ASX ANNOUNCEMENT
3 June 2022

Stelar Metals identifies high-grade zinc mineralisation at 100% owned Linda Zinc Project

HIGHLIGHTS

- **Stelar Metals identifies multiple locations of outcropping high-grade zinc mineralisation at Linda.**
- **XRF returned high grade mineralisation values between 10-25% Zn in outcrop**
- **Zinc mineralisation found within large zinc soil anomaly defined by Stelar's recent soil survey at Linda.**
- **CSA Global field work confirms the geological setting at Linda is considered highly prospective for economic carbonate-hosted zinc.**
- **Surface samples have been summitted to laboratories for multi-element analysis and petrology with results expected in 4-8 weeks**
- **Follow-up mapping, sampling, and geochemical surveys to recommence later this month at Linda**
- **High resolution orthoimagery and LiDAR has been acquired to assist with ground mapping and logistics.**

Critical minerals explorer Stelar Metals Limited (**ASX:SLB**) ("**Stelar Metals**" or the "**Company**") is pleased to announce high grade zinc mineralisation has been identified at multiple locations at the 100% owned Linda Zinc Project in South Australia (Figure 1). Linda Zinc 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.

Multiple high-grade zinc and lead anomalies have been recently identified within the Linda Project by Stelar Metals during the Company's first field campaigns during May 2022 (Figure 2).

High grade zinc mineralisation was confirmed at Linda by multiple analyses using a portable XRF and "zinc-zap" stain. XRF results included high-grade values between 10% and 25% in one outcrop that extended for several metres (Figure 3 left) as well as additional high-grade readings were also returned for zinc and lead from several other locations (Figure 3 right). Simple "zinc-zap" chemical field tests also verified the presence of high-grade zinc mineralisation in outcrop (Figure 4).

Stelar Metals' first soil geochemical survey has identified a large coherent zinc soil anomaly which extends 300m x 250m with values up to 0.7% zinc and up to 675ppm lead in soils (Figure 2). This anomaly remains open to the southeast and northwest. This survey was undertaken by over the Linda Project with 279 samples collected on nominal 10-20 metre centres and analysed using a portable XRF.

During May 2022, Dr Mark Allen from CSA Global, a highly regarded expert in carbonate-hosted zinc mineralising systems completed a field program and report on the Linda Zinc Project. CSA's report confirms the presence of zinc and lead mineralisation as dominantly oxide phases interpreted as the in-situ oxidation of primary sulphide mineralisation. Mineralisation was observed in hand specimens and outcrop, consistent with the descriptions and

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mapping in BHP's historic open file reports. Mineralisation appears associated with carbonate grainstone units which were more permeable and contain clear evidence of karst development, these are mappable controls on mineralisation.

In the mid 1980's BHP undertook geological mapping of the Linda Zinc Project and visible base-metal mineralisation was mapped within the carbonate stratigraphy at surface in several locations. Notably 15 out of 20 of BHP's shallow RC holes (Figure 2), which were only drilled to 25m depth intersected highly anomalous zinc. Two follow-up diamond holes both intersected sphalerite mineralisation. Photographs of core in historic open-file reports clearly indicate the presence of zinc sulphide mineralisation in the form of sphalerite (Figure 5).

Importantly, Stelar Metals has identified in the field the location of most of BHP's historic drill hole collars and recognise due to their shallow depth and orientation these holes were not adequately tested the main target of Linda.

CSA Global's recent field work and report has also 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 (refer section below).

Stelar Metals Chief Executive Officer, Colin Skidmore said:

"Stelar Metals is very excited about the potential of the Linda Zinc Project after finding high grade zinc mineralisation with our first field program after listing on the ASX.

The large magnitude of the zinc soil anomaly defined by Stelar Metals recent survey at Linda also supports our view that geological setting at Linda is considered highly prospective for economic carbonate-hosted zinc."

