

24 April 2024

ASX ANNOUNCEMENT

Quarterly Activities Report for the period ending 31 March 2024

Stelar Metals Limited (ASX:SLB) (“**Stelar**” or the “**Company**”) is pleased to provide an update for the three months ending 31 March 2024. The Company progressed exploration at the Trident Lithium Project (**Trident**), which extends over the 20 km strike length of the Euriovie Tin Pegmatite Field and is highly prospective for hard rock lithium mineralisation.

Trident Lithium Project

- Initial reverse circulation (RC) drilling at Trident intersected high-grade lithium up to **8m @ 1.16% Li₂O** including **4m @ 1.85% Li₂O**
- 2024 fieldwork identified new, large, zoned pegmatites south of Trident.
 - **Pilgrim Prospect:** pegmatites strike ~2km north-south with mapped widths up to 500m
 - **Sabre Prospect:** pegmatites strike ~4km east-west with mapped widths up to 700m
- An additional 3.2 km strike potential has been mapped to the north of the drilled Trident area connecting Trident to Mount Euriovie pegmatite mines.
- High-grade lithium rock chip assays returned from Caloola Prospect (located 7km north of Trident) up to **2.8 % Li₂O**
- Additional rock chip and soil samples were submitted for laboratory analysis, with results pending.

Colin Skidmore, Stelar’s CEO commented:

“This has been a significant quarter for Stelar as we uncover the immense scale of the pegmatite systems in the Trident Lithium Project in western NSW near mining, power and rail infrastructure at Broken Hill.”

“The identification of new pegmatites across our project tenement is incredibly exciting as we continue to plan our next exploration and drill programs.

“We are eager to receive additional results from rock chip and soil samples along with petrological analysis to understand better the mineralogy and distribution of lithium in the Trident Lithium Project.”

Trident Lithium Project

Stelar’s Trident Lithium Project covers an area of 260 km² that is highly prospective for hard rock lithium mineralisation. Trident is located 50 km north of Broken Hill in western New South Wales and connected by sealed road to mineral processing, power, and rail infrastructure (Figure 1).

During the quarter, Stelar progressed exploration activities across Trident to assess the orientation and morphology of the project’s pegmatites.

