

Lodestar Battery Metals Corp. Releases H1 2023 Letter to Shareholders

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Proposes Consolidation of Common Shares

Vancouver, July 14, 2023 - Lodestar Battery Metals (TSXV: LSTR) (OTCQB: SVTNF) ("Lodestar" or the "Company") is pleased to announce the release of its corporate update to shareholders for the six months ended June 30, 2023 ("H1 2023") and review of the restructuring from Lowell Kamin, President, CEO, and Chairman of the Board.

Lodestar will host its Annual General Meeting today, July 14, 2023, at 11 AM PT. Shareholders and the general public are welcome to dial in with the following details:

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Dear Shareholders,

When I was appointed President and CEO last June, I made a significant and deliberate decision to restructure and rebrand the Company to align our corporate identity with our collective vision for the future with my personal beliefs about how junior resource companies should be managed.

Highlights of the restructuring and our key achievements over the last 12 months include:

Strategic Review, Risk Management and Governance Overhaul

At the outset, we undertook a comprehensive review of our assets in Mexico and all commercial arrangements the Company had entered into. We cancelled all engagements and methodically managed the risk associated with that decision. All remaining officers and directors associated with [Silver One Resources Inc.](#) stepped aside and Scott Margach and Gary Prihar were added as Independent Directors. From day one, we substantially reduced the burn rate and identified the structural risks of the Company.

Leadership Transition, Compliance Strengthening and Asset Management in Mexico Operations

Following the resignation of our former CFO, Killian Ruby, who stepped down after the former CEO and board members resigned, we appointed an Interim CFO to fill the position. One notable achievement in the second half of 2022, from both a C-suite and Board perspective, was the successful rehiring of Killian Ruby as CFO, who also became a member of the Board. Killian demonstrated exceptional competence by assuming responsibility for all commercial arrangements in Mexico, ensuring the proper documentation and up-to-date status. Killian played a crucial role in solidifying compliance across the organization. Furthermore, Killian gained full control over the Mexican assets, bank accounts and relationships. Killian's meticulous attention to detail enabled us to navigate our 2022 audit process successfully.

Strategic Asset Realignment: Capitalizing on Battery Metals and Sustainable Energy Solutions

We embarked on a new direction for the Company, transitioning from a Mexican Silver Exploration company to a North American Battery Metals company. As part of this strategic shift, we entered into a Letter of Intent ("LOI") to acquire our flagship asset, The Penny Property, in Snow Lake, Manitoba, in July 2022. We moved quickly to close on the acquisition of this asset in September 2022. We believe this represents a significantly

better opportunity to participate in a growing district with a rich mining history spanning over 100 years. The area boasts exceptional infrastructure, favourable tax treatments for exploration expenses, and several other companies exploring for lithium.

One of the personal highlights of my tenure was visiting Snow Lake, Manitoba, in October 2022. With the assistance of Luke Van Der Meer, our Qualified Person ("QP") and Geologist, we identified potential areas for expanded exploration. Moving forward, our strategic focus will be to become a leading lithium exploration company in Snow Lake, Manitoba.

Preliminary Field Exploration Program at Lodestar's Peny Property in the Snow Lake District, October 2022

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/3029/173521_lodestar_1.png

The Snow Lake Mining District: A Promising Frontier for Lithium Exploration and Extraction

Snow Lake Mining District's allure originates from its abundant pegmatite deposits and favourable geological conditions. The district boasts pegmatites, which hold significant potential for the exploration and extraction of lithium-bearing minerals. The geological history and structure of the region have fostered optimal conditions for the concentration of these minerals within pegmatite dykes.

Moreover, the district offers convenient access to a well-established mining infrastructure and a reliable power supply, creating an advantageous environment for the efficient extraction and processing of lithium. Furthermore, the escalating demand for lithium in EVs and renewable energy storage systems positions the Snow Lake Mining District as an exceptionally promising destination for mining companies aiming to capitalize on the surging market demand for this critical resource.

Today, Lodestar holds one of the largest land packages in the entire district, encompassing 47 mineral claims spanning 11,191 hectares. Consequently, it's easy to understand our excitement about unlocking the potential of this asset.

Aerial view of the Snow Lake District, Preliminary Field Exploration Program, October 2022

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/3029/173521_2283e54644a45ad2_003full.jpg

Apart from Lodestar, there has been significant activity in the region this year, including:

- In June 2023, Snow Lake Lithium announced the initial findings of its metallurgical testwork program conducted for the Grass River Lithium Project¹. The first round of results from the recent winter drilling campaign has been received and interpreted, revealing promising outcomes. Notable highlights include intersecting significant lithium mineralization at various depths, such as 6.3 meters at 1.97% Li₂O from 31.7 meters and 6.6 meters at 1.59% Li₂O from 47.6 meters. These results and the remaining drilling program will contribute to a future Mineral Resource Estimate (MRE) for the Grass River Project. Snow Lake anticipates releasing a Maiden MRE and a Preliminary Economic Assessment (PEA) for the project in July, offering further insights into its potential.

