”) to behave and conduct business in the workplace on a range of issues.

The Group is committed to the highest level of integrity and ethical standards in all business practices. Employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all legislation.

The objective of the code is to:

- a) provide a benchmark for professional behaviour throughout the Group;
- b) support the Group’s business reputation and corporate image within the community;
and
- c) make Employees aware of the consequences if they breach the code.

STATEMENTS OF COMMITMENT

Commitment to Employees

Employees are an important resource of the Group. The collective skills, energy and commitment of the Employees is the key driver of the Group’s business activities.

The Group is committed to providing a workplace that respects the rights of all Employees.

The Group will endeavour to maintain a workplace that is healthy and safe, fair and honest and free of harassment, hostility and offensive behaviour.

Commitment to Clients

The Group will endeavour to enhance relationships with business associates and seek to develop lasting and fruitful partnering with its business associates.

The Group seeks to generate business based on a reputation of honesty, integrity and fairness, as well as skilled and efficient operation.

The Group aims to be respected by its business associates.

Commitment to Shareholders

LSR seeks to keep its shareholders and prospective shareholders fully informed by communicating financial results and activities on a regular basis.

The Group will protect its property and assets, and safeguard them from loss, theft and unauthorised use.

The Group will maintain records which are accurate in their representation of business events and will be used appropriately and stored securely.

The Group will restrict the use of information to be used to benefit employees or any who interacts with employees, either financially or otherwise.

Commitment to Governments

The Group will endeavour to comply with all applicable laws and regulations in any country in which it conducts its business.

The Group will respect all regulations and expectations of bodies such as the ATO, individual state and territory taxation authorities, ASIC, ASX, ACCC and any other similar regulatory bodies.

Commitment to Communities

The Group will endeavour to minimise the impact of its operations on surrounding communities.

The Group will encourage Employees to support industry and community safety, health and environmental initiatives that pertain to its business.

The Group will respect the environment and comply with the relevant environmental laws in the countries in which it operates.

THE CODE

Compliance with and Respect for the Law

The Group and Employees must respect the law and act accordingly by observing and respecting the relevant laws, customs and business methods in the environment in which the Company operates.

If an Employee has concerns or queries about specific legal issues connected with the Group then they should, where appropriate, discuss those issues with their manager or the Company Secretary of LSR in the first instances. Where necessary, legal advice should be sought before any decision is made in relation to the issue.

Fair Dealing

The Group aims to maintain the highest standard of ethical behaviour in business dealings and to behave with integrity in all its dealings with business associates, shareholders, stakeholders, governments, employees, suppliers and the community.

Employees are expected to perform their duties in a professional manner and act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. This should involve as a minimum:

- a) acting within applicable laws, particularly those that deal with matters covered by this code, including equal opportunity and anti-discrimination laws;
- b) acting with courtesy;
- c) acting with fairness and respect in supervision;
- d) encouraging cooperation;
- e) fostering an environment where rational debate is encouraged, with a view to achieving shared goals;
- f) avoiding behaviour that might reasonably be perceived as bullying or intimidation; and

- g) understanding and responding to the needs of the Group's broader stakeholders, including the community at large.

Equal Opportunity and Discrimination

The Group will not permit discrimination, intimidation or harassment of or by Employees on the basis of race, gender, age, marital status, national origin, disability or religious beliefs or on the basis of any other personal characteristics protected by law.

Discrimination is not permitted at any level of the Group or in any part of the employment relationship. This includes areas such as recruitment, promotion, training opportunities, salary, benefits and terminations.

The Group will treat all employees according to their skills, qualifications, competencies and potential.

The Group will promptly investigate all allegations of harassment, bullying, victimisation or dissemination and will take appropriate corrective action. All harassment complaints will be treated seriously, sympathetically, quickly and privately. Retaliation against individuals for raising claims of harassment or discrimination will not be tolerated.

Occupational Health and Safety

The Group is committed to maintaining a healthy and safe working environment for its Employees. LSR has established a formal Health and Safety Policy.

All occupational health and safety laws and internal regulations and procedures must be fully complied with.

The Group will consider the impact of health and safety issues when making business decisions and must ensure that business decisions do not compromise the commitment to avoiding injury to people.

Disclosure of Information

LSR has a formal market disclosure policy under the *Corporations Act 2001* and ASX Listing Rules to keep the markets fully informed of information which may have a material effect on the price or value of LSR's shares and to correct any material mistake or misinformation in the market.

LSR requires Employees to understand the requirements of the policy and to act in accordance with the policy.

Share Trading

LSR has a formal Share Trading Policy. The Policy may place additional restrictions on certain Employees over and above the basic legal requirement discussed below.

Laws against insider trading make it illegal to deal in shares of a company while in possession of material information about the company which has not become public.

If Employees become in possession of information concerning the Group that is not generally available, and which a reasonable person would expect to have a material effect on the price of LSR's shares, it is unlawful for them to buy, sell or otherwise deal in LSR's shares. It is also unlawful in those circumstances to encourage someone else to deal in LSR's shares or to pass the information to someone who may use the information to deal in LSR's shares.

A person does not need to be an Employee of LSR to be guilty of insider trading. The prohibition extends to trading by Employees through nominees, agents or associates, such as family members, family trusts and family companies.

It does not matter how or where the person obtains the information. It does not have to be obtained from the Group to constitute inside information. There are very serious penalties, including possible imprisonment, for violation of these laws.

Conflicts of Interest

All business transactions must be conducted solely in the best interests of the Group.

Employees must avoid situations where their personal interests could conflict with the interests of the Company.

