

30 July 2024

ASX ANNOUNCEMENT

Quarterly Activities Report for the period ending 30 June 2024

Stelar Metals Limited (ASX:SLB) (“**Stelar**” or the “**Company**”) is pleased to provide an update for the three months ending 30 June 2024. The Company recommenced mapping and surfacing sampling exploration activities at the Baratta Copper Project in South Australia, which is highly prospective for sediment-hosted copper mineralisation akin to the Central African Copperbelt.

Baratta Copper Project, SA

- Geological mapping and surface sampling recommenced at Baratta to test multiple historically identified copper anomalies.
- Copper identified in soil samples along strike-extensive gossans, with pXRF results up to 2% copper.
- 77 rock chip samples submitted for multi-element laboratory analysis along a 3.4km striking portion of the gossan.

Colin Skidmore, Stelar’s CEO commented:

“This has been a defining quarter for Stelar, with the Company refocusing on our copper asset in South Australia.

“Our systematic exploration activities at Baratta have revealed significant potential for sediment-hosted copper mineralisation.

“The recommencement of fieldwork, including surface sampling, mapping, and geophysical targeting along the 7-kilometre corridor, has provided us with promising initial results, and we are eager to share results from further samples submitted.

“Stelar’s commitment to systematic exploration and strategic project management underscores our dedication to unlocking the full potential of our assets and delivering value to our shareholders.”

Baratta Copper Project

Stelar's Baratta Copper Project is located in South Australia, comprising two licenses that were granted to the Company in late 2022. The project is considered highly prospective for sediment-hosted copper mineralisation, akin to the Central African Copperbelt.

South Australia contains 69% of Australia's economic demonstrated resources of copper and produces approximately one-third of Australia's mined copper.

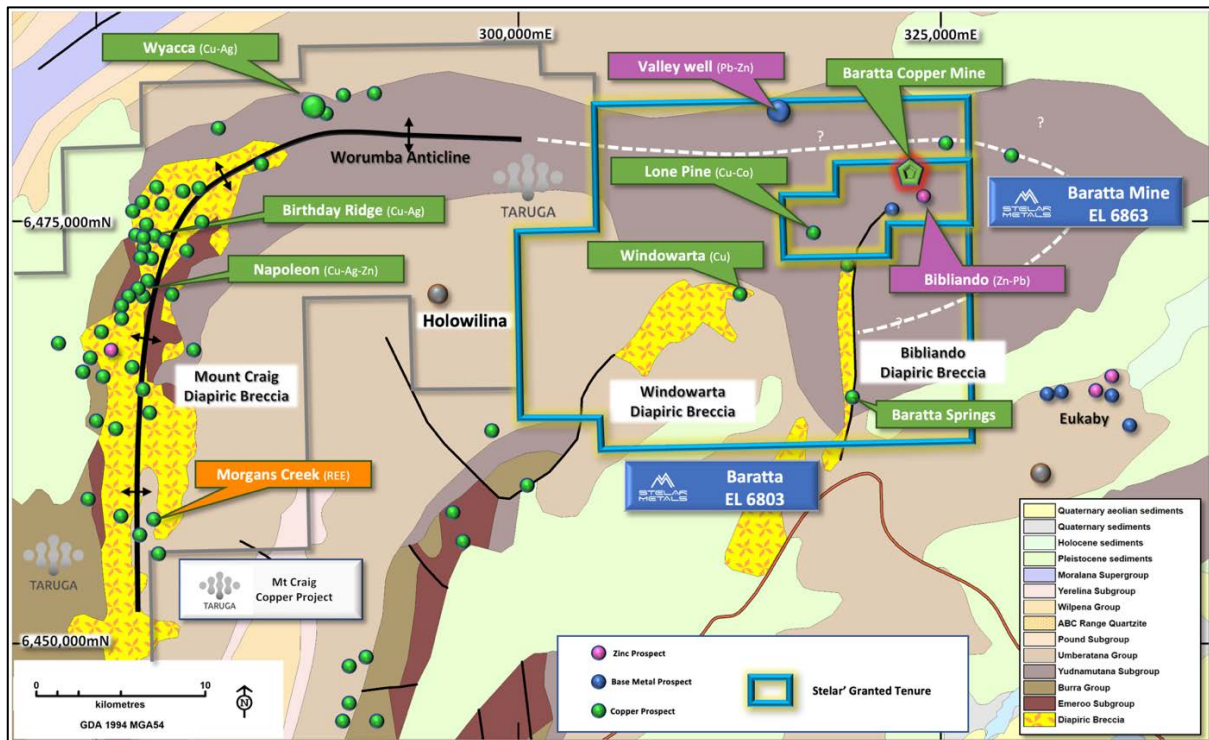


Figure 1: Regional geological setting of the Baratta Project showing major prospects.

