ASX ANNOUNCEMENT
30 August 2022

Stelar granted Gunson Copper Project in South Australia

HIGHLIGHTS

- **SA Government grants Stelar Metals Exploration Licences (ELs) 6812 and 6824 – Gunson Copper Project**
- **Newly granted tenure is 2km from and adjacent to the historical open-pit Mount Gunson Copper Mines**
- **Gunson is prospective for Zambian-style sediment-hosted copper deposits and Olympic Dam-style IOCG mineralisation**
- **Gunson is one of five highly prospective copper and zinc projects held by Stelar, after recent granting of Baratta Copper Project in Adelaide Fold Belt**
- **Initial work programs will include surface sampling and collecting high-resolution geophysics.**

Critical minerals explorer Stelar Metals Limited (**ASX:SLB**) ("**Stelar Metals**" or the "**Company**") has been granted its Gunson Exploration application in northern South Australia as two separate exploration licences: EL 6812 and EL 6824 (Figure 1). The Gunson Project is considered prospective for Zambian-style sediment-hosted copper (SHCD) as well as Olympic Dam-style IOCG mineralisation.

Eastern tenement EL 6812 is close to a series of historic open pit copper mines and deposits at Mount Gunson which were periodically mined from 1875 through to 2006. Additionally, the tenement is neighboured by Coda Minerals' advanced copper projects including Windabout and MG14 SHCD projects and Coda's Elaine IOCG project.

Stelar Metals' exploration strategy for the Gunson project areas is to explore for Zambian-style SHCD copper mineralisation within the Adelaidean sequences on the Pernatty Culmination and Olympic Dam-style IOCG mineralisation in the underlying Mesoproterozoic basement.

Stelar Metals Chief Executive Officer Colin Skidmore said:

"The location of the Gunson Project within a couple of kilometres of the successful shallow open-cut copper mines such as Mount Gunson and Cattlegrid combined with its proximity to Coda Minerals' copper exploration drilling programs at Elaine reinforce the potential of Stelar's new Gunson Project.

"Stelar looks forward to starting field work on this tenement and will use modern high-resolution geophysics to define targets for future drill programs.

"Granting of Gunson follows our recent receipt of the Baratta Copper Project licence, and these projects have significantly bolstered our exploration portfolio."

Initial work programs at Gunson will include surface sampling and collecting high-resolution geophysical datasets to define targets for future drill testing.

Gunson is one of five highly prospective copper and zinc projects the Company intends to explore, committing to an aggressive exploration program in this world class mining district (Figure 3).

