

Evelyn Dam Drilling program to commence this quarter

HIGHLIGHTS

- **Stelar Metals inaugural drill program to commence this quarter at 100%-owned Evelyn Dam Project**
- **Drilling contract awarded to Titeline Drilling**
- **The Evelyn Dam Project was previously purchased by BHP and is considered to be one of the largest untested IOCG gravity targets in the Gawler Craton**
- **Prior to the Project purchase by Stelar Metals, Rio Tinto also joint ventured into the Evelyn Dam Project**
- **The huge potential of this large scale IOCG target is reflected in the previous ‘drill ready’ investment made by both BHP and Rio in the Evelyn Dam Project**

Stelar Metals Limited (ASX:SLB) (“**Stelar Metals**” or the “**Company**”), is pleased to announce it has awarded Titeline Drilling the contract to commence the Company’s inaugural drill program at the 100% owned Evelyn Dam Project. The initial program will comprise a single deep diamond hole which is scheduled to commence later this quarter.

Evelyn Dam is one of the largest untested gravity anomalies on the Gawler Craton. Reprocessing of the gravity and magnetic datasets indicate this could be a large Olympic Dam style IOCG (iron-oxide copper gold) target and is therefore worthy of deep drill testing.

Two-thirds of Australia’s copper production is derived from the Eastern Gawler Craton in South Australia from mines operated by BHP and Oz Minerals. The Evelyn Dam Project was previously owned by BHP who relinquished the tenure after completing only geophysical surveys and did not undertake any drilling. After BHP, Rio Tinto joint ventured into the Evelyn Dam Project prior to Stelar Metals purchasing 100% of the Project by as part of its recent IPO.

Evelyn Dam’s 8 mGal gravity anomaly has recently been reprocessed and 3D-inversion modelled by David McInnes of Montana Geoscience. The refined modelling, as illustrated in Figure 1, defines a large, dense body that is ~5km in diameter at depth with a pronounced and much shallower peak rising up on its western site to within range of being viably drill tested. Evelyn Dam is bisected by a number of later cross-cutting dykes that are part of the large Gardner Dyke Swarm that dominates the magnetic datasets in the Eastern Gawler Craton. The modelling of the magnetic and gravity datasets shows there is a disassociation between these two datasets in this location and that the later dykes were disturbed and altered when they cut through the Evelyn Dam high-density anomaly.

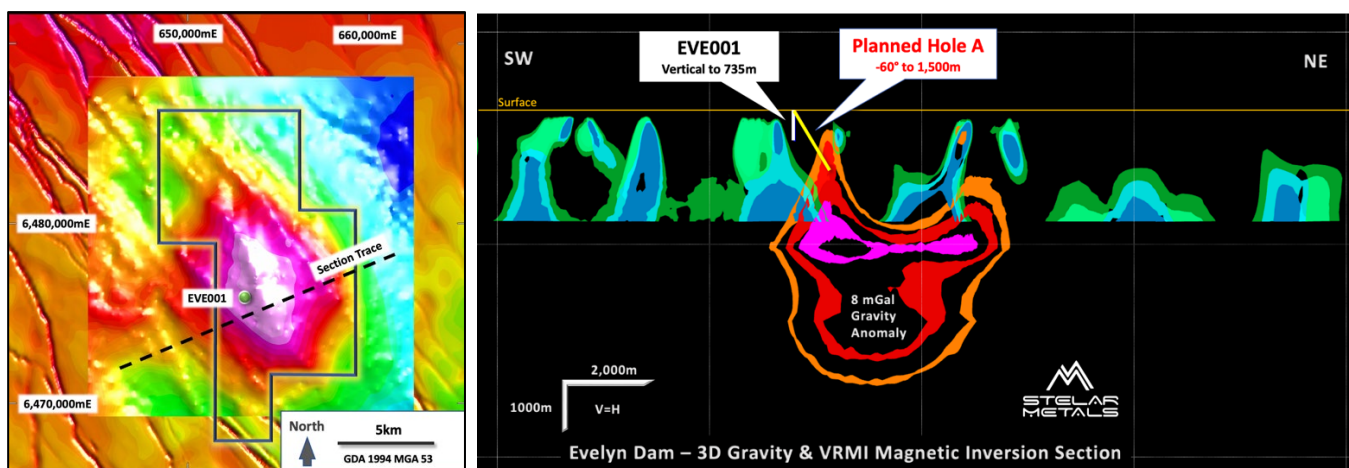


Figure 1: Plan and Cross-section view of the Evelyn Dam gravity anomaly showing the trace of EVE001 and Stelar’s planned hole A

Resource Holdings No 1 Pty Ltd (now a subsidiary of Stellar Metals) in joint venture with Rio Tinto negotiated a Native Title Management Agreement with the Kokatha Traditional owners in 2017 and subsequently completed Heritage surveys allowing for multiple drill holes at several cleared drill sites. In 2018, Rio Tinto completed the only known drill hole on EL 5792 (EVE001) which was drilled vertically to 735.8 metres depth. This hole intersected Gawler Range Volcanic basement at 430 metres depth with traces visible native copper within the overlying haematised sandstone cover above the brecciated basement contact (Figure 2 left). Zones of sericite-chlorite-haematite alteration with pink-carbonate and fluorite being intensified toward the end-of-hole (Figure 2 right).

