LARGE MAGNETIC AND CONDUCTIVE TARGET MODELLED AT SOUTH SEVERN

Stellar Resources Limited (ASX:SRZ, "Stellar" or the "Company") is pleased to announce that a large magnetic and conductive target has been modelled at Severn South within the Company's flagship Heemskirk Tin Project in Tasmania.

Highlights

- Magnetic and downhole electromagnetic (EM) inversion studies recently completed by Stellar's geophysical consultants have modelled a large magnetic and approximately coincident conductive target, below the depth of historic drilling at the southern extent of the Severn Mineral Resource ("**South Severn Magnetic and Conductive Target")**.
- 3D magnetic inversion modelling of 2012 heliborne magnetic data has shown that the magnetic high at Severn can be explained by modelling a large magnetic cupola (dome)-shaped body at a depth from surface of ~1,000m at the edges and ~600m at the centre of the dome.
- Reprocessing of historical downhole EM data has modelled a large shallowly-dipping moderate conductor below historic drillhole ZS92.The location of this off-hole conductor target is poorly defined but has been modelled sitting just above, and close to the centre of the South Severn Magnetic Target.
- Stellar interprets that the dome may represent a granite intrusion with an overlying magnetic cupola composed of massive or disseminated pyrrhotite (which is magnetic and conductive) that may host tin mineralisation.
- The interpretation is supported by: (a) continuation of mineralisation 240m down dip of the current Severn resource in the recently completed drillhole ZS140[1,2], (b) the increased pyrrhotite, high magnetic susceptibility readings and visible cassiterite (tin) mineralisation observed in drillhole ZS143 currently in progress[1], and (c) generally higher magnetic susceptibility readings recorded in historic drillholes over the southern part of the Severn resource. This provides encouraging support that pyrrhotite and cassiterite mineralisation may continue to the south towards the centre of the South Severn Magnetic and Conductive Target.
- Stellar plans to drill this target towards the end of the current Phase 1 drilling program.

Executive Director Gary Fietz commented; *"Severn is already the largest of the 4 tin deposits comprising the Heemskirk Tin Project, the second highest grade undeveloped tin resource in the world[3]. The South Severn Magnetic and Conductive Target recently modelled by Stellar's geophysical consultants, Mira Geoscience and consulting geophysicist, Jovan Silic, along with observations from the Phase 1 drilling program currently in progress highlights the significant upside potential of the Severn tin deposit, which remains open at depth and along strike. Stellar plans to drill the South Severn Magnetic and Conductive target towards the end of the drilling program currently underway."*

South Severn Magnetic & Conductive Target

A high resolution heliborne magnetic survey (referred to as heli-mag) over the Heemskirk Tin Project and surrounding areas was flown by Stellar in 2012. This survey identified a large magnetic high that is centred to the south of the largest of the Heemskirk Tin Project deposits, Severn (see Figure 1).

