ASX ANNOUNCEMENT
2 August 2022

High-grade zinc assays at Stelar Metals' Linda Zinc Project

HIGHLIGHTS

- **New laboratory multi-element assays of rock-chips from the Linda Prospect return high-grade zinc and lead.**
- **Assay results include 16.5% Zn & 1% Pb (sample L00166) and 14.1% Zn & 8.5% Pb (sample L00167)**
- **Petrological and XRD examination of the rock-chips confirms zinc mineralisation in dolomitised limestone**
- **Immediate follow-up field work already underway at Linda as part of plan to commence first drilling by Stelar at Linda Q4 2022**

Critical minerals explorer Stelar Metals Limited (**ASX:SLB**) ("**Stelar Metals**" or the "**Company**") has received laboratory assays and a petrological report confirming high-grade zinc mineralisation on the surface at its 100%-owned Linda Zinc Project in South Australia.

High-grade rock-chip samples assaying 16.5% Zn & 1% Pb (sample L00166) and 14.1% Zn & 8.5% Pb (sample L00167) were collected by Stelar from outcrop at the Linda Prospect in May 2022 (Figure 1).

Stelar's first soil geochemical survey in May also identified a large coherent zinc soil anomaly that extends 300m x 250m with values up to 0.7% zinc and up to 675ppm lead in soils (Figures 2 & 3) which remains open to the south and north (SLB ASX Announcement: 3rd June 2022).

The location of these newly identified surface mineralisation and soil data reinforces that the historic BHP drilling did not adequately test the mineralisation potential of the Linda Prospect (Figure 2). Given there is visible sphalerite mineralisation in the historic core, the surface expression of this mineralisation recently identified by Stelar has weathered to zinc-carbonate and oxide species as observed.

CSA Global's recent field work and report commissioned by Stelar confirmed that the geological setting at Linda is considered highly prospective for economic carbonate-hosted zinc. CSA's study reports that the Linda Project has elements of Irish Type and MVT mineralisation styles and that the geological setting strongly supports the view that the area is prospective for Kipushi-Beltana Type mineralisation.

Linda Zinc is one of five highly prospective copper and zinc projects the Company is advancing in this world-class mining district.

Field work to follow-up up these excellent early results is already underway at Linda. Mapping, soil and rock ship sampling programs are being implemented to expand and define mineralisation at Linda and examine untested diapiric breccia and structural zones that are potentially important in controlling mineralisation. Land access process is being advanced with plans to commence drilling at Linda during Q4 2022.

Stelar Metals Chief Executive Officer Colin Skidmore said:

"Stelar's new high-grade zinc results from whole-rock laboratory analysis confirms the Company's field exploration techniques at Linda.

"The very high grades at this early stage is exciting as 20% combined lead-zinc is generally considered direct shipping ore (DSO), which is similar to past zinc production from Perilya's Beltana Zinc Mine nearby."