Further development work in the Wekusko Lake pegmatite field is ongoing where Snow Lake Lithium has a defined indicated resources of 9.08 Mt@ 1.00% Li₂O, further exploration and development work is assessing feasibility for the production of 160k tonnes per annum at 6% lithium concentrate for 8-10 years².

- In June 2023, Hudbay Minerals Inc. and Rockcliff Metals Corp. announced a definitive agreement to consolidate Rockcliff's Snow Lake camp³. Hudbay's interest in the Snow Lake Mining District can be considered a testament to the area's potential, and this agreement has the potential to open the door for future strategic partnerships between major and junior mining companies.

- In June 2023, [Foremost Lithium Resource & Technology Ltd.](#) announced results from their maiden drilling program at the Jena Lake property and confirmed continuity of the B1-B2 pegmatites and reported: 1.26% Li₂O over 3.35 meters, as well as numerous gold intersections, including 7.50 g/t Au over 7.66 metres⁴.

Updates on Lodestar's Fall 2023 Work Program

In May 2023, we announced a CAD \$400,000 work program ("2023 Work Program") aimed at advancing exploration at our Peny Property.

Lodestar will continue analyzing the 86 historical drill holes and seek to explore additional pegmatite intersections on the property. The historical drill holes on the property hold significant importance as they provide invaluable data and insights for future targets. The reported pegmatite intersections found within these drill holes offer indications of potential mineralization and can serve as key markers for understanding the geological composition of the area. Details of this release can be found [here](#).

Map of 19 Primary Targets on the Peny Property

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/3029/173521_2283e54644a45ad2_004full.jpg

We anticipate completing the remote sensing phase by mid-July 2023. Additionally, Lodestar will work to expedite the necessary components to finalize geophysical grids. Geophysics data is expected to be completed by mid-August 2023, with preliminary data available earlier.

Field crews will be dispatched by early September 2023. They will utilize the newly acquired remote sensing, magnetic and radiometric data to prioritize and evaluate predetermined targets well in advance of the approaching snowfall. This approach ensures sufficient time for thorough assessment and analysis.

In June 2023 Lodestar applied for admittance into the Manitoba Mineral Development Fund ("MMDF"). The MMDF aims is to grow the mineral development industry and stimulate economic development in northern Manitoba. Projects funded by MMDF will benefit Manitoba's economy and local communities alike, with a partnership-based approach to help grow the provincial economy together with Indigenous communities.

Location of the Peny Property and surrounding claims holders within the Greater Snow Lake District

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/3029/173521_2283e54644a45ad2_005full.jpg

Decision-Making for Mexican Asset Portfolio

After conducting a thorough evaluation of our Mexican assets in collaboration with Longford Exploration Inc., we made the decision to discontinue our involvement with Pluton, Mexico. This was driven by the financial burden of carrying the asset on our books on an annual basis and an inherited tax liability.

We commissioned an updated 43-101 in Peñasco, Mexico, engaging the services of Micon International Limited. This decision was driven by two factors: first, the existing historic 43-101 dated back to 2008, and secondly, the methodology for calculating resources was updated in 2014 by the Canadian Institute of Mining and Metallurgy.

When assessing the risks associated with on-site operations in La Frazada, Mexico, we opted to increase our insurance coverage but refrained from sending any personnel into the region to conduct work due to identified risks.

Lastly, with the assistance of independent external counsel, we initiated a comprehensive review of the commercial arrangements with Silver One Resources Inc., who were the original sellers of the assets to former Silverton Metals Inc. This evaluation aimed to gain a better understanding of the path forward for our balance sheet and the implications of these arrangements.

The repositioning of our portfolio has led us to initiate the sale of the Peñasco Quemado and La Frazada silver properties in Mexico. This strategic asset realignment enables us to adapt to changing market dynamics and capitalize on the growing demand for sustainable energy solutions, specifically focusing on battery metals. We believe this move will position us for long-term success in the evolving energy landscape. It is worth noting that these assets were inherited when we were appointed to the business a year ago, and we are actively working towards resolving any outstanding liabilities associated with them.

Investor Relations, Brand Visibility and Bench Strength

In an effort to share our story and increase awareness of Lodestar, I have attended conferences and forged new relationships for the Company.

Lodestar's new branding on display at Mines and Money, London, UK, November 2022

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/3029/173521_2283e54644a45ad2_006full.jpg

In addition, recognizing the need to strengthen our team, we have been actively working on increasing our bench strength, and I am pleased to report that we are making solid progress. We enlisted the expertise of Irlabs, an investor relations firm, to rebrand our Company, positioning us for success as we increase visibility.

We raised flow-through capital in 2022, in order to fund the cap-ex program in Snow Lake on our Peny Property throughout 2023.

Lodestar Partners with Axiom for Upcoming Exploration Program

We have recently engaged Axiom Exploration to oversee the exploration program for the Peny Property. Axiom Exploration is renowned for its expertise and experience in mineral exploration, offering a wealth of knowledge and technical proficiency. This engagement aims to capitalize on Axiom Exploration's proven track record in successfully identifying and delineating mineral deposits.