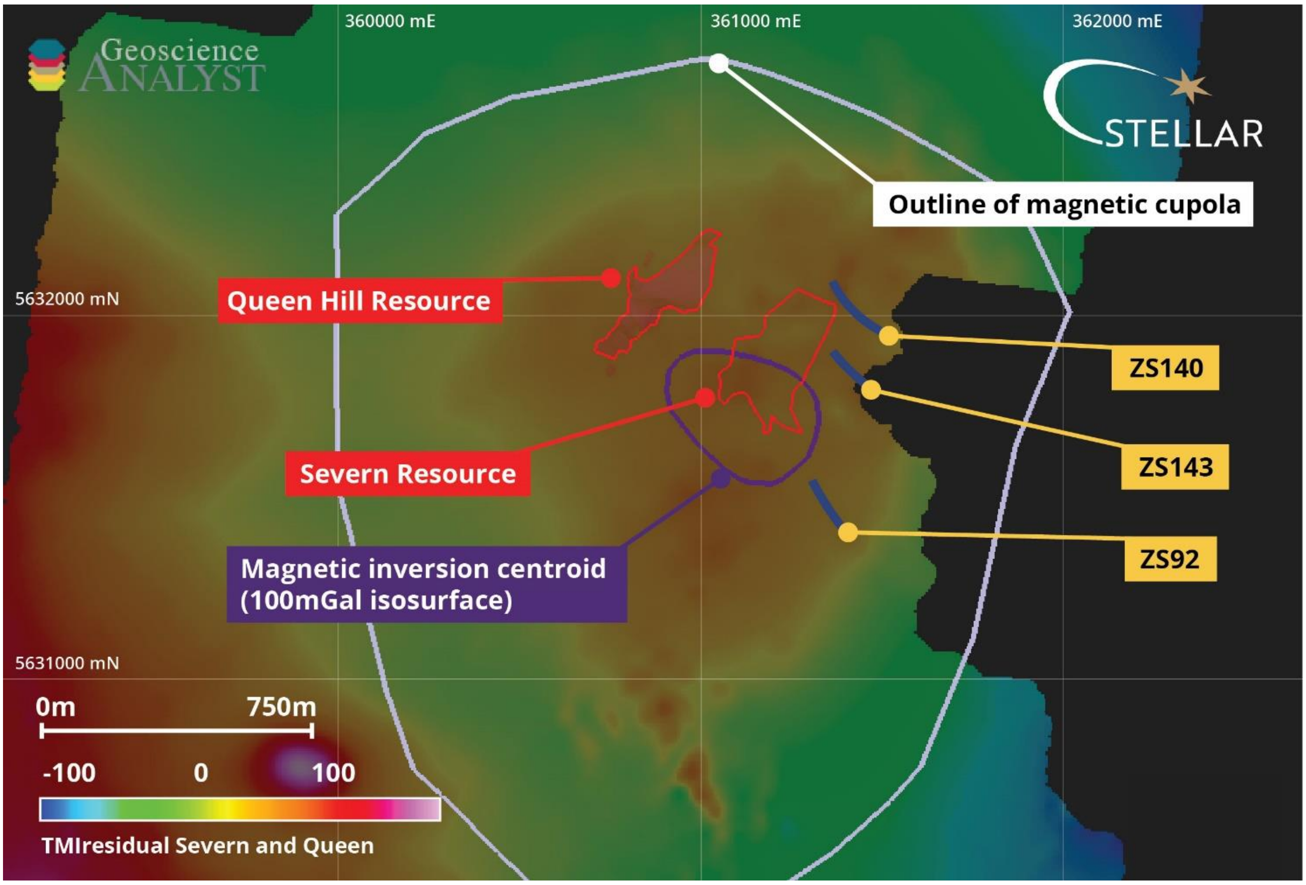

Figure 1 –South Severn Magnetic Target - Plan showing 2012 Heli-mag Residual Total Magnetic Intensity, Reduced to Pole image after removal of modelled magnetic signature from Severn and Queen Hill tin deposits and removal of cultural artifacts, outline of centre of magnetic inversion (100 mGal isosurface) (purple), outline of magnetic cupola model (lilac), outline of Severn and Queen Hill 2019 resource (red), drillholes ZS92, ZS140 & ZS143 (GDA94 MGA55)

Mira Geoscience have recently completed 3D magnetic modelling of the heliborne magnetic survey flown by Stellar in 2012. Mira Geoscience's unconstrained magnetic inversion modelled a large magnetic target, directly below the depth of historic drilling, and centred at the southern extent of the currently defined Severn tin resource.

Further magnetic modelling by Mira Geoscience has shown that the South Severn Magnetic Target can be explained by a large magnetic cupola (dome)-shaped body, ~2.4 km long, ~1.9 km wide, and >50 m thick at a depth from surface of ~1,000 m at the edges and ~600 m at the centre of the dome.

Consulting geophysicist Jovan Silic has recently completed an inversion of a downhole electromagnetic (DHEM) survey of drillhole ZS92 in the south of Severn. Hole ZS92 was drilled and surveyed by Aberfoyle Resources in 1989. The DHEM inversion model consists of a large off-hole, shallow-dipping moderate conductor below the bottom of drillhole ZS92 (595 m EOH). The location of this off-hole conductor target modelled is poorly defined but has been modelled sitting just above, and close to the centre of the South Severn Magnetic Target and magnetic cupola model modelled by Mira Geoscience as shown in Figure 2.

