# Report for the Quarter ended 30 September 2022

## Highlights:

### Heemskirk Tin Project

- Assay results from Phase 2A infill hole ZS150[1], surpassed hole ZS148 as the second-best significant intercept ever recorded at Severn on a grade * thickness (Sn%*m) basis with an outstanding intercept of:
    - **36.6m @ 1.07% Sn and 0.19% Cu from 471.5m, including:**
        - **12.0m @ 2.12% Sn and 0.23% Cu from 485.0m**
- Assays from Phase 2A infill hole ZS151[1], returned the second-widest significant intercept ever recorded at Severn of:
    - **51.6m @ 0.44% Sn and 0.06% Cu from 381.3m, including:**
        - **5.7m @ 0.71% Sn and 0.04% Cu from 381.3m, and**
        - **3.2m @ 1.91% Sn and 0.09% Cu from 429.8m.**
- Final Phase 2A hole, ZS152, testing a large magnetic and approximately coincident conductive target to the south of the Severn deposit completed on 21 September 2022 to a depth of 1,194m, with drilling continuing well beyond the target depth of 900m[2]. Results expected in late-November.
- $50,000 Exploration Drilling Grant Initiative (EDGI) grant awarded by Tasmanian Government in August for drill hole ZS152.
- On 29 September 2022, Stellar commenced its Phase 2B drilling program of eight inclined diamond holes for ~3,860m at Severn, the largest of the Heemskirk Tin Project deposits.[2]
- The Phase 2B program will focus on infill drilling to further increase the Heemskirk Tin Project Indicated Mineral Resource, targeting high grade-thickness mineralisation in two areas of the Severn deposit[2]:
    - Down plunge extension of the Northern Severn high grade-thickness zone identified in the Phase 2A program (six holes).
    - Possible Southern Severn high grade-thickness zone up and down plunge of historic high grade-thickness holes ZS110 & ZS110W, possibly extending at depth to historic holes G81 and ZS120 (two holes).

### Northeast Tasmania Exploration Project

***Historic Leura Goldfield Soil Gold Results (EL12/2020)*** [3]

- Anomalous gold soil results ranging from 0.1 to 2.4 g/t Au over a 400-500m strike length corresponding with the historic Leura Gold Mine, with likely strike extensions under shallow cover (>5m).
- The lack of any previous modern exploration over the Leura soil gold anomaly and the high-grade soil gold results provides an attractive drill target.

***Historic Back Creek Goldfield Soil Gold Results (EL12/2020) [3]***

- Lady Emily Reef - anomalous gold soil results ranging from 0.02 to 0.16 g/t Au over ~200m strike length over the historic Lady Emily Mine.
- Nevermind Reefs - anomalous gold soil results ranging from 0.02 to 0.23 g/t Au over ~100m strike length over the northern reef and 0.02 to 0.05 g/t Au over ~50m strike length over the southern reef of the historic Nevermind Mine.

***Nabowla Gold Exploration (EL11/2020 )[2]***

- Initial stream sediment sampling program completed over the Nabowla gold exploration target on EL11/2020, one of twenty-two medium to high priority targets identified.
- Results returned low level anomalous gold and pathfinder elements over a broad area coinciding with a Northwest trending magnetic lineament where infill samples will be taken to refine the target.

***North Scamander and Pinnacles Tin-Base Metals Exploration Targets (EL19/2020)***

- $83,750 Exploration Drilling Grant Initiative (EDGI) grants awarded by Tasmanian Government in August for drilling North Scamander and Pinnacles Tin-Base Metals targets.

## Tin Market

- Global tin demand has been growing strongly driven by decarbonising and electrification of the world. Approximately 50% of all tin is used as solder in electronics. Solder is the 'glue' that connects everything electronic together.
- Global tin supply is falling with ~75% of global tin production from non Tier-One, non OECD countries.
- Significant global tin supply deficit in 2020 and 2021 and forecast to continue.
- Whilst global tin stockpiles have risen slightly from recent decade lows of ~3,000-4,000t, they remain at very low levels[4].
- Heemskirk Tin is well positioned to meet the need for new sustainable tin supply from Tier-One OECD counties.

## Corporate

- Successfully raised $1,888,425 via placement in August and an additional $591,500 (before costs) through an oversubscribed Share Purchase Plan in September.
- Cash balance at 30 September 2022 of $3.9m.

# Heemskirk Tin Project

## Overview of Stellar's Tin Project on West Coast of Tasmania

Stellar's 100% owned tin projects have an enviable location within the well-established mining district on the West Coast of Tasmania with access to established infrastructure including nearby water and renewable power, access to the port of Burnie 150km to the north via sealed highway for export of concentrate, and a competitive local market for services, mining and processing inputs and labour.

Stellar's flagship Heemskirk Tin Project is just 18km to the southwest of the Renison tin mine, the largest and most productive tin mine in Australia. Including Renison, there are five major underground metal mines, three of which are operating, within 30km of the Heemskirk Tin Project.

The Heemskirk Tin Project includes four nearby tin deposits: Severn, Queen Hill, Montana and Oonah. Stellar holds secure Mining Leases over the Heemskirk Tin Project including the tailings pipeline route, tailings storage site and also over the St Dizier satellite tin deposit.

In addition to the Heemskirk Tin Project, Stellar owns a portfolio of nearby Exploration Licences including the Montana Flats and Mount Razorback EL's which contain a number of historic silver-lead-zinc mines with associated tin mineralisation, and the St Dizier and Mount Razorback satellite tin deposits.


*Location of Stellar's Tin Projects – West Coast of Tasmania*

# Mineral Resources

The Heemskirk Tin Project has a Total Mineral Resource **of 6.6 Mt @ 1.1% Sn** at a 0.6% Sn cut-off grade, of which 2.12 Mt is in the Indicated Mineral Resource Category and 4.48Mt is in the Inferred Mineral Resource Category. All deposits have higher grade zones and are amenable to mining at higher cut-off grades. All deposits open at depth.[5]

***Heemskirk Tin Mineral Resource (JORC 2012), May 2019***

| Classification | Deposit | Tonnes (mt) | Sn (%) | Contained Sn (t) | Cassiterite % of Total Sn (%) | Cu (%) | Pb (%) | Zn (%) |
|---|---|---|---|---|---|---|---|---|
| Indicated | Upper Queen Hill | 0.32 | 1.0 | 3,230 | 87 | 0.2 | 2.1 | 1.0 |
| | Lower Queen Hill | 0.65 | 1.4 | 9,230 | 97 | 0.0 | 0.1 | 0.1 |
| | Severn | 1.15 | 1.0 | 11,500 | 99 | 0.1 | 0.0 | 0.1 |
| **Total Indicated** | | **2.12** | **1.1** | **23,960** | **97** | **0.1** | **0.4** | **0.2** |
| Inferred | Upper Queen Hill | 0.11 | 1.6 | 1,760 | 94 | 0.2 | 1.9 | 0.7 |
| | Lower Queen Hill | 0.36 | 1.4 | 5,040 | 97 | 0.0 | 0.2 | 0.0 |
| | Severn | 2.74 | 0.9 | 24,660 | 99 | 0.0 | 0.0 | 0.0 |
| | Montana | 0.68 | 1.5 | 10,200 | 96 | 0.1 | 0.7 | 1.4 |
| | Oonah | 0.59 | 0.9 | 5,310 | 36 | 0.8 | 0.1 | 0.1 |
| **Total Inferred** | | **4.48** | **1.0** | **46,970** | **90** | **0.1** | **0.2** | **0.3** |
| **Total Indicated + Inferred** | | **6.60** | **1.1** | **70,930** | **92** | **0.1** | **0.3** | **0.3** |

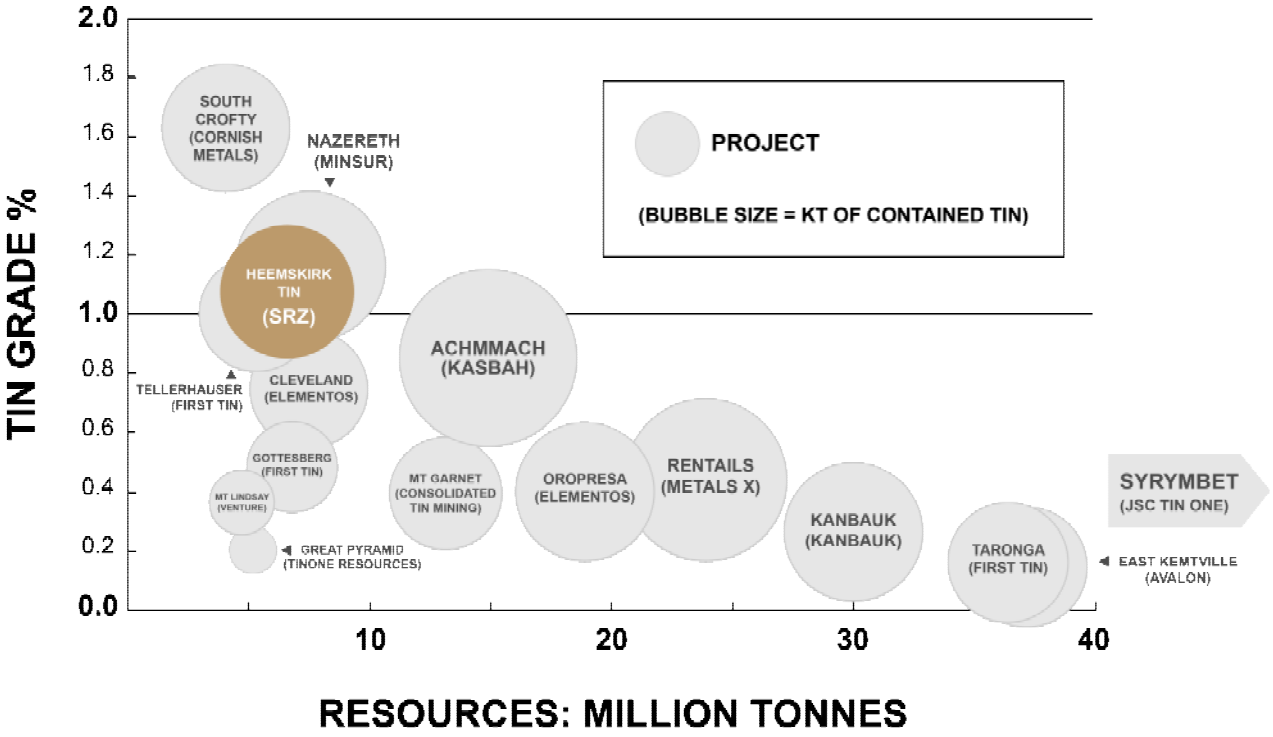
In addition, the satellite St Dizier Tin deposit has a Total Mineral Resource of **2.26Mt @ 0.61% Sn** of which 1.20 Mt in the Indicated Mineral Resource Category and 1.06 Mt is in the Inferred Mineral Resource Category.[6]