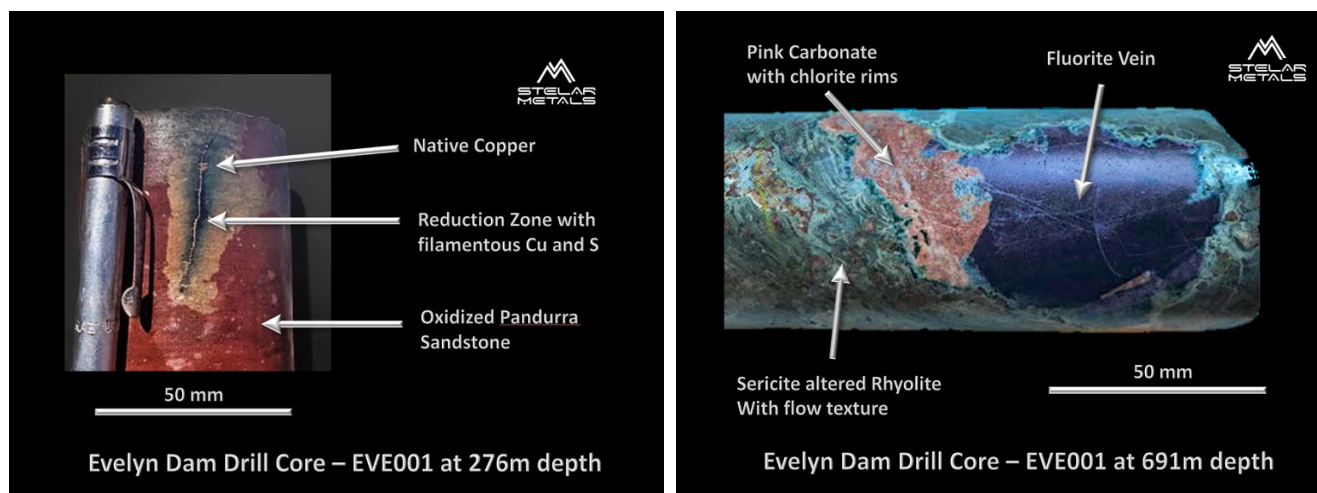


Figure 2: Examples of core from Rio Tinto's EVE001: Left - visible native copper was recognised in reduces zones within the Pandurra Formation cover; Right - towards the end of hole zones of sericite-chlorite-haematite alteration with coarse pink carbonate and fluorite veining.

It is evident that the previous single vertical hole, that was drilled to only 736 meters depth, failed to test the gravity anomaly and missed the higher-level gravity peak that is located ~ 2 kilometres to the southwest of EVE001. Stellar Metals' hole will use the second cleared drill site located to the south of EVE001 and is designed as an angle hole to intersect the high-level gravity peak at 1,200-1,500m drilled depth.

Stellar Metals Chief Executive Officer, Colin Skidmore said "Having recently seen the core from EVE001 and visited the field to locate its collar location relative to the position of the modelled gravity peak, I am very encouraged by the evident near-miss alteration in EVE001 which would be consistent with distal alteration from a mineralising system several kilometers away. I am excited to have the opportunity to test this significant gravity target that is located within South Australia's world-class copper mining district. The huge potential of this large scale IOCG target is reflected in the previous investment by both BHP and Rio to get the Project drill ready".

He continued to note: "Our indicators suggest the potential prize is certainly worth the investment in Stellar Metal's planned deep drilling at Evelyn Dam. We are very excited at what these pre-drilling results indicate and are looking forward starting the drill program as soon as possible."

Stellar Metals is focused on the discovery of battery metals with projects located in the world class mining region of South Australia (Figure 3). In addition to Evelyn Dam, Stellar Metals is planning upcoming work programs for all of its five exploration projects which includes the Linda Zinc Project, Torrens IOCG Project, Gunson Copper Project and Baratta Copper Project.

Approved by the Board of Stellar Metals Limited.

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ABOUT STELAR METALS

Stelar Metals is a minerals discovery group actively targeting battery-metal projects in South Australia's world class mining district. The Company has a portfolio five highly prospective projects – Evelyn Dam (EL 5792), Linda (EL 6263), Gunson (ELA2021/73), Torrens (EL6572 & EL6264) and Baratta (ELA2021/37). These copper and zinc projects are 100% owned and located in highly prospective mining regions in the Gawler Craton, Stuart Shelf and Adelaide Fold Belt.

