

Report for the Quarter Ended 30 June 2024

Highlights:

Heemskirk Tin Project

- After the reporting period, an infill and extensional diamond drilling program commenced at the Heemskirk Tin Project totalling **24-holes for ~9,500m**.¹
- Drilling is focused on the Severn and Queen Hill deposits, aiming to upgrade additional resources to the indicated category and provide key study inputs to commence a Pre-Feasibility Study (PFS).
- Considerable progress was made during the quarter on updating the 2019 Scoping Study with the 2023 Heemskirk Mineral Resource Estimate (MRE) for delivery Q3 2024.

Corporate

- The Company received firm commitments to raise \$10 million via a placement including the participation of two corner-stone institutional investors, the Paradice Fund committing \$3.9 million and Regal Funds Management committing \$3.0 million.²
- Issue price of \$0.019 (1.9 cents) under the placement, representing a 4.6% premium to the 30-day VWAP.
- At the end of the June quarter, the Company held a **strong cash position of \$10.4 million**, which will **increase by a further \$2.5 million** pending shareholder approval of the Tranche 2 Placement at the EGM on August 9th.

Tin Commentary

- During the June Quarter, tin prices continued to appreciate from US\$27,650 (28 March 2024) to US\$33,000 (28 June 2024), representing a 19.3% increase.³
- Despite licensing progress in Indonesia, tin exports continued to be suppressed with May exports totalling 3,300 tonnes, down 54% year-on-year.⁴

¹ SRZ Announcement 16 July 2024 – Drilling Commenced at Heemskirk Tin Project

² SRZ Announcement 24 May 2024 - \$10m Placement to Accelerate Heemskirk Tin Project

³ Source: Westmetall – https://www.westmetall.com/en/markdaten.php?action=table&field=LME_Sn_cash

⁴ Source: 2024 International Tin Association. All rights reserved.

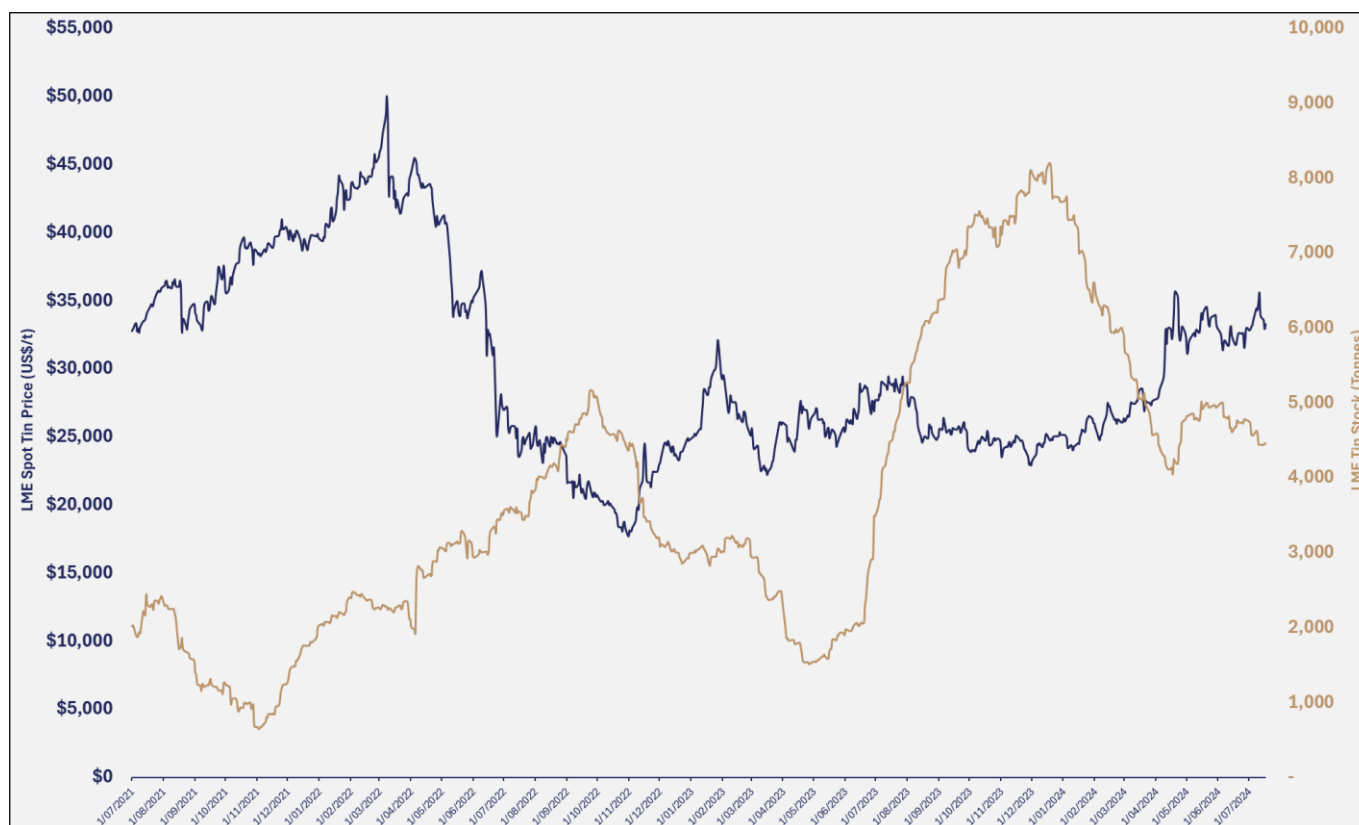


Figure 1 – LME Spot Tin Price and Stock Levels 1/07/21 to 12/07/24 (Source: westmetal.com)