***St Dizier Mineral Resource Statement (JORC 2012), March 2014***

| Classification | Tonnes (mt) | Sn (%) | Contained Sn (t) | Cassiterite % of Total Sn (%) | $WO_3$ (%) | Fe (%) | S (%) |
|---|---|---|---|---|---|---|---|
| Indicated | 1.20 | 0.69 | 8,280 | 87 | 0.04 | 23.70 | 2.64 |
| Inferred | 1.06 | 0.52 | 5,512 | 58 | 0.05 | 22.22 | 1.81 |
| **Total Mineral Resource** | **2.26** | **0.61** | **13,786** | **75** | **0.04** | **23.00** | **2.25** |

# Heemskirk Tin Benchmarking – World Tin Resources

Heemskirk is the highest-grade undeveloped tin resource in Australia and the third highest grade tin resource globally.[8]




# Heemskirk Tin Project Scoping Study

In October 2019, Stellar announced the results of its Heemskirk Tin Project Scoping Study[7] based on development of an underground mine, processing plant, tailings storage facility and surface infrastructure to mine ~ 350ktpa ore at a LOM head grade of ~ 0.95% tin from the Queen Hill and Severn tin deposits (2 of the 4 Heemskirk deposits) over a 10-year initial mine-life. The project also includes open-pit mining of the St Dizier satellite tin deposit and trucking of ore to the Heemskirk processing plant during year 11 of the mine plan.

The processing plant is expected to produce ~4,500tpa of concentrate containing ~2,200tpa of tin. Concentrate produced will be trucked 150km to the north via sealed road to the Port of Burnie for export to smelters in Asia.

The 2019 Scoping Study confirmed the Heemskirk Tin Project had attractive economics at a US$20,000/t tin price[7].

# Phase 2A Drilling Program

In late-March 2022, Stellar commenced its Phase 2A drilling program (6 diamond holes for ~3,130m) at Severn, the largest of the Heemskirk Tin Project deposits. The program has been focused on infill drilling to increase the Severn Indicated Mineral Resource primarily in areas where thicker and higher-grade tin mineralisation are expected[1]. The Phase 2A Program was completed on 21 September 2022.

Two of the Phase 2A holes (ZS15312 and ZS154) had to be abandoned at 269m and 268m respectively due to poor ground conditions experienced in the upper parts of these holes, well above their target depths.

These holes will be re-drilled as part of Phase 2B program with a number of measures being undertaken to increase chances of drilling success including:

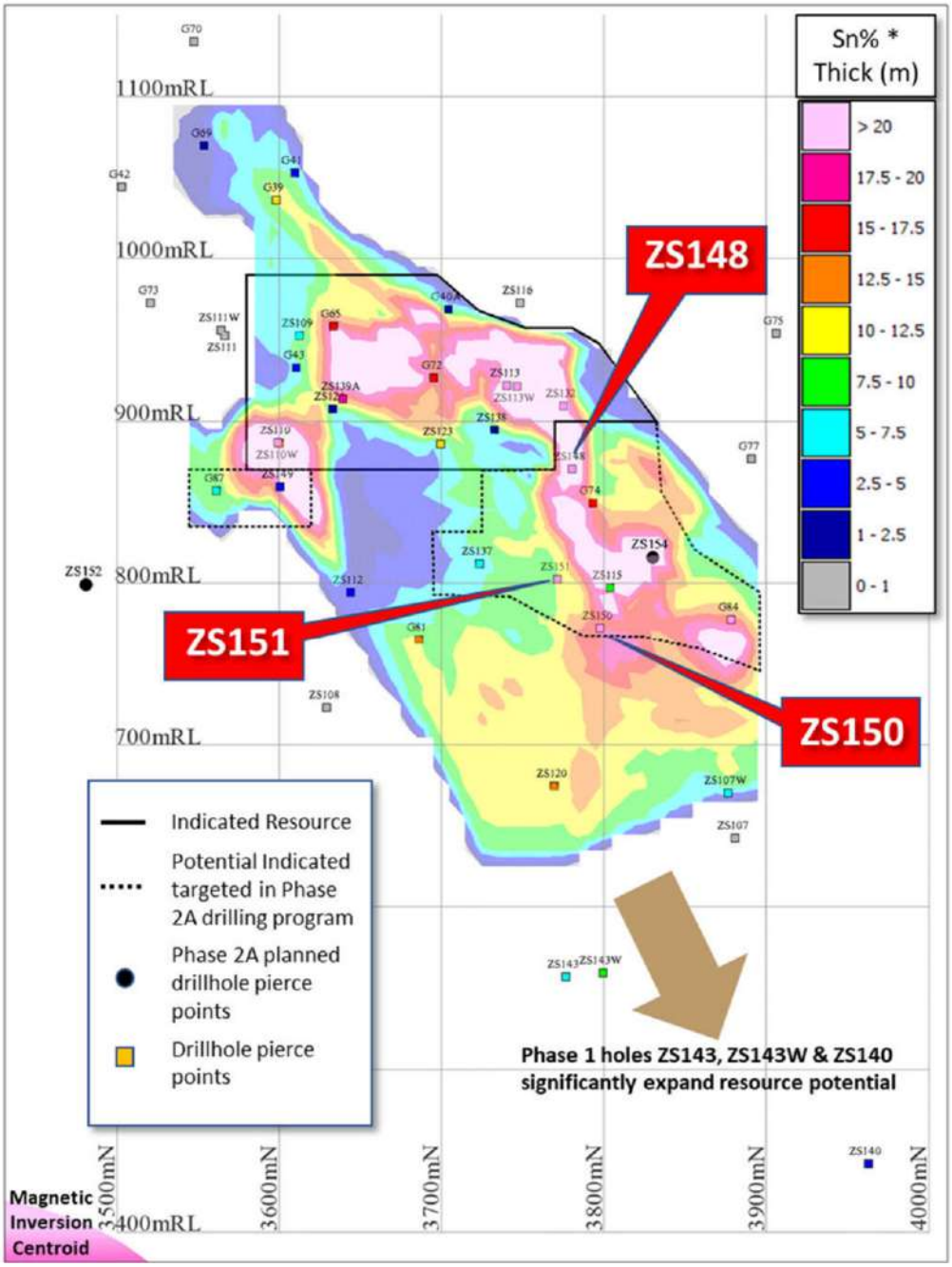
a) use of the larger more powerful drill rig on site,

b) different collar positions and hole orientations to avoid the known poor ground areas,

c) oversize drill bits to increase clearance of drill rods in the hole, and

d) continuous drilling in the upper section of holes subject to agreement from adjacent landowners and Mineral Resources Tasmania.

The first of the Phase 2B holes currently underway, is progressing well and passed quickly though the poor ground conditions in the upper part of the hole during the 24 hour drilling trial undertaken on this hole.




*Severn Long Section looking west showing Phase 2A and historic drillholes, Severn Resource (main ore lens) and drillhole pierce points coloured by Sn%*m from the current Mineral Resource model (Zeehan Mine Grid)* [1]

## Assay Results from Severn Infill Hole ZS150

In July, outstanding assay results were reported for ZS150, the third infill hole completed this year targeting an expansion of the Severn Indicated Mineral Resource, surpassing recently announced hole ZS148 as the second-best significant intercept ever recorded at Severn on a grade * thickness basis (Sn%*m).[1]

***ZS150 - Summary of Key Significant Intercepts*** [1]

| Hole No. | From (m) | To (m) | Length (m) | Est. True Thickness (m) | Sn (%) | Cu (%) |
|---|---|---|---|---|---|---|
| **ZS150** | 471.5 | 509.8 | **36.6** | **34.6** | **1.07** | **0.19** |
| **Including:** | 485.0 | 497.0 | **12.0** | **11.3** | **2.12** | **0.23** |

## Assay Results from Severn Infill Hole ZS151

In July, assay results were reported for ZS151, the fourth infill hole completed this year targeting an expansion of the Severn Indicated Mineral Resource, returning the second-widest significant intercept ever recorded at Severn[1].