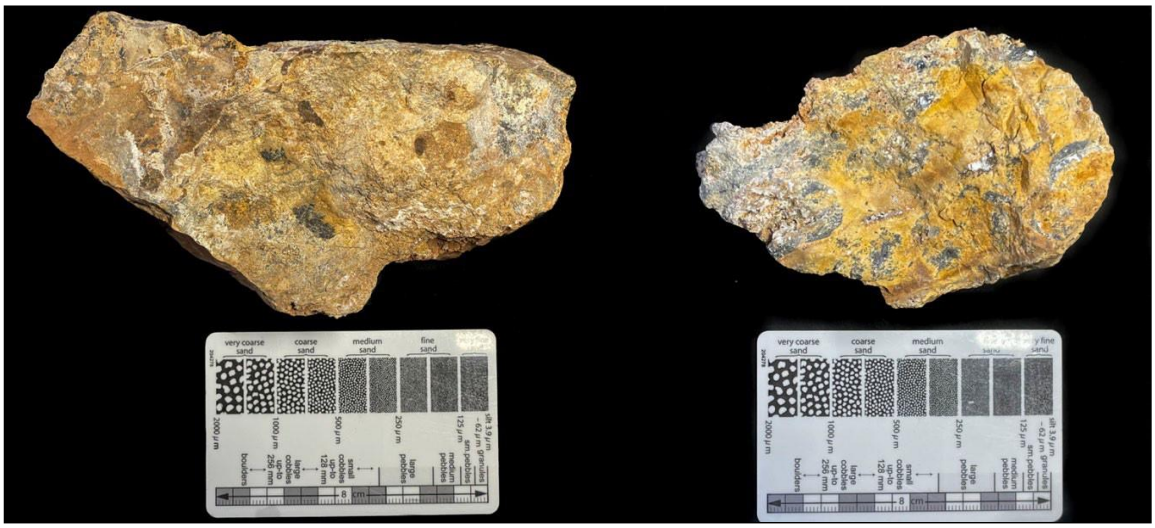

Figure 1: Left: Sample L00166 which reported 16.5% Zn and 1% Pb. Right: Sample L00167 which reported 14.1% Zn and 8.55% Pb.

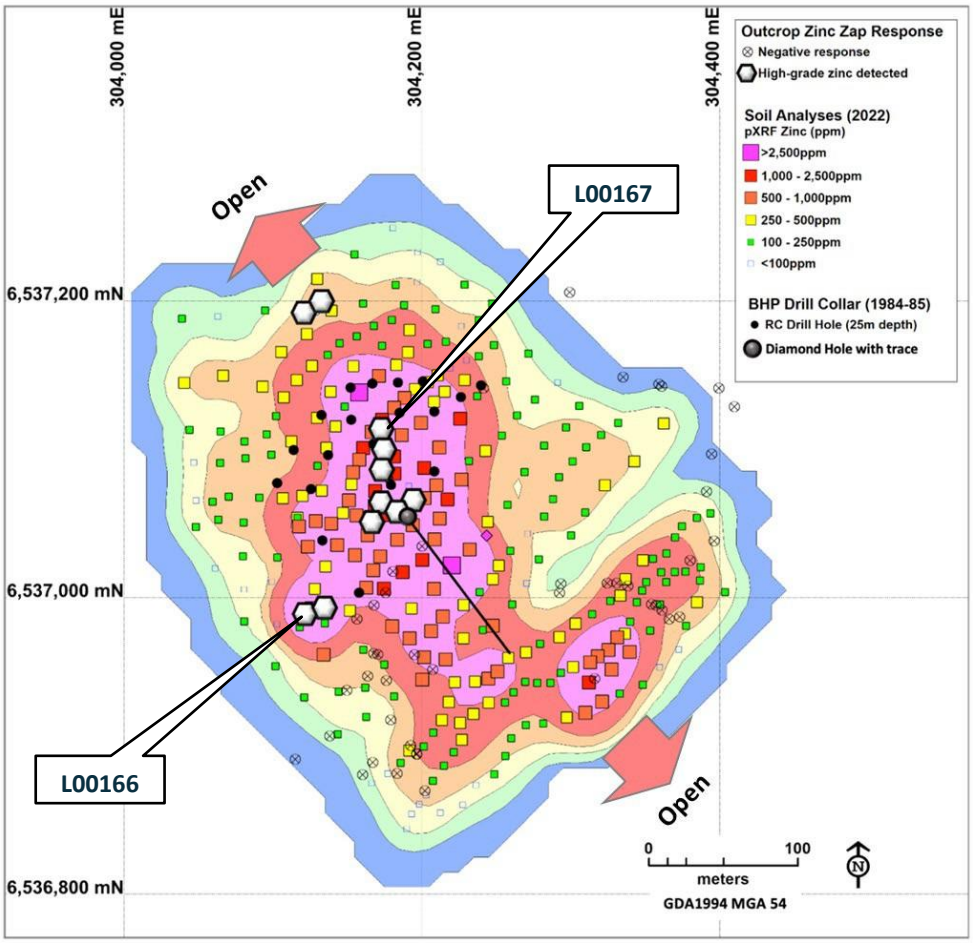

Figure 2: Stelar Metal's Zinc soil anomaly May 2022 showing thematic zinc soils, high grade mineralised outcrops located historic BHP drilling. Location of assay and petrology samples L00166 and L00167.