Stelar Metals anticipates receiving the sample assays from our recent field work in coming weeks and recommencing follow-up surveys, mapping and sampling at Linda later this month ahead of planning our first drill program at Linda later this year"

Next Steps

Stelar Metals' recent surface samples from Linda have been summitted to laboratories for multi-element analysis and petrology.

The Company has leased a permanent base at Wirrealpa Station and is in the process of employing a dedicated geologist to advance this Project.

High resolution orthoimagery and LiDAR has been acquired to assist with ground mapping and logistics.

Exploration work over the coming months, which will start later this month, will include extensive geological mapping of the prospective limestone stratigraphy on EL 6263 to discern favourable grainstone lithologies, map structures and define the character and extent of mineralized outcrops. Soil surveys will concurrently be undertaken and extended over the entire region with closed spaced infill over anomalous areas. This data collection will underpin the design of Stelar Metals' inaugural drilling program at Linda scheduled for late 2022.

Stelar Metals is currently 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.

Carbonate hosted zinc-lead mineralisation at Linda

Carbonate hosted zinc-lead mineralisation is classified by CSA Global into three principal basin related styles. While these share major elements of the mineralisation model, the main contrasts occur in the mechanism of deposition of mineralisation. Elements of each style can occur in a single district, those identified at Linda include:

> **Kipushi Type** – Pipe shaped; cross cutting mineralisation deposited in diapiric structures. Beltana in the Flinders ranges is a local economic example of this style

Irish Type – Dominantly replacement mineralisation with good continuity and strong stratigraphic control.

MVT – Dominantly infill mineralisation, where mineralisation is precipitated into host rock porosity or karstic cavities.

The structural position of Linda is very interesting. There are multiple parallel structures evident in the processed satellite imagery that relate to the Linda diapiric breccia to the east of the prospect and to the main bounding structure of the regional graben structure (Figure 1). These structures have potentially provided a metal-bearing fluid brine pathway from deep in the basin pile which has deposited in the chemically favourable environment of the Cambrian Limestones at Linda (Figure 6). There is thus great potential for additional zinc mineralisation across the broader region.

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 the Linda EL 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 (Figure 6). 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.

In the mid 1980's BHP undertook geological mapping and drilling at the Linda Zinc Project. From 1999 to 2017 Perilya held the tenure and throughout this period collected soil samples.

Figure 7 illustrates Stelar Metals' new zinc soil anomaly integrated with historic Perilya thematic zinc soil geochemistry in context with the geological setting.