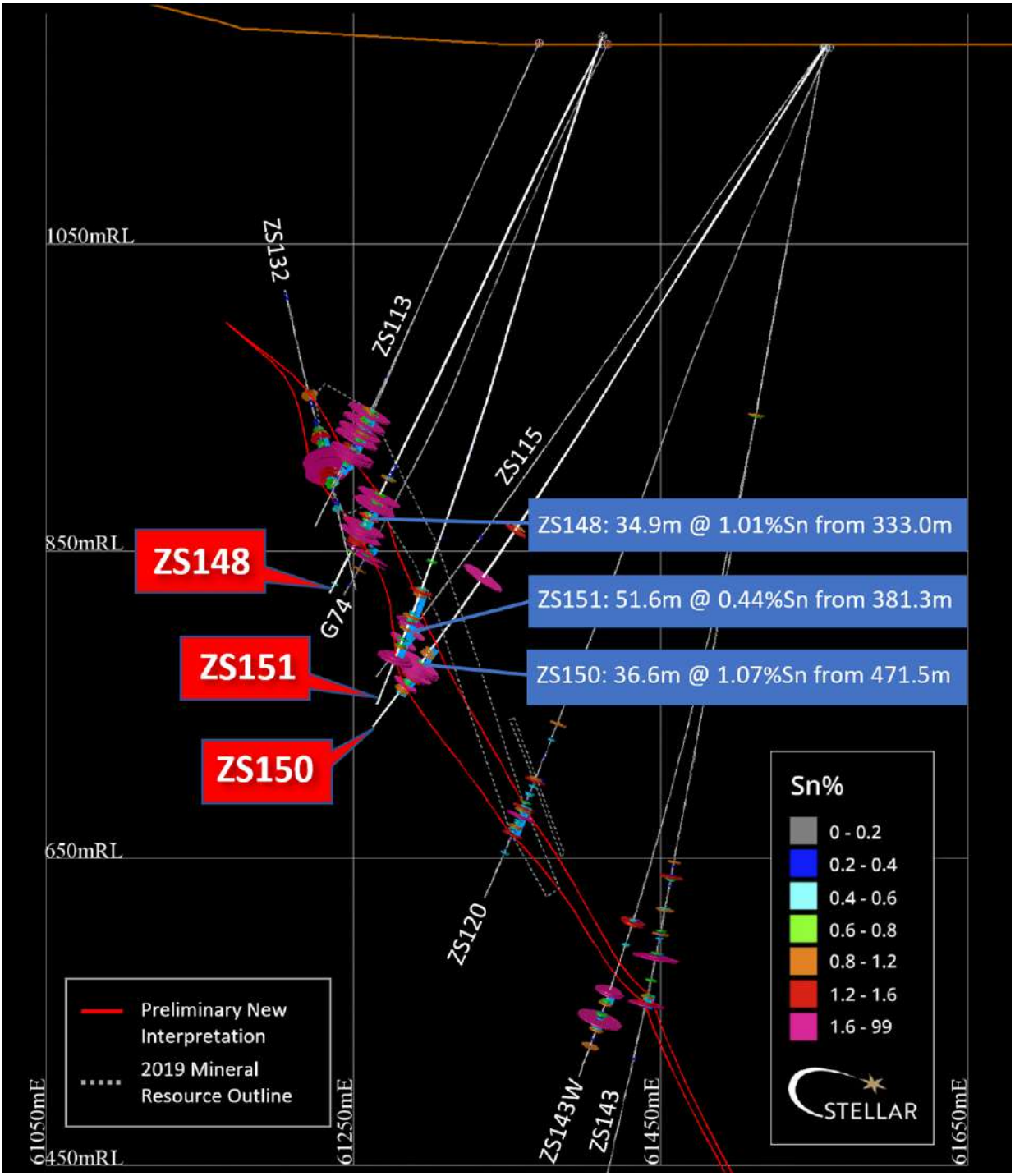
***ZS151 - Summary of Key Significant Intercepts*** [1]

| Hole No. | From (m) | To (m) | Length (m) | Est. True Thickness (m) | Sn (%) | Cu (%) |
|---|---|---|---|---|---|---|
| **ZS151** | 381.3 | 433.0 | **51.6** | **39.5** | **0.44** | **0.06** |
| **Including:** | 381.3 | 387.0 | **5.7** | **4.4** | **0.71** | **0.04** |
| **And:** | 429.8 | 433.0 | **3.2** | **2.4** | **1.91** | **0.09** |

## Northern Severn High Grade-Thickness Zone

The ZS151, ZS150, along with Phase 1 hole ZS148 recorded amongst the best intercepts on record at Severn and are significantly thicker than the current Mineral Resource interpretation defining a northerly plunging high tin grade*thickness (Sn%*m) zone in the northern part of Severn extending for ~200m down dip and extending along strike for ~50m[1].

A $50,000 Exploration Drilling Grant Initiative (EDGI) grant was awarded by the Tasmanian Government in August for drill hole ZS152.



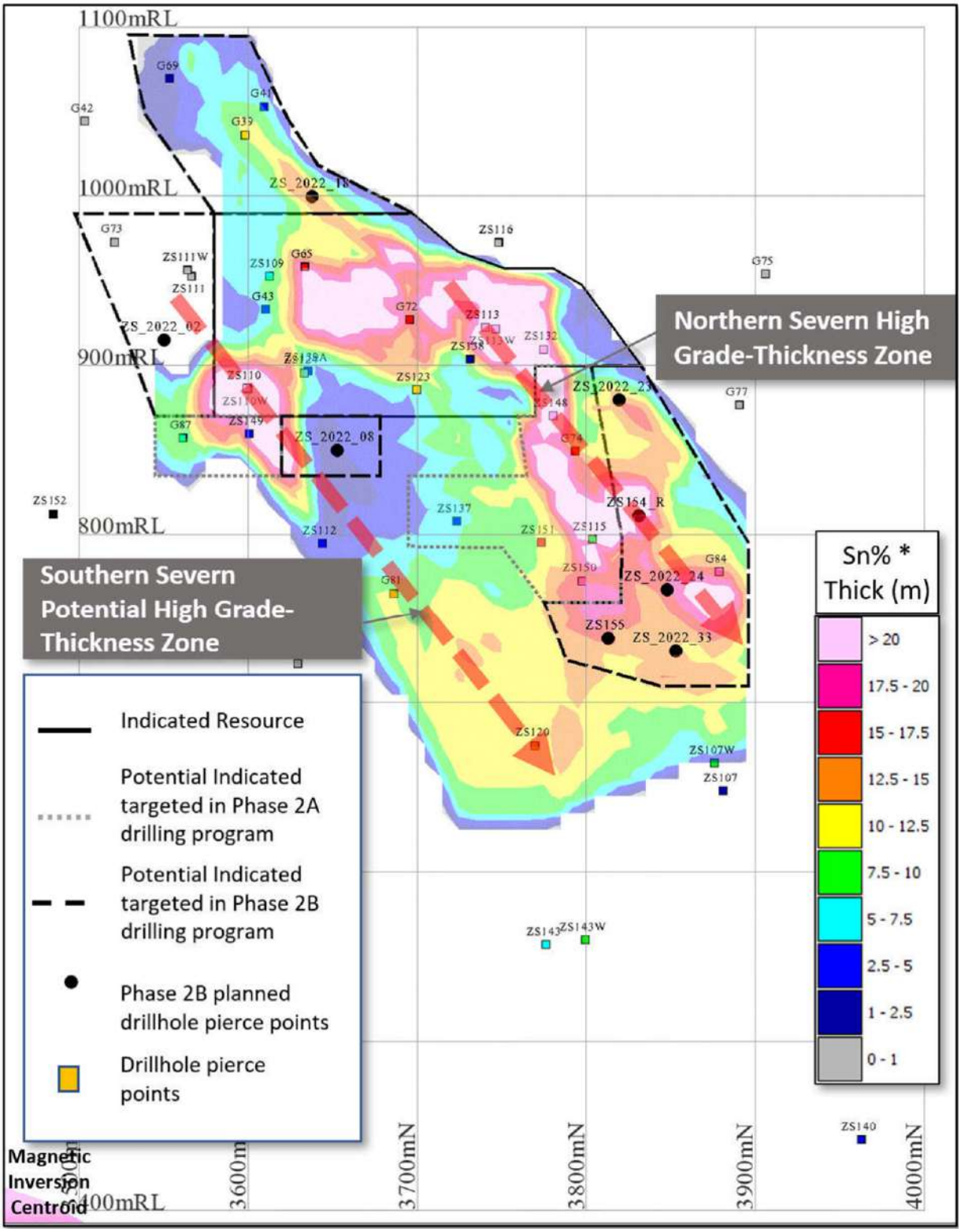

***Severn West-East Cross Section 3,775m North (ZMG) showing significant intercepts from ZS148, ZS150 and ZS151, historical drilling within +/-50m of the section line, preliminary new interpretation & current Mineral Resource [1]***

## South Severn Magnetic and Conductivity Target Hole (ZS152)

The final Phase 2A hole, ZS152 tests a large magnetic and approximately coincident conductive target to the south of the Severn deposit identified by geophysical modelling completed by the Company's consultants Mira Geoscience in November 2021. ZS152 was completed to a depth of 1,194m on 21 September 2022 with drilling continuing well beyond the target depth of 900m. This hole also passes through the projected position of the Severn deposit ~100m south of the defined Mineral Resource[1,2]. Assay results are pending.

# Phase 2B Drilling Program Commenced

On 29 September 2022, Stellar commenced its Phase 2B drilling program of eight inclined diamond holes for ~3,860m at Severn, the largest of the Heemskirk Tin Project deposits.




*Severn Long Section looking west showing Phase 2B planned holes, Severn Resource (main ore lens) and existing drill hole pierce points coloured by Sn% * Thickness and potential Indicated Mineral Resource targeted by Phase 2B (Zeehan Mine Grid)* [2]

The Phase 2B program will focus on infill drilling to further increase the Heemskirk Tin Project Indicated Mineral Resource, targeting high grade-thickness tin mineralisation in two areas of the Severn deposit[2]:

- Down plunge extension of the Northern Severn high grade-thickness zone identified in the recent Phase 2A program (six holes).
- Possible Southern Severn high grade-thickness zone up and down plunge of historic high grade-thickness holes ZS110 & ZS110W, possibly extending at depth to historic holes G81 and ZS120 (two holes).

The Phase 2B Program is fully funded and is expected to be completed by June 2023.

# Advancement of Heemskirk Tin Project Development

## Mineral Resource Update

An updated Heemskirk Tin Project Mineral Resource Estimate incorporating the recently completed Phase 2A drilling results is expected to be completed in early-November 2022.

# Heemskirk Tin Project Pre-Feasibility Study

The Phase 2B drilling program results are expected to support a Pre-Feasibility Study on the Heemskirk Tin Project planned for 2023 H2, following the completion of the Phase 2B drilling program.