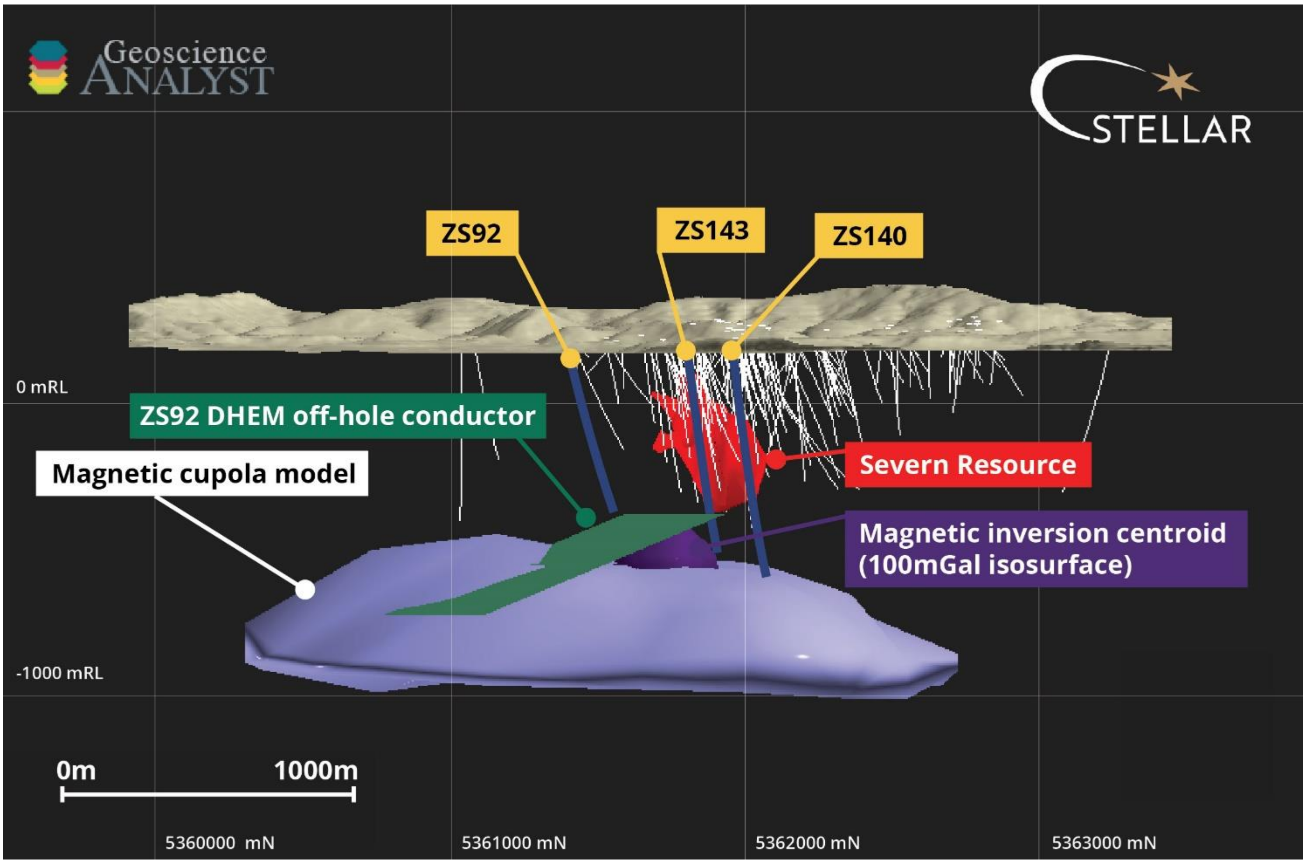

Figure 2 – Severn South Magnetic and Conductive Target – View looking West. Magnetic Inversion centroid (purple), Large Cupola magnetic model (lilac), ZS92 DHEM Off-Hole Conductor (green), Severn 2019 Resource (red), Historic Drillholes (white traces), ZS92, ZS140 & ZS143 (dark blue traces)

The interpretation is supported by; (a) continuation of mineralisation 240 m down dip of the current Severn resource in the recently completed drillhole ZS140[2], (b) the increased pyrrhotite, high magnetic susceptibility readings and visible cassiterite (tin) mineralisation observed in drillhole ZS143 currently in progress[1], and (c) generally higher magnetic susceptibility readings recorded in historic drillholes over the southern part of the Severn resource. This provides encouraging support that pyrrhotite and cassiterite mineralisation may continue to the south towards the centre of the South Severn Magnetic and Conductive Target.

