ASX ANNOUNCEMENT
25th October 2022

Multiple targets confirmed at Baratta

HIGHLIGHTS

- **Initial reconnaissance of Baratta Copper Project confirms potential for copper, base-metal and Rare Earth Elements (REE)**
- **Copper mineralisation at surface confirmed with portable XRF results up to 36% copper**
- **Historic work by Panda Mining indicate the Bibliando Diapir has potential for REE**
- **Field work commenced at Windowarta Diapir, initial mapping and surface sampling following up historical copper anomalies and assessing the potential for REE mineralisation**

Critical minerals explorer Stelar Metals Limited (**ASX:SLB**) ("**Stelar Metals**" or the "**Company**") has completed a review and an initial reconnaissance visit to the recently granted Baratta Exploration Licence EL 6803 and historical workings at the Baratta Copper mine located on its new Application ELA 2022/00074.

The Baratta Copper Project located in northern South Australia, is considered prospective for sediment-hosted copper and Rare Earth Element (REE) mineralisation. This prospectivity is also supported by the recent copper and significant REE discoveries made by Taruga Minerals (ASX:TAR) at Wyacca, Morgan's Creek and other prospects, directly west along strike from Stelar's tenure (Figure 1).

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 2).

Stelar Metals Chief Executive Officer Colin Skidmore said: *"I returned from my initial reconnaissance trip very enthused by the potential this project offers, and we have already started reviewing our exploration methodology and techniques to effectively assess, generate and prioritise targets for future drill testing."*

"I remain surprised at the lack of drill testing despite the attractiveness of this geological setting supported by mineralisation at surface."

"Additionally, the recent good work by Taruga Minerals in their adjacent exploration tenure, supports our view on the potential for rare earth elements on our Baratta Project which has not been considered previously"

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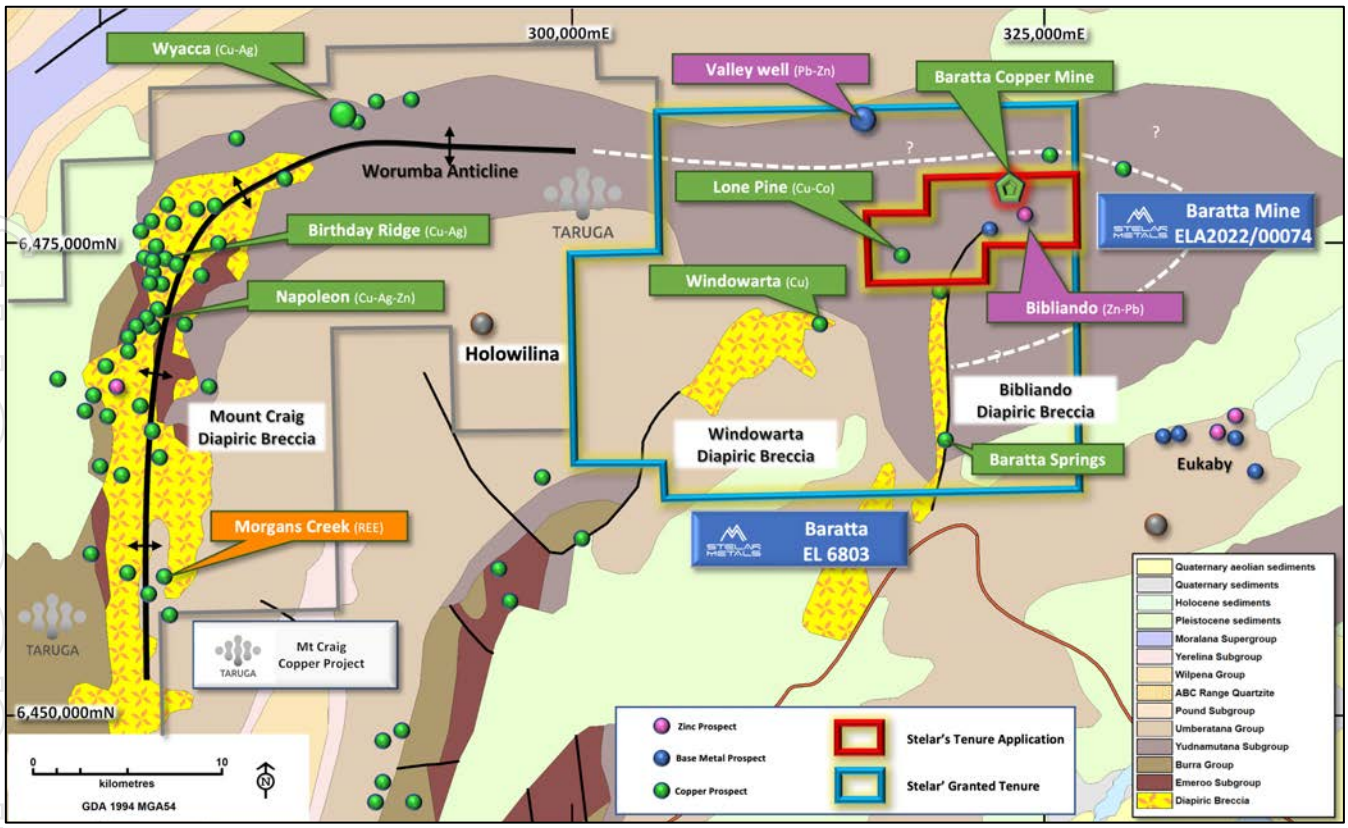