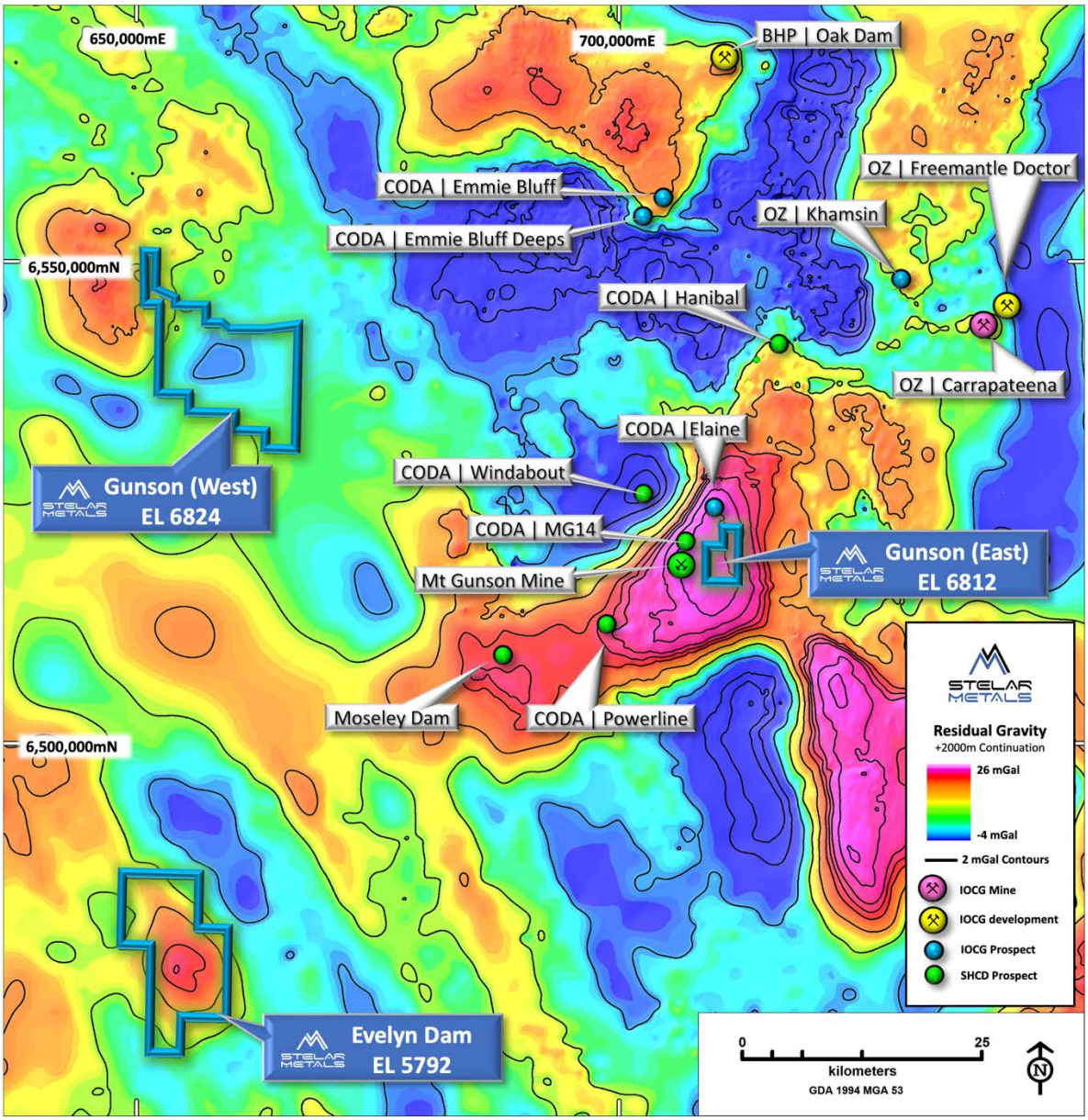

Figure 1: Regional residual gravity imagery showing the distribution of major advanced copper projects and the proximity of Carrapateena Mine to Stelar's Gunson Copper Project.

Gunson Geological Setting

Gunson East (EL 6812) is located on the Pernatty Culmination where Pandurra Formation occurs as a north-south trending palaeo-topographic ridge (Figure 2). The Pernatty Culmination controls sedimentation of the Adelaidean rocks which unconformably onlap the ridge. The Adelaidean strata are expected to thicken from west to east away from the Pernatty Culmination.

Gunson West (EL 6824) is in the central eastern part of the Mesoproterozoic Gawler Craton, just west of the Olympic Dam IOCG province. The eastern Gawler Craton is overlain by flat-lying Mesoproterozoic to Neoproterozoic sediments of the western extent of the Stuart Shelf. SA Geological Survey's geological mapping noted that Neoproterozoic Tent Hill Formation of the Stuart Shelf outcrops across most of the area. Nearby drilling indicates

the area comprises mostly Gawler Range Volcanics (GRV) covered with several hundred metres of Mesoproterozoic Pandurra Formation.

Mineralisation at Mount Gunson supports a general Copperbelt-type mineralisation model. Mineralisation is precipitated from an oxidised basin brine formed in the lowest units of a rift basin. Deposition of mineralisation is triggered by reaction with reduced facies rocks. Migration of mineralising fluids is controlled by the interaction of basin structure and stratigraphic aquifers. The Stuart Shelf is a relatively thin sedimentary sequence sitting adjacent to a thick salt-bearing succession in the Adelaidean Rift which is a likely source for mineralising basin brines. Dewatering of the Adelaidean Basin would progressively focus into the lowest permeable units on the Stuart Shelf which become thinner towards the Pernatty Culmination. Reduced facies rocks are known in the Tapley Hill Formation which are potential host rocks. Evidence from Mount Gunson and recent drilling results with significant copper, cobalt and silver mineralisation at the base of the Tapley Hill Formation by neighbouring tenement holders support the view that this process was active in the area. The concept is also supported by the similarity in age, structure and sedimentology between the Adelaidean and Zambian Copperbelt.