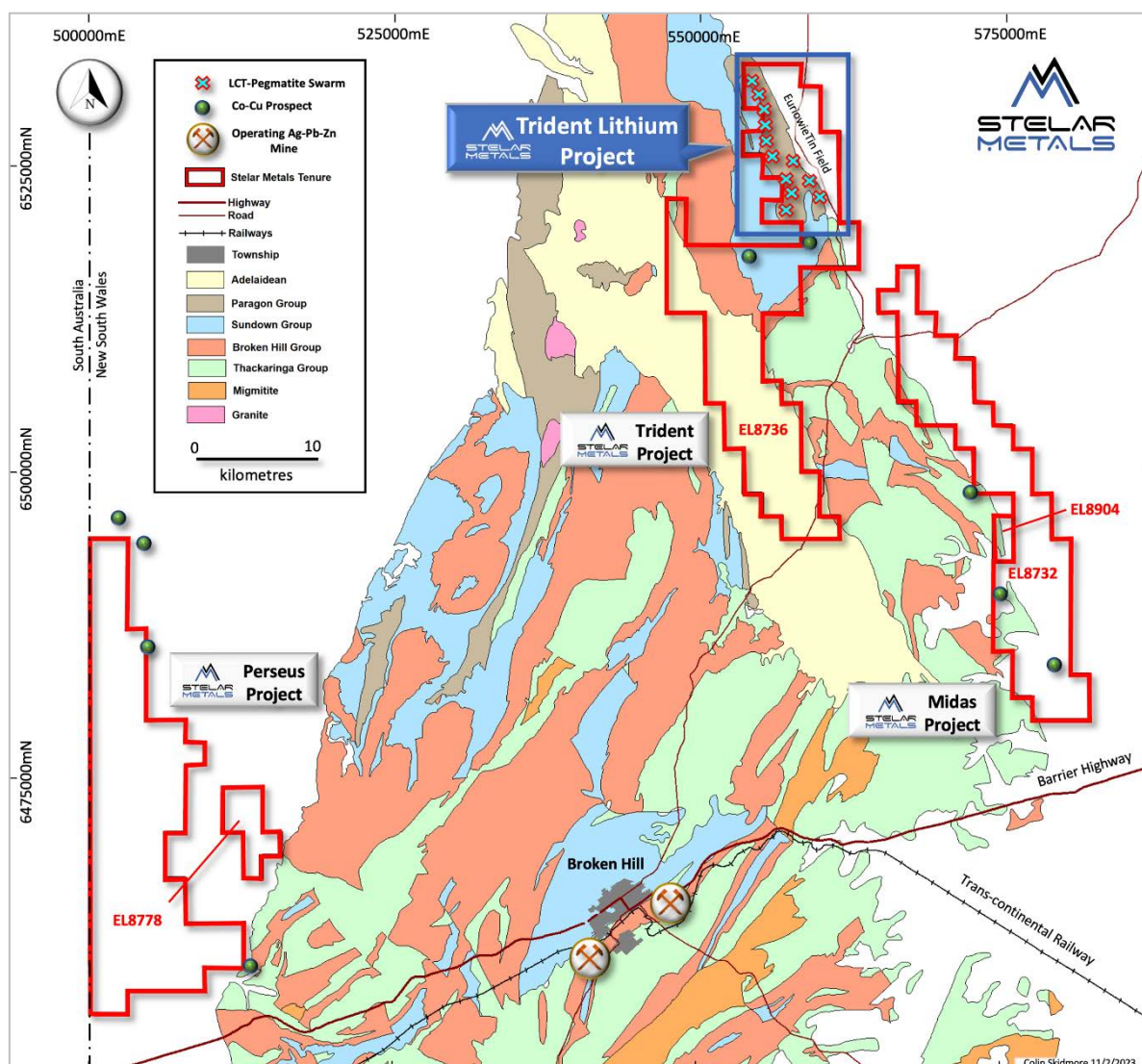


Figure 1 Location of Stelar’s tenements and the Trident Lithium Project near Broken Hill in NSW on simplified geology

Inaugural Drill Program Results at Trident

During the quarter, Stelar announced the intersection of high-grade lithium mineralisation in the initial reverse circulation (RC) drilling campaign undertaken at Trident¹. The first drilling program in this new lithium province in NSW comprised 29 holes for 2,630 metres drilled at 18 drill sites (Figure 2).

The best drill intercept from the program was **8m @ 1.16% Li₂O** from 8m, including **4m @ 1.85% Li₂O** in TRD001.

