

# Report for the Quarter ended 31 December 2022

## Highlights:

### Heemskirk Tin Project

- Updated Mineral Resource Estimate (MRE) for the flagship Heemskirk Tin Project completed during the quarter with a Total Updated MRE of 7.6Mt @ 1.1% Sn (81,976t contained Sn) representing<sup>2</sup>:
  - A 16% increase in contained tin in the Heemskirk Tin Project Total MRE.
  - A 29% increase in contained tin in the Severn Total MRE of 4.9Mt @ 1.0% Sn (46,764t contained Sn). Severn is the largest of the four deposits comprising the Heemskirk Tin Project.
  - A 24% increase in the Heemskirk Tin Project Indicated MRE component to 2.6Mt @ 1.1% Sn (29,798t contained Sn).
  - Addition of the St Dizier Open Pit Indicated MRE (2.3Mt @ 0.6% Sn), extends the Heemskirk Tin Project Indicated MRE to 4.9Mt @ 0.9% Sn (43,580t contained Sn) and the Total MRE to 9.9Mt @ 1.0% Sn (95,768t contained Sn).
- Severn Phase 2B drilling program (8 holes for ~3,860m) progressing well with three holes completed and the fourth hole underway (total 1,804m completed to 20 January 2023):
  - Holes ZS155 (595m total depth) and ZS156 (556m total depth) completed during the quarter intersected sulphide veining (pyrrhotite and pyrite) + cassiterite near the expected target positions with the presence of tin confirmed by handheld XRF readings. Assay results are pending<sup>1</sup>.
  - Hole ZS157 completed mid-January (563m total depth). Core processing, logging and sampling recently commenced.
  - Hole ZS158 commenced 17 January (93m depth to 20 January 2023 vs 450m planned depth).
- Assay results received during the quarter from the final Phase 2A drillhole ZS152 (1,195m total depth) testing a large magnetic and conductive target include<sup>1</sup>:
  - Continuity of the Severn tin deposit mineralisation approximately 100m south of the Severn Mineral Resource demonstrated by the following significant intercepts:
    - 3.4m @ 0.43% Sn and 0.11% Cu from 331.4m.
    - 6.4m @ 0.03% Sn from 355.0m.
    - 2.3m @ 0.04% Sn from 388.7m.
  - Projected depth extension of the Queen Hill tin deposit mineralisation approximately 300m down plunge and 150m south of the Queen Hill Mineral Resource demonstrated by the following significant intercept:
    - 3.0m @ 0.33% Sn and 0.21% Cu from 760.0m

### Concert Creek – Carbine Hill VMS Exploration Targets

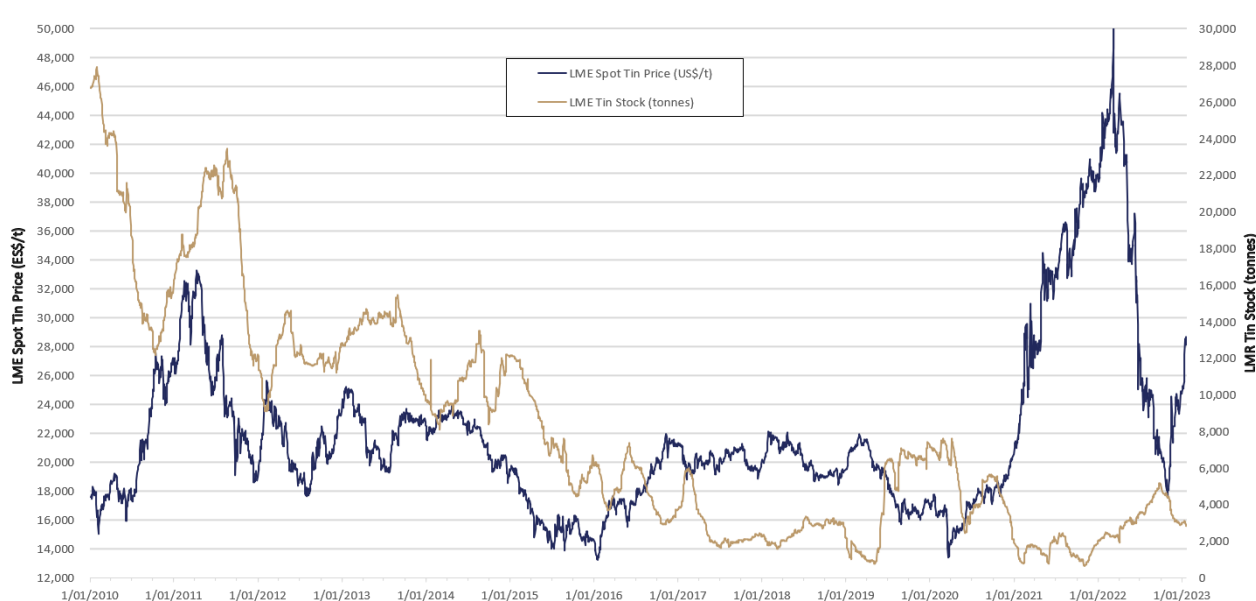
- Stellar awarded EL29/2022 over the Concert Creek – Carbine Hill area located approximately 10km east of Zeehan, Tasmania, considered highly prospective for volcanogenic massive sulphide (VMS) style Pb-Zn-Cu-Ag-Au deposits after winning a competitive application process.<sup>3</sup>

## Northeast Tasmania Exploration Project

- Exploration Licence EL3/2022 was granted during the quarter over a combined area of 97 km<sup>2</sup> in the Mt Paris and Scamander North areas of Northeast Tasmania which are prospective for Lithium and Tin.<sup>4</sup>
- Initial work program commenced in December within the EL3/2022 Mt Paris block focused on identifying lithium and tin targets via mapping, rock chip and stream sediment sampling, in particular searching for pegmatites which may occur near the Mt Paris Granite Margins.

## Tin Market

- **Tin prices have risen by 58% from 1 November 2022 (US\$18,125/t) to 19 Jan 2023 (US\$28,650/t)** on news of China reopening (China is the world's largest smelter of tin) with the short-term impact of China's surging COVID wave still likely to be adversely impacting demand for tin concentrate imports.
- The recent suspension of supply from Minsur tin mine and concentrator operations due to violent protests in Peru has also tightened tin supply.
- LME tin stocks have declined over the quarter to 2,825t tin on 19 January 2023, approaching decade low levels (~1,000t) experienced during the 2021 tin boom.
- 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.
- Heemskirk Tin is well positioned to meet the need for new sustainable tin supply from Tier-One OECD countries.



*LME Spot Tin Price and Stocks 01/1/2010 to 19/01/2023 (Source: westmetal.com)*

## Corporate

- Received shareholder approval to issue free attaching options under the August 2022 Placement<sup>5</sup>
- Cash balance at 31 December 2022 of \$3.1 million.

# Heemskirk Tin Project

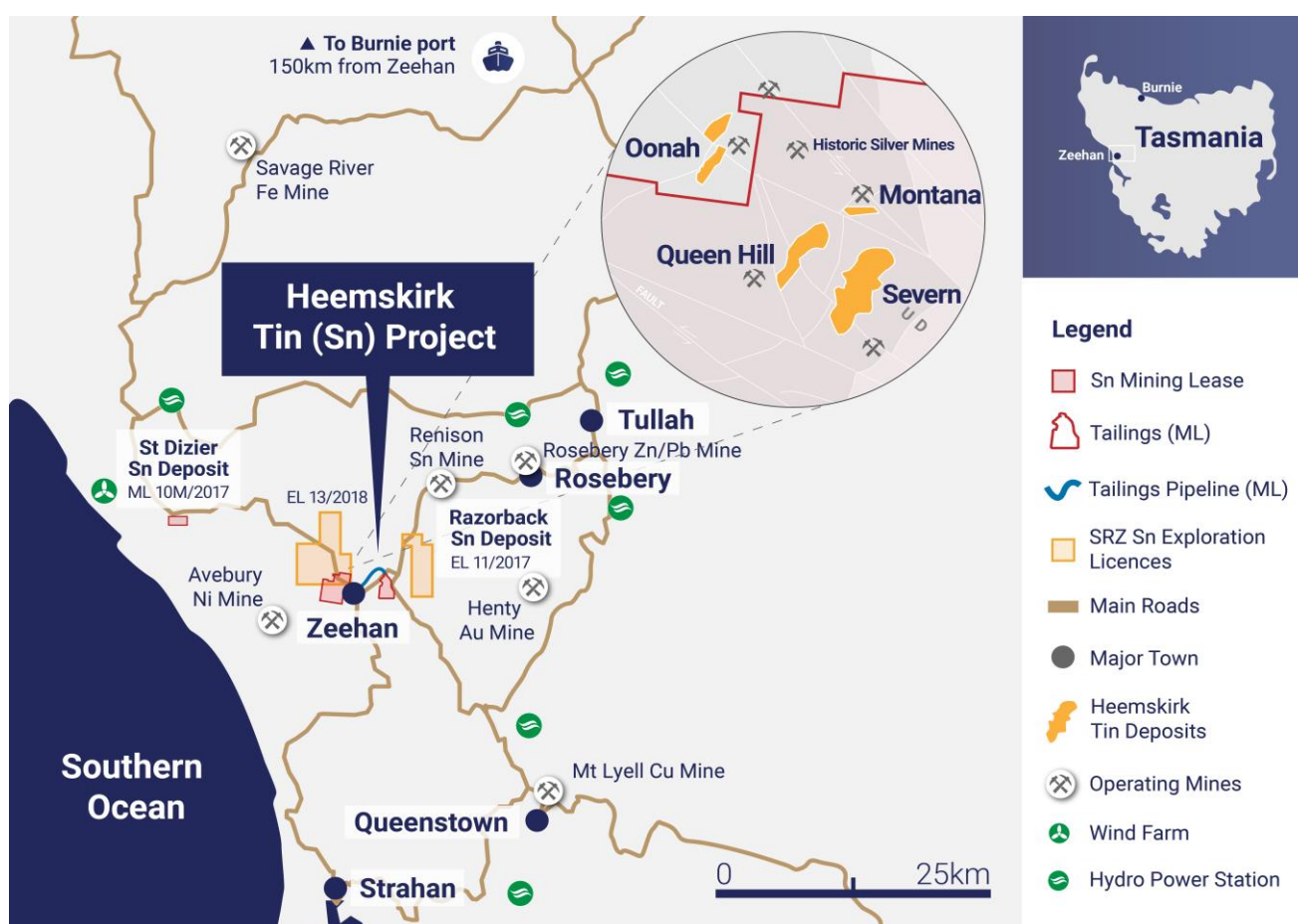
## Overview of Stellar's Tin Project on West Coast of Tasmania

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.