Commencement of Fieldwork¹

During the quarter, Stelar commenced copper exploration activities at Baratta with systematic surface sampling and mapping along a 7-kilometre corridor of copper mineralisation and geophysical targets that have been overlooked by previous explorers.

The fieldwork included geological and structural mapping, rock chip sampling and systematic soil sampling over the strike length of the Baratta Mine workings, including the large IP geophysical anomaly to the west of the historic workings (Figure 2).

¹ ASX Announcement 4 June 2024 - Fieldwork recommences at Baratta Copper Project

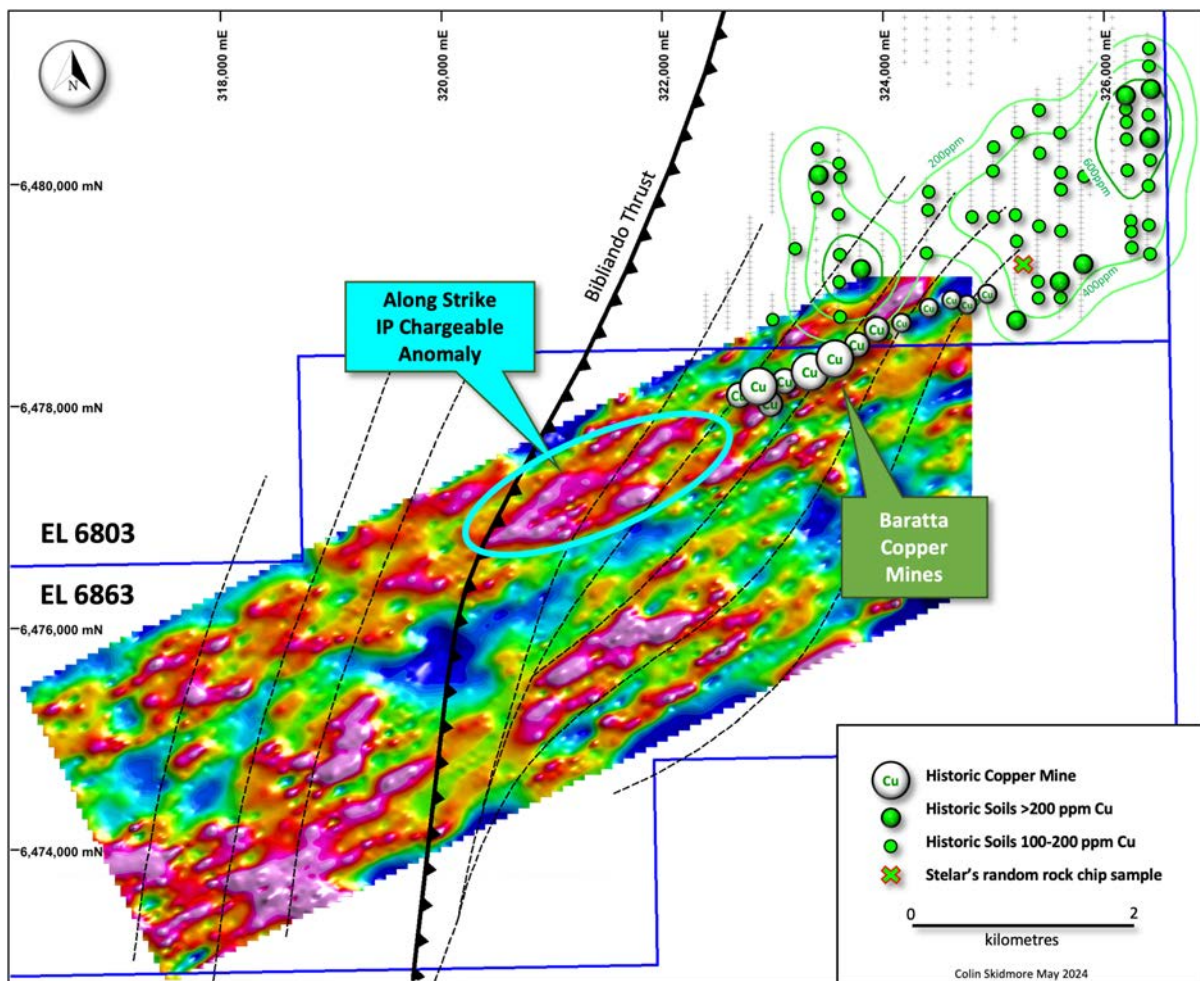


Figure 2: Historic GA-IP Chargeability Image on EL 6863 showing the historic copper mine workings and the historic copper soil anomalies on EL 6803.