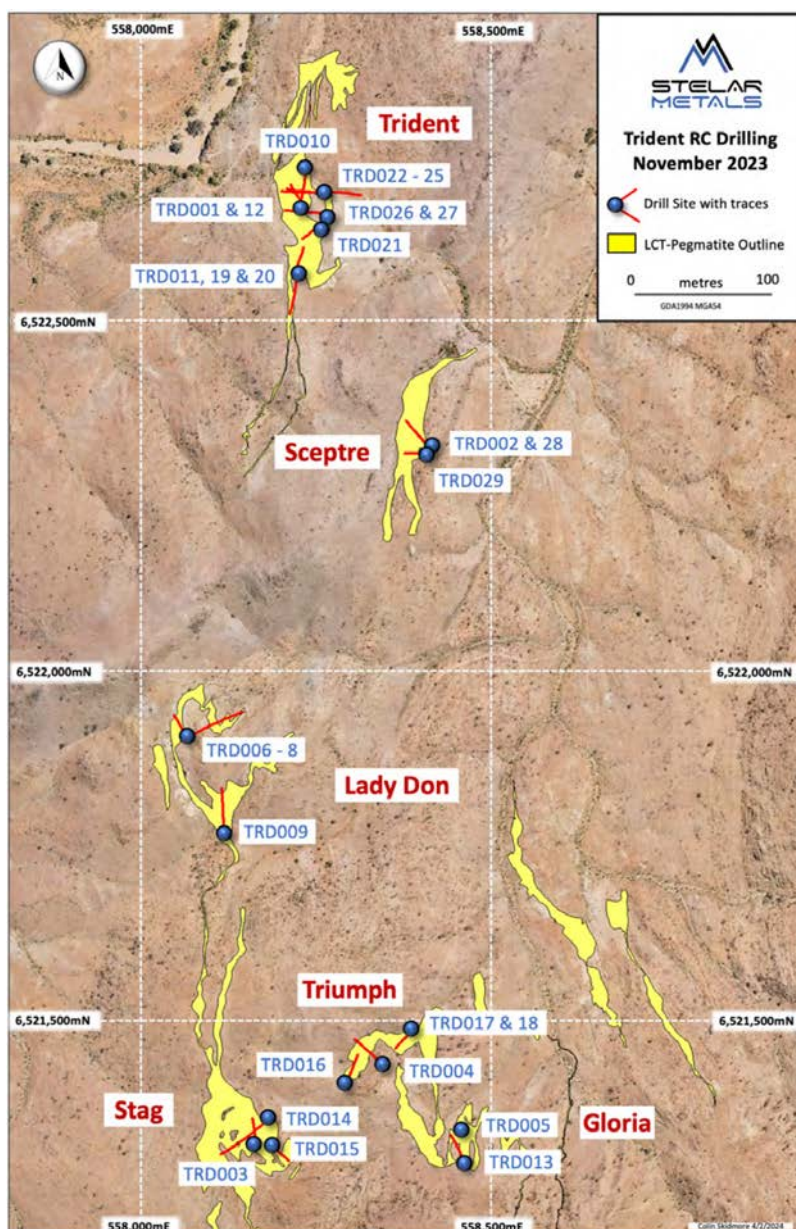


Figure 2 Location of the Trident Lithium Project with drilling completed by Stelar in November 2023

In addition to the high-grade lithium discovery at Trident, drilling intersected a range of broad intercepts of anomalous lithium values of 0.1-0.3% Li₂O within the pegmatites. Thick variably mineralised

¹ ASX Announcement 7 February 2024 - High-Grade Lithium Intersected at Trident

pegmatite intersections, including 32m @ 0.13% Li₂O in TRD010 (28 - 57m depth) and 34m @ 0.20% Li₂O in TRD012 (10 - 44m depth), alluded to the mineralised potential of this open northern extension at Trident.

Large-Scale Pegmatite Targets

Geological mapping and surface sampling successfully identified several large new pegmatites in a new area south of Trident on EL 8736 previously unrecorded in Government mapping². The mineralised pegmatite at Trident now extends for over 3 kilometres to the north, with only the small southern portion tested by the inaugural drilling.

The new pegmatites at Pilgrim Prospect and Sabre Prospect (Figure 3) show similar zonation and exotic mineral assemblages as seen at the Trident Lithium Mine.

