ASX ANNOUNCEMENT
29 November 2022

Stelar granted EL 6863 over historic Baratta Copper Mine, SA

HIGHLIGHTS

- **Stelar has been granted a new exploration licence (EL 6863) over the Baratta Copper Mine area, adjacent to the Company's recently granted EL 6803**
- **Historic Baratta Copper Mine, produced copper ore between 1896 and 1904 from a 1.5km long zone of workings**
- **Broad spaced soil sampling at Baratta has identified multiple copper anomalies indicating the potential for additional parallel repeats and REE prospectivity**
- **Copper anomalism and mineralisation at surface underlain by dense and magnetic bodies increase prospectivity at Baratta**
- **Also, large IP chargeable target identified to the west of the historic Baratta Mines**
- **Stelar's initial work programs at Baratta have commenced, including geological mapping, soil and rock-chip sampling as well as geophysical modelling to refine targets for future drill testing**

Critical minerals explorer Stelar Metals Limited (**ASX:SLB**) ("**Stelar Metals**" or the "**Company**") has been granted Exploration Licence 6863 (EL 6863) for an initial 6-year term over the historic Baratta Copper Mine, immediately adjacent to the Company's recently granted Baratta Project EL 6803 (Figure 2).

The historic Baratta Copper Mine produced copper ore between 1896 and 1904 from a zone of workings 1.5km long in a structure that is interpreted to control copper mineralisation. This mineralised horizon, recognised as a flat-dipping quartz-haematite gossan, also extends for several kilometres into Stelar's adjacent EL 6803 recognised by numerous shallow workings. A sample of discarded ore in one shallow pit of brecciated quartz-siderite-haematite with oxidised copper minerals recorded 36% Cu and 478g/t Ag using Stelar's portable XRF (Figure 1).

Previous broad spaced soil sampling at Baratta has identified multiple copper anomalies indicating the potential for additional parallel repeats in this highly anomalous copper area. Historical records show that no drilling has been undertaken to test, either the Baratta Mine or the along strike extensions.

Stelar believes that this area warrants further investigation given the extent of the surface copper anomalism and its position relative to the underlying geophysical targets (ASX : SLB, 25th October 2022).

Stelar has commenced initial work programs on the granted Baratta Exploration Licence, which include geological mapping, soil sampling and rock-chip sampling focusing on the Tindelpina Shale Member and the diapiric structures to refine targets for future drill testing. Stelar will also evaluate the rare earth element mineral potential of this project.

STELAR METALS
22 Greenhill Road
Wayville SA 5034

T: + 61 8 8372 7881
E: info@stelarmetals.com.au
W: stelarmetals.com.au

Figure 1: Left: View of the historical Line of Lode at Baratta Copper Mine, Right: Example of discarded copper ore on old working within the granted EL (XRF: 36% Cu and 478 g/t Ag)

Stelar Metals Chief Executive Officer Colin Skidmore said: *"Now that both EL 6863 and adjacent EL 6803 are granted, Stelar has commenced actively exploring the Baratta Project.*

"Along with the historic copper mining and surface mineralisation along similar structures at Baratta, substantial geophysical datasets collected by historical explorers at great cost are being reprocessed and interpreted by Stelar using the latest technologies. New targets worthy of further investigation have already been identified at Baratta."