The historic Baratta Copper Mine produced copper ore between 1896 and 1904 from a 1.5 km-long zone of stratabound workings in a structure splaying off the Bibliando Thrust (*Figure 3*). This mineralised horizon, recognised as a shallow-dipping quartz-haematite gossan, also extends for several kilometres into Stelar's adjacent EL 6803.

Stelar plans to follow up on historic broad-spaced soil sampling, which identified multiple copper anomalies to the north of the historic mines, indicating the potential for extensions and additional parallel repeats in this highly anomalous copper area.



Figure 3: Left: View of the historical Line of Lode at Baratta Copper Mine, right: Example of discarded copper ore on old working within EL 6803.

Soil Sampling²

Subsequent to the reporting period, Stelar confirmed the identification of copper mineralisation from soil samples along four strike-extensive gossans at Baratta. The four mineralised horizons of quartz-haematite gossan extend several kilometres through Stelar's tenements, coincident with a recently discovered large Induced Polarisation (IP) chargeable anomaly as it approaches the Bibliando Thrust (*Figure 4*).

1,182 soil samples were collected over the central portion of the Baratta Copper Mine area. The company's portable XRF (pXRF) consistently returned highly anomalous copper values along several gossans horizons, with results up to 2% copper.

The Company cautions that pXRF results should not be considered a proxy or substitute for laboratory results. Laboratory assay results are required to confirm the reliability of the pXRF results and to determine any potential estimation of widths and grades of any mineralised trend. The Company will update the market when laboratory analysis results become available.

² ASX Announcement 5 July - Copper identified in soil samples at Baratta - Revised