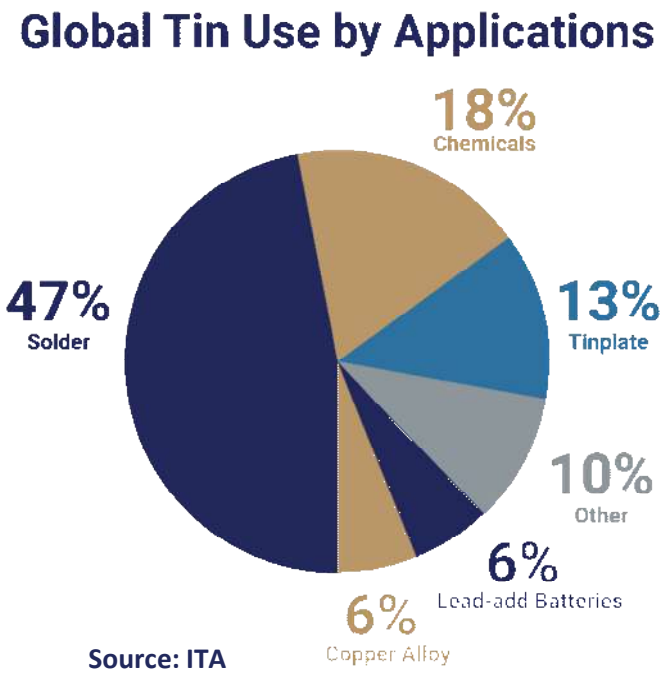
The Heemskirk Tin Project capital and operating cost estimates, mining study, and Scoping Study Update initially planned to be completed in 2022 Q4 have been deferred due to the current low tin prices. Timing of commencing these studies will be based on market conditions or alternatively may be incorporated into the project Pre-Feasibility Study planned for 2023 H2.

# Tin Market Outlook

## Tin Demand

Tin demand has been growing strongly because of:

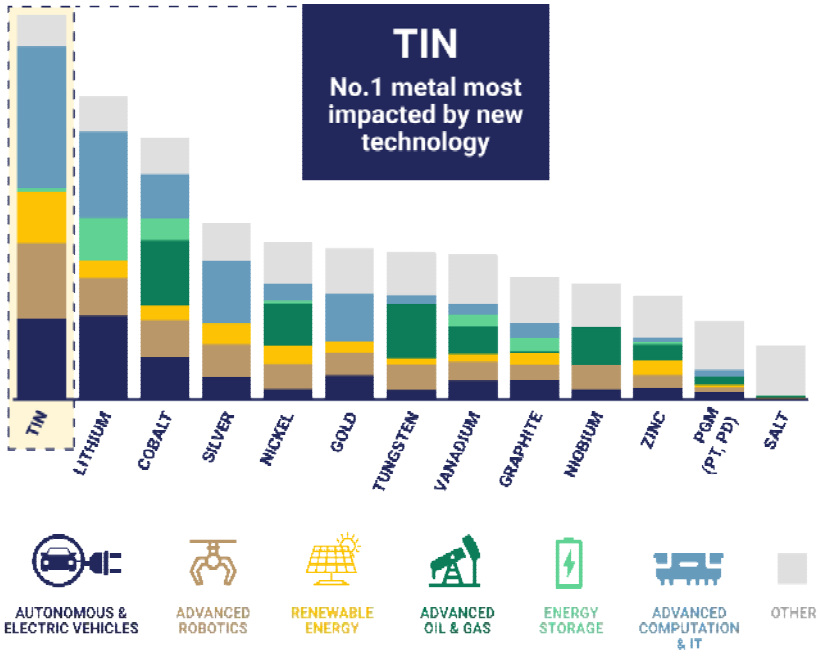
- 'Electrification' driven by de-carbonising along with Covid and the rise of remote working has boosted global demand for electronics.
- Approximately 50% of all tin is used as solder in electronics. Solder is the 'glue' that connects everything electronic together.
- Growing demand for use of tin in solar panels.
- Continued demand for tin in traditional uses including tinplate, chemicals, lead-acid batteries, alloys and other.
- Global demand currently ~360,000 tpa




**Source: ITA**

## Tin – The Number 1 New Technology Metal

Tin ranked as the No. 1 metal best placed to benefit from new technology according to a survey undertaken by Boston's Massachusetts Institute of Technology (MIT) for Rio Tinto in 2018.




***Source: MIT; Rio TINTO, 2018; ITA***

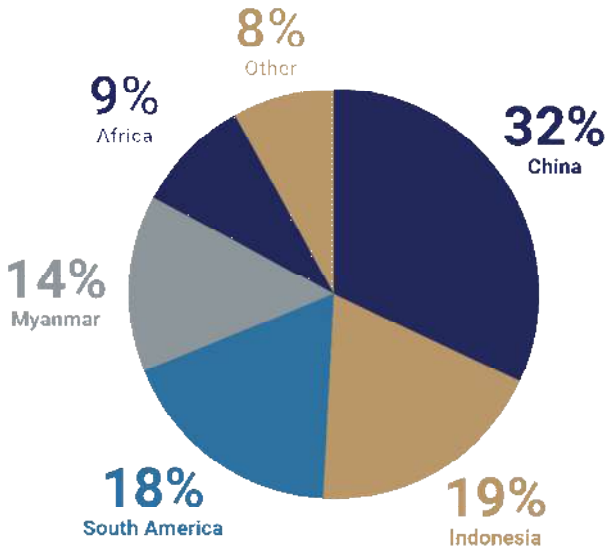
Our clean, new technology future is being driven by robotics, advanced computing, EV's, energy storage and renewables – these all require more electronics and semiconductors which all need more tin.

Growing research is also showing that tin may be a more effective anode material in Li-ion batteries.

## Tin Supply

Global tin supply has fallen for each of the last 3 years to 2020 as a result of:

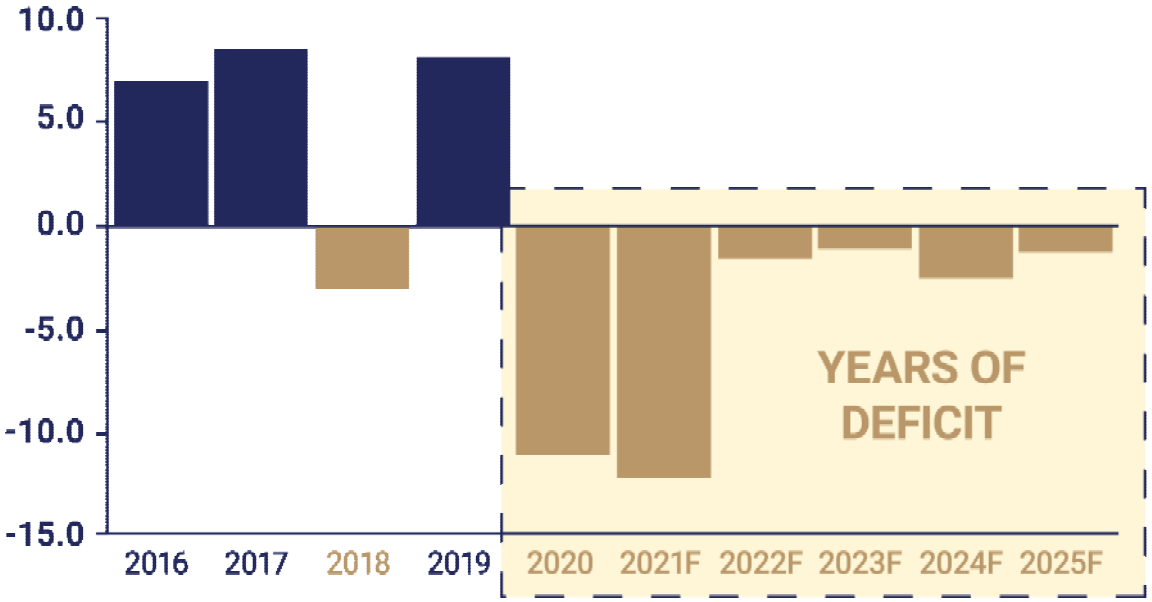
- Many existing tin mines globally now have lower grade and diminishing resources.
- Myanmar (world's 3rd largest producer) production continuing to fall throughout 2021 due to the military coup and largely unreliable artisanal and small-scale mining.
- Limited exploration or investment in new tin projects with many projects either in risky jurisdictions and/or low grade deposits.
- ~75% of global tin production from non Tier-One, non OECD countries.




**Source: ITA**

## Tin Market in Deficit

- Significant global tin supply deficit in 2020 and 2021 and forecast to continue.
- Whilst global tin stockpiles have risen slightly from recent lows of ~3,000-4,000t, they remain at critical decade-low levels[4].
- LME Tin prices have fallen recently due to inflationary pressures and global recession fears, however prices and stocks are now starting to stabilize.
- Heemskirk Tin is well positioned to meet the need for new sustainable tin supply from Tier-One OECD counties




*Global Tin Supply-Demand Balance (Source: ITA, SHFE, LME, Macquarie Strategy, Jun 2021)*

