

LODESTAR METALS CORP.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian Dollars)

Notice of no Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Lodestar Metals Corp.

Unaudited Condensed Interim Consolidated Statements of Financial Position

As at June 30, 2025 and December 31, 2024

(Expressed in Canadian Dollars)

		June 30, 2025	December 31, 2024
	Note	\$	\$
ASSETS			
Current Assets			
Cash		531,223	867,883
Other receivables		26,203	15,642
Prepaid expenses and other assets	4	17,775	17,744
Total current assets		575,201	901,269
Non-Current Assets			
Exploration and evaluation assets	5	2,595,643	2,502,991
Total assets		3,170,844	3,404,260
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	8	49,516	88,409
Deferred purchase consideration	5,10	-	1,250,000
Total liabilities		49,516	1,338,409
SHAREHOLDERS' EQUITY			
Share Capital	6	15,089,080	15,029,080
Contributed surplus	6	574,933	574,933
Accumulated other comprehensive income		523,818	523,818
Deficit		(13,066,503)	(14,061,980)
Total shareholders' equity		3,121,328	2,065,851
Total liabilities and shareholders' equity		3,170,844	3,404,260

Nature of operations and going concern (Note 1)

APPROVED BY THE BOARD OF DIRECTORS

Lowell Kamin ("signed")

Director

Scott Margach ("signed")

Director

The accompanying notes are an integral part of these consolidated financial statements

Lodestar Metals Corp.

Unaudited Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Loss For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

		Three months ended June 30		Six months ended June 30,	
	Note	2025	2024	2025	2024
		\$	\$	\$	\$
General and administrative expenses					
Accounting and audit	8	2,566	21,369	11,566	36,369
Bank charges and interest		188	212	294	391
Exploration research and investigation		2,916	45	2,916	3,972
Filing and listing fees		9,271	10,221	15,679	26,642
Insurance		3,712	4,923	7,425	12,634
Investor relations and marketing		11,525	44,547	11,525	61,272
Legal and professional fees		11,472	12,734	21,529	17,305
Management, consulting and advisory fees	8	30,000	69,230	60,000	117,230
Office and miscellaneous		5,698	12,024	21,901	21,783
Rent		-	1,875	-	3,748
Share-based payments		-	16,981	-	16,981
Transfer agent fees		170	-	170	550
Loss before other items		(77,518)	(194,161)	(153,005)	(318,877)
Other income (expenses)					
Interest income		4,191	12,799	9,863	26,684
Foreign exchange gain		(1,330)	1,570	(1,381)	6,559
Allowance for doubtful collection		-	(1,044)	-	(1,044)
Gain on settlement of debt		1,140,000	-	1,140,000	-
Net income (loss) for the period		1,065,343	(180,836)	995,477	(286,678)
Other comprehensive income					
<i>Item that may be subsequently reclassified to profit or loss:</i>					
Currency translation differences		(301)	471	-	476
Total other comprehensive income for the period		(301)	471	-	476
Total comprehensive income (loss) for the period		1,065,042	(180,365)	995,477	(286,202)
Weighted average number of common shares outstanding during the period					
	6(e)	47,105,731	44,336,500	45,728,765	44,336,500
Income (loss) per share - basic and diluted		0.02	(0.00)	0.02	(0.01)

The accompanying notes are an integral part of these consolidated financial statements

Lodestar Metals Corp.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

	Number of shares #	Capital Stock \$	Contributed Surplus \$	AOCI* \$	Deficit \$	Total \$
Balance - December 31, 2023	44,336,500	15,029,080	549,462	523,705	(13,461,565)	2,640,682
Share-based payments	-	-	16,981	-	-	16,981
Net and comprehensive loss for the period	-	-	-	476	(286,678)	(286,202)
Balance – June 30, 2024	44,336,500	15,029,080	566,443	524,181	(13,748,243)	2,371,461
Balance - December 31, 2024	44,336,500	15,029,080	574,933	523,818	(14,061,980)	2,065,851
Shares issued on settlement of debt	3,000,000	60,000	-	-	-	60,000
Net and comprehensive income for the period	-	-	-	-	995,477	995,477
Balance – June 30, 2025	47,336,500	15,089,080	574,933	523,818	(13,066,503)	3,121,328

* AOCI Accumulated other comprehensive income (loss)

The accompanying notes are an integral part of these consolidated financial statements

Lodestar Metals Corp.