Linda Zinc Mineralisation Petrology and Assays

Petrological and XRD studies have determined that the primary limestones at Linda have been fractured and infiltrated by CO_2-S-Pb-Fe-Zn fluids depositing galena and sphalerite mineralisation. Subsequent weathering in the near surface environment, produced new zinc and lead carbonate species including smithsonite ($ZnCO_3$) >> cerussite ($PbCO_3$) > hydrozincite ($Zn_5(CO_3)_2(OH)_6$) and hydrated iron-oxides. Smithsonite was observed completely replacing galena grains and the iron-oxides. XRD confirmed dolomite >> calcite and smithsonite >>cerussite and hydrozincite.

Intertek laboratory in Adelaide undertook multi-element geochemistry on portions of the same two rock-chip samples using four-acid digest and ICP-MS and ICP-OES for 60 elements and gold by 25g fire-assay. A full set of results are included in Appendix 1. The laboratory's internal QAQC reported results of checks, blanks and 13 certified standards. Summarised results are given in Table 1.

Sample	Zinc	Lead	Copper	Calcium	Magnesium
L00166	16.5%	1.0%	763 ppm	16.6%	5.6%
L00167	14.1%	8.5%	143 ppm	14.6%	5.4%

Table 1: Summary of laboratory multi-element analysis

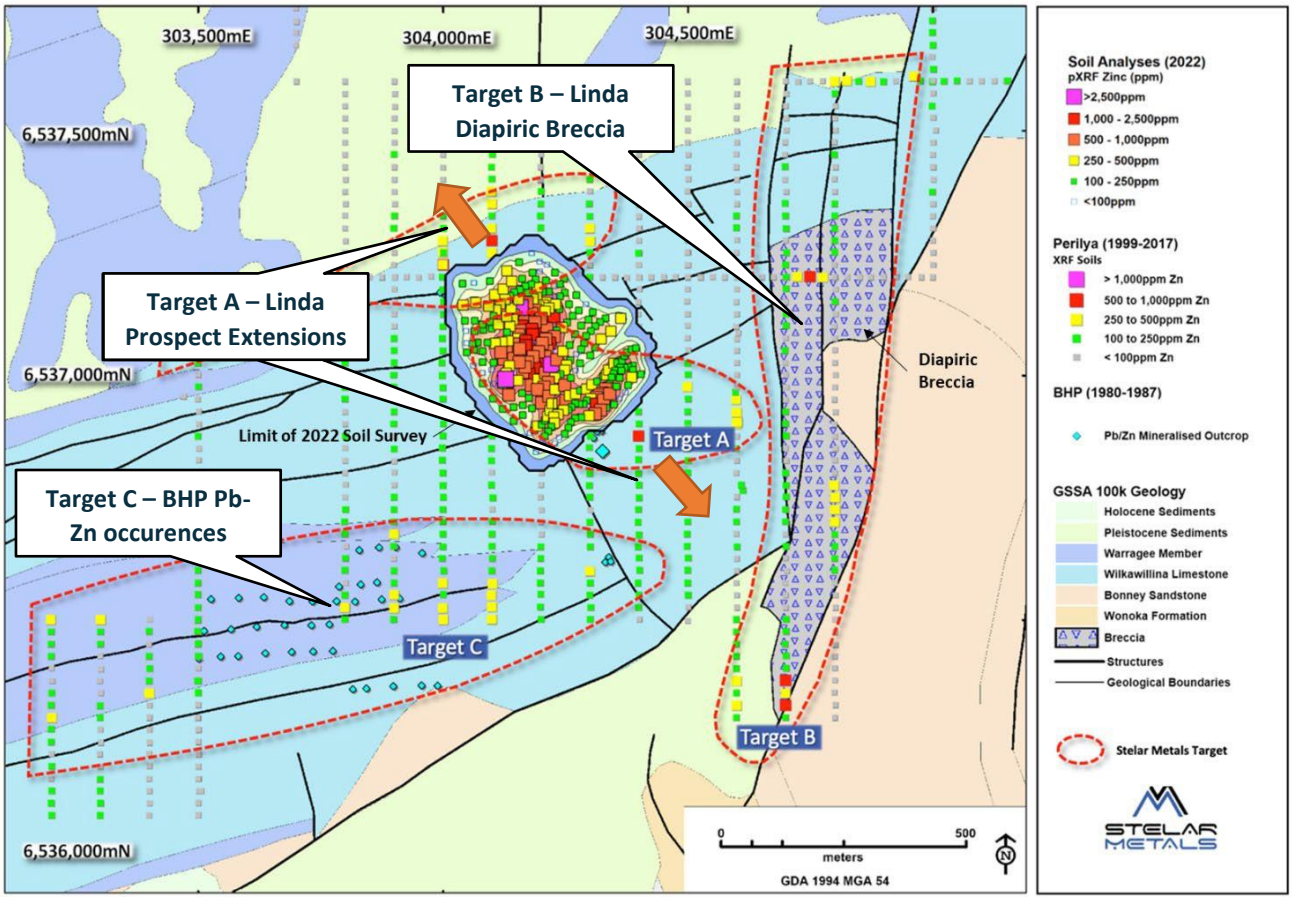

Figure 3: Geology map showing Stelar Metals' new zinc soil geochemistry combined with Perilya's zinc geochemistry. The breccia unit underlying part of Target B is interpreted as a diapiric structure and a potentially important mineralising control.

Next Steps

Stelar recommenced additional soil sampling and mapping at Linda on 15 July 2022. The aims of the current work program (Figure 4) include:

A. **Extending the Linda Prospect soil coverage to the north and to the south as far as the main bounding fault of the regional graben structure to assist in determining structural controls on mineralisation.**