# Northeast Tasmania Exploration Project

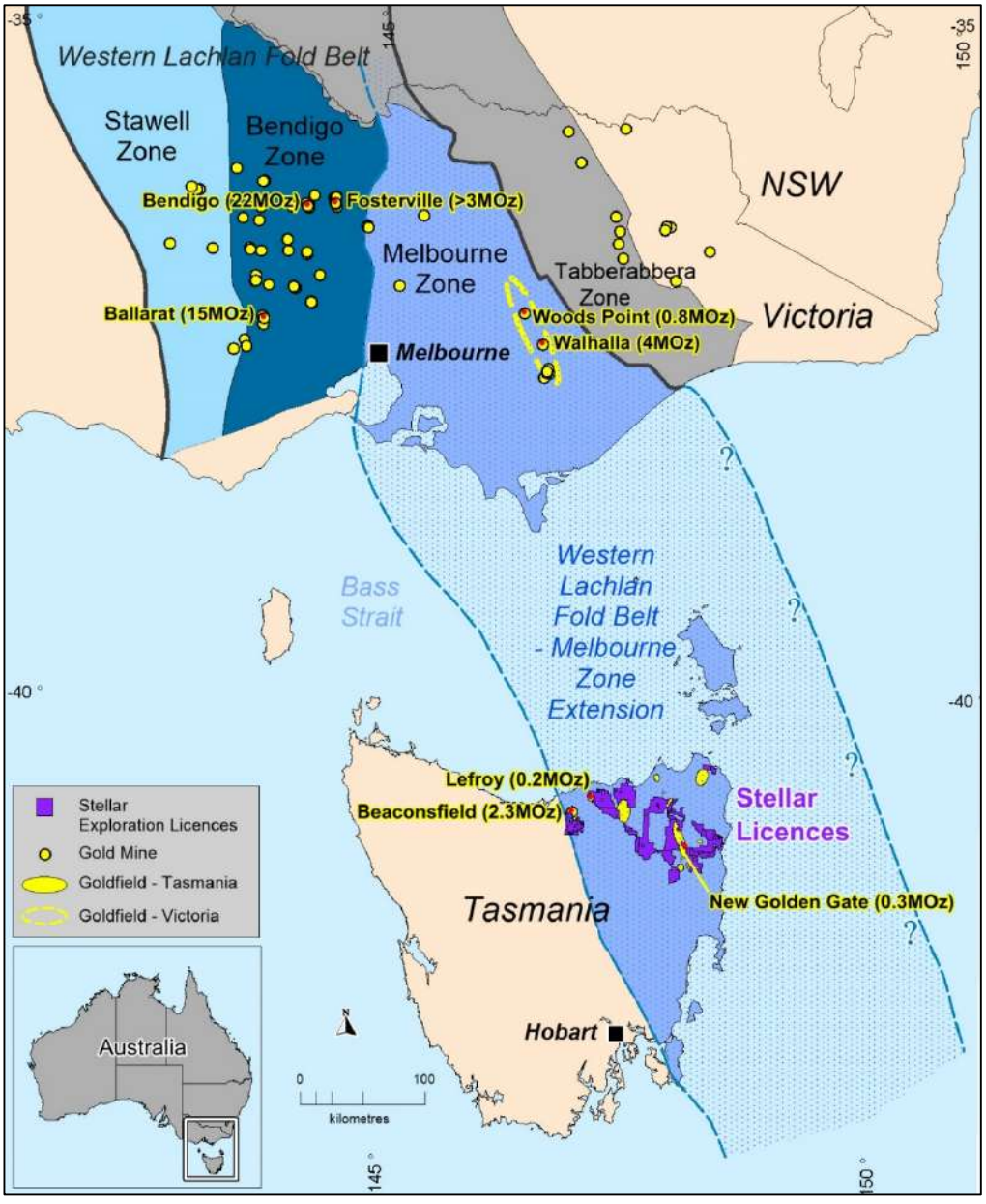
## NE Tas – A Continuation of Victorian Western Lachlan Fold Belt

Gold deposits in Northeast Tasmania lie within a continuation of the Western Lachlan Fold Belt in Victoria – one of the world's largest orogenic gold provinces.

The Western Lachlan Fold Belt in Victoria hosts the >3 MOz Fosterville Mine, Bendigo and other Tier 1 goldfields and has produced >80 MOz gold.

NE Tasmania hosts the Beaconsfield Mine (2.3 MOz), New Golden Gate Mine (0.3 MOz) and Lefroy Goldfield (0.2MOz), along with hundreds of smaller historic gold mines and occurrences.

While Victoria is currently experiencing intense gold exploration activity, NE Tasmania has had very little modern gold exploration undertaken[8].




*Continuation of Western Lachlan Fold Belt from Victoria into NE Tasmania [3]*

# Stellar NE Tasmania Exploration Licences

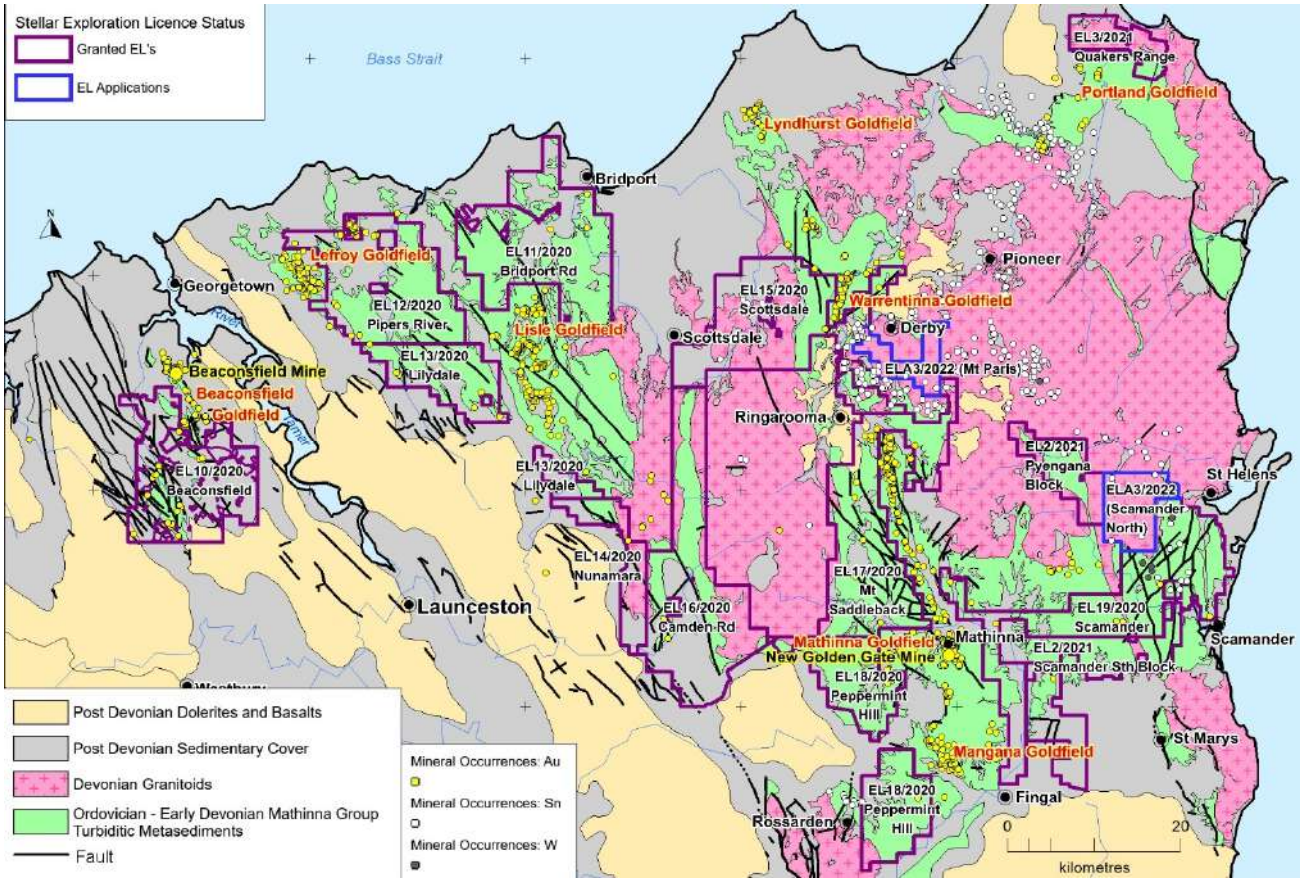
Stellar holds twelve Exploration Licences covering a combined area of 2,115 km$^2$ in NE Tasmania which is prospective for gold, tin and base metals were granted to Stellar's wholly owned subsidiary, Tarcoola Iron Pty Ltd, during the year.

Eleven of Stellar's twelve EL's (EL10/2020 to EL18/2020, EL2/2021 and EL3/2021) are prospective for Victorian style Orogenic Gold and for Intrusive Related Gold Systems (IRGS).

EL19/2020 (Scamander) is highly prospective for tin and base metals with significant historic exploration and drilling undertaken over the licence area.

There are ~77 recorded historic gold occurrences and ~68 tin and base metals occurrences over Stellar's Exploration Licences in NE Tasmania.

Stellar also holds first-in-time Exploration Licence application EL3/2022 covering an area of 97km$^2$ over the Mt Paris and Scamander North areas which is prospective for lithium, tin and other base metals.