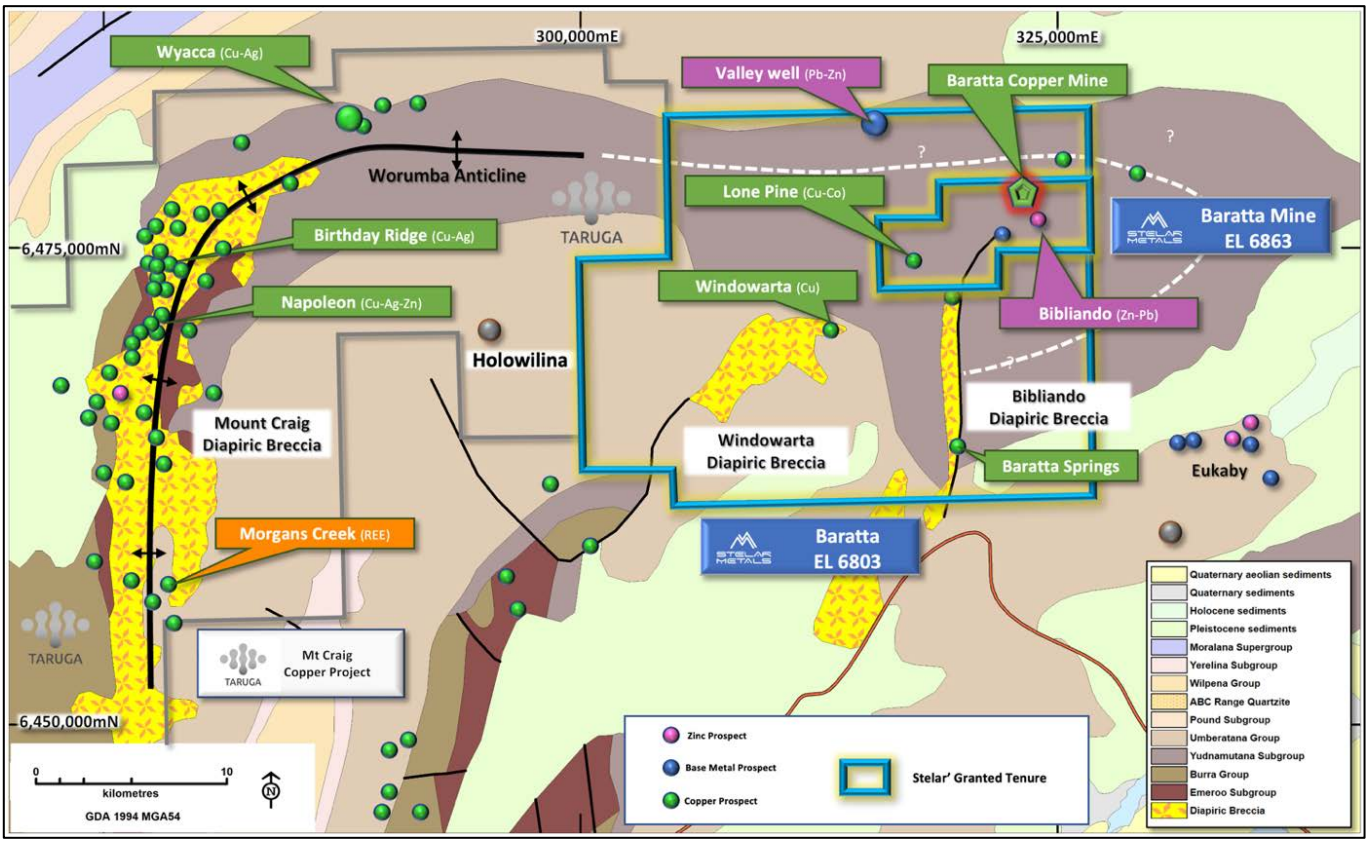

Figure 2: Regional geological setting of the Baratta Project showing major prospects.

Geophysical Reprocessing

Reprocessing of the historical geophysical datasets over the Baratta Project has been completed by David McInnes of Montana Geoscience.

The reprocessed historic datasets define a strong magnetic complex which runs along an east-west axis through the newly granted tenement with high-density gravity bodies projecting upwards out of the upper surfaces of the modelled magnetic anomaly (Figure 3).