Proposed Deep Hole to Test South Severn Target

Stellar is currently investigating the possibility of re-entering historic drillhole ZS92, setting a wedge at approximately 500 m depth, and drilling a ~500 m daughter hole angled directly into the centre of the South Severn Magnetic and Conductive Target below ZS92. Re-entry of ZS92 could save Stellar the cost and time of drilling ~500 m to test the South Severn Magnetic and Conductive Target.

If re-entry of ZS92 is not possible, Stellar intends to drill a new ~900 m to 1,000 m deep hole from a nearby location to test the South Severn Magnetic and Conductive Target, towards the end of the Phase 1 program currently underway.

Footnotes / Live Links

[1] SRZ Announcement, 5 November 2021. "ZS140 Results and Heemskirk Tin Drilling Update"

[2] SRZ Announcement, 7 September 2021. "First 2 Drillholes at Heemskirk Intersect Significant Zones of Alteration and Mineralisation"

[3] SRZ Announcement, 12 April 2021, "Investor Presentation" – See page 11 Benchmarking Assumptions

Competent Persons Statement

The information in this announcement that relates to exploration results has been compiled by Mr. Tim Callaghan, an independent mining consultant working for Resource and Exploration Geology. Mr. Callaghan is a Member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking 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). Mr. Callaghan has reviewed the contents of this news release and consents to the inclusion in this announcement of exploration results in the form and context in which they appear.

Forward Looking Statements

This report may include forward-looking statements. Forward-looking statements include but are not limited to statements concerning Stellar Resources Limited's planned activities and other statements that are not historical facts. When used in this report, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. In addition, summaries of Exploration Results and estimates of Mineral Resources and Ore Reserves could also be forward-looking statements. Although Stellar Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. The entity confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed. Nothing in this report should be construed as either an offer to sell or a solicitation to buy or sell Stellar Resources Limited securities.

This announcement is authorised for release to the market by the Board of Directors of Stellar Resources Limited.

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JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data (criteria in this section apply to all succeeding sections)

Criteria	JORC Code Explanation	Commentary

Sampling techniques	• Nature and Quality of sampling (e.g. cut channels, random chips or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or hand held XRF instruments etc.).
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.
	• Aspects of the determination of mineralisation that are Material to the Public Report.
	• In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverized to produce 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or sampling types (e.g. submarine nodules) may warrant disclosure of detailed information.
		• The Zeehan Tin deposit has been delineated entirely by diamond drilling. Numerous drilling campaigns were completed between 1960 and 1992 by Placer, Gippsland, Minops, CRAE and Aberfoyle. Post 2010, diamond drilling was completed by Stellar with diamond core of nominally NQ or HQ diameter.
		• Data from a previous (2012) rotary wing magnetic geophysical survey, (heli-mag survey), was acquired by Thomson Aviation. The airborne magnetic sensor was a Geometrics G822A. Geometrics G-856 magnetometers with analog and digital recording were used as diurnal monitors and ran continuously during the survey periods.
		• The downhole EM data were acquired by Aberfoyle Resources using a Geonics EM37 system in 1992.
		• Downhole EM surveys were completed in drillholes ZS91 and ZS92. A four-loop layout covering the area surrounding the 2 drillholes included 3 200 x 200 m loops and 1 500 * 500 m loop.
		• Data for the 3 200 m loops was collected at 25 Hz. Data for the 500 m loop utilized a 6.25 Hz waveform.
		• Seismic data from surveys acquired in 2007 were reprocessed and interpreted by Internode Seismic.
		• Seismic data were acquired by Terrex Seismic on behalf of Great Southland Minerals. 5 lines were acquired for a total of 67.5 line kilometres.
		• Seismic acquisition parameters:
		    • Receivers: Sercel 388
		    • Source: 3 x 42000lb Pelton vibes
		    • Source spacing: 20 m
		    • Receiver spacing: 20 m
		    • Source configuration: 12 second sweep, 6-140 Hz
		    • Record length: 6 seconds