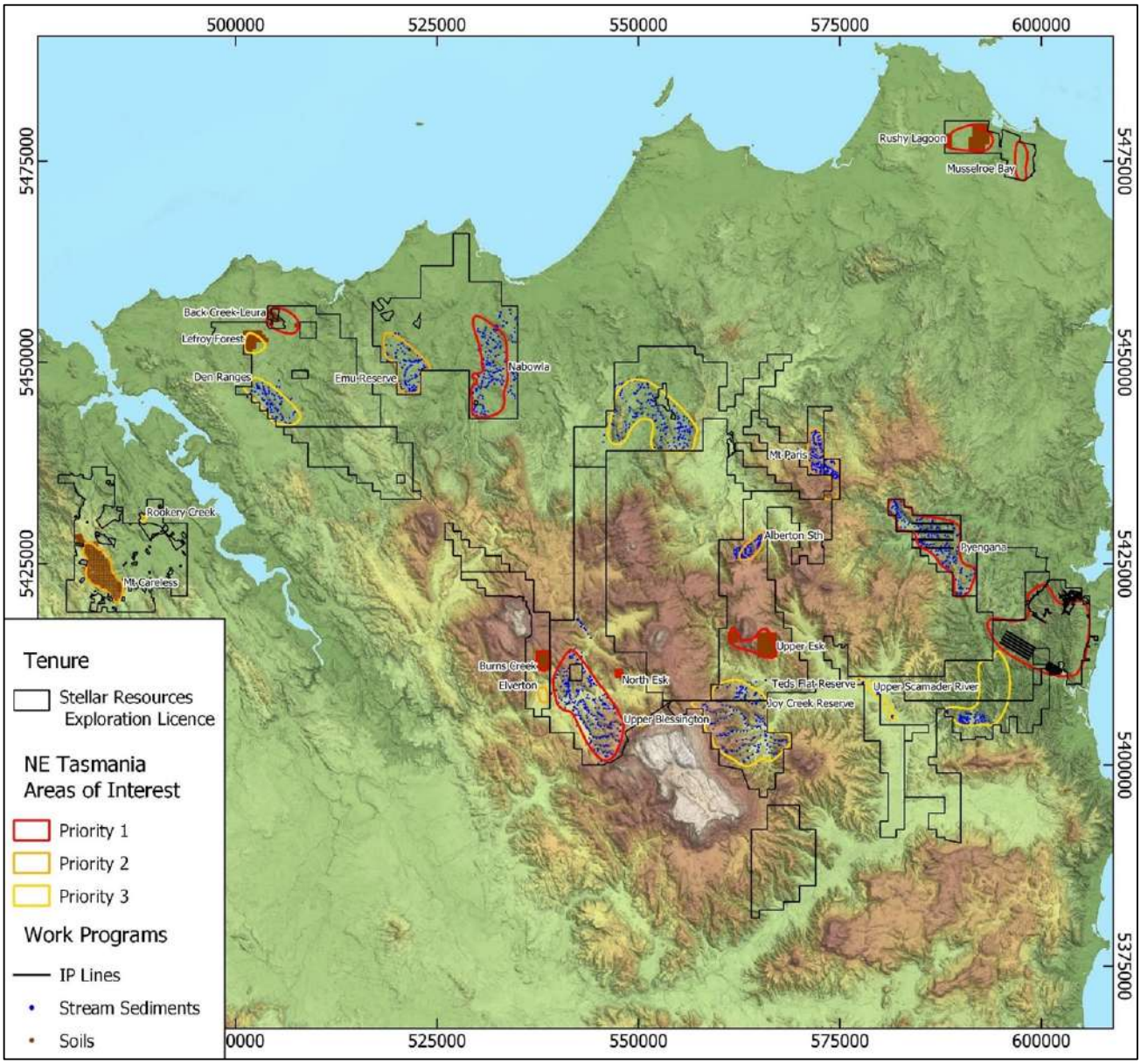



*Stellar EL's, EL Applications, Geology and Mineral Occurrences*

# Northeast Tasmania Priority Exploration Targets

Approximately twenty-two medium to very-high priority desktop exploration targets within Stellar's Northeast Tasmania EL's have been identified by Stellar's technical team led by Dr Josh Phillips following a comprehensive analysis of the historic exploration data. The majority of these priority targets are orogenic gold and IRGS gold targets, other than the Scamander advanced tin and base metals targets on EL19/2020 and the Mt Paris tin and lithium target on ELA3/2022.

Field reconnaissance is underway over priority targets on Stellar's NE Tasmania EL's which is being used for further analysis and prioritisation of targets prior to re-commencement of high priority field work programs in 2022CY Q4.

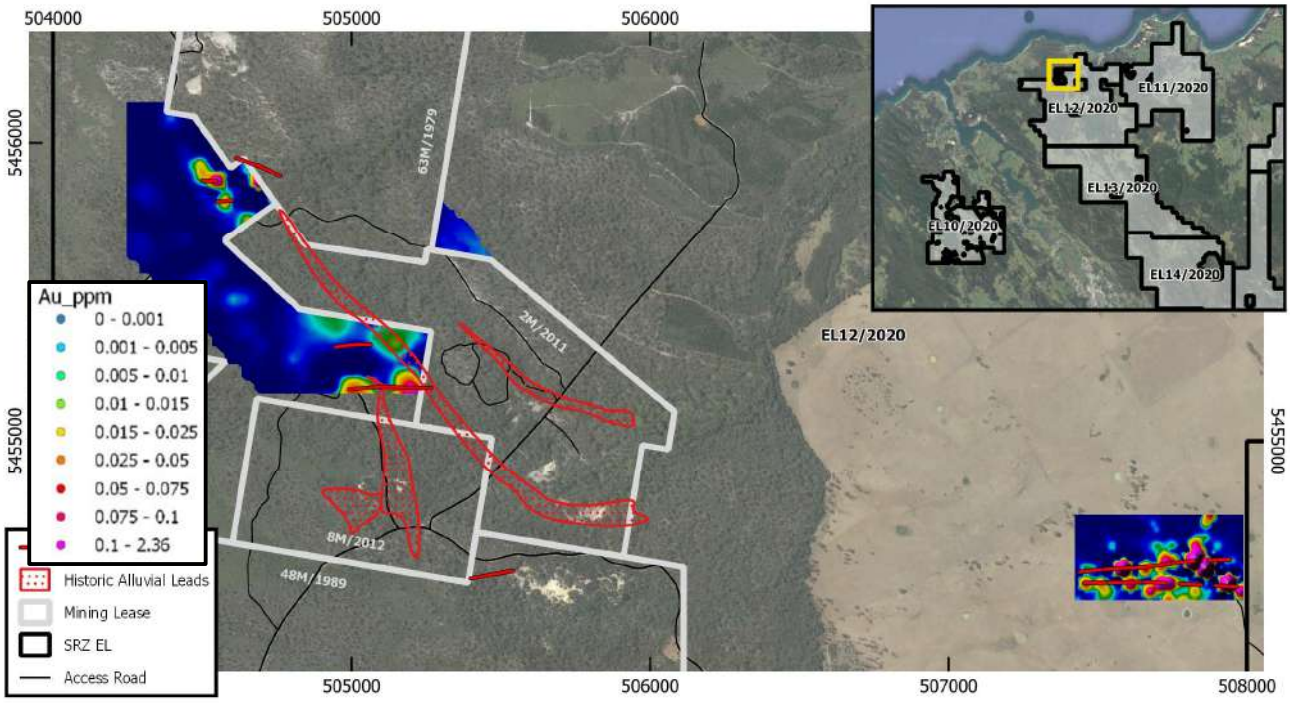



*Priority Exploration Targets and Planned Work Programs within Stellar's Northeast Tasmania EL's*

# Leura and Back Creek Soil Geochemistry Results

Results from Stellar's first major field exploration program in NE Tasmania, a soil sampling program comprising of 276 samples at Leura and 274 samples at Back Creek on EL12/2020 completed during 2022 Q1 were announced in July 2022 including[3]:

- **Leura –** very encouraging anomalous gold soil results ranging from 0.1 to 2.4 g/t Au over 400m – 500m strike length, open in both directions with likely extensions under shallow cover (>5m). These strongly anomalous soil gold results confirm the location of the previously described Leura reefs (veins) and extend their strike lengths. The high-grade gold soil results from Leura, combined with the likely strike extensions make this a very attractive drill target.
- **Back Creek (Lady Emily Reef) –** anomalous gold soil results ranging from 0.02 to 0.16 g/t Au over ~200m strike length over the historic Lady Emily Mine.
- **Back Creek (Nevermind Reefs) –** anomalous gold soil results ranging from 0.02 to 0.23 g/t Au over ~100m strike length over the northern reef and 0.02 to 0.05 g/t Au over ~50m strike length over the southern reef of the historic Nevermind Mine.
- **Hidden Treasure Reef –** anomalous gold soil results over a range of 0.02 to 0.05 g/t Au and a potential strike length of >100m also characterise the approximate location of the Hidden Treasure Reef on EL12/2020, although transported cover has obscured the results over this area.