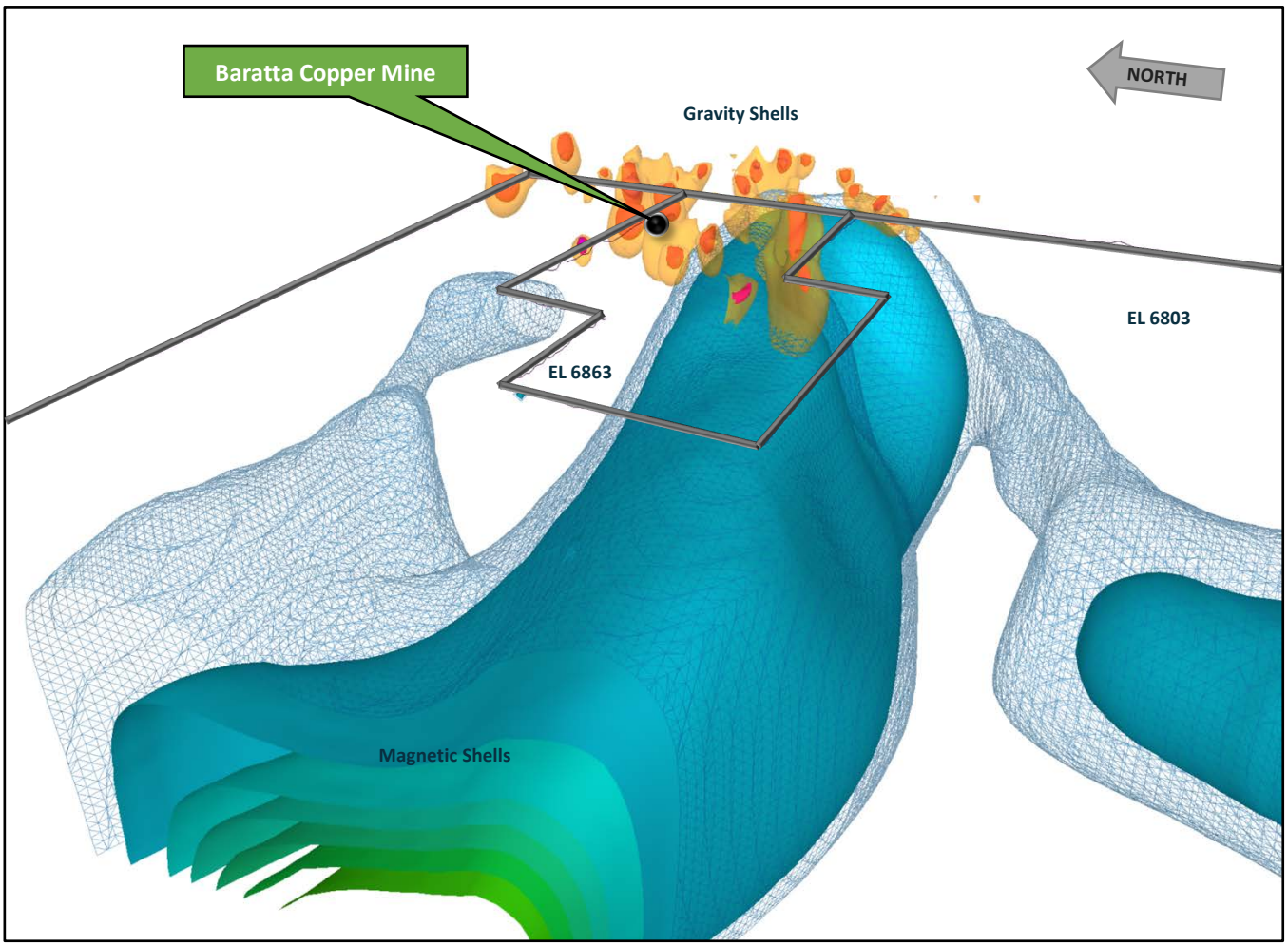

Figure 3: Baratta 3D visualization looking NE of east-west magnetic anomaly (blue-green) and high-level gravity anomalies (orange-red)

The radiometric datasets, which delineate geology and structure well, demonstrate the folded stratigraphy encompasses the magnetic anomaly.

A potassium-uranium enriched, and thorium depleted regional structure that incorporates the Bibliando Diapir, strikes north-south and cuts across the nose of folded Wilyerpa Formation (Figure 4).

The Bibliando diapir extends north-south for 5 kilometres but is only ~400m wide in a structurally complex zone. Panda Mining recognised at least 3 phases of intrusion with a central core of massive silicification surrounded by kaolinized polymict brecciation with a dominant dolomite rock type with pods of calcite and barite. Panda interpreted that the diapir was an evolved carbonatite intrusive containing several large insitu gossans after sulphides which were anomalous in copper and phosphorous.