With their team of skilled geologists and exploration experts, Axiom Exploration will play a pivotal role in designing and implementing an exploration program tailored to the unique geological characteristics of the Peny Property. This partnership with Axiom Exploration reaffirms our dedication to executing high-quality exploration initiatives, unlocking the Peny Property's full potential, and bolstering our battery metals portfolio. Together, Lodestar and Axiom Exploration are well-positioned to make meaningful discoveries and advance our position in the Snow Lake Mining District.

The upcoming exploration program will now be conducted in collaboration with Axiom Exploration, superseding the previous relationships with Longford Exploration.

Lodestar Partners with Red Cloud Securities

We have also entered into a best-efforts agreement with Red Cloud Securities ("Red Cloud") to facilitate the sale of our two silver assets in Mexico. Red Cloud is known for its extensive experience and connections in the mining and resource industry. This partnership aims to streamline the sales process and attract potential buyers. We are confident that this partnership will lead to favourable outcomes and generate value for our shareholders while maintaining our focus on advancing our core objectives in the battery metals sector. Lodestar has diligently completed all necessary filings for the Peñasco Property, ensuring compliance with regulatory obligations. To-date, we have successfully submitted all required documentation and tax

payments to the Mexican government.

Share Consolidation

We are also announcing that the Company plans to consolidate its issued and outstanding common shares at a ratio of four (4) pre-consolidated shares to one (1) post-consolidation share (the "Consolidation"). The purpose of the Consolidation is to improve the capital structure and generate greater investor interest. The Company is also in the process of cancelling all share options outstanding in an effort to improve the capital structure.

The Company currently has 44,336,500 common shares issued and outstanding. Upon completion of the Consolidation, the Company will have 11,084,125 common shares issued and outstanding.

In accordance with the Company's Articles, the Consolidation will not require the approval of the shareholders. The Consolidation is subject to the acceptance of the TSX Venture Exchange.

What's Next

Reflecting on our many achievements since assuming control of the Company a year ago, we are excited about the future. Specifically, with the support of Axiom and Luke Van Der Meer as our QP, we are gathering information to inform our decision regarding the placement of a portable drill on our Peny Property in Q4 2023, and we hope we can begin to see the results of our hard work.

I am personally looking forward to being in Snow Lake in early September with Axiom and Luke Van Der Meer to further advance our knowledge of the Peny Property and the region.

We recognize the importance of communicating our message and future growth plans with a broader investor audience. We believe our partnership with Irlabs will play an instrumental role in raising our profile while building and maintaining investor confidence through an effective investor relations strategy.

I am very appreciative of all the support and guidance I received along the way from the shareholders, C-suite, Board, and advisors. While we still have some work to do, the path forward is clear, and Lodestar is set up to succeed. Additionally, I believe the enterprise value of Lodestar currently does not reflect the true value of the opportunities ahead. I would encourage you to visit our website to review all news releases and our assets. Furthermore, I would be pleased to walk you through our updated corporate presentation, available [here](#).

Respectfully,

Lowell Kamin
President, CEO, and Chairman of the Board, Lodestar Battery Metals

Qualified Persons

Luke van der Meer (P. Geo) is a consultant to the Company and is a Qualified Person ("QP") as defined by National Instrument 43-101 guidelines - Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed the technical information of this news release.

About Lodestar Battery Metals Corp.

[Lodestar Battery Metals Corp.](#) is a Canadian mining exploration company focused on the battery metals space. The Company's 100% owned flagship Peny Property comprises of 47 mineral claims totalling 11,191 hectares in the Snow Lake District, Manitoba, with access to tier-1 existing infrastructure: railway, roads,

airstrip, and power. The Company also owns 100% interest in two significant silver assets in Mexico. The Company intends to build a strong portfolio of battery metals projects to drive future growth through exploration success and from later-stage projects with production potential. The Lodestar business plan calls for a dynamic combination of developing its existing properties, acquisitions, and partnerships to achieve this growth. For more information, visit <https://lodestarbatterymetals.ca/>.

Contact

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Sources

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3. <https://financialpost.com/globe-newswire/hudbay-to-acquire-rockcliff-to-consolidate-the-snow-lake-camp>
4. <https://foremostlithium.com/news/2023/400-oremostlithiummakesoldiscoverynaideneanake20230606.html>

Mineralization on properties not held by the Company is not necessarily indicative of mineralization on the Peny Property.

Forward-Looking Statements

The information set forth in this news release contains forward-looking statements based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions, and expectations. They are not guarantees of future performance. Lodestar cautions that all forward-looking statements are inherently uncertain and that actual performance may be affected by several material factors, many of which are beyond Lodestar's control. Such factors include, among other things: risks and uncertainties relating to Lodestar's limited operating history and the need to comply with environmental and governmental regulations. Accordingly, actual and future events, conditions and results may differ materially from the estimates.

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