

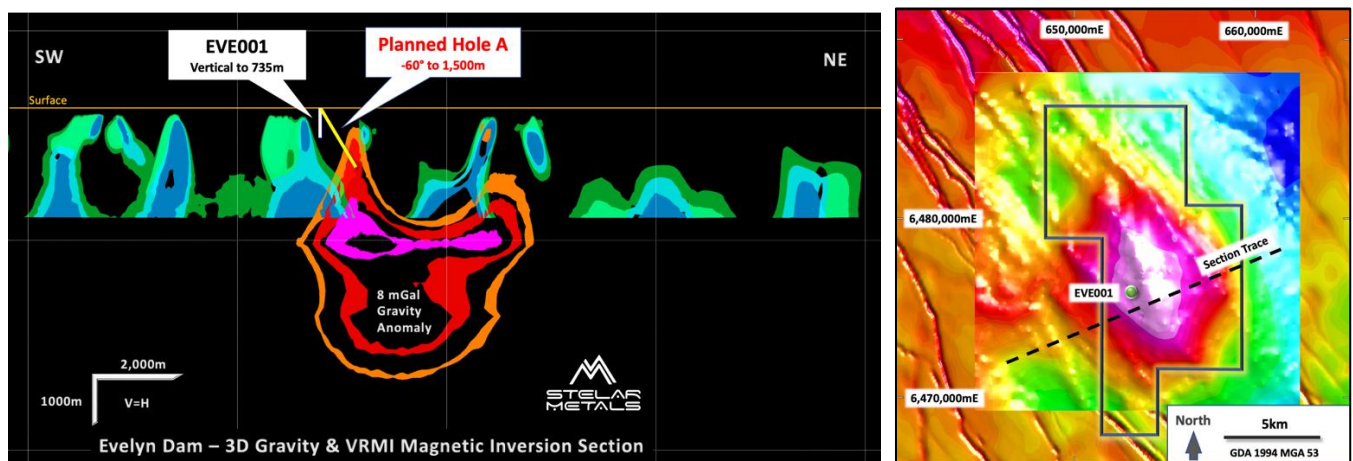
## Stelar Metals progresses drilling at Evelyn Dam IOCG Project, SA

### HIGHLIGHTS

- Stelar Metals' inaugural 1,500-1,800m diamond hole at Evelyn Dam is currently in progress
- Stelar is testing a large, previously untested gravity anomaly
- EVE002 is past halfway and will start to intersect the target zone within the next 500m with expected completion in 2-4 weeks
- Initial results are expected late Q3 CY22.

Critical minerals explorer Stelar Metals Limited (ASX:SLB) ("Stelar Metals", "Stelar" or the "Company") is pleased to provide an update on drilling to test a large gravity anomaly (Figure 1) at its 100%-owned Evelyn Dam Iron Oxide Copper Gold (IOCG) Project in South Australia.

EVE002 was collared on 12 July 2022 and is on track for completion in 2-4 weeks' time (Figure 2). There were some initial delays, with navi-drilling required to reorientate the hole back towards the target gravity anomaly. Recovery has been more than 99%, which reflects the good, hard competent ground which geologically has been very similar to EVE001 through the current drilled zone.



**Figure 1: Section and plan view of Evelyn Dam 3D inverted geophysics (red - Gravity Model; Blue-green - Magnetic Model)**

Stelar Metals Chief Executive Officer Colin Skidmore said:

*"I have been onsite since drilling started and EVE002 is progressing well and is on budget. We have purposely been drilling very carefully to ensure the target at ~1,500m depth is adequately tested and this has required navi-drilling."*

*"In the next week or so, after much anticipation, we will be in the target zone and will finally be in a position to evaluate the Evelyn Dam gravity anomaly."*

Stelar contracted Titeline Drilling Pty Ltd to drill EVE002. PQ core was drilled from surface to 121.9m depth at -60 dip projecting under Lake MacFarlane. Rotary mud drilling was pushed down to 329.8m depth but resulted in the hole moving  $\sim 15^\circ$  off azimuth and dropping  $\sim 6^\circ$ . HQ3 core drilling was pushed down to 792.3m. To correct the hole's direction, navi-drilling was undertaken to 856.6m depth which successfully reorientated hole back towards the target zone. NQ2 core is currently being drilled with the hole depth  $\sim 1,100$ m depth.



**Figure 2: Titeline Drilling's Rig 7 at Evelyn Dam (13 June 2022) looking north with the drill pad of EVE001 in the backdrop on the other side of the bay.**

Stelar will continue to monitor the hole orientation and intersperse NQ2 and navi correction as needed to hit the outer edge of the modelled target at  $\sim 1,200$ m depth with the centre of the target being  $\sim 1,500$ m drilled depth.