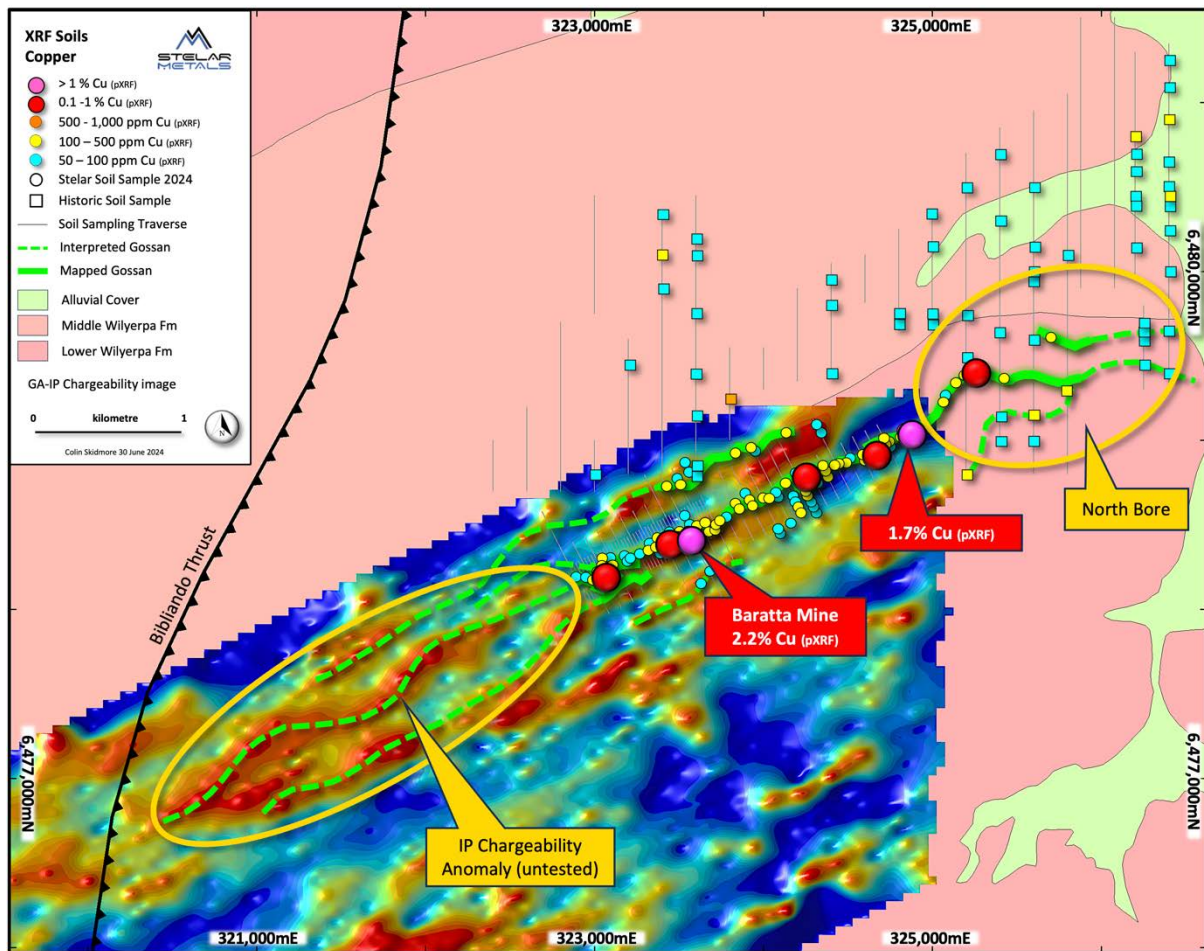


Figure 4: Thematic copper soil geochemistry (pXRF) showing mapped gossans on GA-IP chargeability imagery.

Geological Mapping²

Subsequent to the reporting period, Stelar announced the commencement of detailed mapping at the historic Baratta Mine Area. The mapping is to understand better the structural framework and stratigraphic architecture of the northern flank of the Bibliando Dome, where gossanous horizons were historically mined for copper

Next Steps

77 random grab rock chip samples were collected and submitted to Intertek (Adelaide) for multi-element assay.

Stelar is also working with salt tectonics experts to understand better the potential for sediment-hosted copper deposits at the Baratta Project.

Trident Lithium Project

Given the subdued lithium commodity price, the Company has made the strategic decision to focus on its copper projects in the short term whilst it awaits improvements in investor sentiment for lithium before returning to the Trident Lithium Project in New South Wales.

Business Development

During the quarter, Stelar also actively assessed potential business development opportunities, with a specific focus on Australian-based projects.

Stelar remains dedicated to ensuring maximum value for its shareholders by strategically targeting these regions known for their rich mineral deposits.

South Australian Tenements

Stelar has elected to relinquish the tenements associated with the Company's Torrens Project (EL 6572 & EL 6264) located in South Australia.

In March 2022, when the Company was admitted to the ASX, Stelar was encouraged that Argonaut Resources had been granted drilling approvals in December 2020 and had successfully collared a hole on Lake Torrens at their Murdie Project, targeting IOCG mineralisation to the south of Stelar's tenure. However, in August 2022, the South Australian Supreme Court overturned the decision by the then Premier and Minister for Aboriginal Affairs to allow exploration work, including drilling on Lake Torrens. The Supreme Court's ruling has been listed for appeal, but until this matter is resolved, exploration work cannot be undertaken on the lake surface, and Stelar's targets cannot be tested.

This strategic decision to relinquish these tenements has been made to ensure a concentrated focus on exploration activities at the Company's Baratta Copper Project.

Corporate

Cash

As at 30 June 2024, Stelar Metals had a cash balance of \$3.678 million.

ASX Additional Information

The Company provides the following information according to the ASX Listing Rule requirements:

1. ASX Listing Rule 5.3.1:

Exploration and Evaluation Expenditure spent during the quarter was \$272,068. Of this, \$189,969 relates to costs associated with the Trident Lithium Project in NSW and \$69,997 to the Baratta Copper Project in South Australia. The remaining balance is mainly associated with project generation and general exploration administration expenditures.

2. ASX Listing Rule 5.3.2:

The Company confirms that there were no mine production and development activities for the quarter.

3. ASX Listing Rule 5.3.4:

This is no longer applicable as it has been more than two years since the Company lodged the Use of Funds included in the initial Prospectus with ASX.

4. ASX Listing Rule 5.3.5:

Payment to related parties of the Company and their associates during the quarter was \$57,125 in cash. The Company advises that this relates to the remuneration of Directors only. Please see the Remuneration Report in the Company's Prospectus and Annual Reports for further details on Directors' Remuneration.