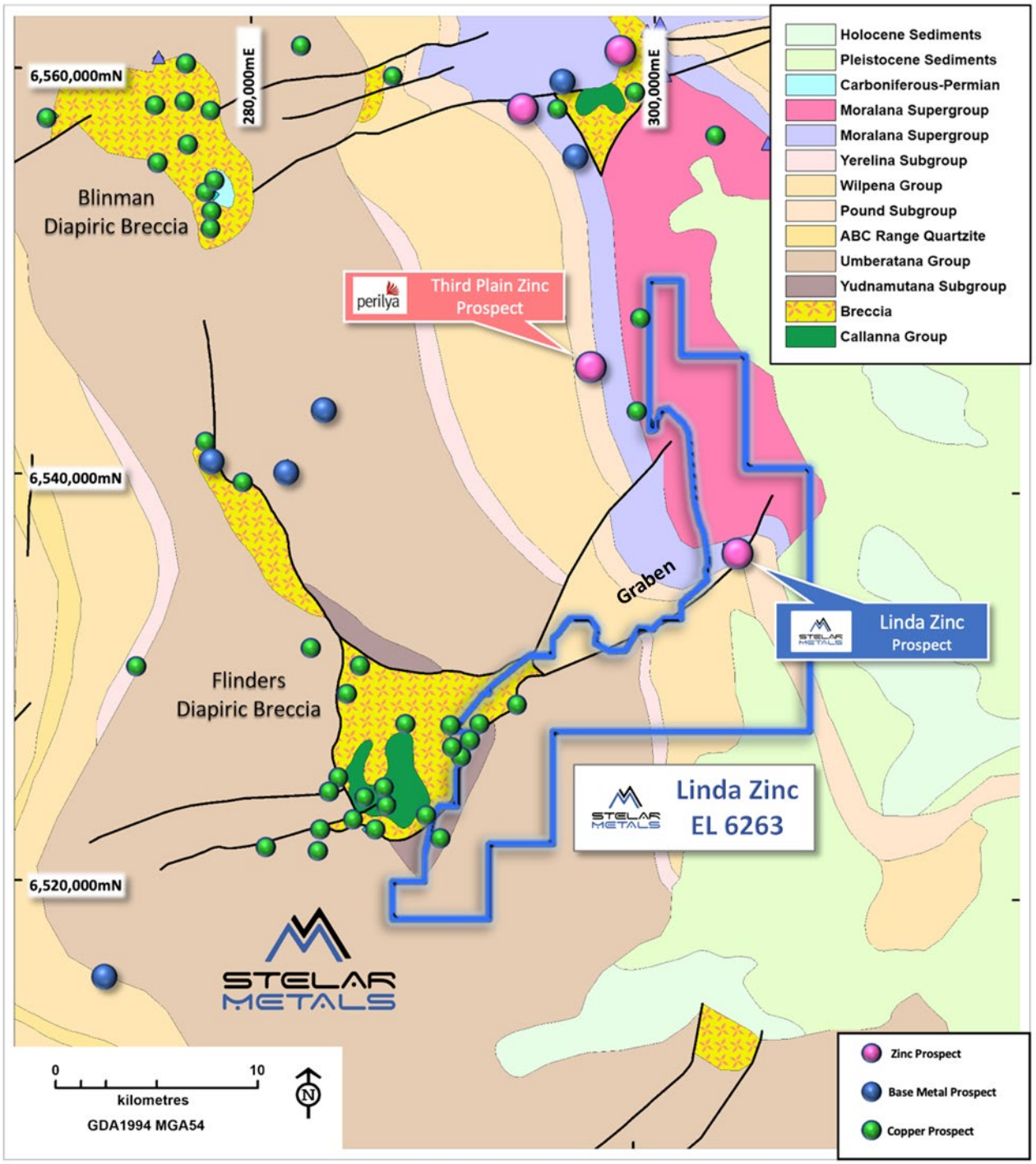

Figure 1: Regional geological setting of the Linda Project with major prospects.