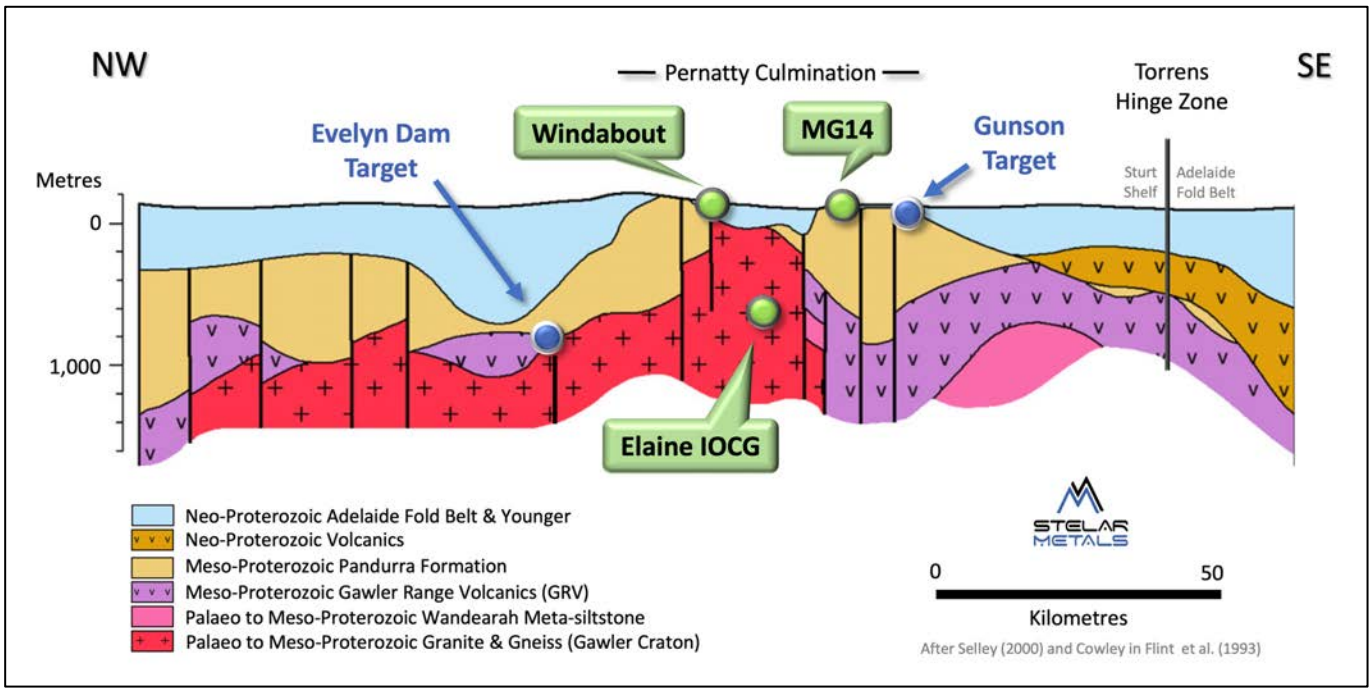

Figure 2: Regional E-W geological cross-section, contextualising the geology underneath the Gunson Project

Previous Exploration

Exploration has been active in the area since the 1960s, which has helped build an understanding of the area and produced several useful datasets which are being utilised by Stelar, Coda, OZ Minerals and others in the region. Stelar is in the process of compiling all historical data from exploration reports and are applying these to target generation.

DDH Pernatty 4 (PY4) is the only known drill hole within the Gunson Project. CSR Ltd completed a series of four deep drill holes (PY1-4) in 1983 exploring for IOCG type mineralisation in the Pernatty area targeting magnetic-gravity features. These drill holes intersected GRV from between 560-680m. PY4 was drilled to 1015m to test a broad distinct magnetic anomaly centred to the southwest of the drill hole collar. The northern half of this magnetic anomaly is located on the Gunson Project. PY4 intersected GRV at 562.58m which showed favourable alteration zones, minor base metals anomalism, and fluorite-barite veins at the end of the hole. PY3 intersected similar

favourable geology, leading CSR Ltd. to interpret an association between magnetic anomalism, magnetite, alteration, and mineralisation in the area.

The geophysical coverage is relatively poor with only relatively detailed gravity collected over a minor portion of EL 6812. The Pernatty Culmination however stands out as a major gravity high in the SA gravity datasets as illustrated in Figure 1 which also shows the distribution of advanced copper projects in the region. It is obvious the tenure would benefit from modern detailed high-resolution geophysics to discern potential drill targets.