A summary of the upper part of the hole to 814m depth is provided in Table 1.



|                 |                    |   |
|-----------------|--------------------|---|
| 0m – 488.45     | Pandurra Formation | Competent sandstone with minor siltstone interbeds. Variably haematised with traces of localised sericite-chlorite alteration. Minor carbonaceous (reduced) bands at 21.8m with low level anomalous Cu returning up to 0.3% (pXRF)  |
| 488.45 – 489.2m | GRV - Breccia      | Narrow band of brecciated rhyolite with a chert top on the unconformity   |
| 489.2 – 664.8m  | GRV-Rhyolite       | Competent hard porphyritic rhyolite with variable but pervasive silica haematite alteration with localised zones of moderate to locally strong sericite-chlorite-potassic alteration. Minor hairline carbonate veining. Minor zones of brecciation. First visible sulphide mineralisation (11% Pb, 2% Cu, 7% Zn and 0.8% As [pXRF spot assay]) associated with Mn-carbonate infill at 642.7m depth in a 10mm vein (Figure 3 left) |
| 664.8 – 705.45m | GRV-Breccia        | Brecciated porphyritic rhyolite and rhyodacite with strong haematite and potassic alteration, localised zones of strong to intense sericite-chlorite alteration with Mn carbonate veining and clots. Probably representative of pyroclastic flow (Figure 3 right). Traces of fluorite often associated with orange Mn-carbonate from 690m.  |
| 705.45m - 814m  | GRV-Rhyolite       | Porphyritic rhyolite, un-brecciated, strong sericite chlorite alteration to 714m. Sericite-chlorite alteration decreased from 714m with persistent moderate haematite-silica alteration with patches of fluorite-carbonate infill.  |

**Table 1: Geological summary of EVE002 to 814m depth**



**Figure 3: Examples of EVE002 Core: Brecciated rhyolite at 654m (left) and sulphide mineralised vein at 642m (right)**

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**APPROVED BY THE BOARD OF STELAR METALS LIMITED:**

**FOR MORE INFORMATION:**

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## **ABOUT STELAR METALS**

Stelar Metals is ready to discover highly prized minerals of copper and zinc needed to drive the move to decarbonise the world and experiencing unprecedented demand. All five projects are 100% owned by Stelar Metals and are located in South Australia's premier world class exploration and mining district. The Company has an experienced exploration team with a track record of discovery success exploring for commodities that are in increasing demand.

## **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 the prospectus can be accessed from the Company's website: <https://stelarmetals.com.au/>.

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.

# JORC, 2012 Edition – Table 1 – Evelyn Dam Project Update July 2022

## Section 1 Sampling Techniques and Data

| Criteria            | JORC Code explanation   | Commentary   |      |          |        |    |   |       |            |       |       |     |       |       |     |       |       |               |       |       |                |       |             |
|---------------------|---|--|------|----------|--------|----|---|-------|------------|-------|-------|-----|-------|-------|-----|-------|-------|---------------|-------|-------|----------------|-------|-------------|
| Sampling techniques | <ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul> | <ul style="list-style-type: none"> <li>No sampling has yet been undertaken</li> </ul>  |      |          |        |    |   |       |            |       |       |     |       |       |     |       |       |               |       |       |                |       |             |
| Drilling techniques | <ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>   | <ul style="list-style-type: none"> <li>Diamond Drilling was contracted to Titeline Drilling Pty Ltd.</li> <li>NQ2 from 856.6 metres is orientated using a Reflex Core Orientation Tool</li> </ul> <table border="1"> <thead> <tr> <th>Type</th><th>From (m)</th><th>To (m)</th></tr> </thead> <tbody> <tr> <td>PQ</td><td>0</td><td>121.9</td></tr> <tr> <td>Rotary Mud</td><td>121.9</td><td>329.8</td></tr> <tr> <td>HQ3</td><td>329.8</td><td>792.3</td></tr> <tr> <td>NQ2</td><td>792.3</td><td>801.2</td></tr> <tr> <td>Navi-drilling</td><td>801.2</td><td>856.6</td></tr> <tr> <td>NQ2 orientated</td><td>856.6</td><td>In progress</td></tr> </tbody> </table> | Type | From (m) | To (m) | PQ | 0 | 121.9 | Rotary Mud | 121.9 | 329.8 | HQ3 | 329.8 | 792.3 | NQ2 | 792.3 | 801.2 | Navi-drilling | 801.2 | 856.6 | NQ2 orientated | 856.6 | In progress |
| Type                | From (m)  | To (m)   |      |          |        |    |   |       |            |       |       |     |       |       |     |       |       |               |       |       |                |       |             |
| PQ                  | 0   | 121.9  |      |          |        |    |   |       |            |       |       |     |       |       |     |       |       |               |       |       |                |       |             |
| Rotary Mud          | 121.9   | 329.8  |      |          |        |    |   |       |            |       |       |     |       |       |     |       |       |               |       |       |                |       |             |
| HQ3                 | 329.8   | 792.3  |      |          |        |    |   |       |            |       |       |     |       |       |     |       |       |               |       |       |                |       |             |
| NQ2                 | 792.3   | 801.2  |      |          |        |    |   |       |            |       |       |     |       |       |     |       |       |               |       |       |                |       |             |
| Navi-drilling       | 801.2   | 856.6  |      |          |        |    |   |       |            |       |       |     |       |       |     |       |       |               |       |       |                |       |             |
| NQ2 orientated      | 856.6   | In progress  |      |          |        |    |   |       |            |       |       |     |       |       |     |       |       |               |       |       |                |       |             |