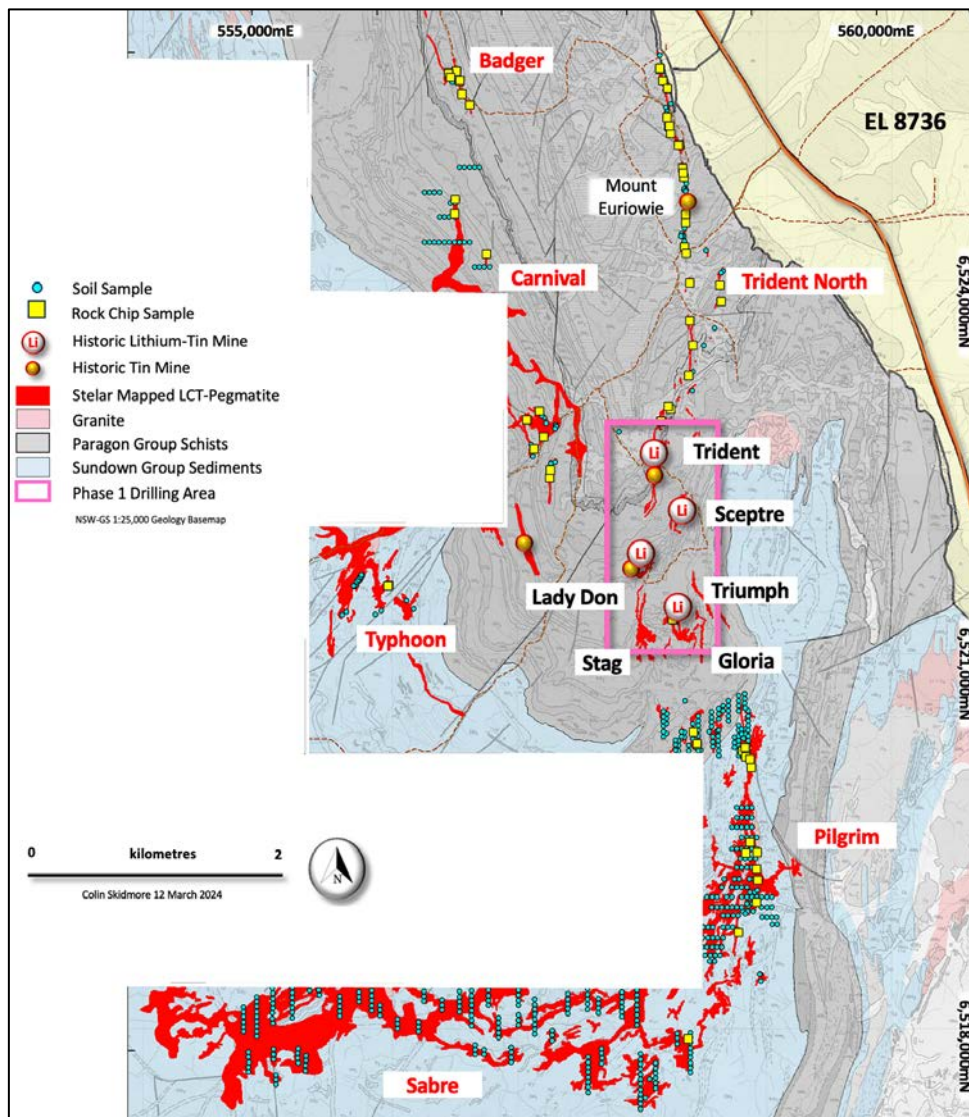


Figure 3 Location of mapped LCT Pegmatites and Sampling at North Trident, Typhoon, Carnival, Badger, Pilgrim and Sabre Pegmatites

² ASX Announcement 14 March 2024 - Trident Lithium Project Update

Geological Mapping and Sampling

During the quarter, Stelar was pleased to announce the receipt of high-grade lithium rock-chip assays up to **2.8% Li₂O** from Caloola, located 7 kilometres north of Trident (Figure 4)³. These results confirm high-grade lithium in the northern portion of the Euriovie Pegmatite Tin Field, resulting in the prioritisation of expanded new areas for reconnaissance mapping and sampling over the coming months.

Additional rock chip and soil samples were also submitted for laboratory analysis, with results pending.