## Updated Mineral Resource Estimate

An updated Heemskirk Tin Project Total Mineral Resource Estimate (MRE) was completed during the quarter totalling **7.6Mt @ 1.1% Sn (81,976t contained Sn)** at a cut-off grade of 0.6% Sn was defined in accordance with the JORC Code 2012 by Independent Technical Consultant, Ross Corben from Geowiz Pty. Ltd., as shown in Table 1<sup>2</sup>.

*Table 1: Heemskirk Tin Project Mineral Resource Statement 2022<sup>2</sup>*

Classification	Deposit	Resource Date	Tonnes (Mt)	Sn (%)	Contained Sn (t)	Cassiterite % of Total Sn (%)	Cu (%)	Pb (%)	Zn (%)
Indicated	Upper Queen Hill	2019	0.3	1.0	3,254	87	0.2	2.1	1.0
	Lower Queen Hill	2019	0.7	1.4	9,299	97	0.0	0.1	0.1
	<b>Severn</b>	<b>2022</b>	<b>1.7</b>	<b>1.0</b>	<b>17,235</b>	<b>98</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Sub Total</b>	<b>Indicated</b>		<b>2.6</b>	<b>1.1</b>	<b>29,788</b>	<b>97</b>	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>
Inferred	Upper Queen Hill	2019	0.1	1.6	1,728	94	0.2	1.9	0.7
	Lower Queen Hill	2019	0.4	1.4	5,106	97	0.0	0.2	0.0
	<b>Severn</b>	<b>2022</b>	<b>3.2</b>	<b>0.9</b>	<b>29,528</b>	<b>98</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>
	Montana	2019	0.7	1.5	10,443	96	0.1	0.7	1.4
	Oonah	2019	0.6	0.9	5,382	36	0.8	0.1	0.1
<b>Sub Total</b>	<b>Inferred</b>		<b>5.0</b>	<b>1.0</b>	<b>52,188</b>	<b>91</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>
<b>Sub Total</b>	<b>Queen Hill</b>		<b>1.4</b>	<b>1.3</b>	<b>19,387</b>	<b>95</b>	<b>0.1</b>	<b>0.7</b>	<b>0.3</b>
<b>Sub Total</b>	<b>Severn</b>		<b>4.9</b>	<b>1.0</b>	<b>46,764</b>	<b>98</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>Heemskirk Tin Project</b>		<b>7.6</b>	<b>1.1</b>	<b>81,976</b>	<b>93</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>

In addition, the satellite St Dizier Tin deposit has a Total Mineral Resource Estimate 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<sup>2</sup>.

*St Dizier Mineral Resource Statement (JORC 2012), March 2014<sup>2</sup>*

Classification	Tonnes (mt)	Sn (%)	Contained Sn (t)	Cassiterite % of Total Sn (%)	WO <sub>3</sub> (%)	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
<b>Total Mineral Resource</b>	<b>2.26</b>	<b>0.61</b>	<b>13,786</b>	<b>75</b>	<b>0.04</b>	<b>23.00</b>	<b>2.25</b>

## Comparison with the Previous 2019 Resource Statement

The updated Severn Total MRE of 4.9Mt @ 1.0% Sn (46,764t contained Sn), is a 29% increase in contained tin compared with the 2019 estimate (3.9Mt @ 0.9% Sn)<sup>2</sup>.

The updated Severn Inferred MRE extends approximately 100m deeper than the 2019 MRE because of intercepts from Phase 1 drillholes ZS143 and ZS143W which significantly extend the Severn Mineral Resource down dip<sup>2</sup>.

The updated Heemskirk Tin Project Total MRE of 7.6Mt @ 1.1% Sn (81,976t contained Sn), is a 16% increase in contained tin compared with the 2019 MRE (6.6Mt @ 1.1% Sn)<sup>2</sup>.

The updated Heemskirk Tin Project Indicated MRE of 2.6Mt @ 1.1% Sn (29,798t contained Sn) is 24% higher than the 2019 Indicated MRE (2.1Mt @ 1.1% Sn)<sup>2</sup>.

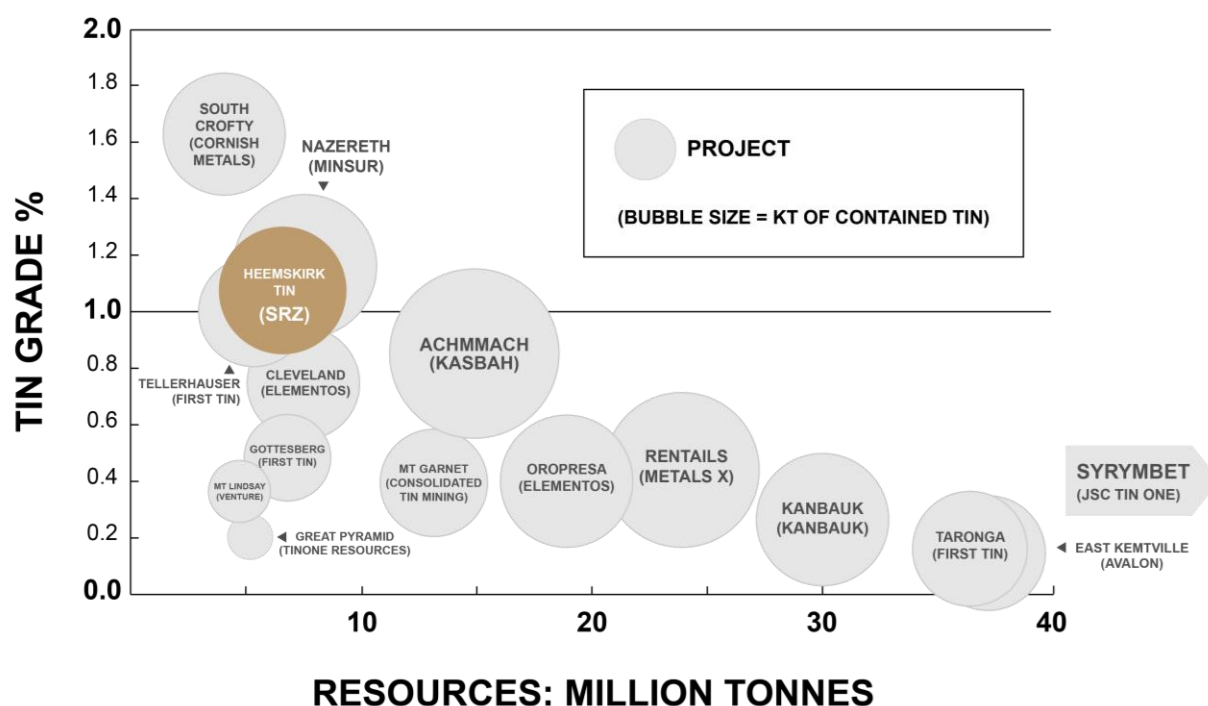
Addition of the St Dizier Open Pit Indicated MRE (2.3Mt @ 0.6% Sn), increases the Heemskirk Tin Project Indicated MRE to 4.9Mt @ 0.9% Sn (43,580t contained Sn) and the Total MRE to 9.9Mt @ 1.0% Sn (95,768t contained Sn). Open pit mining of 0.4Mt of the St Dizier Indicated Mineral Resource was included in the 2019 Scoping Study Mining Schedule for the Heemskirk Tin Project<sup>2</sup>.

## Exploration Upside

Phase 1 drillhole ZS140 demonstrates the potential for the Severn Inferred MRE to extend significantly down dip with the ZS140 intercept located approximately 100m below the bottom of the updated Severn Inferred MRE. Mineralisation in all of the Heemskirk Tin project deposits remains open down dip and down plunge<sup>2</sup>.

## Heemskirk Tin Benchmarking – World Tin Resources

Heemskirk is the highest-grade undeveloped tin resource in Australia and the third highest grade tin resource globally. The increase in contained tin in the 2022 updated Mineral Resource also places the Heemskirk Tin Project in the five largest tin projects globally, on a contained tin basis<sup>2</sup>.



## Heemskirk Tin Project Scoping Study

In October 2019, Stellar announced the results of its Heemskirk Tin Project Scoping Study<sup>7</sup> 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<sup>7</sup>.

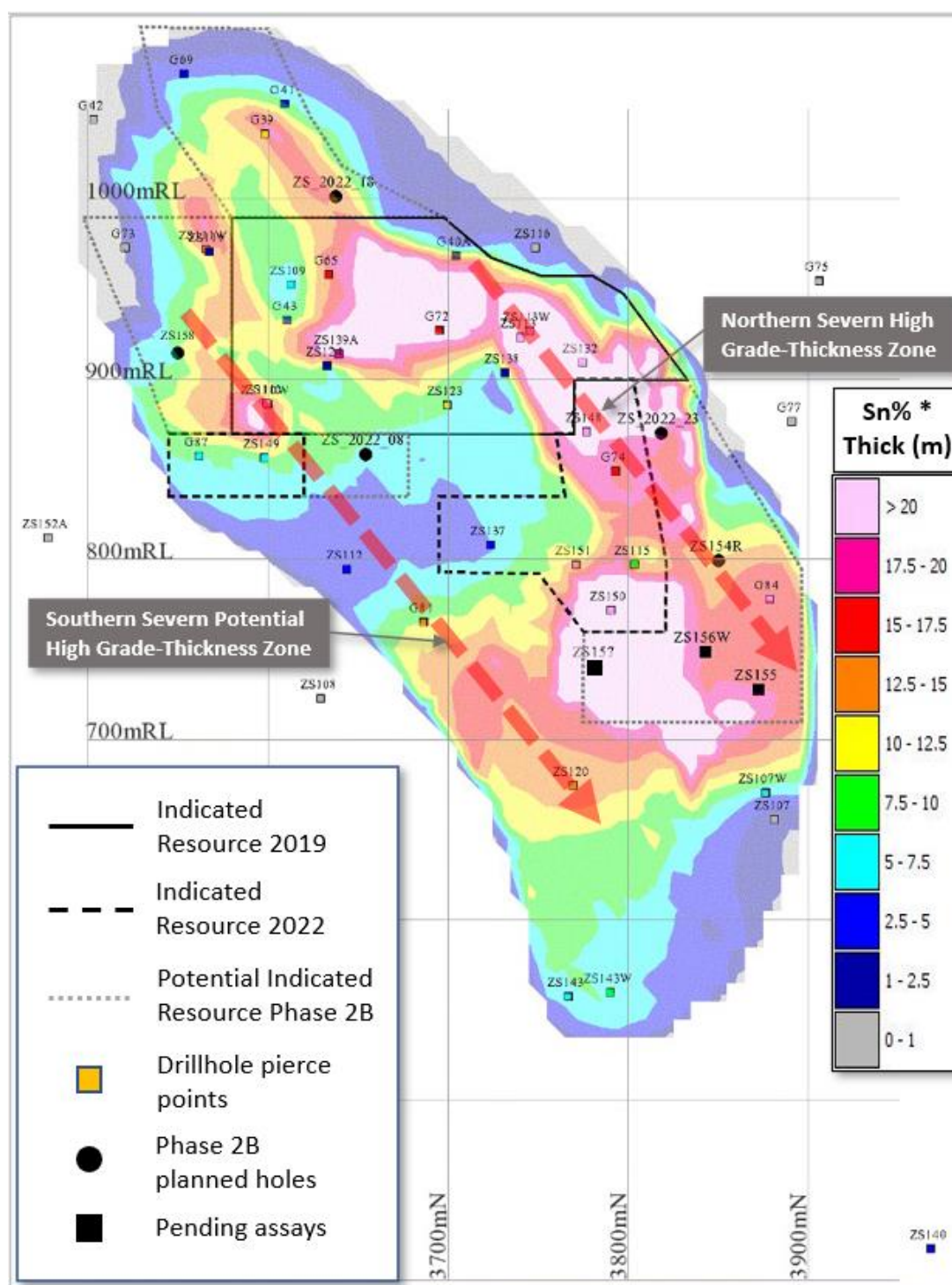
The processing plant is expected to produce ~4,500tpa of concentrate containing ~2,200tpa of tin. Concentrate produced will be trucked 150km to the north via sealed road to the Port of Burnie for export to smelters in Asia<sup>7</sup>.