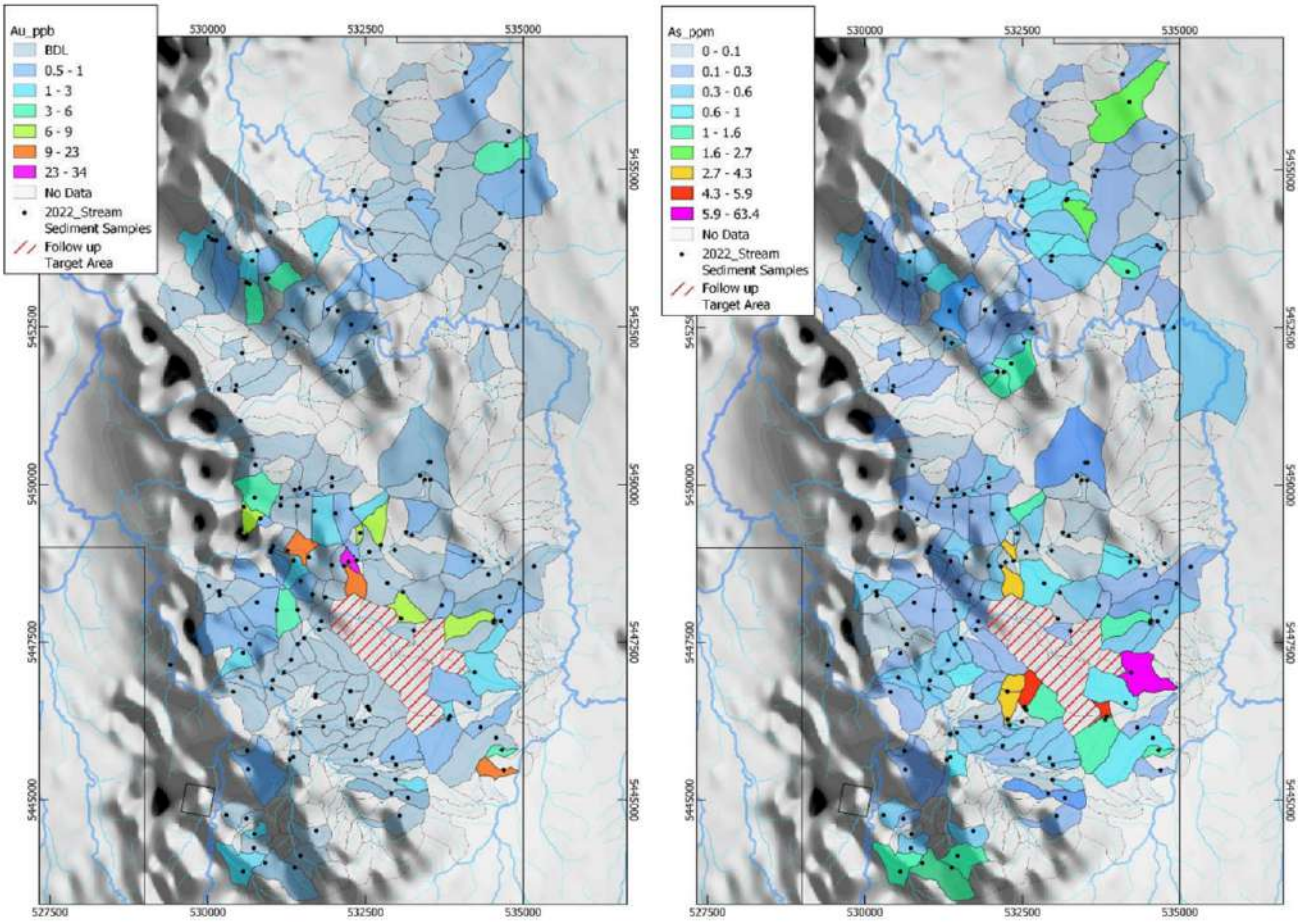



***Historically mapped gold mineralisation of the Back Creek goldfield, with soil sample results [3]***

# Nabowla Stream Sediment Sampling Program

187 stream sediment samples were taken over the Nabowla gold exploration target on EL11/2020, one of twenty-two medium to high priority targets identified on the Company's EL's in Northeast Tasmania.[2]

Results from these preliminary stream sediment samples have returned low level anomalous gold and pathfinder elements over a broad area coinciding with a Northwest trending magnetic lineament[2]. An infill sampling program of ~20 samples is planned to further refine the target area.



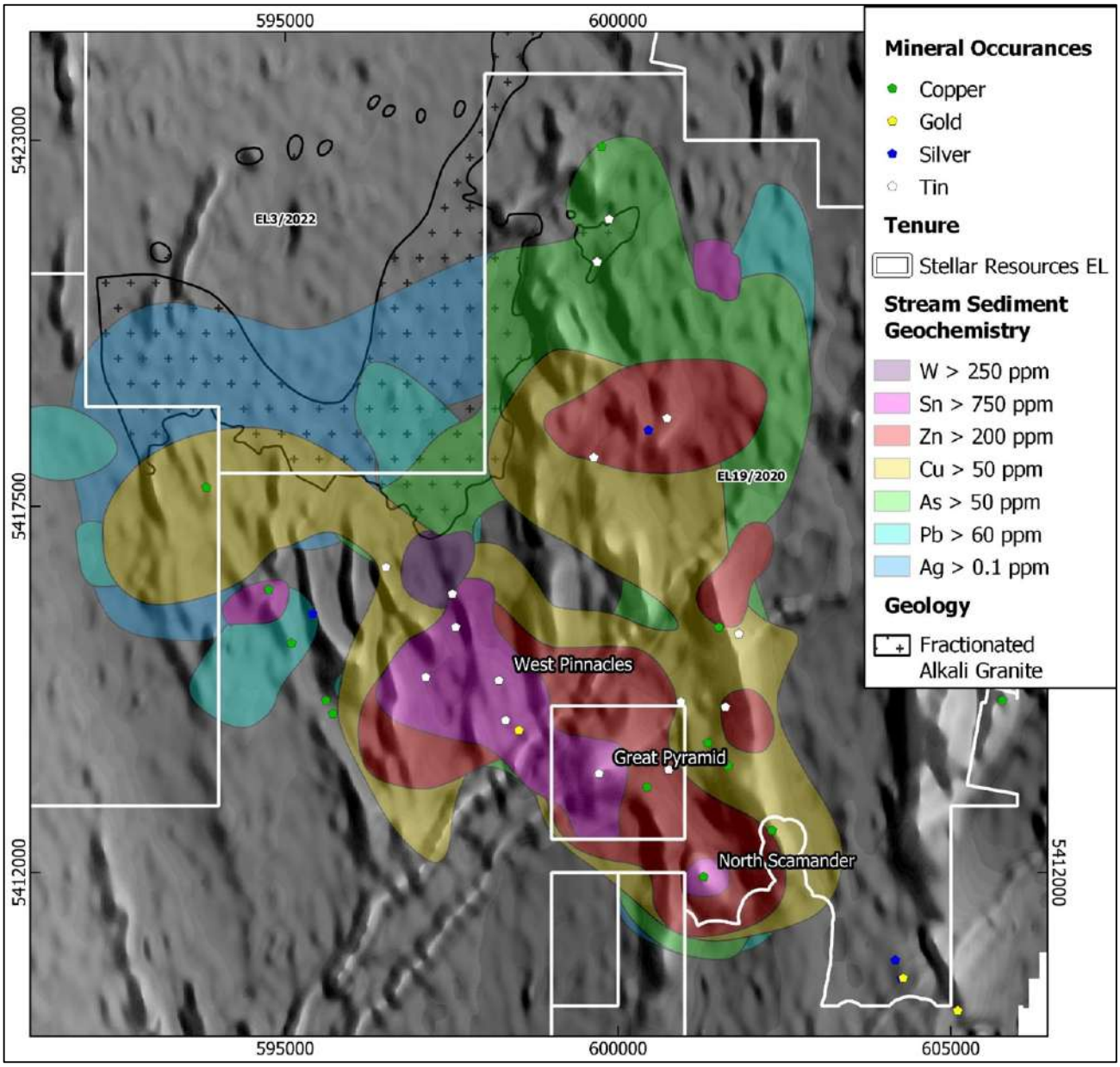

***Nabowla Gold Exploration Target (EL11/2020) – Stream Sediment Sampling Results (A) Gold and (B) Arsenic (points and local catchment areas) overlain on Greyscale Airborne Magnetics with Infill Sampling area highlighted [2]***

# Scamander Tin-Base Metals Exploration Targets (EL19/2020)

The Scamander district contains a large number of metallic mineral occurrences hosted within folded and faulted Ordovician Mathinna Group sedimentary rocks and is underlain by a strongly fractionated alkali granite. The metalliferous nature of the district, well defined metal zonation and location above the inferred alkali granite suggest that known mineralisation in this area is spatially and genetically associated with the emplacement of the fertile granite[9].

Significant historic exploration for tin and base metals has been undertaken on Stellar's Scamander EL EL19/2020 including extensive soil sampling, stream sediment sampling and drilling defining areas of anomalous Sn, Zn, Cu, Ag and Pb mineralisation extending to the NW and SE of the Great Pyramid mine within adjacent RL2/2009 held by Tin One Resources Incorporated. The Great Pyramid Tin Mine operated between 1928 and 1936 with 336 tonnes of ore mined at an average recovered grade of 0.88% Sn, implying an average grade of 1.5% Sn. The remaining Great Pyramid deposit within adjacent RL2/2009 has a JORC resource of 5.2Mt @0.2% Sn at a 0.1% Sn cut-off, with an average drilling depth of 46m, demonstrating the potential in the district[9].

Significant W, Sn, Cu and Zn anomalies are defined by stream sediment geochemistry which define a regional scale NW-SE trending mineralised corridor which includes the Pinnacles and North Scamander tin-base metals projects on EL19/2020, extending to the NW and SE of the Great Pyramid mine[9].




***Scamander District - Regional Magnetics (greyscale), Surface Stream Sediment Geochemistry, Mineral Occurrences, and Outcropping Fractioned Alkali Granite over EL19/2020 (GDA94 Grid)*** [9]

## North Scamander Sn-Base Metals Target (EL19/2020)

The North Scamander tin-base metals project is characterised by an outcropping mineralised gossan, that has generated strong surface stream sediment and soil tin geochemistry anomalies over the prospect and corresponds with a significant aeromagnetic anomaly. Rock chip samples from the prospect return grades of up to 1.07% Sn[9].

Drilling over the North Scamander target completed in 1981 includes 4 shallow percussion and 4 diamond drillholes to approximately 250m depth which intersected intervals of pyrrhotite-cemented hydrothermal breccia associated with intense magnetite alteration of the wall rocks and strongly anomalous Sn, Cu and Zn values. Previous results include[9]:

- NSD2 – 138m @ 0.8% Zn (from 31m), including 1m 0.45% Sn, 6.2% Pb, 7.8% Zn, and 62 g/t Ag
- NSD1 – 13m @ 0.1% Sn, 0.2% Cu, 0.1% Pb, 0.8% Zn and 25 g/t Ag (from 163m)