B. **Mapping and soil sampling the Linda Diapir where in 2013 Perilya reported significant zinc anomalies. The diapir is thought to be an important part of the plumbing system for metalliferous brines from deep within the basin pile. There is also potential for rare-earth minerals to be discovered at the margins of these diapiric breccias.**

C. **Mapping and soil sampling of the area to the west of Linda where BHP in the 1980's mapped parallel units of calc-mudstone and grainstone with numerous occurrences of visible base-metal mineralisation.**

Subsequent field work over the coming months will continue to extend the surface sampling coverage and mapping to evaluate multiple areas on EL 6263 identified as prospective in satellite imagery and to define targets worthy of drill testing later in 2022. Stelar Metals continues negotiating a Native Title Management Agreement with the Traditional Owners and once agreed will commence Heritage Clearance Surveys and seek drilling approval from the South Australian regulators.

About Linda Zinc Project

High-grade zinc and lead mineralisation at Linda is hosted within similar Cambrian limestone sequences as Perilya's Beltana Zinc Mine and Third Plain Zinc Project located only 10km along strike from Linda. Stelar Metals consider that this area is prospective for economic Mississippi Valley type (MVT) and Beltana-Kipushi type zinc-lead mineralisation as well as Zambian-style copper mineralisation.

The Linda Project has a comparable geological setting to the high-grade copper-zinc mineralisation at Kipushi in the Central African Copper Belt. The Project is underlain by Neoproterozoic to early Cambrian sedimentary rocks on the margin of a regional graben structure between two diapiric breccia bodies. These diapirs and associated faults are a potentially important fluid pathway for metal-bearing brines sourced from deep within the Adelaidean Geosyncline. The Cambrian Limestone sequence at Linda provides a suitable geological environment for the deposition of base-metals in open-fill in karst structures and as replacement mineralisation.