Unaudited Condensed Interim Consolidated Statements of Cash Flows For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

	2025	2024
	\$	\$
Operating activities:		
Net income (loss) for the period	995,477	(286,678)
<i>Items not affecting cash:</i>		
Share-based compensation		16,981
Gain on settlement of debt	(1,140,000)	-
	(144,523)	(269,697)
<i>Changes in non-cash working capital related to operations:</i>		
Other receivables	(10,561)	1,767
Prepaid expenses and other assets	(31)	(2,176)
Deferred purchase consideration	(50,000)	-
Accounts payable and accrued liabilities	(38,893)	62,324
Net cash used in operating activities	(244,008)	(207,782)
Investing activities:		
Investment in exploration and evaluation assets (note 5)	(96,652)	(16,185)
Government assistance received for exploration and evaluation assets (note 5)	-	123,718
Net cash provided by (used in) investing activities	(96,652)	107,533
Decrease in cash during the period	(336,660)	(100,249)
Foreign exchange effect on cash	-	(520)
Cash – beginning of the period	867,883	1,295,314
Cash – end of the period	531,223	1,194,545

Supplemental Cash Flow Information – Note 9

The accompanying notes are an integral part of these consolidated financial statements

Lodestar Metals Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Lodestar Metals Corp. ("Lodestar" or the "Company") was incorporated under the Business Corporation Act (Ontario) on July 15, 2013. On March 21, 2019, the Company was continued under the British Columbia Business Corporations Act, and on March 2, 2021, in conjunction with the closing of its qualifying transaction ("Qualifying Transaction"), the Company changed its name to Silverton Metals Corp. On November 10, 2022, the Company announced it changed its name to Lodestar Battery Metals Corp. and that it began trading on the TSX Ventures Exchange ("TSX-V"), effective November 14, 2022, under the symbol "LSTR". On September 4, 2024, the Company announced it changed its name to Lodestar Metals Corp. On May 5, 2021, the Company's shares commenced trading on the OTC Markets system, through the SEC-registered Alternative Trading System quotation facilities (known as OTC Link® ATS), under the symbol "SVTNF". The head office of the Company is located at 704-595 Howe Street, Vancouver, British Columbia, V6C 2T5.

Going Concern

These unaudited condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company's ability to meet its obligations and maintain its current operations is contingent upon successful completion of additional financing arrangements. The Company expects to incur further losses in the development of its business. For the six months ended June 30, 2025, the Company had a net income of \$995,477 (six months ended June 30, 2024 – a loss of \$286,678), and at that date, the Company also had an accumulated deficit of \$13,066,503 (December 31, 2024 - \$14,061,980) which has been funded primarily by the issuance of equity.

The Company's ability to continue as a going concern will be dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These factors give rise to material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The economic uncertainties around persistent inflation pressure, geopolitical and other global factors have the potential to slow growth in the global economy. Future developments in these challenging areas could impact on the Company's results and financial condition and the full extent of that impact remains unknown. However, as at June 30, 2025, the Company has not been significantly impacted by these matters.

2. Basis of presentation, material accounting policies, and significant accounting estimates and judgments

a.) Statement of presentation, statement of compliance and basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including *IAS 34 - Interim Financial Reporting*. These condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2024 which have been prepared in accordance with IFRS as issued by the IASB.

Lodestar Metals Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2025 and 2024 (Expressed in Canadian Dollars)

In the preparation of these condensed interim consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the annual financial statements for the year ended December 31, 2024.

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and are prepared on a going concern basis. These condensed interim consolidated financial statements were approved by the board of directors for use on August 1, 2025.

Basis of presentation and consolidation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and include the Company's wholly owned direct and indirect subsidiaries, Lodestar Exploration Inc. (Canada), KCP Minerals Inc. (Canada), Minera Terra Plata S.A. de C.V. (Mexico), and the Company's inactive subsidiaries 1269171 B.C. Ltd. (Canada) and 1089349 B.C. Ltd. (Canada). Subsidiaries are entities controlled by the Company and are included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company.

b.) Material accounting policies

Exploration and evaluation assets

In the preparation of these condensed interim consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the annual financial statements for the year ended December 31, 2024.

c.) Significant accounting estimates and judgment

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and the reported amount of expenses during each year. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2024.