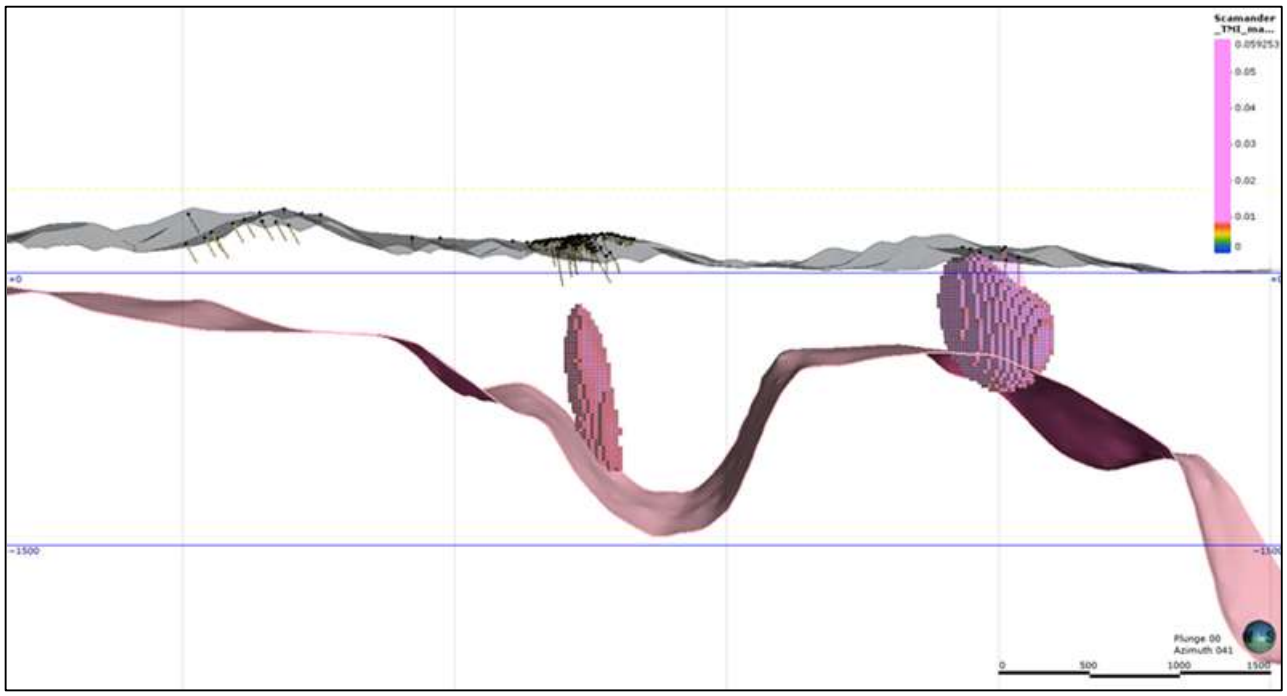
## Pinnacles Sn-Base Metals Target (EL19/2020)

The Pinnacles tin-base metals project is characterised by widespread outcropping sheeted quartz-cassiterite veins which are likely responsible for the strong surface stream sediment and soil tin geochemistry anomalies over the prospect and corresponds with a low intensity aeromagnetic anomaly. Limited rock chip samples are available over the prospect[9].

Historic drilling over the Pinnacles target completed in 1983 includes 12 RC holes to a maximum depth of 120m targeting a large Sn soil anomaly, related to the sheeted quartz-cassiterite veins mapped at surface. Sn grades up to 0.4% over a length of 1.0m were reported in drillhole PPH1, with holes either side also returned anomalous Sn[9].

## Magnetic Inversion Modelling & Drill Targets

Magnetic inversion modelling undertaken by Stellar's geophysical consultant has shown that drilling at North Scamander was not deep enough to intersect the core of the magnetic feature which represents a high potential drilling target. Whilst the Pinnacles prospect is characterised by a more subtle magnetic feature, its strong surface geochemical anomalies, mapped sheeted quartz-cassiterite veins and historic drilling results combine to make the Pinnacles prospect another high potential drilling target. Stellar plans to undertake ground IP surveys to further refine the North Scamander and Pinnacles targets prior to finalising drill hole designs to test these prospects[9].



***Regional cross section looking NE showing modelled position of Constables Creek Granite (pink) with magnetic inversion voxels clipped to 0.00475 x10^-5 Si units and historic drilling (GDA94 Grid)*** [9]

Tasmanian Government co-funded Exploration Drilling Grants totalling $83,750 were awarded to Stellar's wholly owned subsidiary, Tarcoola Iron Pty Ltd in August 2022 to drill North Scamander and Pinnacles targets on EL19/2020 in 2023[9].

# Corporate

On 22 August 2022, Stellar completed a Placement raising $1,888,425 via the issue of 33,333,333 fully paid ordinary shares at an issue price of 1.5 cents per share, a 9.6% discount to the 15-day VWAP.

On 28 September 2022, Stellar completed a Share Purchase Plan (SPP) which was oversubscribed raising $591,500 (before costs) form eligible shareholders at an issue price of 1.5 cents per share.

Investors under the Placement and the SPP are being offered 1 free attaching unlisted option for every 2 new shares subscribed for, exercisable at 2.5 cents on or before an expiry date of two years from the date of issue. The free attaching options are subject to shareholder approval at an AGM in November 2022.

Payments to related parties of the entity and their associates during the quarter were $126k in the September Quarter compromising Director and consulting fees as outlined in the Appendix 5B.

The Company's major cashflow movements for the quarter included:

- Exploration & Evaluation expenditure - $642k; and
- Employee, administration and corporate costs - $224k.

# Tenements

| Description | Tenement Number | Interest Owned (%) | Interest acquired /disposed during the quarter (%) |
|---|---|---|---|
| **Mining Lease - Zeehan, Tasmania** | ML 2023P/M | 100 | - |
| **Mining Lease - Tailing Dam, Zeehan, Tasmania** | ML 2M/2014 | 100 | - |
| **Mining Lease – Pipeline Route, Zeehan, Tasmania** | ML 2040P/M | 100 | - |
| **Retention Licence - Zeehan, Tasmania** | RL 5/1997 | 100 | - |
| **Mining Lease - St Dizier, Zeehan, Tasmania** | ML 10M/2017 | 100 | - |
| **Exploration Licence - Mt Razorback, Zeehan, Tasmania** | EL 11/2017 | 100 | - |
| **Exploration Licence - Montana Flats, Zeehan, Tasmania** | EL 13/2018 | 100 | - |
| **Exploration Licence – Beaconsfield South, NE Tasmania** | EL10/2020 | 100 | - |
| **Exploration Licence – Bridport Rd, NE Tasmania** | EL11/2020 | 100 | - |
| **Exploration Licence - Pipers River, NE Tasmania** | EL12/2020 | 100 | - |
| **Exploration Licence - Lilydale, NE Tasmania** | EL13/2020 | 100 | - |
| **Exploration Licence - Nunamara, NE Tasmania** | EL14/2020 | 100 | - |
| **Exploration Licence - Scottsdale, NE Tasmania** | EL15/2020 | 100 | - |
| **Exploration Licence - Camden Rd, NE Tasmania** | EL16/2020 | 100 | - |
| **Exploration Licence - Mt Saddleback, NE Tasmania** | EL17/2020 | 100 | - |
| **Exploration Licence - Peppermint Hill, NE Tasmania** | EL18/2020 | 100 | - |
| **Exploration Licence - Scamander, NE Tasmania** | EL19/2020 | 100 | - |
| **Exploration Licence - Scamander South & Pyengana, NE Tasmania** | EL2/2021 | 100 | - |
| **Exploration Licence – Quakers Ranges, NE Tasmania** | EL3/2021 | 100 | - |

In August 2022, the Company submitted applications for partial area surrender of non-prospective areas within 6 of its NE Tasmania Exploration licences to reduce holding costs. Much of the surrendered area is covered by Tertiary basalt flows prohibiting use of surface exploration methods such as soil and stream sediment sampling and also obscuring magnetic response as the basalts are magnetic. The partial surrender areas are shown in the table below.

| EL | Original EL Area (SqKm) | Surrender Application Area (SqKm) | Remaining Area After Surrender (Sqkm) | % of Original Area |
|---|---|---|---|---|
| **12_2020** | 246 | 52 | 195 | 21 |
| **13_2020** | 242 | 134 | 110 | 55 |
| **14_2020** | 247 | 191 | 57 | 77 |
| **15_2020** | 244 | 17 | 227 | 7 |
| **17_2020** | 241 | 16 | 225 | 7 |
| **18_2020** | 195 | 21 | 174 | 11 |

An application to consolidate the remaining areas of EL13/2020 and EL14/2020 into one EL has also been submitted.

# Footnotes / Live Links

[1] SRZ Announcement 3 August 2022, "More Outstanding Tin Intersections from Severn Infill Holes"

[2] SRZ Announcement 10 October 2022, "Heemskirk Tin Phase 2B Drilling Commencement"

[3] SRZ Announcement 14 July 2022, High Grade Gold Soil Anomalies at Leura & Back Creek

[4] https://www.westmetall.com/

[5] SRZ Announcement 16 May 2019, "Updated Heemskirk Resource Increases Indicated Category and Confidence in the Project"

[6] SRZ Announcement 12 March 2014 "New Open Pittable Resource at St Dizier"

[7] SRZ Announcement 1 October 2019, "Heemskirk Tin Scoping Study Confirms Attractive Economics"

[8] SRZ Announcement 18 August 2022, "Investor Presentation – Australia's Next Tin Producer"

[9] SRZ Announcement 3 August 2022 "Stellar Awarded 3 Tasmanian Government Grants for South Severn and Scamander Exploration Drilling

# 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.**

## For further details please contact:

Gary Fietz

Executive Director

Stellar Resources Limited

T: 0408 489 957

E: gary@widerange.net.au

**For broker and media enquiries:**

Zander Beacham

White Noise Communications

T: 0433 515 723

E: zander@whitenoisecomms.com

# Appendix 5B

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

| Name of entity | |
|---|---|
| STELLAR RESOURCES LIMITED | |
| **ABN** | **Quarter ended ("current quarter")** |
| 96 108 758 961 | 30 September 2022 |

| | **Consolidated statement of cash flows** | **Current quarter $A'000** | **Year to date (3 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (1) | (1) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (60) | (60) |
| | (e) administration and corporate costs | (164) | (164) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 4 | 4 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(221)** | **(221)** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (641) | (641) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows 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** | **(641)** | **(641)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 2,480 | 2,480 |
| 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 | (126) | (126) |
| 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) | (5) | (5) |
| **3.10** | **Net cash from / (used in) financing activities** | **2,349** | **2,349** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 2,469 | 2,469 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (221) | (221) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (641) | (641) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 2,349 | 2,349 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (3 months) $A'000** |
|---|---|---|---|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **3,956** | **3,956** |

| **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 | 3,156 | 1,669 |
| 5.2 | Call deposits | 800 | 800 |
| 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)** | **3,956** | **2,469** |

| **6.** | **Payments to related parties of the entity and their associates** | **Current quarter $A'000** |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 111 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 15 |

*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.*

| **7.** | **Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.* | **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) | (221) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (641) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (862) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 3,956 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 3,956 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 4.6 |

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

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

8.8.1 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

8.8.2 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

8.8.3 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

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## 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: 27 October 2022

Authorised by: The Board.

**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.