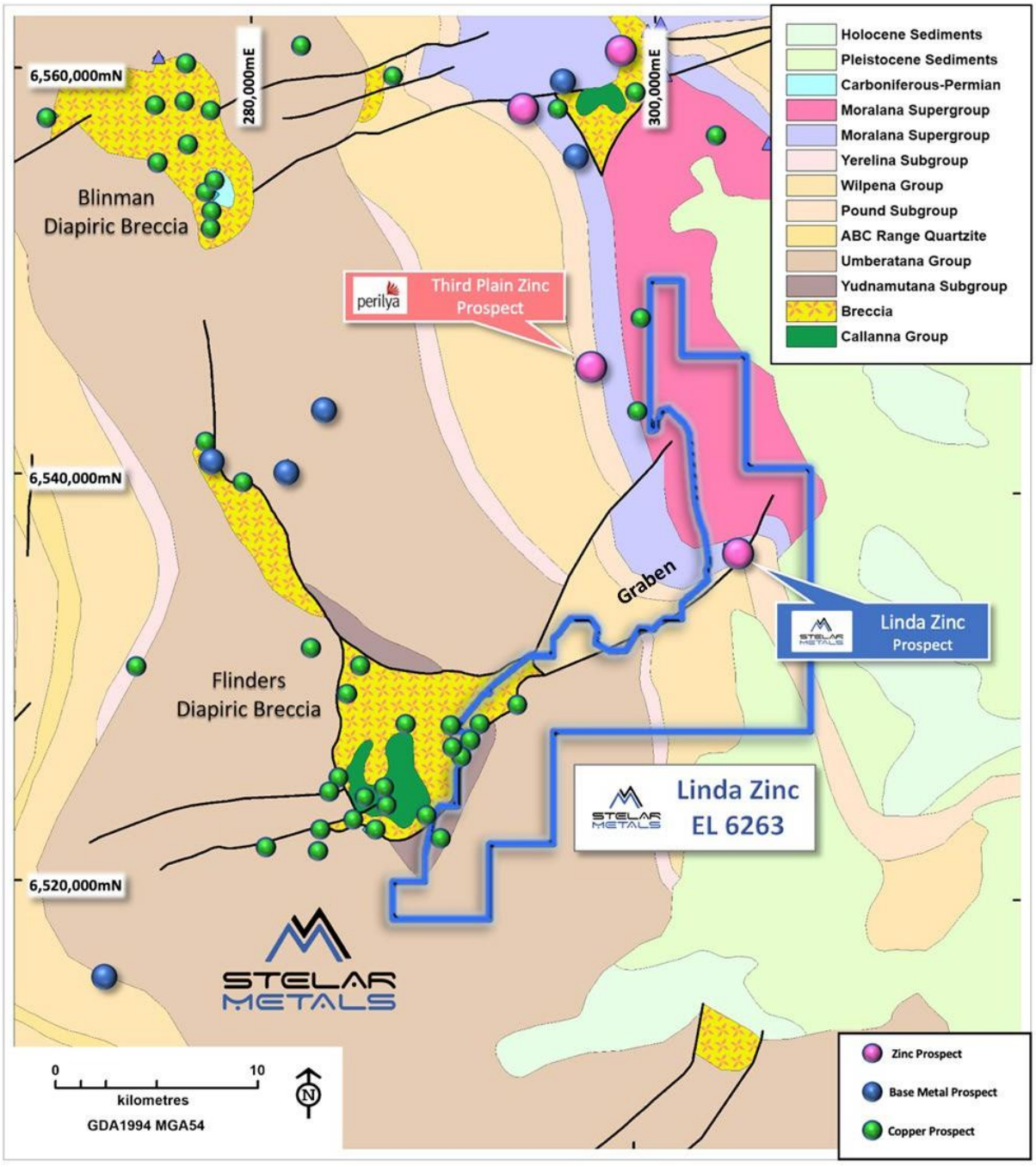

Figure 4: Regional geological setting of the Linda Project with major prospects.

APPROVED BY THE BOARD OF STELAR METALS LIMITED.

FOR MORE INFORMATION:

Colin Skidmore
Chief Executive Officer, Stelar Metals Limited

c.skidmore@stelarmetals.com.au
+61 467 608 539

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.