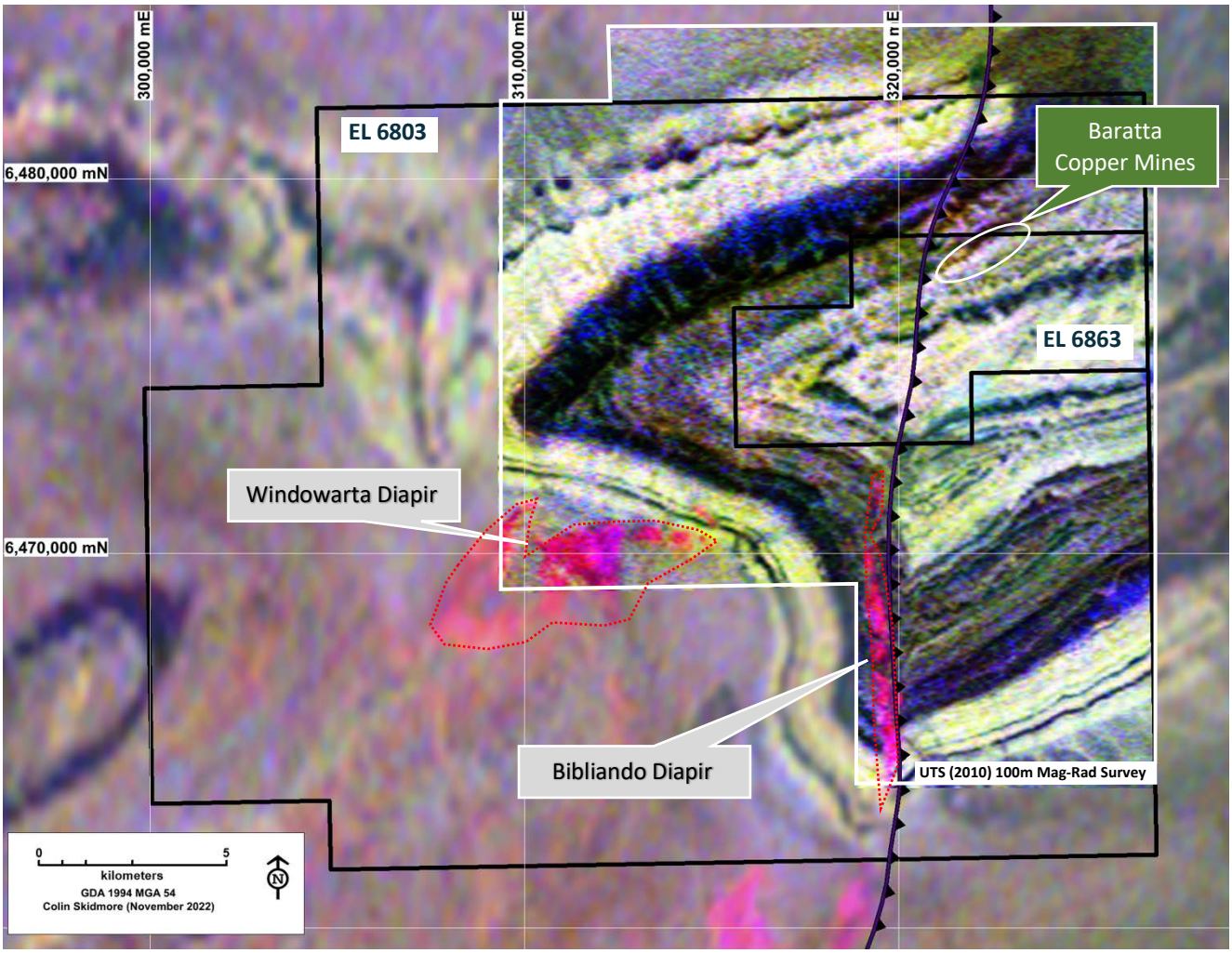

Figure 4: Baratta Radiometric Ternary K-Th-U imagery (background Geoscience Australia regional radiometrics with higher resolution UTS (2010) 100m survey) showing the interpreted regional thrust structure. Areas of pink (high K-U with low Th) are interpreted diapirs.

Panda Mining's two Gradient Array Induced Polarisation (GAIP) surveys collected in 2014, comprising 314-line kilometres has been translated, recompiled, and extensively corrected. The northern survey which extends over much of EL 6863 including the Baratta Copper Mine displays strong chargeable zones which parallel the trend of stratigraphy and the trend of surface copper mineralisation (Figure 5). The historic mine workings correspond directly with a discrete chargeable zone as do the mineralised extensions which subcrop on EL 6803 to the northeast where Stelar collected the 36% Cu rock-chip sample illustrated in Figure 1. The strongest chargeable zone is however along strike from the historic mine workings to the west which appears not to have been worked or tested. This warrants further investigation.