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



## Phase 2B Drilling Program

On 29 September 2022, Stellar commenced its Phase 2B infill drilling program of eight inclined diamond holes for ~3,860m at Severn, the largest of the Heemskirk Tin Project deposits. A long section of the Severn deposit showing existing and planned Phase 2B holes is shown in the figure below.



*Severn Long Section looking west showing Severn Mineral Resource (main lens) and drillhole pierce points coloured by Sn% \* thickness. Indicated Mineral Resource additions highlighted in dashed areas (Zeehan Mine Grid)*

The Phase 2B drilling program is focused on the following wide, high-grade areas of the Severn deposit to further increase the Indicated Mineral Resource including:

- A Northern Severn high grade-thickness zone (6 holes)
- A potential Southern Severn high grade-thickness zone (2 holes).

The Phase 2B drilling program is progressing well with three holes completed and the fourth hole underway (total 1,804m completed to 20 January 2023):

- **Holes ZS155 (595m total depth) and ZS156 (556m total depth) completed during the quarter intersecting sulphide veining (pyrrhotite and pyrite) + cassiterite near the expected positions with the presence of tin confirmed by handheld XRF readings.** Assay results are pending<sup>1</sup>.
- **Hole ZS157 completed mid-January (563m total depth).** Core processing, logging and sampling recently commenced.
- **Hole ZS158 commenced 17 January (93m depth to 20 January 2023 vs 450m planned depth).**

## Drill Hole ZS152 Results

Assay results received from drillhole ZS152 (1,195m total depth) testing magnetic and conductive targets approximately 100m south of the Severn Mineral Resource are shown in the table below.

*ZS152 - Summary of Key Significant Intercepts*

Deposit	Ore Zone	From (m)	To (m)	Length (m)	Sn (%)	Cu (%)
Severn	203	331.4	334.8	3.4	0.43	0.11
Severn	202	355.0	361.4	6.4	0.03	0.00
Severn	201	388.7	391.0	2.3	0.04	0.01
-		653.4	655.4	2.0	0.69	0.02
Queen Hill	306	760.0	763.0	3.0	0.33	0.21

*Note: Hole ZS152 was drilled at approximately right angles to the dip of the deposit, therefore the (apparent) downhole interval lengths shown in the table are close to the true thicknesses.*

### Severn Deposit Intercepts

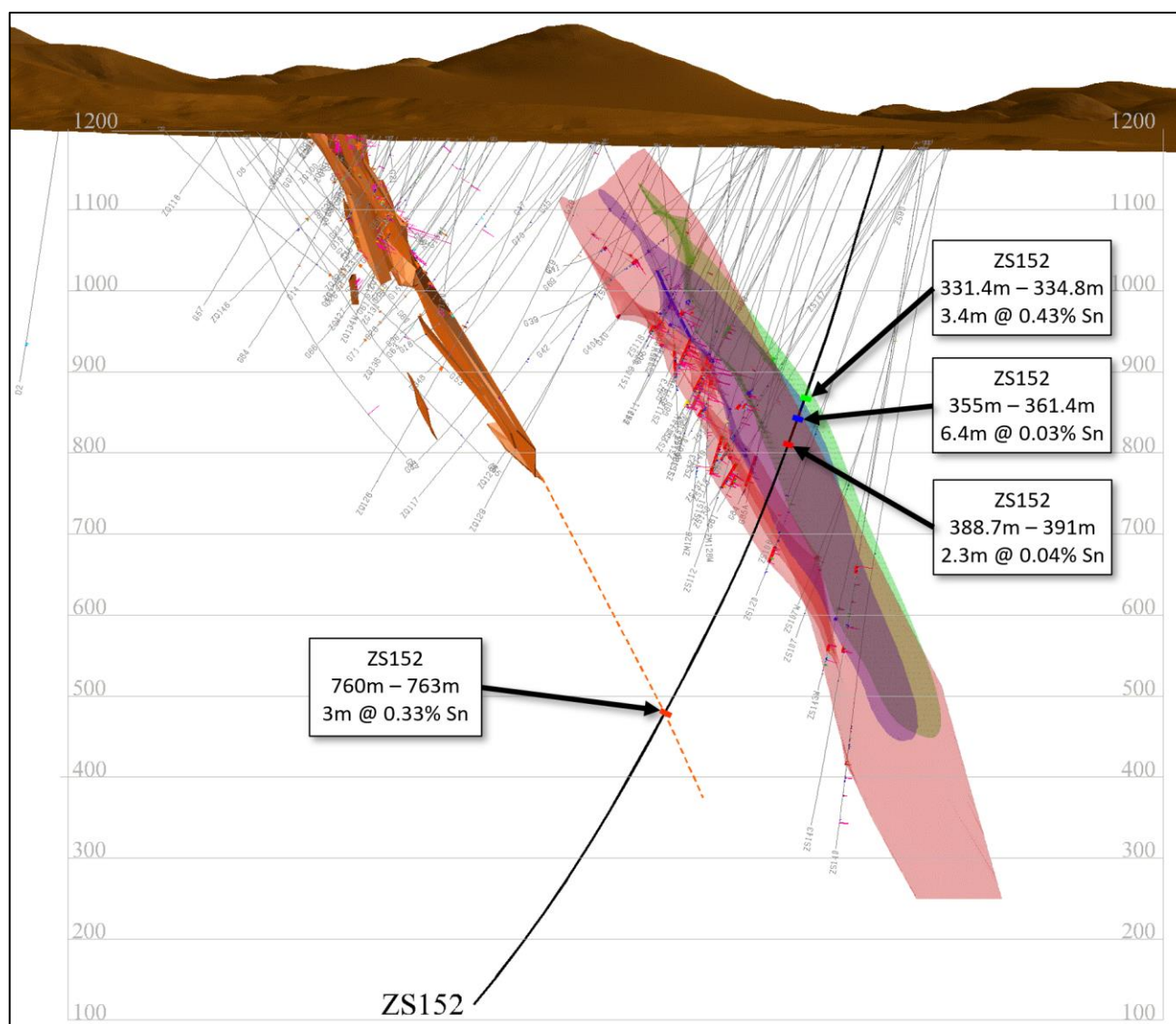
Hole ZS152 intersected tin mineralisation approximately 100m south of the current Severn Mineral Resource as shown in the Figure below demonstrating the potential to extend Severn beyond the main deposit.

### Queen Hill Deposit Intercept

Hole ZS152 also intersected the projected depth extension of the Queen Hill tin deposit approximately 300m down plunge and 150m south of the Queen Hill Mineral Resource as shown in the figure below.

The intercept (interpreted as the main Queen Hill ore lens – zone 306) of 3.0m @ 0.33% Sn and 0.21% Cu from 760.0m lies within a broader 24.7m intersection of sulphide mineralisation +/- minor Sn, Cu, Pb, Zn mineralisation from 738.3m.

Further drilling down-plunge of the Queen Hill deposit is recommended to explore for potential high-grade extensions at depth.



*Oblique Cross Section of Queen Hill and Severn Deposits (345° Zeehan Mine Grid) showing; (a) ZS152 intersection of Severn deposit, and (b) ZS152 intersection of Queen Hill deposit approximately 300m down dip of the Mineral Resource (Zeehan Mine Grid)*

## Magnetic and Conductive Targets

Over 125m cumulative length of finely disseminated pyrrhotite +/- minor chalcopyrite (Cu) with moderate magnetic susceptibility (typically 5 to 15 SI units) was intersected between 944m and 1,177m in Hole ZS152 and largely explains the source of the magnetic anomaly defined to the south of the Severn deposit.

Drill core from 944m to the end of the hole is yet to be assayed, however handheld XRF readings recorded anomalous Cu and low Sn values though this zone warranting further investigation for the potential to host new zones of higher-grade mineralisation within structures / fluid pathways.

Over 350m cumulative length of black shale intersected between 736m and 1,119m may explain the conductor target source identified off historic hole ZS92 south of the Severn deposit.



## Advancement of Heemskirk Tin Project Development

The Phase 2B infill drilling program (8 holes for ~3,860m) underway at Severn is focused on further increasing the Heemskirk Tin Project Indicated Mineral Resource, targeting high grade-thickness mineralisation areas of the deposit.

A further Mineral Resource update will be undertaken at the completion of the Phase 2B drilling program in mid-2023.

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.