Stellar Resources Limited (ASX: SRZ, “Stellar” or the “Company”) is pleased to present its quarterly activities report for the period ended 30 June 2024 (“**June Quarter**”). The Company successfully completed a substantial \$10 million capital raise to fund the strategy of advancing the world class Heemskirk Tin Project from explorer to developer.

Heemskirk Tin Project

The Heemskirk Tin Project continues to rank as the highest-grade undeveloped tin resource in Australia and the third globally. The total Mineral Resource Estimate (MRE) of **7.48Mt @ 1.04% Sn (77.87kt contained Tin)⁵** at a cut-off grade of 0.6% Sn sets a solid foundation to advance the project towards production.

The Project is located within a well-established mining district on the West Coast of Tasmania with excellent access to infrastructure including nearby water, renewable power, and access to the port of Burnie 150km to the north via sealed highway for export of concentrate, and an experienced local market for services, mining, processing and labour.

⁵ SRZ Announcement 4 September 2023 – Heemskirk Tin Project MRE Update

Heemskirk is located 18km to the southwest of the Renison tin mine, the largest and most productive tin mine in Australia and 10km to the east of the Avebury Nickel Mine, which is currently in receivership and transitioning into care and maintenance.⁶

Table 1 – Heemskirk Tin Project Mineral Resource Statement (Sept 2023)

By Classification	Deposit	Tonnes (Mt)	Sn (%)	Contained Sn (t)	Cassiterite % of Total Sn (%)	Cu (%)	Pb (%)	Zn (%)	Resource Date
Indicated	Upper Queen Hill	0.37	1.07	3,991	88	0.14	1.84	0.72	2023
	Lower Queen Hill	0.81	1.30	10,493	97	0.04	0.29	0.35	2023
	Severn	2.33	0.96	22,507	98	0.07	0.02	0.03	2023
Sub Total	Indicated	3.52	1.05	36,991	97	0.07	0.27	0.18	
Inferred	Upper Queen Hill	0.14	0.92	1,332	89	0.12	1.70	0.39	2023
	Lower Queen Hill	0.77	1.16	8,873	98	0.04	0.21	0.12	2023
	Severn	2.37	0.85	20,234	99	0.05	0.02	0.04	2023
	Montana	0.68	1.54	10,443	96	0.08	0.72	1.42	2019
Sub Total	Inferred	3.96	1.03	40,881	98	0.05	0.23	0.30	
Grand Total	Heemskirk Tin Project	7.48	1.04	77,872	97	0.06	0.25	0.25	

By Deposit	Deposit	Tonnes (Mt)	Sn (%)	Contained Sn (t)	Cassiterite % of Total Sn (%)	Cu (%)	Pb (%)	Zn (%)	Resource Date
Sub Total	Queen Hill	2.09	1.18	24,689	96	0.06	0.63	0.34	2023
Sub Total	Severn	4.71	0.91	42,741	99	0.06	0.02	0.04	2023
Sub Total	Montana	0.68	1.54	10,443	96	0.08	0.72	1.42	2019
Grand Total	Heemskirk Tin Project	7.48	1.04	77,872	97	0.06	0.25	0.25	

Diamond Drill Program

After the reporting period, Stellar commenced an extensive diamond drill program with the first of two drill rigs onsite starting a planned 24-hole program for ~9,500m at the Severn and Queen Hill Deposits.

The drilling program is designed to help make Heemskirk development ready by providing key technical inputs for the PFS while also giving a platform for exploration by providing a DHEM platform to support further exploration drilling. Work is focused on:

- Upgrading additional resources to the indicated category, in particular at Queen Hill where mining is planned to commence, so increasing confidence in mining and processing plans during the early years of operation.
- Provision of material for metallurgical testwork to further;
 - assess the effectiveness of ore sorting,

⁶ Mallee Resources Announcement 8 February 2024 – Transition to Care and Maintenance

- develop ore body variability characteristics to decide on appropriate plant sizing to best process the new MRE,
- increase confidence on processing characteristics during the early planned years of operation, and
- allow assessment of tailings characteristics for design of tailings storage facilities or/and characteristics for backfilling during mining.
- Providing geotechnical rock properties and hydrological inputs to enable further detailed mine design development.
- Several holes are also testing several promising targets along trend to further expand the high-grade zones of the resource. Holes around the margin of the deposit will be cased for DHEM providing the opportunity to discover continuations or offsets on mineralised zones around the existing MRE.