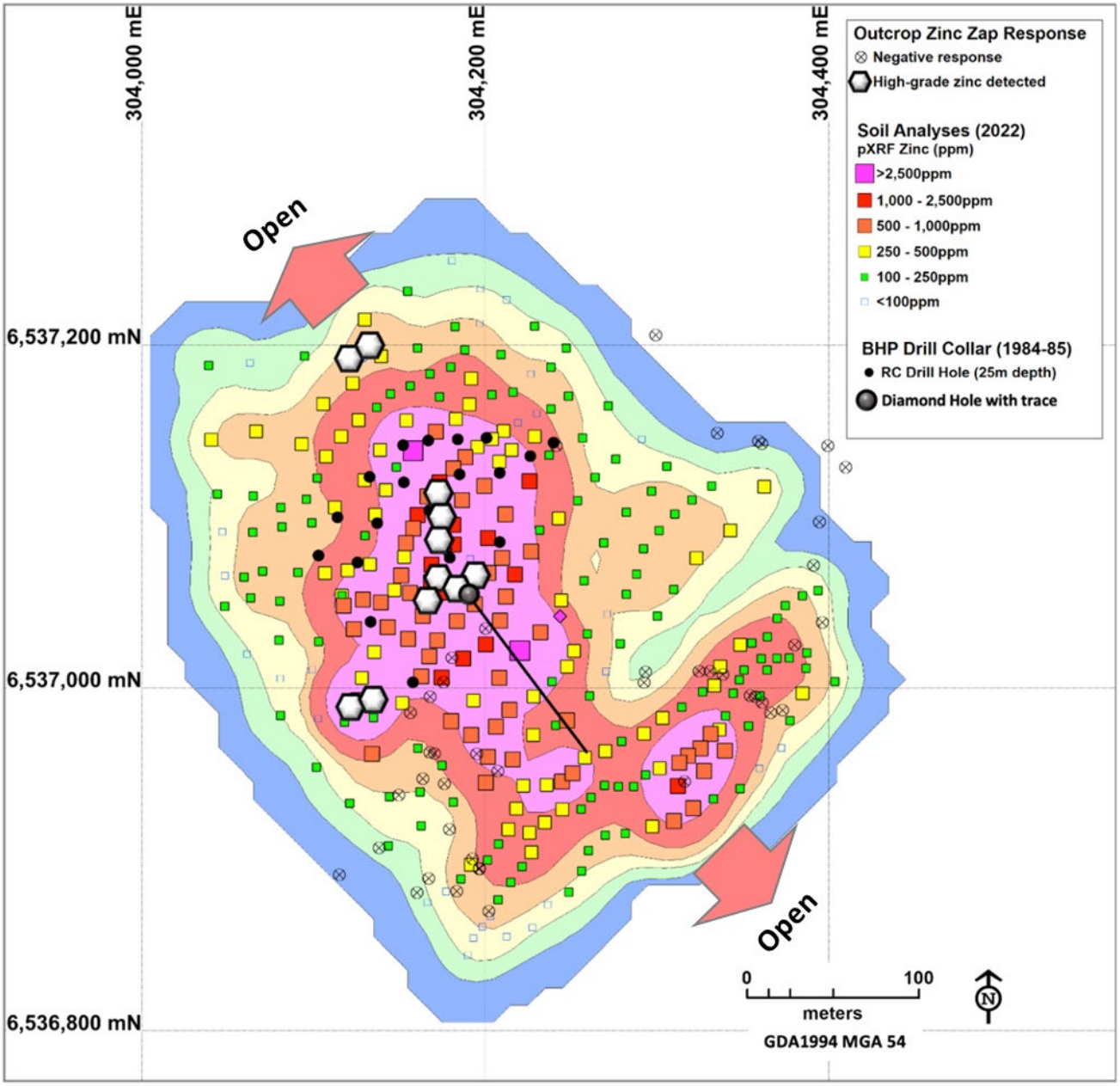

Figure 2: Stelar Metal's Zinc soil anomaly May 2022 showing thematic zinc soils, high grade mineralised outcrops located historic BHP drilling. Soil anomaly is open to the southeast and northwest.

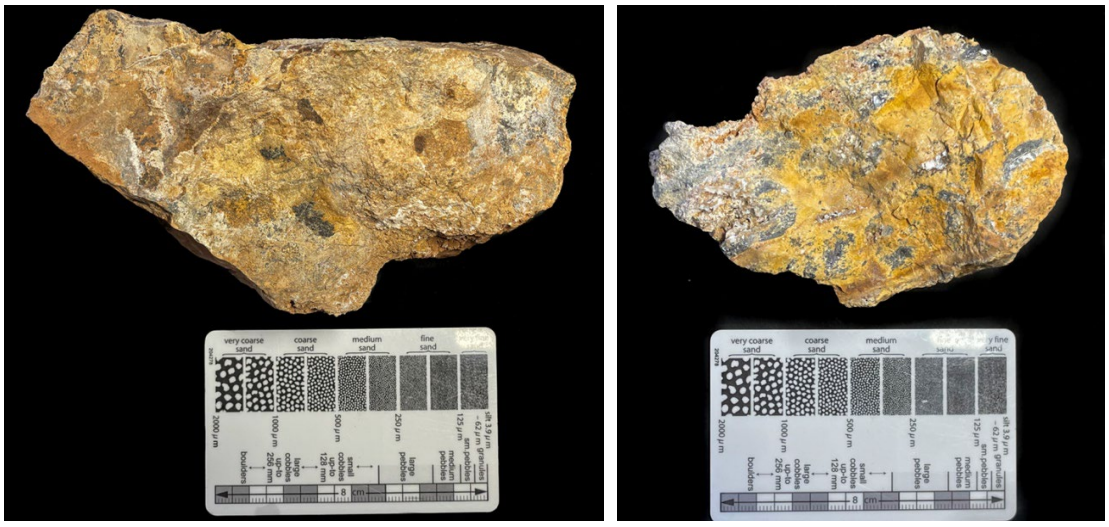

Figure 3: Left: High grade zinc outcrop sample returning 15-13% Zn with pXRF (L0166). Right: Outcrop with 2-5% Zinc and 2-5% lead (L0167).