| Criteria  | JORC Code explanation  | Commentary   |
|---|--|--|
| <i>Drill sample recovery</i>                          | <ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• Core recovery and RQD is measured and calculated for every run. Core recovery is &gt;99%</li> <li>• No core was recovered when rotary mud drilling but representative chip specimens were retained</li> <li>• No core was recovered when navi-drilling</li> </ul>   |
| <i>Logging</i>  | <ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• Lithological logging is currently being undertaken on all drilled intervals aside from the navi-drilled section.</li> <li>• Specific Gravity and MagSusc measurements are taken at every metre along with a Niton pXRF spot assay measurement.</li> <li>• Structural measurements are being taken for the NQ2 section of the drill hole which is orientated</li> <li>• All core trays are photographed</li> </ul> |
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul> | <ul style="list-style-type: none"> <li>• Core has not yet been sampled</li> </ul>  |

| Criteria                                   | JORC Code explanation   | Commentary   |         |         |          |             |     |     |       |        |         |           |    |     |     |             |
|--|---|--|---------|---------|----------|-------------|-----|-----|-------|--------|---------|-----------|----|-----|-----|-------------|
| Quality of assay data and laboratory tests | <ul style="list-style-type: none"><li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li><li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li><li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li></ul> | <ul style="list-style-type: none"><li>Core has not yet been sampled for assay</li><li>A Niton XL2 has been routinely used to assist logging</li></ul>  |         |         |          |             |     |     |       |        |         |           |    |     |     |             |
| Verification of sampling and assaying      | <ul style="list-style-type: none"><li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li><li><i>The use of twinned holes.</i></li><li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li><li><i>Discuss any adjustment to assay data.</i></li></ul>  | <ul style="list-style-type: none"><li>No sampling or assays reported</li></ul>   |         |         |          |             |     |     |       |        |         |           |    |     |     |             |
| Location of data points                    | <ul style="list-style-type: none"><li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li><li><i>Specification of the grid system used.</i></li><li><i>Quality and adequacy of topographic control.</i></li></ul>  | <ul style="list-style-type: none"><li>The drill hole was pegged using a Garmin handheld GPS (MAP66i) with an accuracy of +/- 5m using GDA 1994 MGA Zone 53</li><li>Elevation was derived from the topographic surface used to model the geophysics</li></ul> <table><tr><td>Hole ID</td><td>Easting</td><td>Northing</td><td>RL</td><td>Dip</td><td>TAZ</td><td>Depth</td></tr><tr><td>EVE002</td><td>653,729</td><td>6,475,311</td><td>91</td><td>-60</td><td>065</td><td>In progress</td></tr></table> | Hole ID | Easting | Northing | RL          | Dip | TAZ | Depth | EVE002 | 653,729 | 6,475,311 | 91 | -60 | 065 | In progress |
| Hole ID                                    | Easting   | Northing   | RL      | Dip     | TAZ      | Depth       |     |     |       |        |         |           |    |     |     |             |
| EVE002                                     | 653,729   | 6,475,311  | 91      | -60     | 065      | In progress |     |     |       |        |         |           |    |     |     |             |
| Data spacing and distribution              | <ul style="list-style-type: none"><li><i>Data spacing for reporting of Exploration Results.</i></li><li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li><li><i>Whether sample compositing has been applied.</i></li></ul>   | <ul style="list-style-type: none"><li>Drilling update only being reported.</li></ul>   |         |         |          |             |     |     |       |        |         |           |    |     |     |             |

| Criteria   | JORC Code explanation  | Commentary   |
|--|--|--|
| <i>Orientation of data in relation to geological structure</i> | <ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul> | <ul style="list-style-type: none"> <li>• Drilling update only being reported.</li> </ul> |
| <i>Sample security</i>   | <ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Drilling update only being reported.</li> </ul> |
| <i>Audits or reviews</i>                                       | <ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Drilling update only being reported.</li> </ul> |