New and future accounting standards and pronouncements

IFRS 18 – Presentation and disclose in financial statements, which will replace IAS 1 Aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management defined performance measures and new principals for aggregation and disaggregation of information. IFR 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027.

Lodestar Metals Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2025 and 2024 (Expressed in Canadian Dollars)

3. Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and other payables; the fair values of which approximates their carrying values due to the short-term nature of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties in paying its financial liabilities. The Company manages this risk by ensuring it has sufficient cash on hand to meet obligations as they come due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities. Accounts payable are due under normal commercial terms, typically within 30 days. As at June 30, 2025, the Company had cash of \$531,223 (December 31, 2024 - \$867,883) to settle liabilities of \$49,516 (December 31, 2024 - \$1,338,409) due within 12 months. Certain conditions cast significant doubt on the Company's ability to meet its financial obligations. Refer to Note 1 for more information regarding the Company's liquidity risk.

Foreign currency risk

The Company conducts its business in Canada. At times, the Company may have exploration expenditures, and or funding provided by the Company, in US dollars. Accordingly, the Company's cash profile and exploration expenditures could be exposed to changes in the Canadian dollar/US dollar exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in currencies which are not the functional currency of the economic environment in which the Company or its subsidiaries operate. Based on this exposure as at June 30, 2025, a 5% change in exchange rates could give rise to a change in the net loss by approximately \$1,000 (December 31, 2024 - \$6,589). The Company does not employ the use of any hedging or other derivative instruments in the management of its foreign currency risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash balances are not held in investment accounts; therefore, is not exposed to the risk from interest rate fluctuations. The Company is not exposed to significant interest rate risk.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the party by failing to pay for its obligations. The Company is subject to credit risk with respect to its cash balances. The Company mitigates credit risk by depositing cash with a Canadian schedule I chartered bank and other depository insured Canadian financial institutions as well as monitoring those institutions' credit ratings.

Price risk

The Company is not exposed to significant price risk.

Lodestar Metals Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2025 and 2024
(Expressed in Canadian Dollars)

4. Prepaid expenses and other assets

	June 30, 2025	December 31, 2024
	\$	\$
Prepaid expenses	17,775	17,744
Other assets	-	-
	17,775	17,744

5. Exploration and evaluation assets

Exploration expenditures incurred during the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows:

	Gold Run	Peny Property	Total
	\$	\$	\$
December 31, 2023	-	2,606,026	2,606,026
Consulting	-	8,754	8,754
Exploration research & investigation	-	11,929	11,929
		20,683	20,683
Government assistance	-	(123,718)	(123,718)
	-	(103,035)	(103,035)
December 31, 2024	-	2,502,991	2,502,991
Option payment	92,652	-	92,652
June 30, 2025	92,652	2,502,991	2,595,643

Gold Run

The Company entered into a property option agreement dated May 6, 2025 (the "Option Agreement") to acquire a 100% interest in the Gold Run Property, located in Humboldt County, Nevada, subject to an existing royalty.

Terms of the Transaction

Under the terms of the Option Agreement, the Company has an option to acquire a 100% interest in the Gold Run Property by making cash payments totalling US \$450,000 to the Optionor as follows: (i) US \$50,000 on the date of TSX Venture Exchange Acceptance; (ii) US \$50,000 on the first anniversary of the Option Agreement; (iii) US \$50,000 on the second anniversary of the Option Agreement; (iv) US \$75,000 on the third anniversary of the Option Agreement; (v) US \$75,000 on the fourth anniversary of the Option Agreement; (vi) US \$75,000 on the fifth anniversary of the Option Agreement; and (vii) US \$75,000 on the sixth anniversary of the Option Agreement. The Company has agreed to reimburse the Optionor for certain annual filing fees paid by them in the amount of US \$17,500.