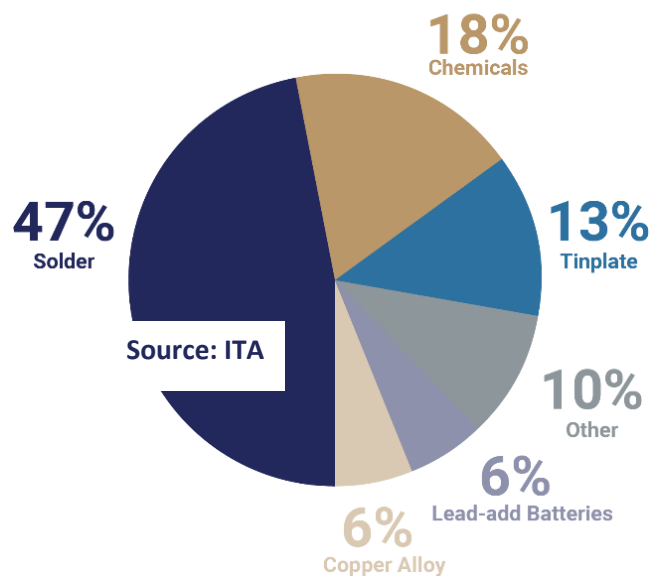
## Tin Market Outlook

### Tin Demand

Tin demand has been growing strongly because of:

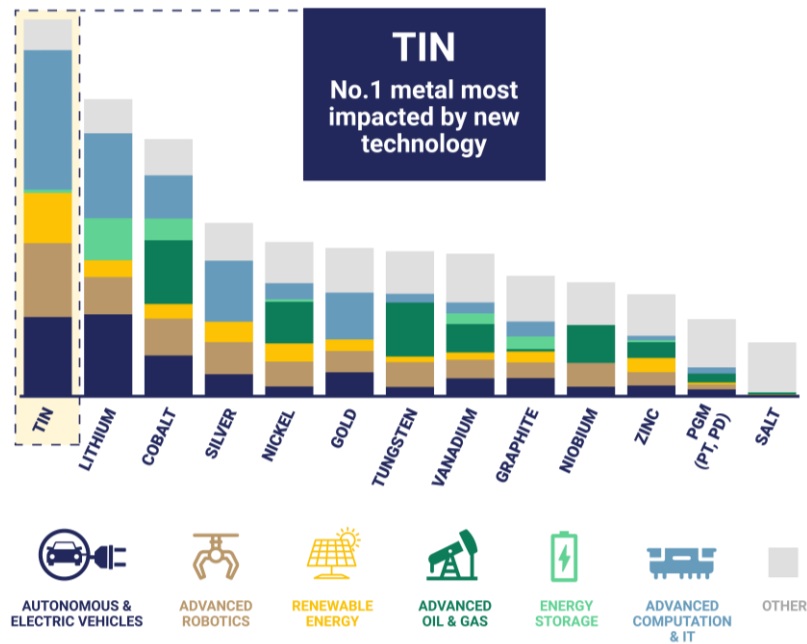
- ‘Electrification’ driven by de-carbonising along with Covid and the rise of remote working has boosted global demand for electronics.
- Approximately 50% of all tin is used as solder in electronics. Solder is the ‘glue’ that connects everything electronic together.
- Growing demand for use of tin in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

### Global Tin Use by Applications



### 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

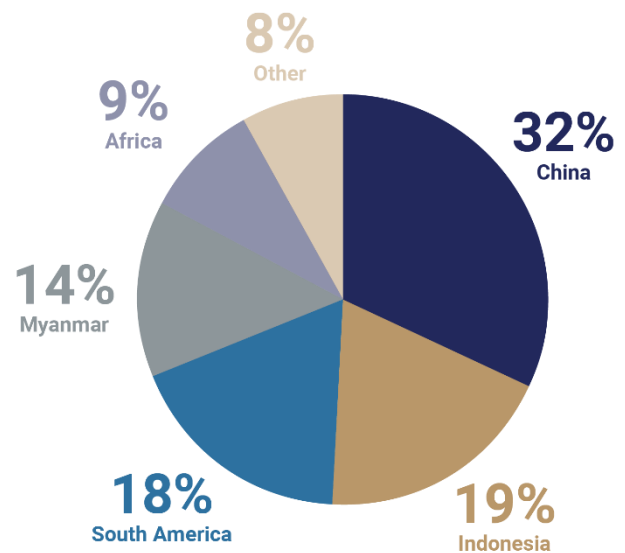
Our clean, new technology future is being driven by robotics, advanced computing, EV's, energy storage and renewables – these all require more electronics and semiconductors which all need more tin.

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:

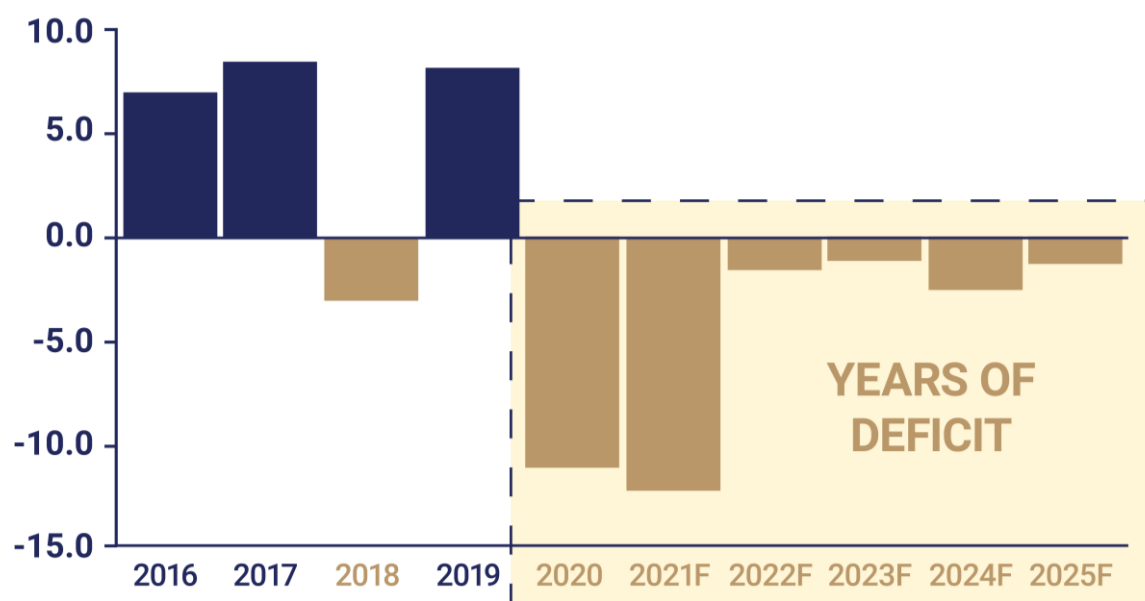
- Many existing tin mines globally now have lower grade and diminishing resources.
- Myanmar (world's 3rd largest producer) production continuing to fall throughout 2021 due to the military coup and largely unreliable artisanal and small-scale mining.
- Limited exploration or investment in new tin projects 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.
- LME tin stocks have declined over the quarter to 2,825t tin on 19 January 2023, approaching decade low levels (~1,000t) experienced during the 2021 tin boom.
- Tin prices have risen by 58% from 1 November 2022 (US\$18,125/t) to 19 Jan 2023 (US\$28,650/t) on news of China reopening (China is the world's largest smelter of tin) with the short-term impact of China's surging COVID wave still likely to be adversely impacting demand for tin concentrate imports. The recent suspension of supply from Minsur tin mine and concentrator operations due to violent protests in Peru has also tightened tin supply.
- 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

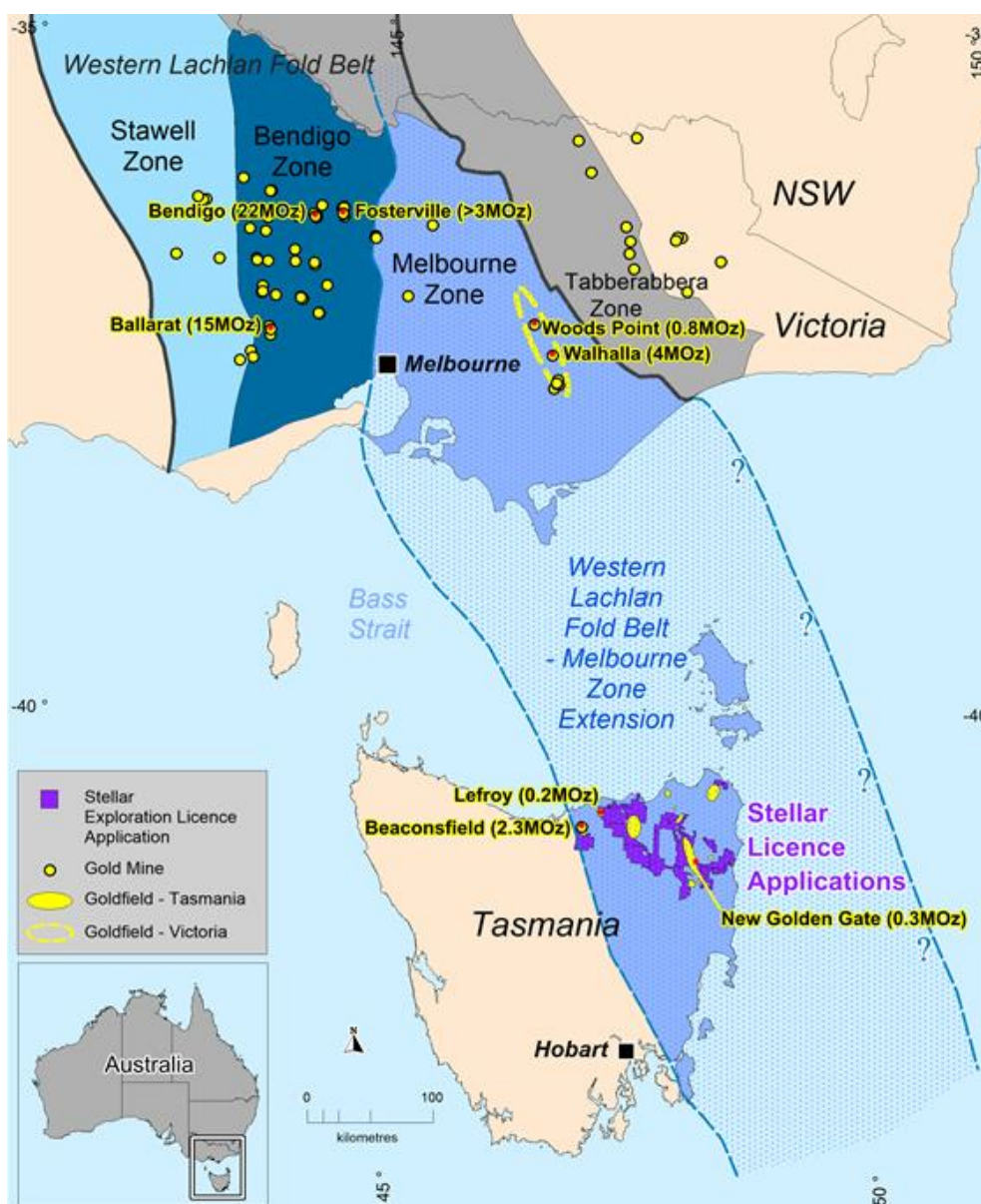
### NE Tas – A Continuation of Victorian Western Lachlan Fold Belt

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.