ELEMENTS	UNITS	DETECTION	METHOD	L00166	L00167
Au	ppm	0.005	FA25/OE	X	0.006
Ag	ppm	0.05	4A/MS	5.02	6.28
Al	ppm	50	4A/MS	2,705	1,989
As	ppm	0.5	4A/MS	168.1	126.5
Ba	ppm	0.1	4A/MS	18.8	16.1
Be	ppm	0.05	4A/MS	0.22	0.08
Bi	ppm	0.01	4A/MS	0.41	0.29
Ca	ppm	50	4A/MS	166,221	145,929
Cd	ppm	0.02	4A/MS	312.97	277.41
Ce	ppm	0.01	4A/MS	3.63	4.84
Co	ppm	0.1	4A/MS	4.6	2.1
Cr	ppm	1	4A/MS	2	3
Cs	ppm	0.05	4A/MS	0.16	0.09
Cu	ppm	0.5	4A/MS	763.5	142.6
Dy	ppm	0.01	4A/MS	0.49	0.55
Er	ppm	0.01	4A/MS	0.29	0.3
Eu	ppm	0.01	4A/MS	0.08	0.15
Fe	%	0.01	4A/MS	2.59	0.57
Ga	ppm	0.05	4A/MS	1.39	0.91
Gd	ppm	0.01	4A/MS	0.52	0.73
Ge	ppm	0.1	4A/MS	3.5	3.9
Hf	ppm	0.05	4A/MS	0.26	0.18
Ho	ppm	0.01	4A/MS	0.1	0.11
In	ppm	0.01	4A/MS	0.01	X
K	ppm	20	4A/MS	810	306
La	ppm	0.01	4A/MS	2.05	2.88
Li	ppm	0.1	4A/MS	0.7	2.1
Lu	ppm	0.01	4A/MS	0.04	0.04
Mg	ppm	20	4A/MS	55,606	54,163
Mn	ppm	1	4A/MS	3,228	1,391
Mo	ppm	0.1	4A/MS	2.9	0.5
Na	ppm	20	4A/MS	109	103
Nb	ppm	0.05	4A/MS	0.53	0.42
Nd	ppm	0.01	4A/MS	1.87	2.75
Ni	ppm	0.5	4A/MS	6.9	4.6
P	ppm	50	4A/MS	290	218
Pb	ppm	0.5	4A/MS	9,970.6	85,075
Pb-Rp1	ppm	50	4AHBr/OE		85,075
Pr	ppm	0.01	4A/MS	0.48	0.68
Rb	ppm	0.05	4A/MS	3.5	1.41
Re	ppm	0.002	4A/MS	X	X
S	%	0.05	4A/MS	0.07	0.1
Sb	ppm	0.05	4A/MS	1.51	0.83
Sc	ppm	0.1	4A/MS	0.6	0.6
Se	ppm	0.5	4A/MS	3.1	X
Sm	ppm	0.01	4A/MS	0.46	0.59
Sn	ppm	0.1	4A/MS	0.3	0.2
Sr	ppm	0.05	4A/MS	41.54	58.97
Ta	ppm	0.01	4A/MS	0.05	0.04
Tb	ppm	0.01	4A/MS	0.08	0.1
Te	ppm	0.2	4A/MS	X	X
Th	ppm	0.01	4A/MS	0.74	0.69
Ti	ppm	5	4A/MS	135	121
Tl	ppm	0.02	4A/MS	0.13	0.04
Tm	ppm	0.01	4A/MS	0.05	0.04
U	ppm	0.01	4A/MS	2.36	1.1
V	ppm	1	4A/MS	31	7
W	ppm	0.1	4A/MS	0.2	0.2
Y	ppm	0.05	4A/MS	3.26	3.58
Yb	ppm	0.01	4A/MS	0.27	0.23
Zn	ppm	1	4A/MS	>20,000	>20,000
Zn-Rp1	ppm	50	4AHBr/OE	165,385	141,359
Zr	ppm	0.1	4A/MS	8.8	5.4