Pacminex collected lake floor surface samples over the northern portion of El 6812 in 1973. The historical records are unreliable, poorly located and cannot be verified but maps included in open file reports indicate copper and zinc anomalism was identified but were difficult to interpret.

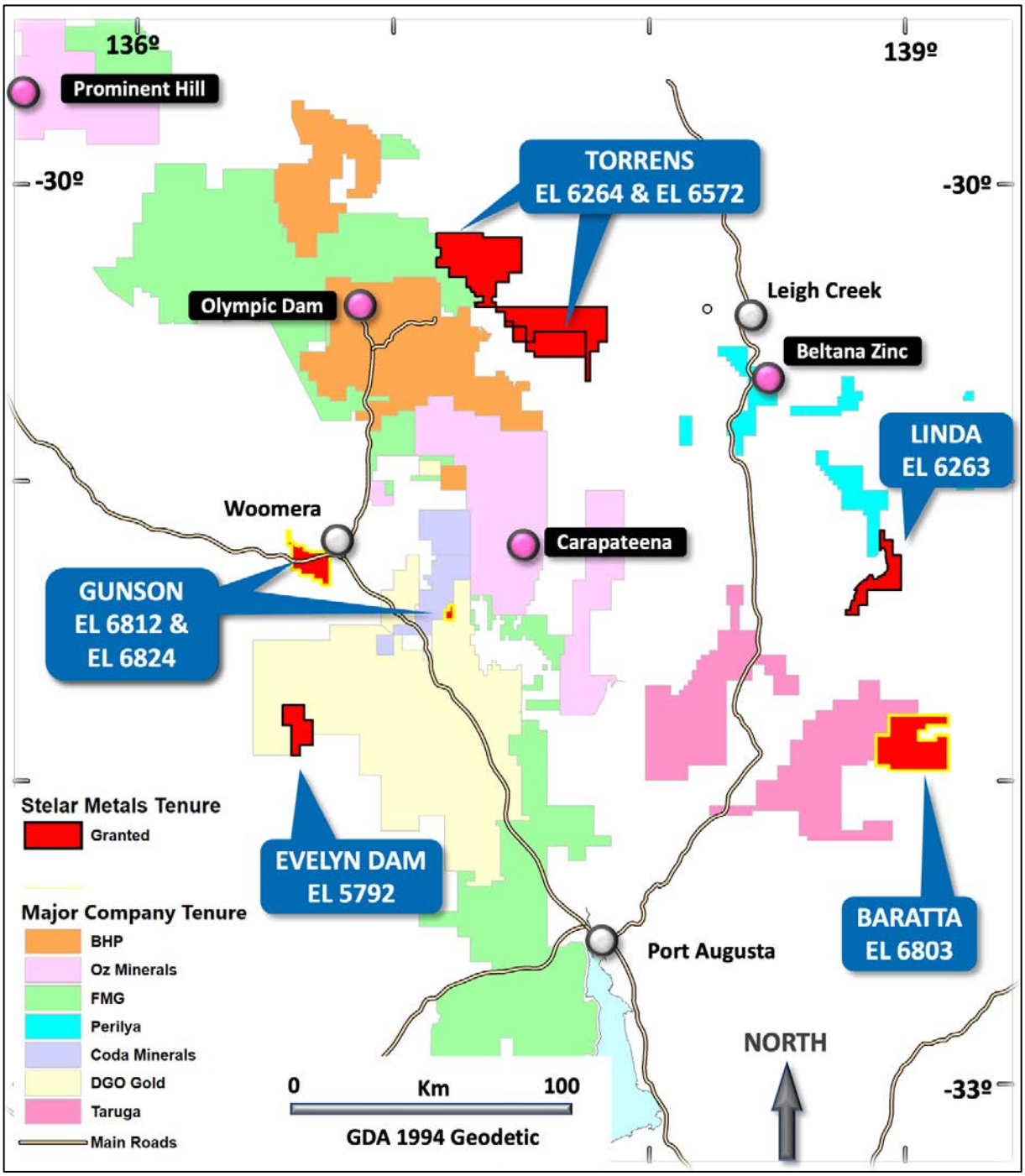

Figure 3: Stelar's exploration projects in South Australia.

APPROVED BY THE BOARD OF STELAR METALS LIMITED

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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 this prospectus is available from the ASX Announcements page of 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.