The southern GAIP survey area over the Bibliando Diapir displays a strong north-south trend with a pronounced change in resistivity amplitude either side of the regional structure and further map the cross-cutting structures.

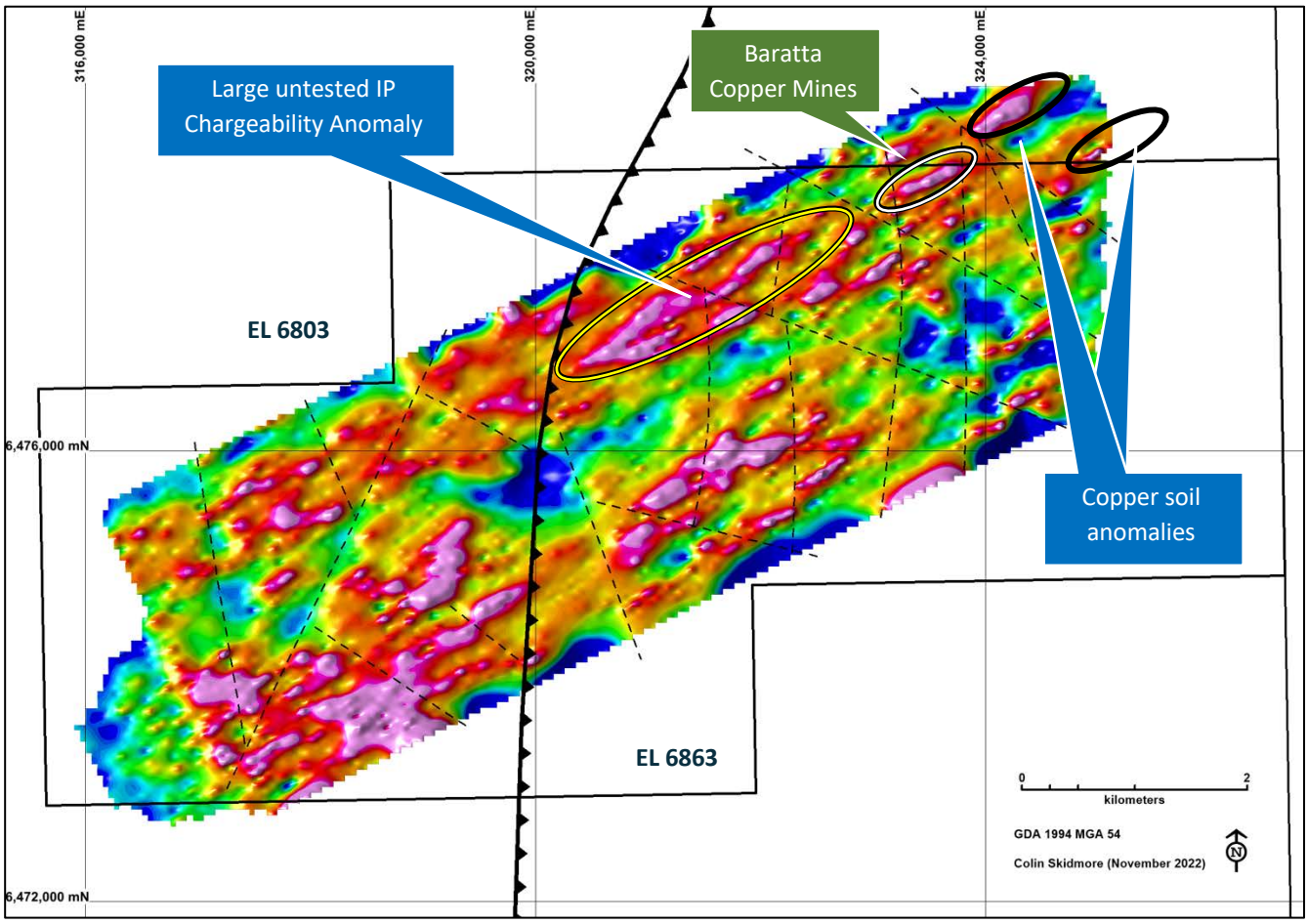

Figure 5: EL 6863 GA-IP Chargeability Image showing historic Baratta Copper Mine area, known copper soil anomalies and large untested chargeability anomaly