Figure 1: Regional geological setting of the Baratta Project showing major prospects.

Baratta Geological Setting

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.

Previous Exploration

Minotour Resources explored the Bibliando Dome area on ELA2022/00074 for IOCG mineralisation between 1996 and 2001. They collected gravity datasets and completed 8 RC holes and one diamond hole to 753.3m depth targeting coincident geophysical anomalies but the drilling hole failed to get through the Adelaidean cover to test their basement IOCG targets. Interestingly they returned significant base-metal intersections in the upper parts of the holes.

Panda Mining Pty Ltd (Panda) explored the Baratta area from 2007 to 2016. Reconnaissance exploration and target generation work were carried out, but targets were not drill tested. Panda acquired of satellite imagery, undertook mapping and soil sampling using a portable XRF over several areas. Panda collected limited broad spaced rock-chip sampling at the Bibliando Diapir.

In May 2010, a detailed airborne magnetic and radiometric survey was flown on 100m-spaced flight lines and in 2014, an intermediate gradient IP survey was undertaken over a 64km^2 grid with a station spacing of 40m by 200m spaced traverses over the broader Baratta Copper Mine area and the Bibliando Diapir.

Baratta Copper Mine

The historic Baratta Copper Mine on Stelar's ELA produced high-grade copper ore between 1896 and 1904 from a zone of workings 1.5km long on the northern limb of the Bibliando Dome. This mineralised horizon, recognised as a flat-dipping quartz-haematite gossan, extends for several kilometres into EL 6803 recognised by numerous shallow workings. A sample of discarded ore in one shallow pit, comprising brecciated quartz-siderite-haematite with oxidised copper minerals recorded 36% Cu and 478g/t Ag using Stelar's portable XRF (Figure 3).

Panda Mining's broad spaced soil sampling identified multiple copper anomalies (Figure 4) 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 does warrant further investigation given the extent of the copper anomalism and its position relative to the underlying geophysical bodies.