Drilling Techniques	• Drill type (e.g. core, reverse circulation, open hole hammer, rotary air blast, auger, bangka, sonic etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face sampling bit or other type, where core is oriented and if so by what method, etc.)	• Not applicable. No drilling results are contained in this announcement.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximize sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material	• Not applicable. No drilling results are contained in this announcement.

Criteria	JORC Code Explanation	Commentary
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography. • The total length and percentage of the relevant intersections logged.	• Not applicable. No drilling results are contained in this announcement.
Sub-Sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub sampling stages to maximize representivity of samples. • Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results of field duplicate/second half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled	• Not applicable. The reported results do not relate to physical sampling.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Geophysical survey equipment used for the respective surveys is specified in this table. • All heli-mag digital data was inspected on a daily basis to ensure data quality. • Parallax and heading tests of the heli-mag survey were performed as per standard industry practice. • A preliminary flight path for the heli-mag survey was mapped and checked against survey specifications. • Quality control procedures for historic DHEM and seismic surveys are not documented.

Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Not applicable. No drilling results are contained in this announcement.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys) trenches, mine workings and other locations used in mineral resource estimation • Specification of grid system used • Quality and accuracy of topographic control.	• Heli-mag survey was planned and delivered in GDA94 MGA Zone 55. VPmg modelling was also undertaken in GDA94 MGA55. • The Heli-mag survey was DGPS-positioned, using a Novatel OEMV-1 VBS receiver. Terrain clearance information was obtained using King KR 495 radar altimeter. • Heli-mag survey utilized a fixed ground magnetometer for calibration. • Seismic data were acquired in AGD66, AMG Zone 55. Elevations were relative to the Australian Height Datum. • A single tie point occurred between lines ZC and ZF located at 361586.59, 5361775.11 at 175.53 AHD.
Data Spacing and distribution	• Data spacing for reporting Exploration Results • Whether data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied	• The Heli-mag survey was flown with a line spacing of 25 metres for a total of 273 km. The principal flight line orientation was 97-277 degrees. Tie lines were flown at a spacing of 250 m oriented at 7-187 degrees • Seismic survey data spacing was 20 m for receivers and sources.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The Heli-mag survey was flown in two orthogonal directions and is deemed not to be biased. • Seismic data was acquired along publicly-accessible roads for ease of access; no consideration was given for geological orientation or favorability.
Sample Security	• The measures taken to ensure sample security.	• All data transmitted in digital format.
Audits or Reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or reviews of sampling data and techniques have been completed.

Section 2: Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of tenure held at the time of reporting along with known impediments to obtaining a license to operate the area	• ML2023P/M, RL5/1997 and EL13/2018 hosting the Heemskirk Tin Project in Western Tasmania are 100% owned by Stellar Resources Ltd.
Exploration done by other parties	• Acknowledgement and appraisal of exploration by other parties.	• Early mining activity commenced in the 1880's with the production of Ag-Pb sulphides and Cu-Sn sulphides from fissure lodes. • Modern exploration commenced by Placer in the mid 1960's with the Queen Hill deposit discovered by Gippsland in 1971. • The Aberfoyle-Gippsland JV explored the tenements until 1992 with the delineation of the Queen Hill, Severn and Montana deposits.
Geology	• Deposit type, geological setting and style of mineralization.	• The Heemskirk Tin Deposits are granite related tin-sulphide-siderite vein and replacement style deposits hosted in the Oonah Formation and Crimson Creek Formation sediments and volcanics. Numerous Pb-Zn-Ag fissure lodes are associated with the periphery of the mineralising system. Mineralisation is essentially stratabound controlled by northeast plunging fold structures associated with northwest trending faults. Tin is believed to be sourced from a granite intrusion located over 1 km from surface below the deposit.