The Company has also agreed to make certain milestone payments to the Optionor as follows: (i) US \$500,000 within sixty days of completion of a preliminary economic assessment on the Gold Run Property, US \$1,000,000 within sixty days of completion of a pre-feasibility study on the Gold Run Property; and (iii) US \$1,000,000 with the earlier of sixty days of completion of a feasibility study and the Company obtaining sufficient financing to construct a mine on the Gold Run Property.

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Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2025 and 2024 (Expressed in Canadian Dollars)

The Company has also agreed to grant a 2% net smelter return royalty on all minerals mined, produced or otherwise recovered from the Gold Run Property (the “NSR”), subject to a buyback of one-quarter of the NSR for US \$750,000, in favour of the Optionor.

The Gold Run Property is subject to the terms of a mineral lease agreement with the Gomes Family Trust (the “Gomes Agreement”). Under the terms of the Gomes Agreement, an annual advance royalty payment of US \$25,000 is payable to the Gomes Family Trust. The Gomes Family Trust also retain a 2% net smelter return royalty on certain claims of the Gold Run Property and a 1.5% net smelter return royalty on other claims of the Gold Run Property. The total royalties payable, including any advance royalty payments, under the Gomes Agreement is limited to US \$4,000,000.

The Optionor is arm’s length to the Company. There is no finder’s fee payable under the transaction.

Peny Property

On August 31, 2022, the Company completed the acquisition of a lithium focused property, being the Peny Property, from Wholesome Organics Limited (“WOL”) by acquiring all of the issued and outstanding shares of WOL, which holds a 100% interest in the Peny Property. On November 28, 2022, WOL changed its name from Wholesome Organics Limited to Lodestar Exploration Inc. (“LEI”).

The Peny Property is located approximately 25 kilometres north-east of the town of Snow-Lake, Manitoba. The property is prospective for Lithium Pegmatite and Volcanic Massive Sulphide style mineralization which is known to occur in the local area. The property encompasses rocks belonging to Churchill Province and comprises of meta volcanoclastic and metasedimentary rocks. In 2022, the Company acquired a total of 15 mineral claims totaling 3,204 ha in the Snow Lake district in Manitoba, Canada. During the year ended December 31, 2023, the Company staked 32 additional claims in the Snow Lake district in Manitoba, totaling 7,862 ha, thereby expanding the Peny claims package to a total of 47 claims for 11,066 ha.

On December 13, 2023, the Company entered into a grant agreement with the Manitoba Mineral Development Fund (“MMDF”) for \$123,723 to fund exploration activities at the Peny property. During 2024, the Company received the full amount under the grant of \$123,718, which was applied to eligible exploration expenditures that were incurred in 2023.

The Silver Properties

On March 2, 2021, the Company completed the acquisition of three silver-focused Mexican mineral properties, from Silver One Resources Inc. (“Silver One”), a TSX-V listed company, by acquiring from Silver One all of the issued and outstanding shares of KCP Minerals Inc. (“KCP”), which holds, through its wholly owned Mexican subsidiary, Minera Terra Plata S.A. de C.V. (“Minera Terra”), a 100% interest in the properties. Under the terms of the transaction the Company agreed to pay Silver One \$6,000,000 in cash and shares with (a) \$750,000 of the cash consideration being payable eighteen months after closing, and (b) \$500,000 of the cash consideration being payable twenty-four months after closing (“Deferred Cash Consideration”). The Deferred Cash Consideration payments were in the form of non-interest promissory notes. At December 31, 2024 the Deferred Cash Consideration payable at each due date is represented as follows:

	September 2, 2022	March 2, 2023	Total
	\$	\$	\$
Balance, December 31, 2022	750,000	488,457	1,238,457
Unwind of fair value discount*	-	11,543	11,543
Balance, December 31, 2024	750,000	500,000	1,250,000

Lodestar Metals Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2025 and 2024 (Expressed in Canadian Dollars)

In April, 2025, the Company settled the Deferred Cash Consideration with the issuance of 3,000,000 common shares and a payment of \$50,000.

Impairment

The Silver Properties were written down to \$Nil at December 31, 2023 based on an estimated fair value of \$Nil, which was a Level 3 estimate in the fair value hierarchy. Given the decision to not continue with any of the Company's silver projects, all operations in Mexico ceased, and all commercial arrangements the Company had entered into were terminated.