Baratta Geological Setting

The Baratta Copper Project is underlain by rocks of the Adelaide Fold Belt that share important geological characteristics with the Central African Copperbelt. Stelar recognises the potential for Zambian-style copper mineralisation (sediment-hosted copper deposit – SHCD) as well as Rare Earth Element (REE) mineralisation, which is also supported by the recent copper and significant REE discoveries made by Taruga Minerals at Wyacca, Morgan's Creek and other prospects, directly west along strike from Stelar's tenure (Figure 2).

Baratta is one of five highly prospective battery metal projects the Company intends to explore, committing to an aggressive exploration program in this world-class mining district (Figure 6).

The Baratta tenement is located within the northern part of the Nackara Arc within the Adelaide Rift Complex. It incorporates diapiric Callanna Group sediments intruding Tapley Hill Formation between a large elongate domal anticline to the west and the Bibliando Dome to the east. The base of the Tapley Hill Formation includes the Tindelpina Shale Member which hosts significant copper mineralisation at Wyacca which is about 15km west of the Baratta tenement. The outcropping segment of folded low metamorphic-grade sedimentary strata spans the Yudnamutana to Upalinna Subgroups.

Next Steps

Stelar has commenced initial work programs on the granted Baratta Exploration Licence, which includes geological mapping, soil sampling and rock-chip sampling focusing on the Tindelpina Shale Member and the diapiric structures to refine targets for future drill testing. Stelar will also evaluate the rare earth element mineral potential of this project.