Criteria	JORC Code Explanation	Commentary
Drill hole information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: – easting and northing of the drill hole collar – elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar – dip and azimuth of the hole – downhole length and interception depth – hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case	• No drilling results are contained in this announcement.
Data aggregation methods	• In reporting of Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cutoff grades are usually material and should be stated. • Where aggregate intercepts include short lengths of high grade results and longer lengths of low grade results, the procedure used for aggregation should be stated and some examples of such aggregations should be shown in detail • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No drilling results are contained in this announcement.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. down hole length, true width not known)	• No drilling undertaken. Not relevant for geophysical studies.
Diagrams	• Appropriate maps and sections (with scales) and tabulated intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill collar locations and appropriate sectional views.	• See body of the announcement for relevant plan and sectional views.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/ or widths should be practiced to avoid misleading reporting of Exploration Results	• The information considered material to the readers understanding of the exploration in this document have been reported in a balanced manner.

Criteria	JORC Code Explanation	Commentary

Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey result; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Magnetic Data
		• The helicopter-borne magnetic survey was undertaken in March 2012, flown by Thomson Aviation. A total of 302 line kilometres were flown with a line spacing of 25 m and terrain clearance of 35 m.
		• Flight lines were directed 97-277 degrees with lie lines flown 250 m apart, directed 7-187 degrees. Magnetometer: Geometrics G822A with 10 Hz sample interval and 0.001 nT resolution.
		• Mira Geoscience performed unconstrained 3D inversions and 3D domain modelling over the survey area.
		• VPmg software was used to perform magnetic modelling,
		
		Down Hole EM Data
		• Downhole EM modelling was undertaken by consulting geophysicist Jovan Silic. The downhole EM data were acquired by Aberfoyle Resources using a Geonics EM37 system.
		• Downhole EM surveys were completed in drillholes ZS91 and ZS92. A four-loop layout covering the area surrounding the 2 drillholes included 3 200 x 200 m loops and 1 500 * 500 m loop.
		• Data for the 3 200 m loops was collected at 25 Hz. Data for the 500 m loop utilized a 6.25 Hz waveform.
		• Consulting geophysicist Jovan Silic performed inversion and modelling of the historic Severn ZS91 and ZS92 DHEM data utilizing proprietary software and algorithms that provide full solutions of deformed plates in conductive media.
		• The output from the DHEM inversion modelling is ‘plates’ representing tabular moderately conductive bodies. These have been incorporated into 3D visualization environment for comparison to other modelling results.
		
		Seismic Data
		• Seismic data from surveys acquired in 2007 were reprocessed and interpreted by Internode Seismic.
		• Seismic data were acquired by Terrex Seismic on behalf of Great Southland Minerals. 5 lines were acquired for a total of 67.5 line kilometres.
		• Seismic acquisition parameters:
		  ◦ Receivers: Sercel 388
		  ◦ Source: 3 x 42000lb Pelton vibes
		  ◦ Source spacing: 20 m
		  ◦ Receiver spacing: 20 m
		  ◦ Source configuration: 12 second sweep, 6-140 Hz
		  ◦ Record length: 6 seconds

Criteria	JORC Code Explanation	Commentary
Other substantive exploration data (continued)	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey result; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. (continued)	• Seismic data lines ZC and ZF were reprocessed and interpreted by Internode Seismic utilizing a variety of commercial and proprietary software and algorithms. A total of 20 line km was reprocessed for line ZC and 11.44 km for line ZF. • The output from the seismic reprocessing was SEGY files of final interval velocities in depth domain, refraction inversion velocities in the depth domain and a PSTM stack in the depth domain, for each line. • The output from the seismic interpretation included dxf files of horizon, fault and line work interpretations.
Further work	• The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large scale step out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Geophysical models will be tested with diamond drill holes. • Resource infill drilling is planned to coincide with further technical studies after this phase of exploration drilling. • The mineral deposits remain open down dip and down plunge and will be explored in the future.