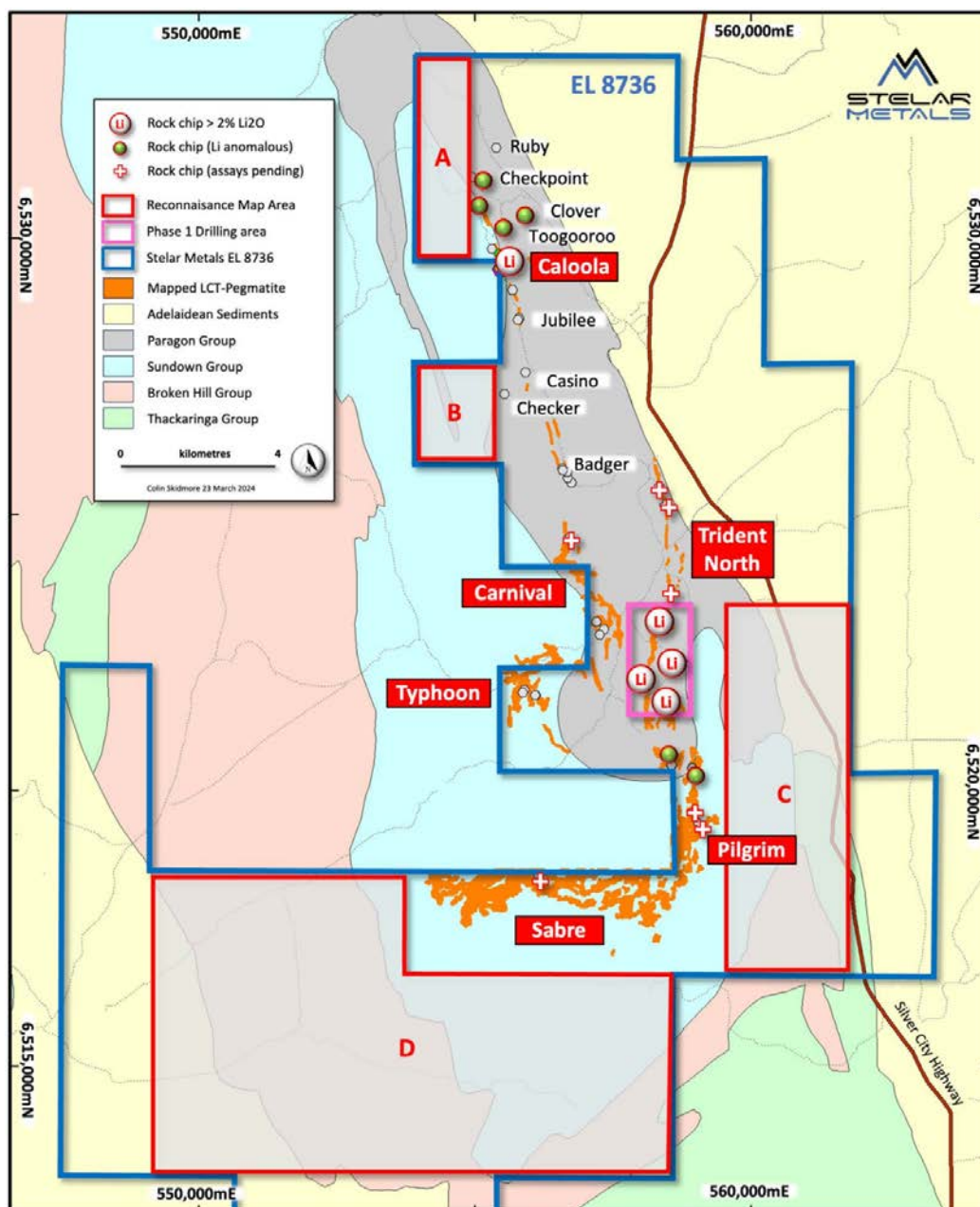


Figure 4 Rockchip locations and prioritised reconnaissance mapping areas

³ ASX Announcement 25 March 2024 - High-Grade Rock Chips from Caloola

Next Steps

Four new areas (Areas A to D, illustrated in Figure 4) have been prioritised for reconnaissance mapping and sampling, which have not yet been assessed. Additional sampling will be undertaken; several samples have already been sent for laboratory analysis.

Petrology, including XRD, is pending to determine the mineralogy from drilling and surface sampling.

The new pegmatites identified by the reconnaissance mapping and sampling will be ranked and prioritised for sampling infill and detailed zonation mapping to generate potential drill targets to be included in the second phase of drilling scheduled for mid-2024.