6. Share Capital

a) Authorized and issued

Unlimited common shares, without par value

b) Shares issuances

On April 8, 2025, the Company issued 3,000,000 common shares to settle the Deferred Cash Consideration (note 5). The fair value of the shares on the date of issuance was \$60,000. During the year ended December 31, 2024 no common shares were issued.

c) Stock options

On July 25, 2023, the Company adopted a fixed share option plan (the "Fixed Plan"). The Fixed Plan, as of the date of adoption, permits a maximum of 4,433,650 common shares of the Company to be acquired under all options granted and outstanding. The exercise price of option grants will be determined by the Board of Directors, but cannot be lower than the price permitted by the TSX-V. The Fixed Plan Provides that the number of Shares reserved for issuance to an Optionee pursuant to an Option grant, together with all other stock options granted to the Optionee in the previous 12 months, at the time of granting of the Option: (a) may not exceed 5% of the outstanding Shares, if the Optionee is an Insider; (b) shall not exceed 2% of the outstanding Shares, if the Optionee is a Consultant; or (c) 2% of the outstanding Shares (including all other Shares reserved for issuance to all Optionees providing investor relations services to the Company), if the Optionee is engaged in providing investor relations services to the Company and the Shares are listed on the TSX-V. Subject to earlier termination, all share options granted under the Fixed Plan will expire not later than the date that is ten years from the date that such share options are granted.

In the event that an optionee ceases to be a director, officer, employee or consultant, the option will terminate within ninety days. In the event of the death of an optionee, the options will only be exercisable within 12 months of such death. Options granted under the Fixed Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

The balance of options outstanding and related information for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance December 31, 2023	4,380,000	\$0.13	
Granted	1,200,000	\$0.05	
Cancelled	(2,600,000)	\$0.14	
December 31, 2024 and June 30, 2025	2,980,000	\$0.09	3.06

Lodestar Metals Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2025 and 2024 (Expressed in Canadian Dollars)

The balance of options outstanding as at June 30, 2025 was as follows:

Expiry date	Exercise price	Remaining life (years)	Options Outstanding	Exercisable
September 2, 2027	\$0.16	2.17	400,000	400,000
December 23, 2027	\$0.10	2.48	1,380,000	1,380,000
June 28, 2029	\$0.05	4.00	800,000	800,000
July 26, 2029	\$0.05	4.07	400,000	400,000
			2,980,000	2,980,000

During the six months ended June 30, 2025 and 2024, the Company recognized share-based compensation of \$nil (2024 - \$16,981), as all outstanding options have vested.

The value of options granted during 2024 was calculated using the Black-Scholes Model with the following weighted average assumptions: share price - \$0.025; exercise price - \$0.05; expected life - 5 years; risk-free rate - 3.23% - 3.51%; expected volatility - 140%; expected forfeitures - nil; and expected dividends - nil. The significant estimated assumptions are the expected life which is based on the contractual maturity of the options and the expected volatility which is based on a combination of a comparable public company's and Lodestar's historical volatilities. Share price is the share price on date of grant.

d) Share Purchase Warrants

The balance of warrants outstanding and related information for the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance December 31, 2023	13,894,000	\$0.98	
Expired	(11,894,000)	-	
Balance December 31, 2024 and June 30, 2025	2,000,000	\$0.15	
Exercisable, December 31, 2024 and June 30, 2025	2,000,000	\$0.15	0.48

The warrants that expired during 2024 were issued as part of units issued in private placements and when bifurcated, on recognition of the private placements, were allocated a \$nil fair value.