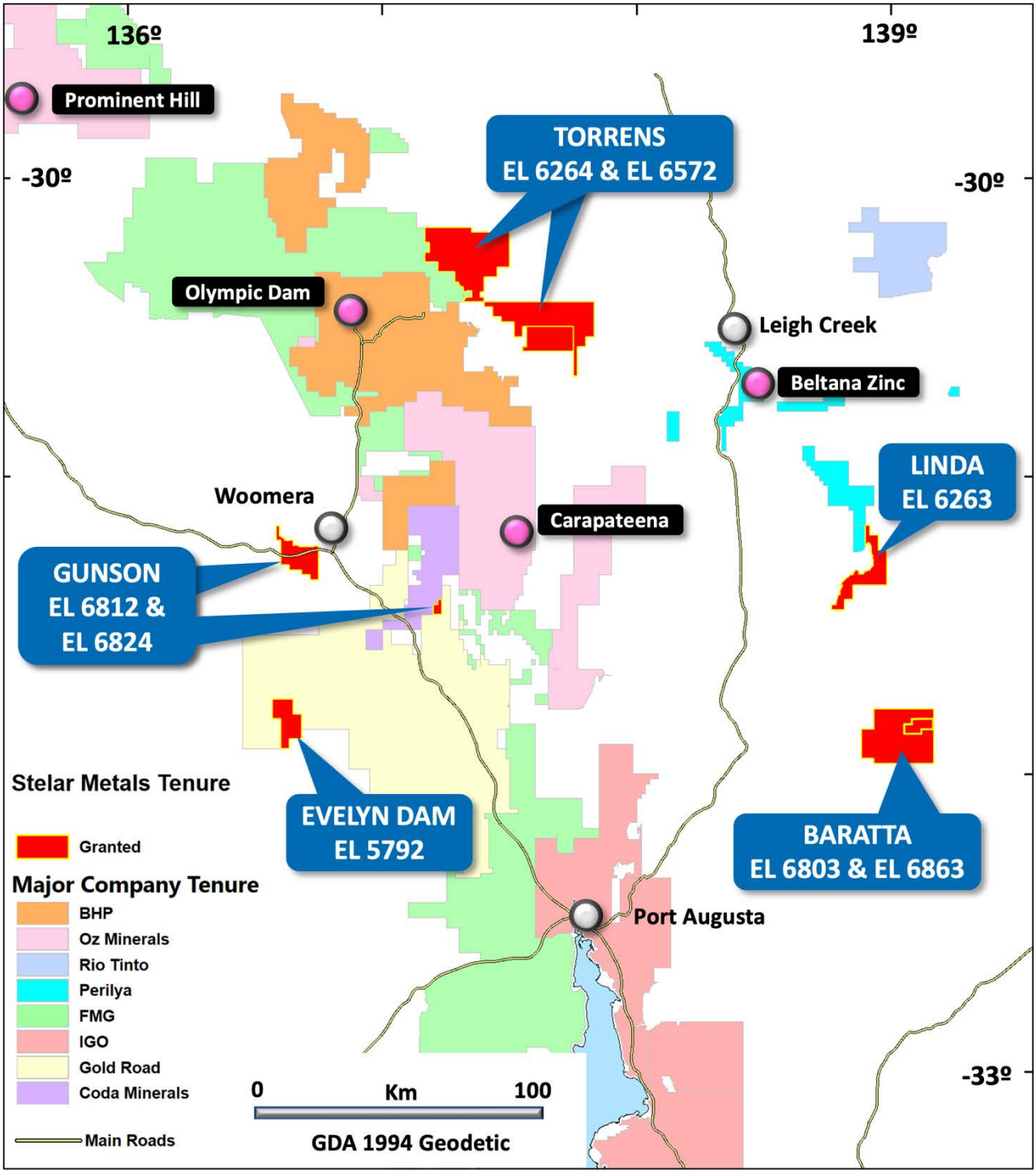

Figure 6: Stelar's exploration projects in South Australia.

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 (08) 8372 7881

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.

JORC, 2012 Edition – Table 1 – Baratta Project Historic Work November 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 wouldbe 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.*	• Panda Mining Pty Ltd undertook several soil and rockchip sampling programs on the Baratta Project between 2008 and 2012 which are reported in Open File ENV11760 • Soil sampling by Panda between 2008 and 2009 collected a sample of soil from 5-10cm depth which was sieved to -2mm fraction. Samples were analysed in the field for a 20 element multi-element suite using a Innov-X portable XRF. • Random-grab rockchip samples collected over the Bibliando Diapir by Panda in 2012. • Panda Mining commissioned Anhui Fuxin Geology and Mining Pty Ltd to collect Intermediate Gradient Array Induced Polarisation (GIP) in April 2014. 314-line kilometres of IP data was collected on 200m line spacings with 40m station spacing using 3 receivers.
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 reported
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 reported
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 reported

Criteria	JORC Code explanation	Commentary
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

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.*
		• Panda's soil samples were analysed using an Olympus Innov-X portable XRF. Open file reports do not detail any additional information.
		• Panda's Rock chip samples were submitted to the ALS Laboratory in Adelaide for multi-element assay:
		  ◦ Job No AD12176602: used methods ICP61 / AA25
		  ◦ Job No AD12150104 (samples 10555, 10561, 10566, 10593 and 10598) used ME-ICP43 / ME-MS61R / ME-MS81 methods
		• There is no record of any QAQC sampling such as duplicates or CRMs.

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.*	• No information is given in the Open File reports regarding location aside from they used a GDA1994 MGA 54 projection. It is assumed a handheld GPS was used with an accuracy of ~5m
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.*	• Historic geophysical, soil and rock-chip 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.*	• Historic soil and rock-chip sampling only being reported
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Historic soil and rock-chip sampling only being reported. There is no evidence of audits in the open file reports

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 EL 3946 which was replaced by EL 5187 which were held by Panda Metals Pty Ltd between 2007 and 2016. • Currently the Baratta Project is held as EL 6803 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 1 determination (Stage 1 and Stage 2) SCD2009/003 and SCD2014/001. •

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:
		  • Petrocarb Exploration (1971-1972),
		  • Samin Ltd (1973-1975),
		  • WMC Ltd (1977-1978)
		  • BHP Minerals (1982-1983)
		  • Panda Mining (2007/2017)

Geology	• *Deposit type, geological setting and style of mineralisation.*	• Stelar's exploration models include:
		  • Zambian-style sediment hosted copper
		  • Beltana-Kipushi style copper / base metals
		  • Ionic Absorption Clay REE

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.*
		• No drilling reported

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').*	• Geophysical, Soil and 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 known soil rockchip sample sites are illustrated on the attached figures
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 Baratta. Stelar is currently negotiating a Native Title Management Agreement with traditional owners and plans to drill test ranked targets later in 2023.