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

## Stellar NE Tasmania Exploration Licences

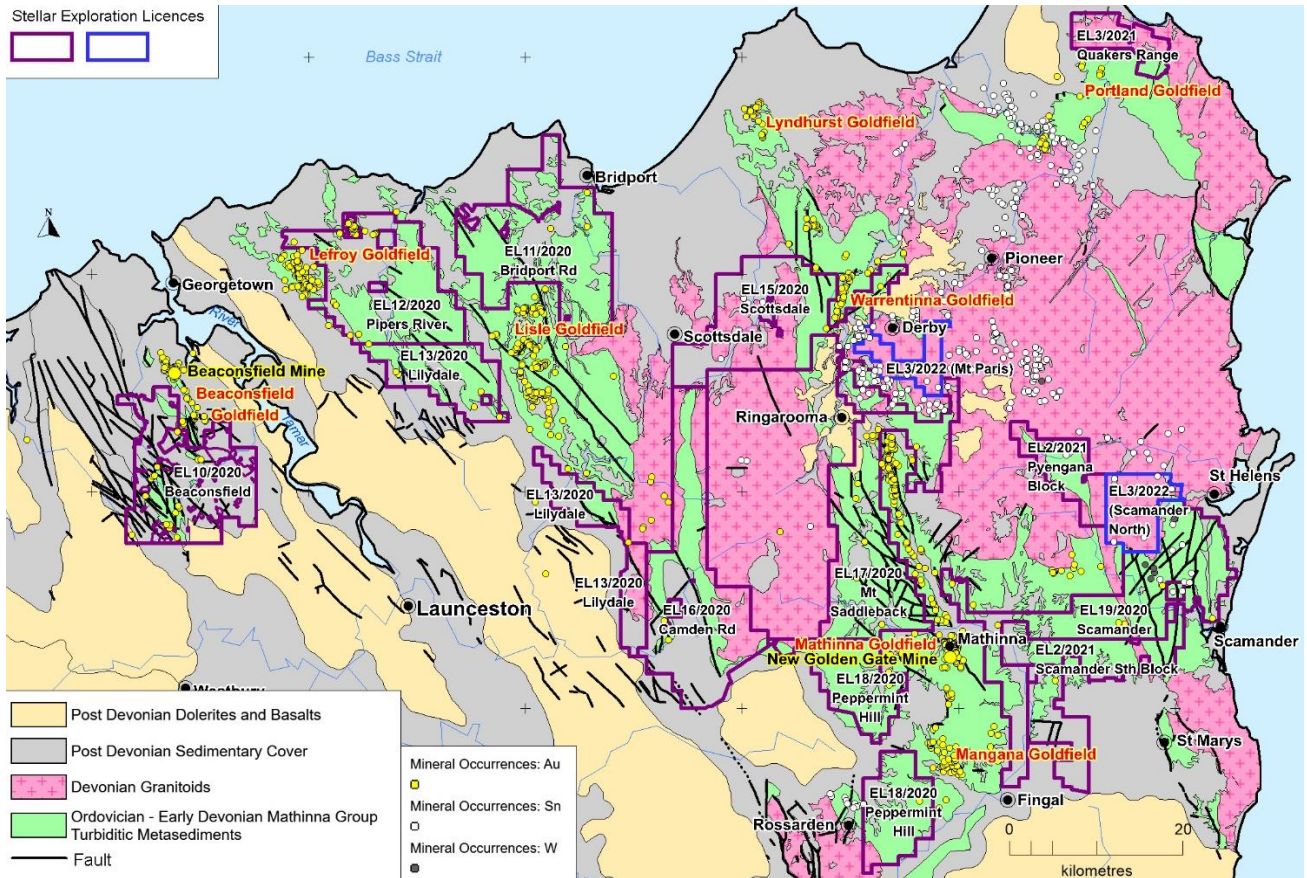
Stellar holds twelve Exploration Licences covering a combined area of 2,212 km<sup>2</sup> in NE Tasmania which is prospective for gold, tin and lithium as shown in the figure below.

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 ~83 tin and base metals occurrences over Stellar's Exploration Licences in NE Tasmania.





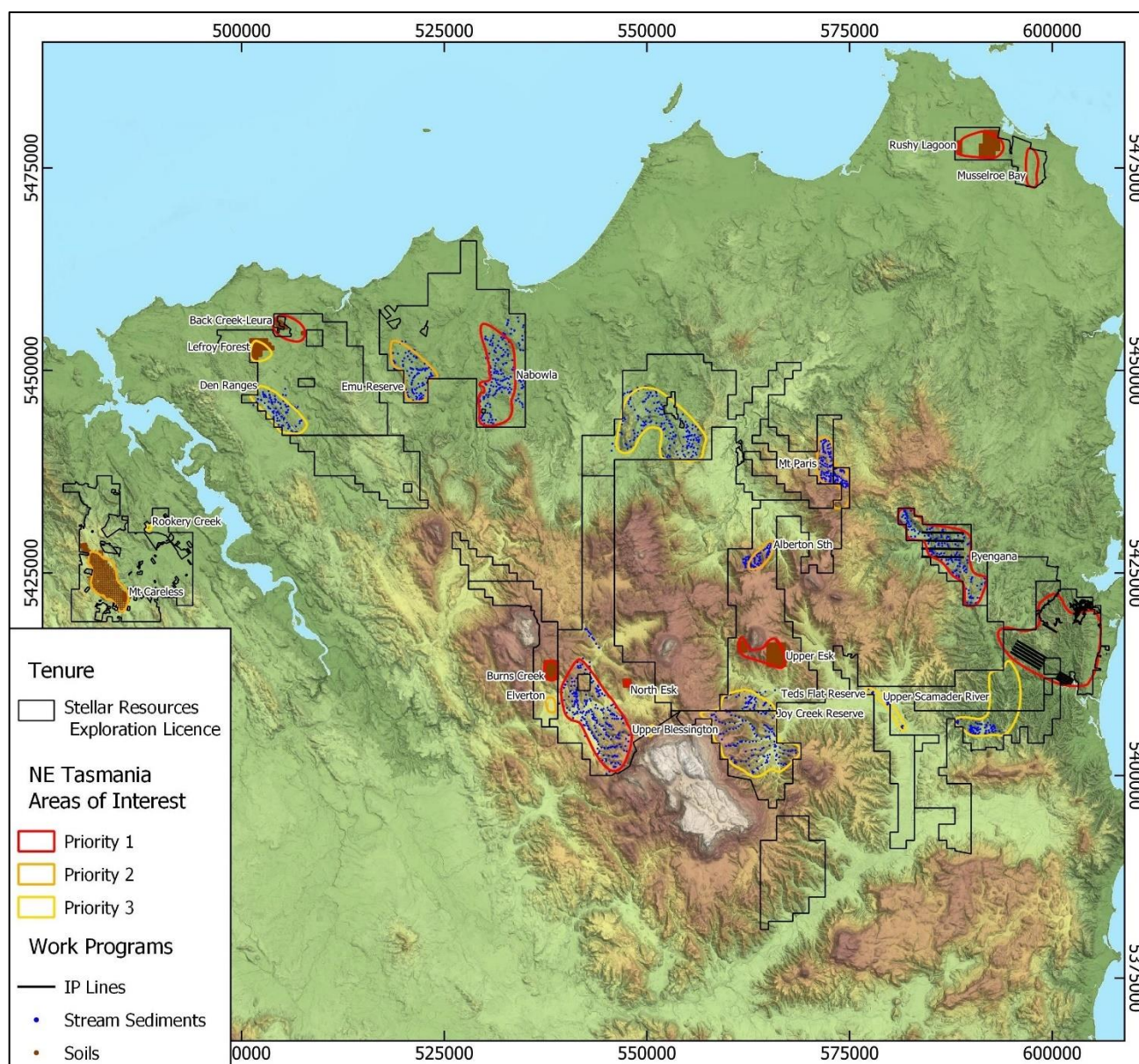
*Stellar's tenement holdings overlain on geology and mineral occurrences (Recently Granted EL3/2022 Mt Paris Block and Scamander North Block highlighted in Blue)*

## 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 targets on ELA3/2022.

Reconnaissance fieldwork including mapping, rock chip, stream and soil sampling over these prioritised targets has been ongoing during the quarter with results pending.





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

## EL3/2022 Granted over Mt Paris and North Scamander Areas

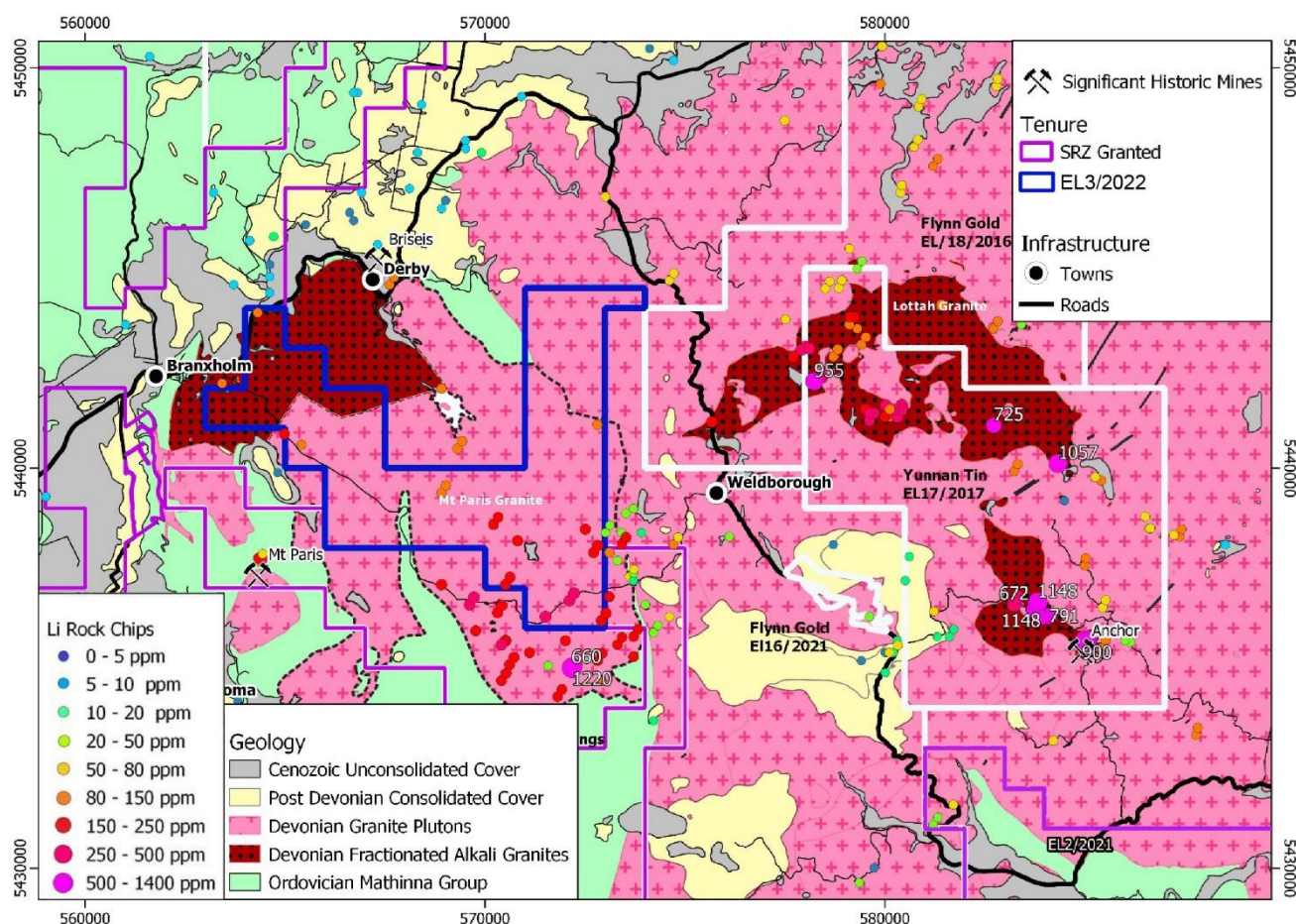
Exploration Licence EL3/2022 was granted during the quarter over a combined area of 97 km<sup>2</sup> in the Mt Paris and Scamander North areas of Northeast Tasmania which are prospective for Lithium and Tin and base metals<sup>4</sup>.