The balance of warrants outstanding as at June 30, 2025 was as follows:

Expiry date	Exercise price	Remaining life (years)	Warrants Outstanding
December 23, 2025	\$0.15	0.48	2,000,000
			2,000,000

Lodestar Metals Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2025 and 2024 (Expressed in Canadian Dollars)

e) Escrowed shares

Upon completion of the Qualifying Transaction, 130,000 escrow shares ("Original Escrow Shares") were no longer contingently returnable to treasury, but instead are to be released on a time basis with 10% released upon closing of the Qualifying Transaction and a further 15% to be released each subsequent nine months thereafter. The Original Escrow Shares were included in the calculation of the weighted average number of shares outstanding during the three months ended March 31, 2025 and the year ended December 31, 2024. In addition, as part of the closing of the Qualifying Transaction, 4,475,000 shares were placed in a time release escrow ("Additional Escrow Shares") with 10% released upon closing of the Qualifying Transaction and a further 15% to be released each subsequent nine months thereafter. The full number of these Additional Escrow Shares are included in the calculation of the weighted average number of shares outstanding during the three months ended March 31, 2025 and the year ended December 31, 2024. During the year ended December 31, 2024, 19,500 Original Escrow Shares and 671,250 Additional Escrow Shares, respectively, were released from escrow. At December 31, 2024, Nil Original Escrow Shares and Nil Additional Escrow Shares remain in escrow.

7. Capital Management

The Company defines its capital as its shareholders' equity which as at June 30, 2025, totaled \$3,121,328 (December 31, 2024 - \$2,065,851). The Company manages its capital to ensure that sufficient funds are available to fund operations, including the identification and acquisition of businesses or assets.

The Company's capital management objectives, policies and processes have remained unchanged since the year ended December 31, 2024. The Company is not subject to externally imposed capital requirements. There have been no changes to the Company's processes for managing its capital during the six months ended June 30, 2025.

8. Related Party Transactions

Key management comprises the directors, officers and consulting geologist of the Company. Compensation paid or accrued to key management or companies controlled by key management personnel during the three and six months ended June 30, 2025 and 2024 are as follows:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Professional fees (i)	9,000	8,250	18,000	14,669
Management, consulting and advisory (ii)	35,760	59,230	65,760	107,230
Share-based payments	-	16,981	-	16,981
	44,760	84,461	83,760	138,880

- (i) For the three and six months ended June 30, 2025, professional fees included amounts charged by CFO Advantage Inc., a company controlled by the current Chief Financial Officer ("CFO"). These amounts are included in accounting and audit expenses in the consolidated statements of loss and comprehensive loss. As at June 30, 2025, \$3,000 (December 31, 2024 - \$nil) was owed to CFO Advantage Inc., and included in accounts payable and accrued liabilities.

Lodestar Metals Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2025 and 2024 (Expressed in Canadian Dollars)

For the three and six months ended June 30, 2024, professional fees included amounts charged by Malaspina Consultants Inc., a company controlled by the former CFO, for CFO services. In addition, during the same periods in 2024, the Company incurred professional fees of \$6,750 and \$15,331, respectively, for non-CFO accounting and advisory support services charged by a company controlled by the then-CFO. These amounts are also included in accounting and audit expense.

- (ii) For the three and six months ended June 30, 2025, Management, consulting and advisory charges consisted of \$30,000 and \$60,000, respectively, charged by the Chief Executive Officer for management services, and \$5,760 of fees charged by a corporation owned by a director of the Company. In 2024, fees were paid to Integrity Capital Group, a company in which the Chief Executive Officer ("CEO") and a former director of the Company are directors, for the provision of CEO and management services, as well as fees charged by a company controlled by a director of the Company for technical consulting services. Until June 28, 2024, Scott Margach, a former director, served as the Executive Vice President of the Company and charged fees, in conjunction the CEO, through Integrity Capital Group, for management services to the Company. As at June 30, 2025, \$10,000 (December 31, 2024 - \$10,000) was owed to the CEO and included in accounts payable and accrued liabilities.

All transactions with related parties have occurred in the normal course of operations.

9. Supplemental cash flow information

Other cash flow information relating to operating activities is presented below:

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. As at, and during the six months ended June 30, 2025 and 2024, the following transactions were excluded from the consolidated statements of cash flows:

	2025	2024
	\$	\$
Non-cash investing and financing transactions		
Change in exploration and evaluation assets included in accounts payable and accrued liabilities	-	4,496
Shares issued for settlement of debt	60,000	-

10. Subsequent events

The Company granted a total of 800,000 options to its directors and officers at a price equal to the greater of \$0.05 per share and the closing price of the shares on July 14, 2025. The options expire five years from the date of grant.