Tenements

Under Listing Rule 5.3.3, Stellar Metals provides the following information concerning its mining tenements. The following table lists the Company's mining tenements held at the end of the Quarter and their location:

Holder	Project	Lease	Lease Location	Lease Status
Stelar Metals	Evelyn Dam	EL 5792	Eastern Gawler Craton	Granted
Stelar Metals	Linda	EL 6263	Adelaide Fold Belt	Granted
Stelar Metals	Baratta	EL 6803	Adelaide Fold Belt	Granted
Stelar Metals	Gunson	EL 6812 & EL 6824	Eastern Gawler Craton	Granted
Stelar Metals	Torrens	EL 6572 & EL 6264	Stuart Shelf	Granted
Stelar Metals	Baratta Mine	EL 6863	Adelaide Fold Belt	Granted
SLB EMC JV	Trident	EL 8736	Broken Hill Block	Granted
SLB EMC JV	Midas	EL 8732 & EL 8904	Broken Hill Block	Granted
SLB EMC JV	Perseus	EL 8778	Broken Hill Block	Granted

ASX Announcements

This Quarterly Activities Report contains information reported under JORC 2012 in the following announcements released during the June quarter. Full details of the exploration results referred to herein, including relevant JORC information, can be accessed in the following announcements released by the Company to the ASX during the June quarter.

4 June 2024 – Fieldwork recommences at Baratta Copper Project

5 July 2024 – Copper identified in soil samples at Baratta - Revised

**THIS ANNOUNCEMENT HAS BEEN APPROVED FOR RELEASE BY THE BOARD OF
STELAR METALS LIMITED**

FOR MORE INFORMATION:

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ABOUT STELAR METALS

Stelar Metals' experienced and successful exploration and development team is targeting the discovery and production of critical minerals, with increasing global demand to enable the world to achieve net zero emissions.

Stelar's Trident Lithium Project is located near mining, industrial, transport and green power infrastructure at Broken Hill in NSW. The Trident Lithium Project extends over the 20km strike length of the Euriowie Tin Pegmatite Field and is highly prospective for hard rock lithium mineralisation. Mapped LCT-type pegmatites vary in size but can be up to 100 metres wide and extend in outcrop for over 1 kilometre in length. Trident was one of Australia's first lithium and tin mining provinces, highlighting both the fertility and large scale of Stelar's lithium-rich pegmatite system.

Stelar's Baratta Copper Project, located in South Australia, is hosted within the Adelaidean rocks of the Flinders Ranges. The Project is considered highly prospective for sediment-hosted copper mineralisation, akin to the Central African Copper belt. The historic Baratta Copper Mine produced copper ore between 1896 and 1904 from a 1.5 km-long zone of strata bound workings in a structure splaying off the Bibliando Thrust. Stelar is conducting exploration activities a 7-kilometre corridor of copper mineralisation and geophysical targets that have been overlooked by previous explorers.

EXPLORATION RESULTS

The information in this announcement related to Exploration Results is based on information compiled by Mr Colin Skidmore, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Skidmore is a full-time employee of Stelar Metals Ltd. Mr. Skidmore has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code (2012)). Mr. Skidmore consents to including matters in this announcement based on his information in the form and context in which it appears.

This announcement includes information related to Exploration Results prepared and first disclosed under the JORC Code (2012) and extracted from the Company's initial public offering prospectus, which was released on the ASX on 16 March 2022. A copy of this prospectus is available from the ASX Announcements page of the Company's website: <https://stelarmetals.com.au/>.

The Company confirms that it is unaware of any new information or data that materially affects the information in the relevant market announcement. Where the information relates to Exploration Results, 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 5B

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

Name of entity

STELAR METALS LIMITED

ABN

43 651 636 065

Quarter ended ("current quarter")

30 JUNE 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs*	(98)	(341)
(e) administration and corporate costs	(145)	(704)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	65	132
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (ATO BAS refund May 22 – Apr 23)	-	-
1.9 Net cash from / (used in) operating activities	(178)	(913)

* net salaries after recharge to exploration and inclusive of director fees paid

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(2)	(145)
(d) exploration & evaluation (if capitalised)	(227)	(1,345)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) (investments)/divestments of shares	-	-
	(e) other non-current assets	-	-
2.3	Cash flows-406- from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(229)	(1,490)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,864
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	-	(216)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	2,648

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,085	3,433
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(178)	(913)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(229)	(1,490)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,648

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,678	3,678

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	678	1,085
5.2	Call deposits	3,000	3,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,678	4,085

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
57
-

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

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

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
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.		
N/A			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(178)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(227)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(405)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,678
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,678
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	9.08

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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?

Answer:

N/A – item 8.7 not less than 2 quarters

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?

Answer:

N/A – item 8.7 not less than 2 quarters

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A – item 8.7 not less than 2 quarters

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 July 2024

Authorised by: The Board of Stellar Metals Limited

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 – eg 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.