Figure 4: Example of high-grade zinc outcrop stained with zinc-zap (red indicates the presence of high-grade zinc).

Figure 5: Mineralised Linda core DLP1 – Coarse sphalerite karst Infill (left) and stylolite vein sphalerite with karst infill (right).

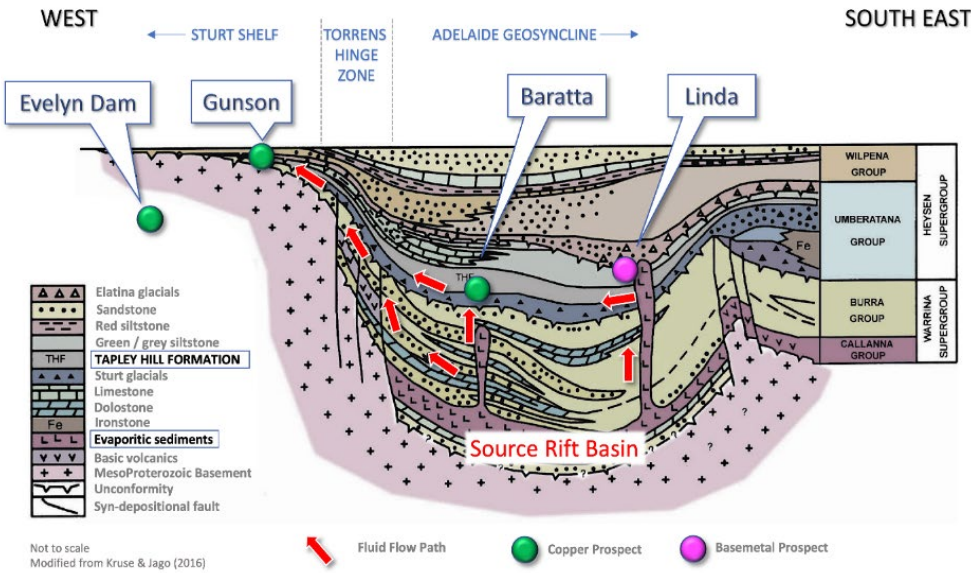

Figure 6: Schematic geological cross section through the Adelaide Fault Belt showing fluid path flow along diapiric structures and conceptual deposition sites.

