

4 March 2024

Shane Falconer
Principal Adviser, Listings Compliance Perth,
ASX Limited,
Level 40, Central Park,
152-158 St Georges Tce,
Perth WA 6000

Dear Shane,

Re: Lodestar Minerals Limited- Query Letter

Reference is made to the query letter from the ASX dated 1 March 2024. The following responses are provided to your specific questions:

1. Mr Taylor did not obtain prior clearance from the board or any designated director prior to the sales.
2. Not applicable as approval not obtained.
3. Mr Taylor did not advise the board of any of the transactions at the time of the transactions.
4. No advise provided at the time of the transactions.
5. Lodestar is of the view the transactions did not comply with the Company's trading policies.
6. Transactions did not comply.
7. Mr Taylor was questioned by the board concerning his lack of adherence to the trading policy during a blackout period. Mr Taylor advised he sits on the board of an industrial company and was very aware of the blackout period for that entity pending half year and annual results. Mr Taylor has advised that he incorrectly believed that as Lodestar is an exploration Company with no revenue it did not have a blackout period, but that he had to adhere to continuous disclosure rules and trading. Mr Taylor confirmed he had not reviewed the policy for a significant period.

Mr Taylor advised the board that at the time of the sales he ensured there was no material information not in the public domain, or that would be reported in the December 2023 quarterly report due to be released in late January 2024. Mr Taylor determined that there was no such information to be revealed in the quarterly that was not known to the market.

Mr Taylor has accepted that albeit his actions did not breach any continuous disclosure requirements, he was in breach of the Company's established trading policy.

Mr Taylor has been provided with a physical copy of all the Company's Corporate governance policies and has confirmed he has read, and fully understands, all the policies.

The board of Lodestar and staff have been reminded of the trading policies and have been advised of the potential serious nature of any breach.

Mr Taylor unreservedly apologised to his fellow board members and shareholders for his oversight causing the breaches.

8. The responses in this letter have been approved and fully supported by the board of directors of the Company.

Yours faithfully,

A handwritten signature in black ink that reads "D McArthur". The signature is written in a cursive, flowing style.

David McArthur
Company Secretary



1 March 2024

Mr David McArthur
Company Secretary
Lodestar Minerals Limited

By email: davidm@broadwaymgt.com.au

Dear Mr McArthur

Lodestar Minerals Limited ('LSR'): Query Letter

ASX refers to the following:

A. LSR's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 23 February 2024 for Mr Ross Taylor ('Notice'), which stated that:

- (i) LSR's Non-executive Chairman, Mr Taylor, disposed of 25,000,000 LSR securities on market between 17 January 2024 to 23 January 2024 and 21 February 2024;
- (ii) securities were traded during a closed period where prior written clearance was required, and that no written clearance was provided to allow the trade to proceed during that period ('Transactions');
- (iii) LSR's responses at **Part 3 - +Closed period** of the Notice:

Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required?	Yes
If so, was prior written clearance provided to allow the trade to proceed during this period?	No
If Prior clearance was provided, on what date was this provided?	N/A

B. Mr Ross Taylor's change of interests of substantial holder Form 604 lodged on MAP on 23 February 2024 ('Form 604') which disclosed changes in Mr Taylor's relevant interest in LSR securities occurred as set out below:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
17 / 01 / 24	ROSS TAYLOR	DISPOSAL	\$21,000	7,000,000 FPO	7,000,000
19 / 01 / 24	ROSS TAYLOR	DISPOSAL	\$2,700	900,000 FPO	900,000
22 / 01 / 24	ROSS TAYLOR	DISPOSAL	\$25,800	8,600,000 FPO	8,600,000
23 / 01 / 24	ROSS TAYLOR	DISPOSAL	\$10,500	3,500,000 FPO	3,500,000
21 / 02 / 24	ROSS TAYLOR	DISPOSAL	\$10,000	5,000,000 FPO	5,000,000

C. LSR's Quarterly Activities Report for the quarter ending 31 December 2023 released on the MAP on 31 January 2024.

D. The change in the price of LSR's securities from a closing price of \$0.003 at the close of trading on 16 January 2024 to \$0.002 at the close of trading on 31 January 2024.

E. LSR's share trading policy ('Trading Policy'), available on its website¹, which states:

"Compliance with the Policy (including any changes prescribed by the ASX Listing Rules and notified to you by the Company) is mandatory and a breach of either the Policy or the statutory prohibitions on insider trading may result in legal proceedings and/or disciplinary action, including, where appropriate, dismissal."

Closed Periods

You must not deal in, or procure another to deal in, the Company's Securities during a closed period. A closed period is:

a) the period two weeks prior to, and 24 hours after the release of, the Company's quarterly results;

...

You must not deal in any of the Company's securities without advising the Chair of the Company in advance and until clearance has been obtained. In his own case, the Chair, must advise the board in advance at a board meeting, or advise another designed director, and receive clearance from the board or designated director, as appropriate.

...

Key Management Personnel who are not in possession of Inside Information in relation to the Company may apply for, and may be granted, clearance by the Chair (in their discretion) to sell or otherwise dispose of Company securities during a prohibited period where the person is in severe financial hardship or where there are other exceptional circumstances that, in the Chair's opinion, necessitate clearance.

Request for information

Having regard to the above, ASX asks LSR to respond separately to each of the following questions and requests for information:

1. Did Mr Taylor receive prior clearance for any of the Transactions from the board or designated director in accordance with LSR's Trading Policy?
2. If the answer to question 1 is "yes", please provide details including relevant dates.
3. Did Mr Taylor, as Chair of LSR, advise the board in advance of any of the Transactions in accordance with LSR's Trading Policy?
4. If the answer to question 3 is "yes", please provide details including relevant dates.
5. Noting LSR's disclosure at Part 3 of the Notice, including that the Transactions occurred during a closed period where no prior written clearance was provided, is LSR of the view that the Transactions complied with its Trading Policy?
6. If the answer to question 5 is "yes", please explain the basis for that view and how Mr Taylor was permitted to trade during a closed period, commenting specifically on the disclosures contained at Part 3 of the Notice.
7. If the answer to question 5 is "no":
 - 7.1 please outline the circumstances which led to a breach of LSR's Trading Policy.
 - 7.2 please outline what action LSR intends to take in response to a breach of its Trading Policy, noting that the Trading Policy states that compliance is mandatory and a breach may involve legal or disciplinary action.

¹ <https://www.lodestarminerals.com.au/site/file/62/view/ShareTradingPolicy.pdf>

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8. Please confirm that LSR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LSR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **1 PM AWST Wednesday, 6 March 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, LSR's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require LSR to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in LSR's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in LSR's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to LSR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that LSR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

ASX Compliance