A conflict of interest exists where loyalties are divided. A person can have a potential conflict of interest if, in the course of their employment or engagement with the Company, any decision they make could provide for an improper gain or benefit to themselves or an associate. A conflict of interest may be defined as an issue that may occur when personal interests, the interests of an associate or relative or a duty or obligation to some other person or entity, conflict with a person's duty or responsibility to the Company.

Employees must notify the MD, Chair or Company Secretary of LSR if the individual suspects that there is a conflict of interest or a potential conflict of interest.

Where an Employee is a Related Party (including being a grandparent, parent, child, partner, in a dating relationship, father-mother-brother-sister in law, uncle, aunt, niece or nephew) with another employee or with another person who has a material direct or beneficial ownership in a contractor or supplier to the Company, then that Related Party relationship must be declared to the MD and the MD shall take action to ensure any perceived or real conflict of interest is managed appropriately (for example shall ensure that a salary review of an employee is not controlled by a Related Party to that employee).

Where the MD or a Director (excluding the Chair) is a Related Party with another Employee or with another person who has a material direct or beneficial ownership in a contractor or supplier to the Company, then that Related Party relationship must be declared to the Chair and the Chair shall take action to ensure any perceived or real conflict of interest is managed appropriately.

Where the Chair is a Related Party with another Employee or with another person who has a material direct or beneficial ownership in a contractor or supplier to the Company, then that Related Party relationship must be declared to the Company Secretary and the Company Secretary shall take action to ensure any perceived or real conflict of interest is managed appropriately.

Where there is any doubt as to whether this policy requires you to report a potential conflict of interest or Related Party then you must report.

When two Employees become a Related Party (for example, commence a dating relationship) then the responsibility to report the relationship belongs to the more senior employee in the first instance.

The MD must inform the Board if there is a conflict of interest or a potential conflict of interest exists (including any related parties) involving the MD directly or any MD direct reports.

Each Director must inform the Board if they have a conflict of interest or a potential conflict of interest exists (including any related parties).

Gifts, Prizes and Entertainment

Giving and receiving gifts or hospitality are part of normal business practice. There can, however, be sensitivities associated with this giving or receiving, such as when the size of the offering is beyond being acceptable.

Gifts, prizes, and entertainment must be free of any suggestions of bribery or secret commissions and must not compromise the Company or its business associates and should not be accepted or received if there is any possibility that they might:

- a) indicate any bias or prejudice towards a person or Company;
- b) compromise judgement; or
- c) possibly represent a conflict of interest.

Employees are prohibited in soliciting benefits such as gifts, prizes, and hospitality.

The difference between appropriate and inappropriate gifts is not always easy to determine. The following questions may help in assessing the motivation of the giver and the receiver and whether offering or acceptance is appropriate.

- a) Does the gift transgress any law or regulation?
- b) Why is the gift being offered or why am I offering it?
- c) Could the recipient feel pressure to reciprocate or grant favours as a result of the gift?
- d) Could acceptance/offering adversely affect the way the Employee performs?

The Company expects its Employees to exercise reasonable judgement and discretion in accepting any gratuity or gift offered in connection with employment with the Company.

Improper use or Theft of Property or Assets

Employees have a responsibility to protect any Company property and assets that are under their control and must be safeguarded from loss, theft and unauthorised use.

Company property and assets include, cash, shares, business plans, samples, third-party information, intellectual property (computer programs, software, models, and other items) confidential information, machinery, plant and equipment, office equipment and supplies.

Company assets may not be used for personal purposes without prior Company approval. Company property and documents should not be removed from official premises without a good and proper reason. If removed, they must be stored in a secure manner and the appropriate manager must be informed.

Employees leaving the Company must return all Company property in their possession.

Employees are encouraged to use common sense and observe standards of good taste regarding content and language when creating documents that may be retained by the Company or a third party.

Employees should not use the Company's electronic communications systems to access or post material that is pornographic, obscene, sexually related, and profane or which is otherwise offensive or violates the Company policies or any laws or regulations.

Employee use of the Company's electronic communication systems for non-business purposes must be occasional, not interfere with the Employee's professional responsibilities, not diminish productivity, and not violate this code or any of the Company's policies.

Any messages transmitted by email are treated as business messages and constitute property of the Company.

All Company books, records and accounts must accurately reflect the precise nature of transactions recorded.

Employees must comply with prescribed accounting and business procedures and controls at all times.

Confidential and Private Information

Unless previously published, the Company's records, reports, processes, plans, and methods are proprietary and confidential. Employees should not reveal information concerning such matters without proper authorisation.

The Company's records include personal information. Personal information is information or an opinion about an individual whose identify is apparent or can be ascertained from the information or opinion. During the course of its activities, the Company may collect, hold, or use personal information about supplies of goods and services, customers, contractors, and prospective and current Employees.

Any personal information should be managed in a professional and ethical manner and is not to be used for any other purpose or disclosed outside the Company without the permission of the individual concern, unless authorised by law.

Outside Employment

Employees may not receive payment for services from any competitor, customer, supplier or anyone associated with the Company without approval from the MD or Board.

Any outside activity must be identified as completely separate from the Company, undertaken outside work hours and not in any way impinge on the Employee's work commitments. It must not represent an actual, potential or perceived conflict of interest.

Compliance with the Code

This code is a public document and as a result, adherence to the code is fundamental to the Company's reputation in the business community.

The Board of LSR has endorsed this code.

Any Employee who is aware of any breaches of this code must report the matter to the MD or Company Secretary of LSR.

Strict compliance with this code is a condition of employment. Breaches of this code shall be subject to disciplinary action which may include termination of employment.