Stelar Metals' focus on battery-metals presents a significant opportunity as the demand for these commodities is projected to continue as world supply tightens and demand increases.

In addition to the planned exploration program, the Company will continue to assess opportunities of sites that have a strategic fit, with the intention of providing maximum value to Shareholders for their investment.

EXPLORATION RESULTS

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

This announcement includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012) and extracted from the Company's initial public offering prospectus which was released on the ASX on 16 March 2022. A copy of this prospectus is available from the ASX website: <https://www2.asx.com.au/markets/company/slb>

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement. Where the information relates to Exploration Results, the Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement.

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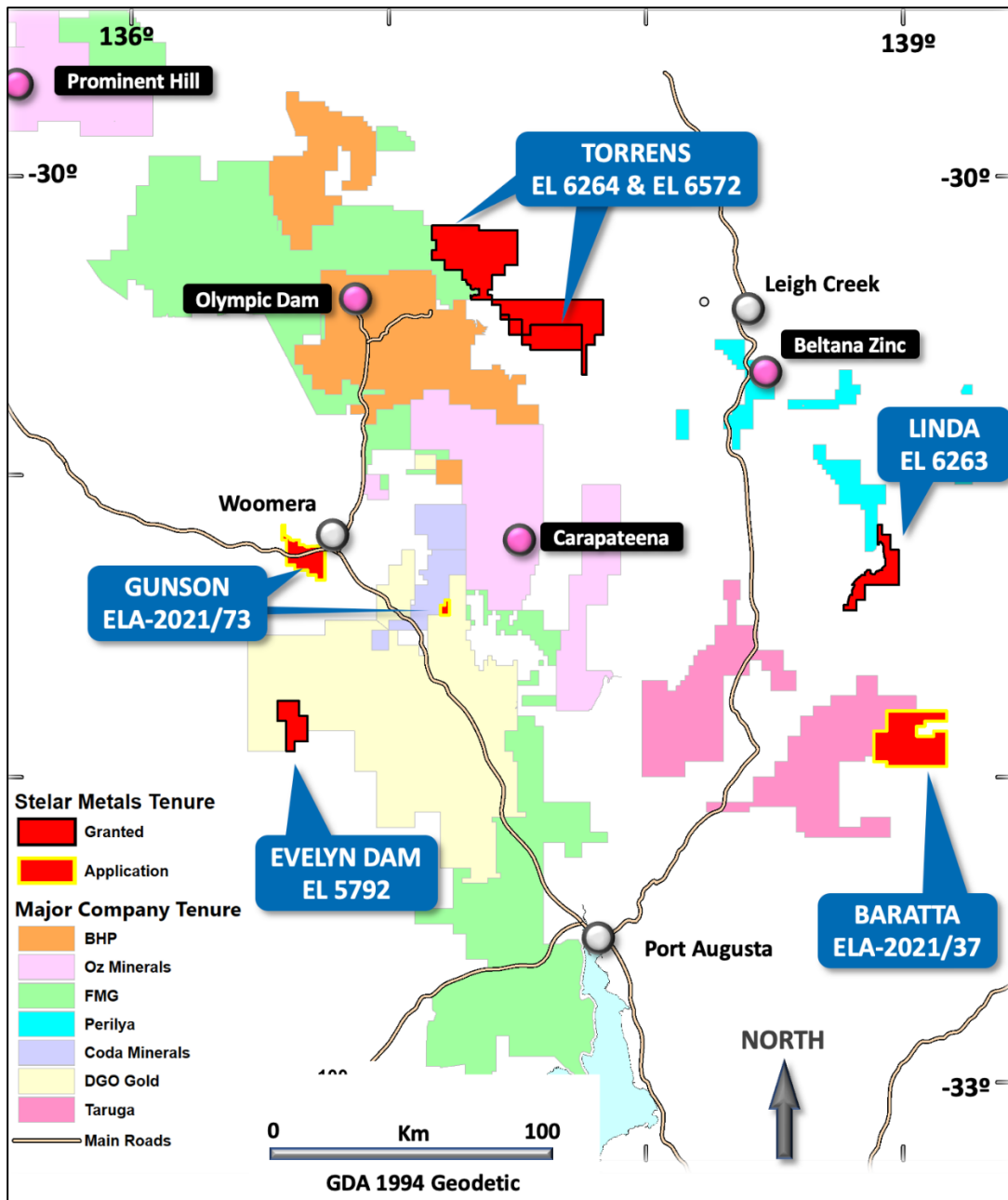


Figure 3: Stellar Metals copper and zinc projects in South Australia