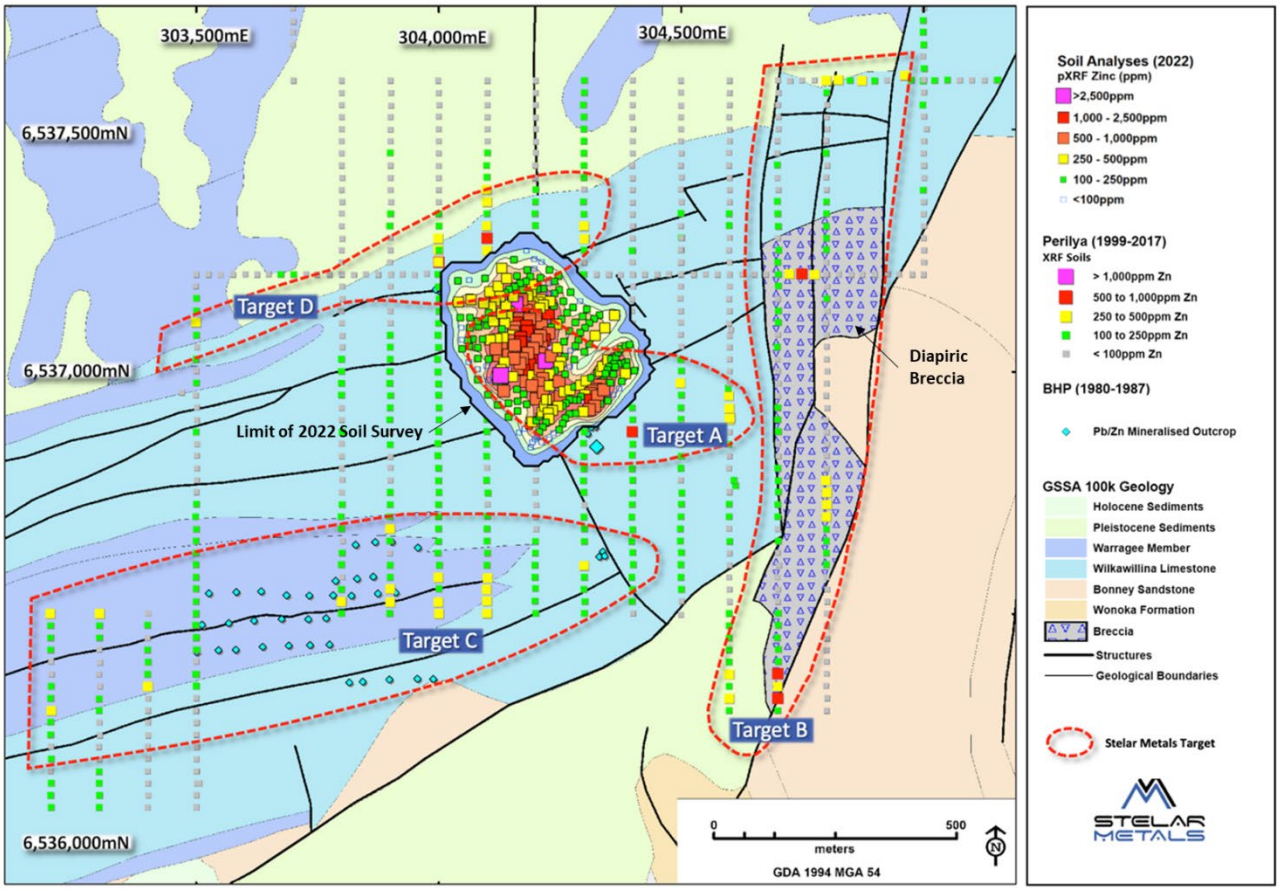

Figure 7: Geology map showing Stelar Metals' new zinc soil geochemistry combined with Perilya's zinc geochemistry. The breccia unit underlying part of Target B is interpreted as a diapiric structure and a potentially important mineralising control.

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.

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JORC, 2012 Edition – Table 1 – Linda Zinc Project Soil Sampling June 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.
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.*	• Historic soil sampling on EL 6263 has previously been reported in the JORC Tables included with Stelar Metal's prospectus • Soil 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.*	• Historic soil sampling on EL 6263 has previously been reported in the JORC Tables included with Stelar Metal's prospectus • Samples L0001 to L0165 and LMA420 to LMA478 were analysed using an Olympus Vanta M (SN 803227) portable XRF using three window scans (10sec, 10sec and 30 sec) • Samples L0168-221 were analysed using a Niton XL2 running two 30 second window scans • Mineralised outcrop was analysed in rock chip specimen and insitu using the Olympus Vanta portable XRF. Multiple scans of each sample site were collected to provide a range of values. Samples of rockchips have been sent to the Intertek Laboratory in Adelaide for total multielement assay. • Both instruments were setup by the manufacturer and no adjustments were made from the default settings. • A number of duplicate analyses were undertaken to verify sample repeatability. No appropriate standards were available for zinc to verify the portable XRF analyses.
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.*	• Soil 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.*	• Original soil samples have been boxed and preserved at Wirrealpa Station
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The soil 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').*	• Soil 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 soil 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.