Figure 2 – First Diamond Drill Rig at the Heemskirk Tin Project

Scoping Study

Final work is being completed on updating the 2019 Scoping Study with the 2023 MRE, which totalled **7.48Mt @ 1.04% Sn for 77.87kt of contained tin**⁷. The Company anticipates being able to release the revised Scoping Study shortly.

Corporate

Placement²

The Company has raised \$10 million by way of Placement of 526.3m new shares ("Shares") to sophisticated and professional investors. The Company obtained firm commitments from two Cornerstone Investors, Paradise Fund (\$3.9 million) and Regal Funds Management (\$3.0 million), who have participated in the Placement for a combined amount of \$6.9 million.

The Placement took place under two-tranches. The first tranche was issued in accordance with the Company's available placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A and will be up to a total of 388.4m Shares ("Tranche One"). The second tranche will issue 137.9m shares subject to receiving approval from shareholders at an extraordinary meeting to be held on 9 August 2024 ("Tranche Two").

Summary of Expenditure

The Company has a strong cash position of \$10.4 million as of 30 June 2024, which will increase by \$2.5 million pending shareholder approval of the Tranche 2 Placement at the EGM on August 9th.

Payments to related parties of the entity and their associates during the June Quarter were \$179k comprising Director and consulting fees as outlined in Section 6 of the attached Appendix 5B. The Company's major cashflow movements for the quarter included:

- Exploration & Evaluation expenditure - \$178k; and
- Employee, administration and corporate costs - \$423k.

Tenements

The Company currently holds an area of 33.84km² in Mining Leases, Retention and Exploration Licences in the Zeehan region of NW Tasmania and 648km² in Exploration Licences in NE Tasmania. The Company's tenements as at 30 June 2024 are outlined below:

Region	Description	Tenement Number	Interest Owned (%)	Area (km ²)
NW Tasmania	Mining Lease - Zeehan	ML 2023P/M	100	5.6
	Mining Lease - Tailing Dam, Zeehan	ML 2M/2014	100	2.78
	Mining Lease - Pipeline Route, Zeehan	ML 2040P/M	100	0.06
	Mining Lease - St Dizier, Zeehan,	ML 10M/2017	100	1.4
	Retention Licence - Zeehan	RL 5/1997	100	1
	Exploration Licence - Montana Flats, Zeehan,	EL 13/2018	100	8
	Exploration Licence - Concert Creek - Carbine Hill	EL 29/2022	100	15
NE Tasmania	Exploration Licence - Pipers River	EL 12/2020	100	36
	Exploration Licence - Scottsdale	EL 15/2020	100	208
	Exploration Licence - Camden Rd	EL 16/2020	100	189
	Exploration Licence - Scamander	EL 19/2020	100	186
	Exploration Licence - Bridport Rd	EL11/2020	100	29

– ENDS –

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

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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.

About Stellar Resources:

Stellar Resources (**ASX:SRZ**) is focused on developing its world class Heemskirk Tin Project located in the mining friendly jurisdiction of Zeehan, Western Tasmania. The Company has defined a substantial high-grade resource totalling **7.48Mt at 1.04% Sn, containing 77.87kt of tin**⁷. This ranks the Heemskirk Project as the highest-grade undeveloped tin resource in Australia and third globally.

The focus for the Company going forward will be to complete exploration and resource drilling at the Heemskirk Project to further grow the resource and improve the confidence by defining more tonnes in the indicated and measured category. Currently, a large proportion of the resource is classified in the indicated category totalling 3.52Mt at 1.05% Sn for 37kt of contained tin.

Stellar also made a major discovery at its North Scamander Project in September 2023, with a maiden exploration drillhole intersecting a significant new high-grade silver, tin, zinc, lead and Indium polymetallic discovery. The Company has also delineated multiple down hole conductions via DHEM and FLEM surveys, providing high priority follow up targets.



Figure 3 – Stellar Resources Heemskirk Tin Project Location

⁷ SRZ ASX Announcement 4 September 2023 – Heemskirk Tin Project MRE Update

The Company confirms that it is not aware of any new information or data that materially affects the information included within this announcement.

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")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(178)	(1,311)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(165)	(320)
	(e) administration and corporate costs	(258)	(787)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	21	42
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	70
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(580)	(2,307)
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	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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)	9	9
2.6	Net cash from / (used in) investing activities	9	9

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8,281	11,866
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	66	66
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(535)	(765)
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)	(12)
3.10	Net cash from / (used in) financing activities	7,808	11,155

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,187	1,558
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(580)	(2,307)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	9
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,808	11,155

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	10,415	10,415

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	10,415	2,687
5.2	Call deposits	-	500
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)	10,415	3,187

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	179
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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	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		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(580)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(580)
8.4	Cash and cash equivalents at quarter end (item 4.6)	10,415
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	10,415
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	17.96

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: 22 July 2024

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.