### EL3/2022 Mt Paris Block – Prospective for Lithium and Tin

The EL3/2022 Mt Paris block (38 km<sup>2</sup>) is prospective for lithium and tin mineralisation, based on review of open file data sourced from the MRT geochemistry database<sup>4</sup>.

The Mt Paris block covers the fractionated Mount Paris S-type granite, equivalent to the nearby Lottah Granite, **which contains the highest levels of lithium recorded (0.02% Li<sub>2</sub>O to 0.1% Li<sub>2</sub>O) anywhere in Tasmania<sup>4</sup>** and hosts the historic Anchor Tin Mine as shown in the figure below.





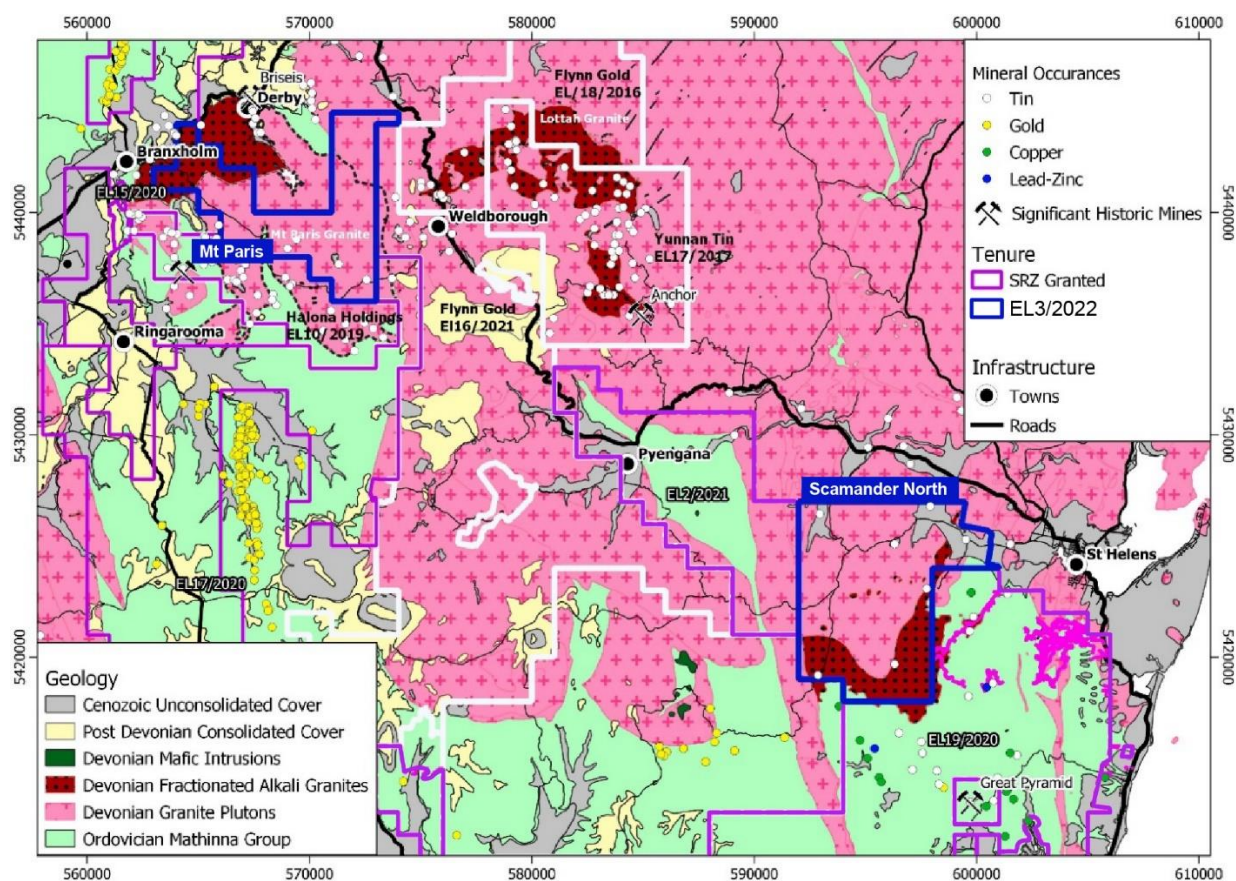
**EL3/2020 Mt Paris block area showing geology with lithium in rock chip results (values >500ppm labelled) <sup>4</sup>**

The Mt Paris block contains 8 recorded historic tin occurrences/mines with adjoining third party EL's to the south and east containing extensive (44) historical tin occurrences/mines including the Anchor Tin Mine (EL17/2017), all of which occur within fractionated alkali-feldspar S-type granite.

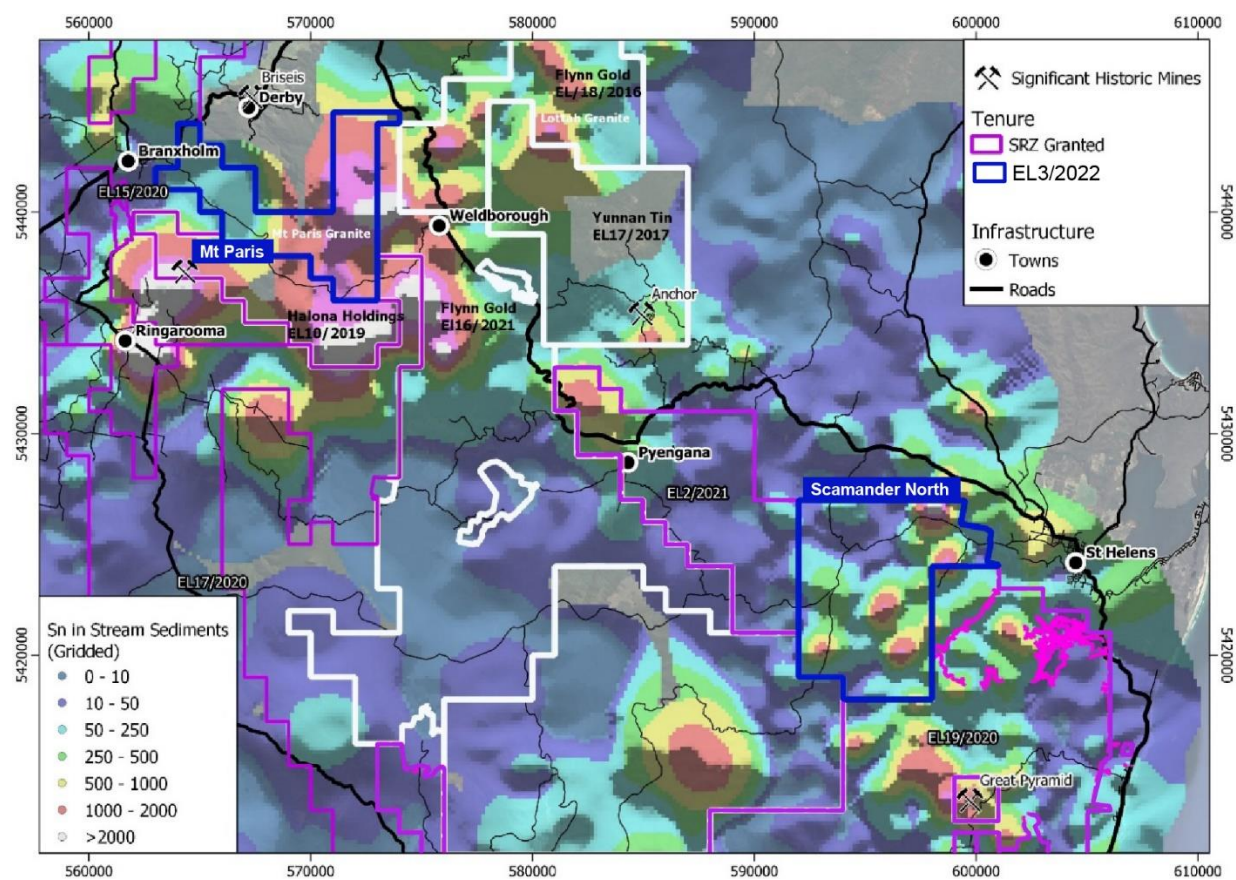
The northern part of the Mt Paris Granite has seen little modern exploration, and as such, few samples are available despite the presence of a significant body of alkali granite considered prospective for tin and lithium mineralisation. Limited stream sediment samples from the southern part of the Mt Paris Granite have been recorded within the EL3/2022 Mt Paris block with values up to 1,000 ppm Sn highlighting the potential for tin mineralisation. Additional anomalous stream sediment samples up to 9,400 ppm Sn and 1,220 ppm Li have been recorded within bordering third party EL's.