NSW – Midas and Perseus Projects

No work was undertaken this Quarter.

South Australian Projects

No work has been undertaken on the South Australian tenements this Quarter (Figure 5).

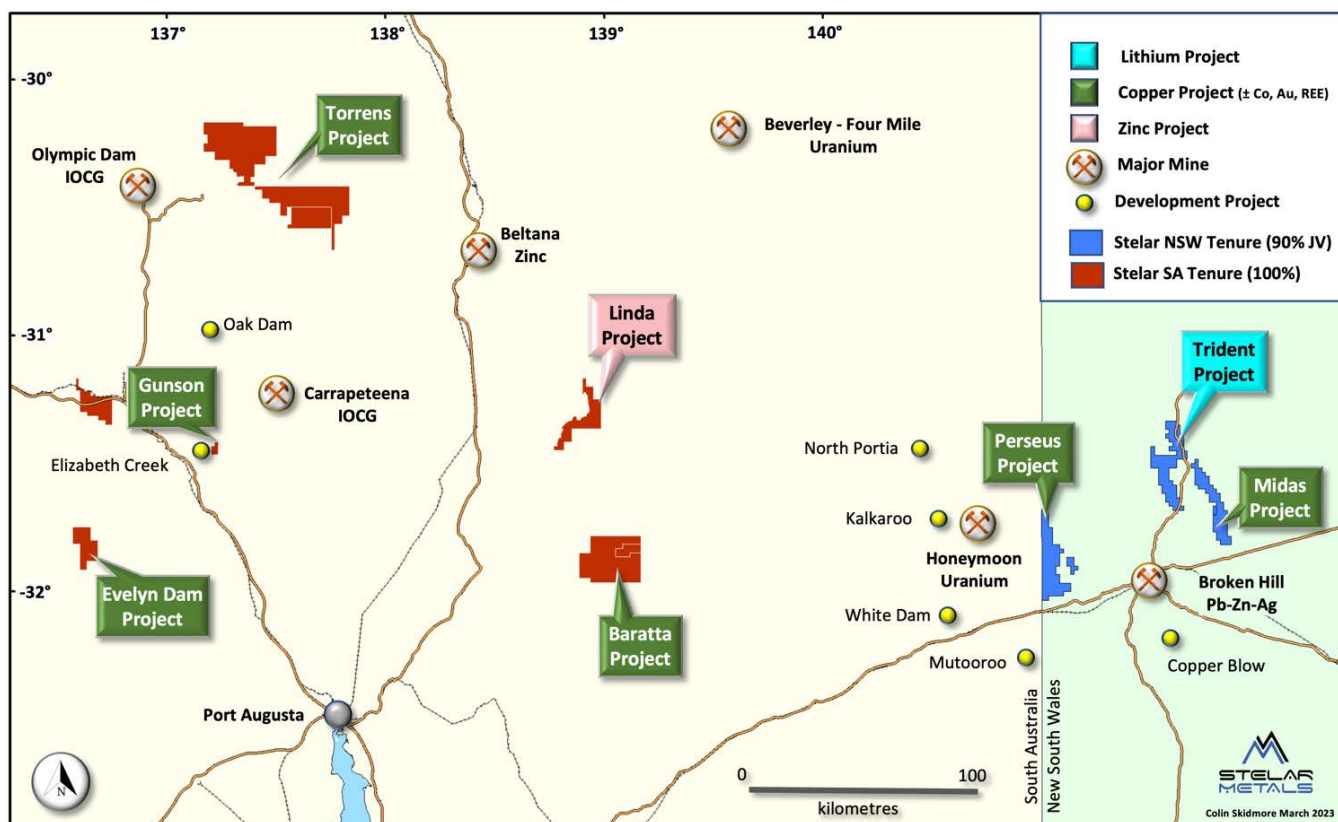


Figure 5: Stelar's exploration projects in South Australia and New South Wales.