## Section 2 Reporting of Exploration Results

| Criteria                                | JORC Code explanation  | Commentary   |         |           |      |       |             |             |     |       |          |        |              |        |         |    |   |     |         |             |        |              |        |         |    |     |     |             |  |
|---|--|--|---------|-----------|------|-------|-------------|-------------|-----|-------|----------|--------|--------------|--------|---------|----|---|-----|---------|-------------|--------|--------------|--------|---------|----|-----|-----|-------------|--|
| Mineral tenement and land tenure status | <ul style="list-style-type: none"><li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li><li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li></ul>  | <ul style="list-style-type: none"><li>Hole EVE001 was drilled on EL5792 which at the time was part of a Joint Venture between RioTinto and Resource Holdings Pty Ltd (RH). RioTinto has since terminated the JV and the EL is now wholly owned and operated by Stelar Metals.</li><li>The Kokotha People have a Native Title Determination over EL 2792 (SCD2014/004)</li></ul>  |         |           |      |       |             |             |     |       |          |        |              |        |         |    |   |     |         |             |        |              |        |         |    |     |     |             |  |
| Exploration done by other parties       | <ul style="list-style-type: none"><li>Acknowledgment and appraisal of exploration by other parties.</li></ul>  | <ul style="list-style-type: none"><li>An overview of historical exploration is included in the ITAR and the prospectus. Previous exploration has been limited to geophysical surveys with no recorded prior drilling historical exploration is included in the ITAR included in Stelar Metal's prospectus.</li></ul>   |         |           |      |       |             |             |     |       |          |        |              |        |         |    |   |     |         |             |        |              |        |         |    |     |     |             |  |
| Geology                                 | <ul style="list-style-type: none"><li>Deposit type, geological setting and style of mineralisation.</li></ul>  | <ul style="list-style-type: none"><li>The exploration model is Olympic Dam-style IOCG mineralisation within the eastern Gawler craton.</li></ul>   |         |           |      |       |             |             |     |       |          |        |              |        |         |    |   |     |         |             |        |              |        |         |    |     |     |             |  |
| Drill hole Information                  | <ul style="list-style-type: none"><li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<ul style="list-style-type: none"><li>easting and northing of the drill hole collar</li><li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li><li>dip and azimuth of the hole</li><li>down hole length and interception depth</li><li>hole length.</li></ul></li><li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li></ul> | <table><tr><th>Hole ID</th><th>Grid name</th><th>East</th><th>North</th><th>RL</th><th>TAZ</th><th>Dip</th><th>Depth</th><th>End date</th></tr><tr><td>EVE001</td><td>GDA94 MGA_53</td><td>653370</td><td>6476010</td><td>91</td><td>0</td><td>-90</td><td>735.8 m</td><td>17 Mar 2018</td></tr><tr><td>EVE002</td><td>GDA94 MGA_53</td><td>653729</td><td>6475311</td><td>91</td><td>065</td><td>-60</td><td>In progress</td><td></td></tr></table> | Hole ID | Grid name | East | North | RL          | TAZ         | Dip | Depth | End date | EVE001 | GDA94 MGA_53 | 653370 | 6476010 | 91 | 0 | -90 | 735.8 m | 17 Mar 2018 | EVE002 | GDA94 MGA_53 | 653729 | 6475311 | 91 | 065 | -60 | In progress |  |
| Hole ID                                 | Grid name  | East   | North   | RL        | TAZ  | Dip   | Depth       | End date    |     |       |          |        |              |        |         |    |   |     |         |             |        |              |        |         |    |     |     |             |  |
| EVE001                                  | GDA94 MGA_53   | 653370   | 6476010 | 91        | 0    | -90   | 735.8 m     | 17 Mar 2018 |     |       |          |        |              |        |         |    |   |     |         |             |        |              |        |         |    |     |     |             |  |
| EVE002                                  | GDA94 MGA_53   | 653729   | 6475311 | 91        | 065  | -60   | In progress |             |     |       |          |        |              |        |         |    |   |     |         |             |        |              |        |         |    |     |     |             |  |

| Criteria   | JORC Code explanation  | Commentary  |
|--|--|---|
| Data aggregation methods   | <ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul> | <ul style="list-style-type: none"> <li>Drilling update only being reported</li> </ul>   |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>   | <ul style="list-style-type: none"> <li>Drilling update only being reported</li> </ul>   |
| Diagrams   | <ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>  | <ul style="list-style-type: none"> <li>Refer to figures in the text of the ASX announcement</li> </ul>                                      |
| Balanced reporting   | <ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>   | <ul style="list-style-type: none"> <li>Drilling update only being reported</li> </ul>   |
| Other substantive exploration data                               | <ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>   | <ul style="list-style-type: none"> <li>Description of the work completed and the results is included in the ITAR and prospectus.</li> </ul> |
| Further work   | <ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>  | <ul style="list-style-type: none"> <li>Stelar Metals is currently drilling a deep diamond hole to test the gravity anomaly.</li> </ul>      |