The initial work program on the Mt Paris block commenced in December focused on identifying lithium and tin targets via mapping, rock chip and stream sediment sampling, in particular searching for pegmatites which may occur near the Mt Paris Granite Margins.





EL3/2022 Mt Paris Block and Scamander North block areas showing geology and mineral occurrences<sup>4</sup>



EL3/2022 Mt Paris Block and Scamander North block areas showing tin in stream sediment samples<sup>4</sup>



## EL3/2022 Scamander North Block – Highly Prospective for Tin and Base Metals

The EL3/2022 Scamander North block (58 km<sup>2</sup>) and Stellar's adjoining Scamander EL19/2020 to the south are highly prospective for tin and base metal mineralisation, based on review of open file geochemical data sourced from MRT. The Scamander North block covers partly exposed, late stage, Constables Creek fractionated alkali granite occurring at the margins of the extensive Mt Pearson Granite which may be related to the zoned tin and base metal mineralisation of the Scamander Mineral field located further south on Stellar's Scamander EL EL19/2020<sup>4</sup>.

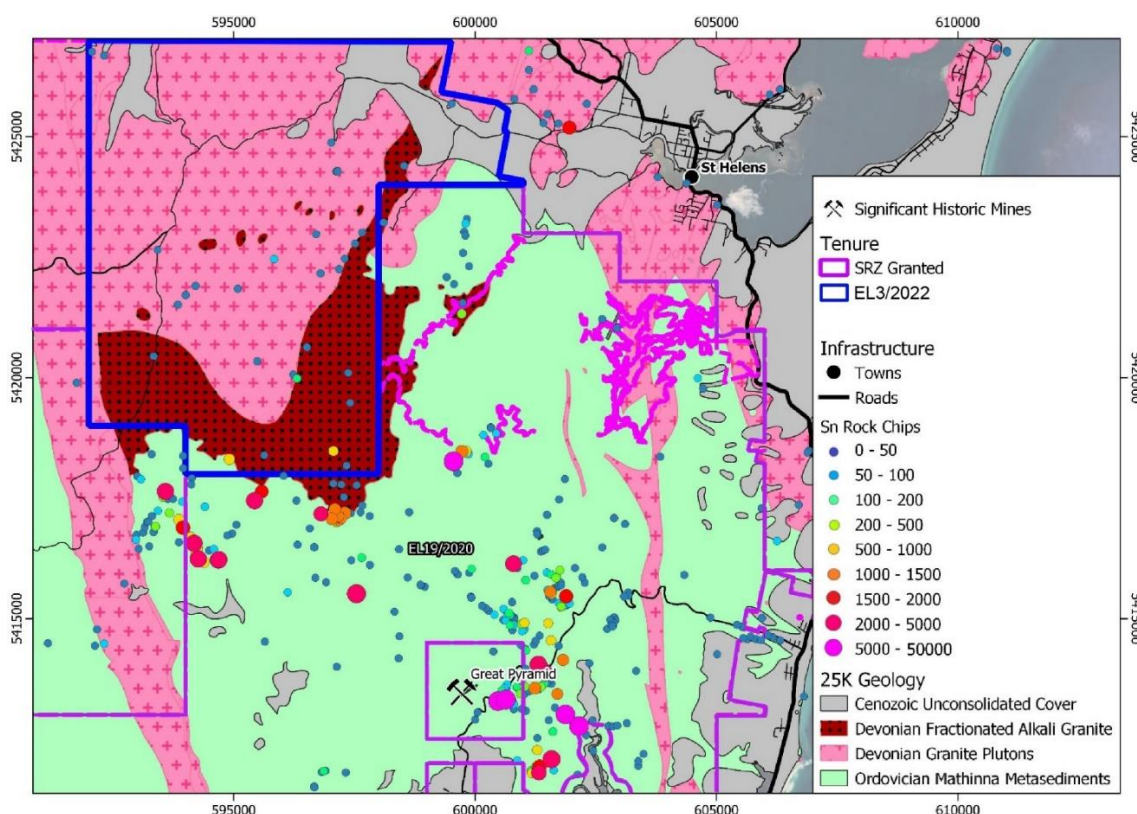
The Scamander North block contains 7 recorded alluvial tin mining occurrences/mines, the hard-rock source of which appears not to have been investigated by previous explorers. Stellar's adjoining Scamander EL19/2020 contains 29 recorded historic mineral occurrences/mines with a combination of tin, tungsten, copper, lead, zinc and silver mineralisation occurring within a zoned mineral system<sup>4</sup>.

Anomalous tin in stream sediment sample results of up to 9,300 ppm Sn are reported around alluvial tin fields in the Scamander North block and up to 12,000 ppm Sn in adjoining Scamander EL19/2020, highlighting the potential for tin mineralisation within Stellar's EL3/2022 and EL19/2020<sup>4</sup>.

Anomalous tin, tungsten, copper, lead, zinc, arsenic and silver in rock chip sample results of up to 1,000 ppm Sn in the Scamander North block and up to 39,500 ppm Sn in adjoining Scamander EL19/2020 highlights the potential for tin, tungsten and base metal deposits in the zoned mineral system within EL19/2020 and at the margins of this partially exposed alkali granite within the Scamander North block<sup>4</sup>.

Significant historic exploration for tin and base metals has been undertaken on Stellar's EL19/2020 including extensive soil sampling, stream sediment sampling and drilling defining areas of anomalous Sn, Zn, Cu, Ag and Pb mineralisation NW and SE along strike of the Great Pyramid Tin Mine within RL 2/2009 held by Tin One Resources Corporation<sup>4</sup>.

Exploration within the EL3/2022 North Scamander block will be integrated with exploration being undertaken on Stellar's Scamander EL19/2020, primarily focused on tin and base metals.



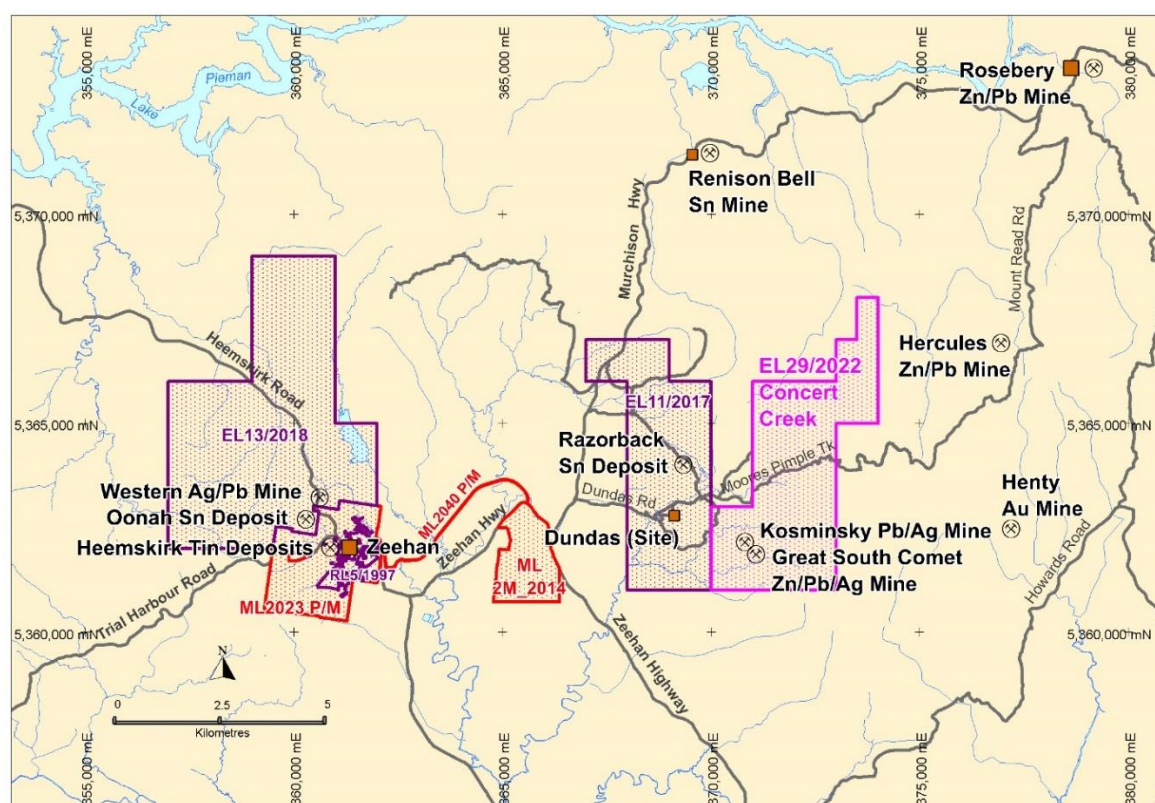
*EL3/2022 Scamander North block area showing geology with tin in rock chip samples<sup>4</sup>*

## EL29/2022 Granted over Highly Prospective VMS Targets in the Concert Creek - Carbine Hill Area

EL29/2022 covering an area of 15 km<sup>2</sup> in the Concert Creek – Carbine Hill area approximately 10 km east of Zeehan, Tasmania was granted during the quarter to Stellar’s wholly owned subsidiary, Columbus Metals Pty Limited, following a competitive process (Exploration Release Area process) where applicants are assessed on the merits of the exploration work programs submitted.

EL29/2022 is located within 11 km of four major mines as shown in the figure below:

- **Rosebery Zn-Pb Cu-Ag-Au mine** (VMS style deposit) 11 km northeast,
- **Henty Au mine** (VMS Style deposit) 8 km southeast,
- **Historic Hercules Ag-Pb-Zn-Au mine** (VMS style deposit) 5 km east,
- **Renison Sn mine** 7 km north, and
- **Stellar’s Heemskirk Sn project** and the town of Zeehan 10 km to the West.



*Location of EL29/2022 with Stellar Resources tenements and nearby mines shown<sup>3</sup>*

### Highly Prospective VMS Style Pb-Zn-Cu-Ag-Au Deposit Targets

EL29/2022 is located within the highly prospective Mount Read Volcanics renowned for hosting major Cu-Pb-Zn-Ag-Au volcanogenic massive sulphide VMS deposits. EL29/2022 contains over 52 documented mineral occurrences, with the most significant being the historic Kosminsky – South Comet mines. These are typically vein-style occurrences associated with either<sup>3</sup>;

- Hydrothermal fluids related to Devonian granite intrusions (e.g. Pine Hill granite to the northwest), or,
- Remobilisation of VMS deposits.