Linda and Baratta Projects

Since The Company was listed in March 2022, the Company has been limited to undertaking low-impact work only at both the Linda and Baratta Projects as DEM is unable to consider approving an Exploration Program for Environment Protection and Rehabilitation (E-PEPR), which is required for ground disturbing work including drilling. The E-PEPR process is blocked as the Adnyamathanha Traditional Lands Association (ATLA), who have registered Native Title over a large area in South Australia that includes these projects areas, have been placed in Special Administration since March 2020 and cannot negotiate a Native Title Management Agreement (NTMA). A registered NTMA is a prerequisite for an E-PEPR.

The ATLA Special Administration has already been extended eight times, and unless additional extensions are granted, it is currently listed to expire on 30 June 2024. Subsequently, the Company is seeking Retention Status for the affected tenure so it can retain without expenditure commitments until ATLA can negotiate an NTMA and the Company can seek drilling approvals for both Linda and Baratta Projects.

Torrens Project

Stelar's Torrens Project extends over the northern portion of Lake Torrens, an extensive 5,745km² salt lake system in South Australia. Stelar identified potential IOCG geophysical targets located under the salt lake.

In March 2022, when the Company was admitted to the ASX, it was encouraged that Argonaut Resources had been granted drilling approvals in December 2020 and had successfully collared a hole on Lake Torrens at their Murdie Project, targeting IOCG mineralisation to the south of Stelar's tenure. However, in August 2022, the South Australian Supreme Court overturned the decision by the then Premier and Minister for Aboriginal Affairs to allow exploration work, including drilling on Lake Torrens. The Supreme Court's ruling has been listed for appeal, but until this matter is resolved, exploration work cannot be undertaken on the lake surface, and Stelar's targets cannot be tested.

Gunson Project

This project was granted as two exploration licences in late 2022. The company has engaged with stakeholders, including the South Australian Department for Environment and Water (SADEW) and the Kokatha Aboriginal Corporation (KAC), as it initially plans to collect high-resolution gravity data to define future drill targets.

Evelyn Dam

The Company is still looking for a joint venture partner to assist in funding a much deeper drill program to test the large Evelyn Dam gravity anomaly.

Corporate

Cash

As at 31 March 2024, Stellar Metals had a cash balance of \$4.085 million.

ASX Additional Information

The Company provides the following information according to the ASX Listing Rule requirements:

1. ASX Listing Rule 5.3.1:

Exploration and Evaluation Expenditures during the quarter were \$329,571. Of this, \$261,609 relates to costs associated with the Trident Lithium Project with, the balance incurred on the SA Projects, project generation, and general exploration administration expenditures.

2. ASX Listing Rule 5.3.2:

The Company confirms that there were no mine production and development activities for the quarter.

3. ASX Listing Rule 5.3.4:

The Company provides the following comparison between its actual expenditure incurred during the quarter to that of the Statement of Capital Structure included within its Prospectus submitted on the ASX on 16 March 2022.

Use of Funds	Estimate of the first 2 years after ASX admission (\$)	Actual expenditure to Dec 2023 (\$)	Actual expenditure Mar Qtr 2024 (\$)	Balance Remaining (\$)
Exploration on Evelyn Dam Project	2,050,000	838,286	3,135	1,208,579
Exploration on Linda Zinc Project	1,740,000	342,643	9,587	1,387,770
Exploration on Torrens Project	565,000	75,056	23,507	466,437
Exploration on Baratta Project	835,000	110,672	6,792	717,536
Exploration on Gunson Project	490,000	31,865	1,110	457,025
Acquisition of NSW Projects	-	250,000	-	(250,000)
Exploration on NSW Projects	-	1,122,798	261,609	(1,384,407)
Expenses of the Offer	779,114	626,915	-	152,199
Admin costs and working capital	1,002,216	2,060,282	196,540	(1,254,606)
Total	7,461,330	5,458,517	502,280	1,500,533

4. ASX Listing Rule 5.3.5:

Payment to related parties of the Company and their associates during the quarter was \$24,750 in cash. The Company advises that this relates to the remuneration of Directors only. Please see the Remuneration Report in the Company's Prospectus and Annual Reports for further details on Directors' Remuneration.