Appendix 1: Full assay results for rock-chip samples L00166 and L00167

JORC, 2012 Edition – Table 1 – Linda Zinc Project Rockchips July 2022

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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.*	• Historic drilling on EL 6263 has previously been reported in the JORC Tables included with Stelar Metal's prospectus • Soil sampling by Stelar Metals in May 2022 collected a total of 279 samples of ~250g un-sieved soil from depths between 10-20cm deep between outcrops of limestone. Coarse material was discarded. Samples were analysed for multi-elements using a portable XRF. • Two rockchip samples were taken (L00166 and L00167) from outcropping limestone that tested positive to zinc-zap stain. The rockchips were hammered of surficial outcrop exposures and bagged. Duplicate samples using the same sample number were taken (1kg) for separate petrology and assay.
Drilling techniques	• *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).*	• No drilling undertaken

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• No drilling undertaken
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• No drilling undertaken
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Soil and rockchip sampling only • The sample size and medium is considered appropriate for the purpose of outlining surface geochemical anomalies • All soils samples were preserved should further analyses be required.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• Both samples L00166 and L00167 were submitted to Mason Geoscience in Adelaide for petrology using polished thin section optical microscopy. Offcuts were sent to Greencap Laboratory in Adelaide for analysis by X-ray diffraction. • Both samples were also submitted to Intertek Laboratory in Adelaide for multi-element assay using a 4-acid digest and a combination of ICP-MS and ICP-OES analysis for 60 elements (4A/MS48 and 4A/MS48R) and gold by 25g fire-assay with ICP-OES finish (FA25/OE04). Full assay results are included in Appendix 1
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent or alternative verifications are available. • No adjustments have been made to any assay data.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Each sample site was picked up using a Garmin handheld GPS (MAP66i) with an accuracy of +/- 5m • Sample locations and drill holes were picked up using GDA1994 MGA 54 projection. • Historic BHP drill holes were also picked up using a handheld GPS where collars were still visible on the ground
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Rockchip sampling only being reported.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• No sampling bias of this kind is suspected.
Sample security	• *The measures taken to ensure sample security.*	• Offcuts from the petrology and sample pulps will be retained by the company
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The soil and rock-chip sampling at Linda was undertaken in consultation with Mark Allen of CSA Global.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• The historical project comprised EL725 and EL1085, which formed part of a JV between Dampier Mining and BHP. • Currently the Linda Project is held as EL 6263 by Resource Holdings No 1 Pty Ltd which is a wholly owned subsidiary of Stelar Metals limited. There are no joint ventures • The tenure falls within the Adnyamathanha People No 2 determination SCD2009/001. • The southern portion of EL 6263 is covered by the Bunker Conservation Park managed by the SA Minister for Land and Water

Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• An overview of historical exploration is included in the ITAR included in Stelar Metal's prospectus. Previous exploration was conducted by:
		  • South Australian Barytes (1971-1972),
		  • BHP (1980-1987),
		  • SA Ludi Mining (2011-2016)
		  • Perilya (1999-2017)

Geology	• *Deposit type, geological setting and style of mineralisation.*	• The exploration model is Mississippi Valley Type (MVT) Zn-Pb in the Adelaide Fold Belt.

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *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.*
		• Historic drilling has previously been reported in the JORC Tables accompanying Stelar Metal's prospectus
		• No additional drilling has been undertaken

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No data aggregation has been applied • No resource evaluation has been undertaken • Metal equivalent values are not reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• Rockchip sampling only reported
Diagrams	• *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.*	• Refer to figures in the text of the ASX announcement
Balanced reporting	• *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.*	• All rockchip sample sites are reported
Other substantive exploration data	• *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.*	• Description of the work completed and the results is included in the historical reports, and an overview of this work is provided in this document.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Stelar Metals is planning additional soil sampling and mapping at Linda. Stelar is currently negotiating a Native Title Management Agreement with traditional owners and plans to drill test ranked targets later in 2022.