A high-resolution helicopter-borne Versatile Time Domain Electromagnetic (VTEM) survey was flown by Stellar in 2007 over previously held EL21/2004 which overlapped the Carbine hill targets within EL29/2022. Initial conductivity inversion modelling of the Carbine Hill VTEM anomaly was undertaken in 2008 by geophysical consultant, Jovan Silic, for Stellar identifying the Carbine Hill VTEM anomalies as prospective exploration targets. In 2012-2013 a further helicopter borne VTEM survey was flown over EL29/2022 by the previous licence owners, Yunnan Tin Australia (EL22/2010 held from 2010 to 2021) which reconfirmed the VTEM anomalies at Carbine Hill and also identified other VTEM anomalies / targets over EL22/2010, many of which are coincident with anomalous surface soil and/or surface rock chip geochemistry results<sup>3</sup>.

In 2014 Geotech Ltd undertook conductivity and magnetic inversion modelling including generation of the Maxwell conductor plates over the VTEM anomalies identified in the 2012-2013 helicopter-borne VTEM and magnetic survey over the EL29/2022 area. The Carbine Hill targets are strong, isolated, flat-lying conductors of limited strike extent, possibly hosted in volcanoclastics, typical of flat lying volcanic hosted sulphide deposits<sup>3</sup>.

Yunnan Tin Australia drilled some of the VTEM anomalies within the EL29/2022 area focusing on the Great South Comet and Kosminsky mine areas with best intersections including<sup>3</sup>:

- CC0\_5: 1m @ 9.1% Pb and 9.6% Zn from 93m, 1m @ 1.7% Pb and 0.5% Zn from 100m and 5m @ 1.6% Pb and 2.1% Zn from 438m.
- SCD001: 3m @ 2.0% Pb, 2.45% Zn and 84 ppm Ag from 166m and 2m @ 24.1% Pb, 1.48% Zn and 650 ppm Ag from 249m.
- SCD002: 4m @ 5.5% Pb, 2.52% Zn and 67 ppm Ag from 247m

While EL29/2022 has had significant exploration undertaken in the southern part of the license near the historic Great South Comet and Kosminsky mine areas, there has been no drilling undertaken in the vicinity of the Carbine Hill and Evenden targets<sup>3</sup>.

Surface soil and rock chip sampling was undertaken over the Carbine Hill East, Carbine Hill West, and Evenden VTEM anomalies by Geophoto Resources (EL7/1968 held from 1968 to 1974); RCG Exploration Pty Ltd (EL42/1971 held from 1971 to 1987 & EL101/1987 held from 1987 to 1995) and Pasminco and later Zinifex (EL21/1996 held from 1996 to 2001 & EL11/2002 held from 2001 to 2007)<sup>3</sup>. Much of the anomalous geochemistry is offset to the south of the Carbine Hill targets where the topography falls away and at a depth below surface, consistent with the depth of the flat lying targets<sup>3</sup>.

**The Carbine Hill East, Carbine Hill West and Evenden VTEM anomalies are interpreted as high-quality drill targets supported by modelled Maxwell conductor plates and coincident anomalous surface soil and/or surface rock chip geochemistry results<sup>3</sup>.**

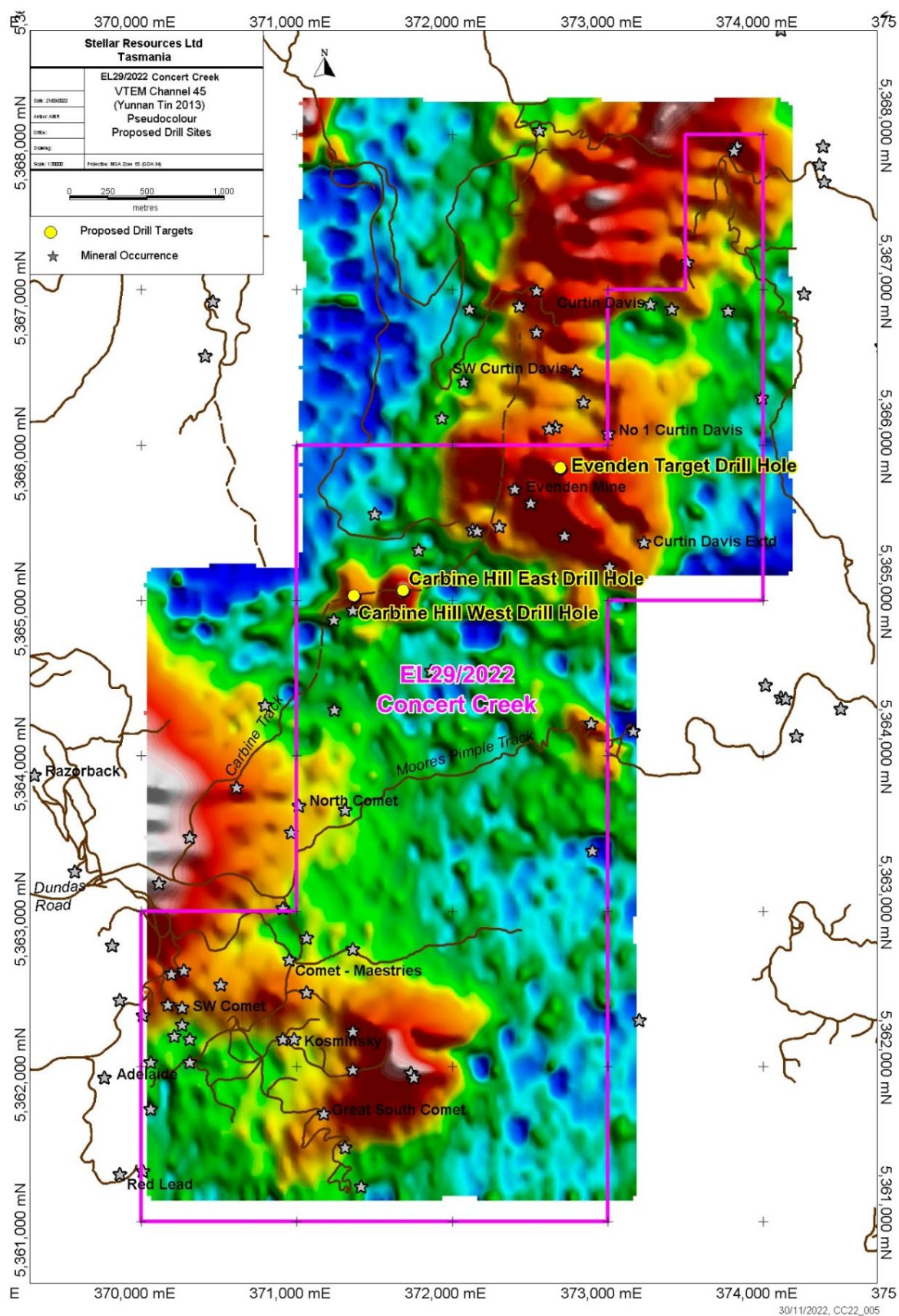
Three drilling targets have been identified within EL29/2022:

- Carbine Hill West VMS style target (1 x 350 m diamond drillhole planned).
- Carbine Hill East VMS style target (1 x 200 m diamond drillhole planned).
- Evenden VMS style target (1 x 200 m diamond drillhole planned).

The drill targets will be refined prior to drilling with the following work planned in Q1 2023:

- Modelling of the three targets from the 2012-2013 VTEM survey.
- Further soil and rock chip sampling program around the 3 target areas.
- Analysis of previous and new soil and rock chip data.
- Finalise drillhole locations, orientations and access based on above.

The drilling program is expected to be undertaken during 2023, subject to rig availability. It is expected that the holes will need to be heli-supported.



**EL29/2022 2013 VTEM\_Ch45 with Carbine hill East and West and Evenden Drill Targets) with Historic Mining Occurrences**

## Corporate

At the Company's Annual General Meeting in November 2022, shareholders voted in favour of 1 free attaching unlisted option for every 2 new shares subscribed for under the Placement completed on 22 August 2022 and the SPP completed on 28 September 2022, exercisable at 2.5 cents on or before an expiry date of two years from the date of issue<sup>5</sup>.

Cash balance at 31 December 2022 of \$3.1m.

Payments to related parties of the entity and their associates during the December Quarter were \$109k comprising Director and consulting fees as outlined in the section 6 of attached Appendix 5B.

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

- Exploration & Evaluation expenditure - \$600k; and
- Employee, administration and corporate costs - \$254k.

# Tenements

Description	Tenement Number	Interest Owned (%)
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 <sup>*1</sup>	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 - 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
Exploration Licence – Mt Paris and North Scamander	EL3/2022	100
Exploration Licence – Concert Creek - Carbine Hill	EL29/2022	100

<sup>\*1</sup> EL11/2017 (Mt Razorback) reached the end of its initial 5-year term on 05/12/2022. On 03/11/2022 Stellar submitted an application for and extension of term for EL11/2017 which is currently being processed by Mineral Resources Tasmania.

## Footnotes / Live Links

<sup>1</sup> [ASX Announcement 23 December 2022 – Severn Drilling Update](#)

<sup>2</sup> [ASX Announcement 24 November 2022 – Severn Mineral Resource Returns a 29% Increase in Contained Tin](#)

<sup>3</sup> [ASX Announcement 6 December 2022 – Exploration Licence Granted Over Highly Prospective VMS Targets](#)

<sup>4</sup> [ASX Announcement 2 November 2022 – Exploration Licence Granted Over Prospective Lithium and Tin Ground in NE Tasmania](#)

<sup>5</sup> [ASX Announcement 8 November 2022 – Results of Annual General Meeting](#)

<sup>6</sup> [ASX Announcement 8 November 2022 – Presentation – Annual General Meeting](#)

<sup>7</sup> [SRZ Announcement 1 October 2019, “Heemskirk Tin Scoping Study Confirms Attractive Economics](#)

## 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:

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## Appendix 5B

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

Name of entity

STELLAR RESOURCES LIMITED

ABN

96 108 758 961

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(4)	(5)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(17)	(77)
	(e) administration and corporate costs	(237)	(401)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	5
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)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(257)</b>	<b>(478)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(596)	(1,237)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(596)</b>	<b>(1,237)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	(9)	(135)
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)	(4)	(9)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(13)</b>	<b>2,336</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,956	2,469
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(257)	(478)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(596)	(1,237)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(13)	2,336

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,090</b>	<b>3,090</b>

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	2,290	3,156
5.2	Call deposits	800	800
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,090</b>	<b>3,956</b>

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	96
6.2	Aggregate amount of payments to related parties and their associates included in item 2	13
<i>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.</i>		

7.	Financing facilities <i>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.</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	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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		



<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(257)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(596)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(853)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,090
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,090
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.62
<i>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.</i>	
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	
<i>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.</i>	

## 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 January 2023

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*

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

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*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.