Tenements

Under Listing Rule 5.3.3, Stelar Metals provides the following information concerning its mining tenements.

The following table lists the Company's mining tenements held at the end of the Quarter and their location:

Holder	Project	Lease	Lease Location	Lease Status
Stelar Metals	Evelyn Dam	EL 5792	Eastern Gawler Craton	Granted
Stelar Metals	Linda	EL 6263	Adelaide Fold Belt	Granted
Stelar Metals	Baratta	EL 6803	Adelaide Fold Belt	Granted
Stelar Metals	Gunson	EL 6812 & EL 6824	Eastern Gawler Craton	Granted
Stelar Metals	Torrens	EL 6572 & EL 6264	Stuart Shelf	Granted
Stelar Metals	Baratta Mine	EL 6863	Adelaide Fold Belt	Granted
SLB EMC JV	Trident	EL 8736	Broken Hill Block	Granted
SLB EMC JV	Midas	EL 8732 & EL 8904	Broken Hill Block	Granted
SLB EMC JV	Perseus	EL 8778	Broken Hill Block	Granted

ASX Announcements

This Quarterly Activities Report contains information reported in accordance with JORC 2012 in the following announcements released during the March quarter. Full details of the exploration results referred to herein including relevant JORC information can be accessed in the following announcements released by the Company to the ASX during the March quarter.

7 February 2024 – High-Grade Lithium Intersected at Trident

25 March 2024 – High-Grade Rock Chips from Caloola

**THIS ANNOUNCEMENT HAS BEEN APPROVED FOR RELEASE BY THE BOARD OF
STELAR METALS LIMITED**

FOR MORE INFORMATION:

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ABOUT STELAR METALS

Stelar Metals' experienced and successful lithium exploration and development team is targeting the discovery and production of the critical mineral lithium that is rapidly increasing in global demand to enable the world to achieve net zero emissions.

Stelar's Trident Lithium Project is located near mining, industrial, transport and green power infrastructure at Broken Hill in NSW. The Trident Lithium Project extends over the 20km strike length of the Euriowie Tin Pegmatite Field and is highly prospective for hard rock lithium mineralisation. Mapped LCT-type pegmatites vary in size but can be up to 100 metres wide and extend in outcrop for over 1 kilometre in length. Trident was one of Australia's first lithium and tin mining provinces, highlighting both the fertility and large scale of Stelar's lithium-rich pegmatite system.

EXPLORATION RESULTS

The information in this announcement related 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 including matters in this announcement based on his information in the form and context in which it appears.

This announcement includes information related 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 unaware of any new information or data that materially affects the information 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

STELAR METALS LIMITED

ABN

43 651 636 065

Quarter ended ("current quarter")

31 MARCH 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs*	(57)	(243)
(e) administration and corporate costs	(178)	(559)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	67
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (ATO BAS refund May 22 – Apr 23)	-	-
1.9 Net cash from / (used in) operating activities	(216)	(735)

* net salaries after recharge to exploration and inclusive of director fees paid

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(52)	(143)
(d) exploration & evaluation (if capitalised)	(264)	(1,118)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) (investments)/divestments of shares	-	-
	(e) other non-current assets	-	-
2.3	Cash flows-406- from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(316)	(1,261)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,864
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(216)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(2)	2,648

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,619	3,433
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(216)	(735)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(316)	(1,261)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	2,648

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,085	4,085

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,085	1,119
5.2	Call deposits	3,000	3,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,085	4,619

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
25
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(216)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(264)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(480)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	4,085
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	4,085
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	8.51

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

N/A – item 8.7 not less than 2 quarters

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

N/A – item 8.7 not less than 2 quarters

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A – item 8.7 not less than 2 quarters

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 April 2024

Authorised by: The Board of Stellar Metals Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.