Figure 3: 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)

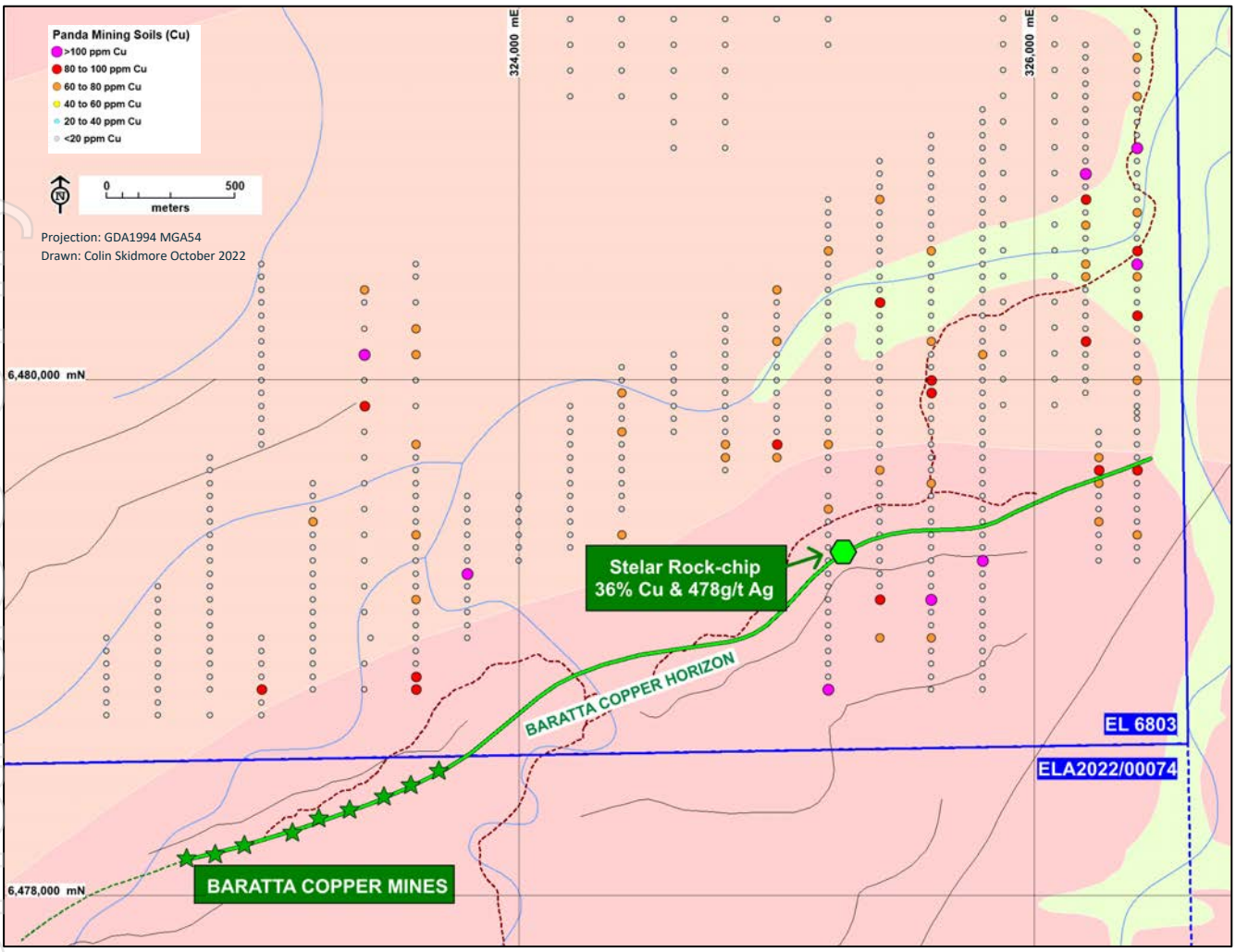

Figure 4: Location of the Baratta Copper Mine illustrating the interpreted mineralized stratigraphy and Panda Mining's 2009 soils showing thematic copper.

Bibliando Diapir

The Bibliando diapir extends north-south for 5 kilometres but is only ~400m wide in a structurally complex zone. Panda Mining's mapping and rock-chip sampling (Figure 5) 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.

Panda discovered several large insitu gossans after sulphides in the diapir which were anomalous in copper and phosphorous. Panda concluded that this diapir was prospective for copper and REE mineralisation and planed drilling however open file reports indicate that no further work was done after 2012 aside from the collection of IP data in 2015 shortly before the tenure holding was relinquished.

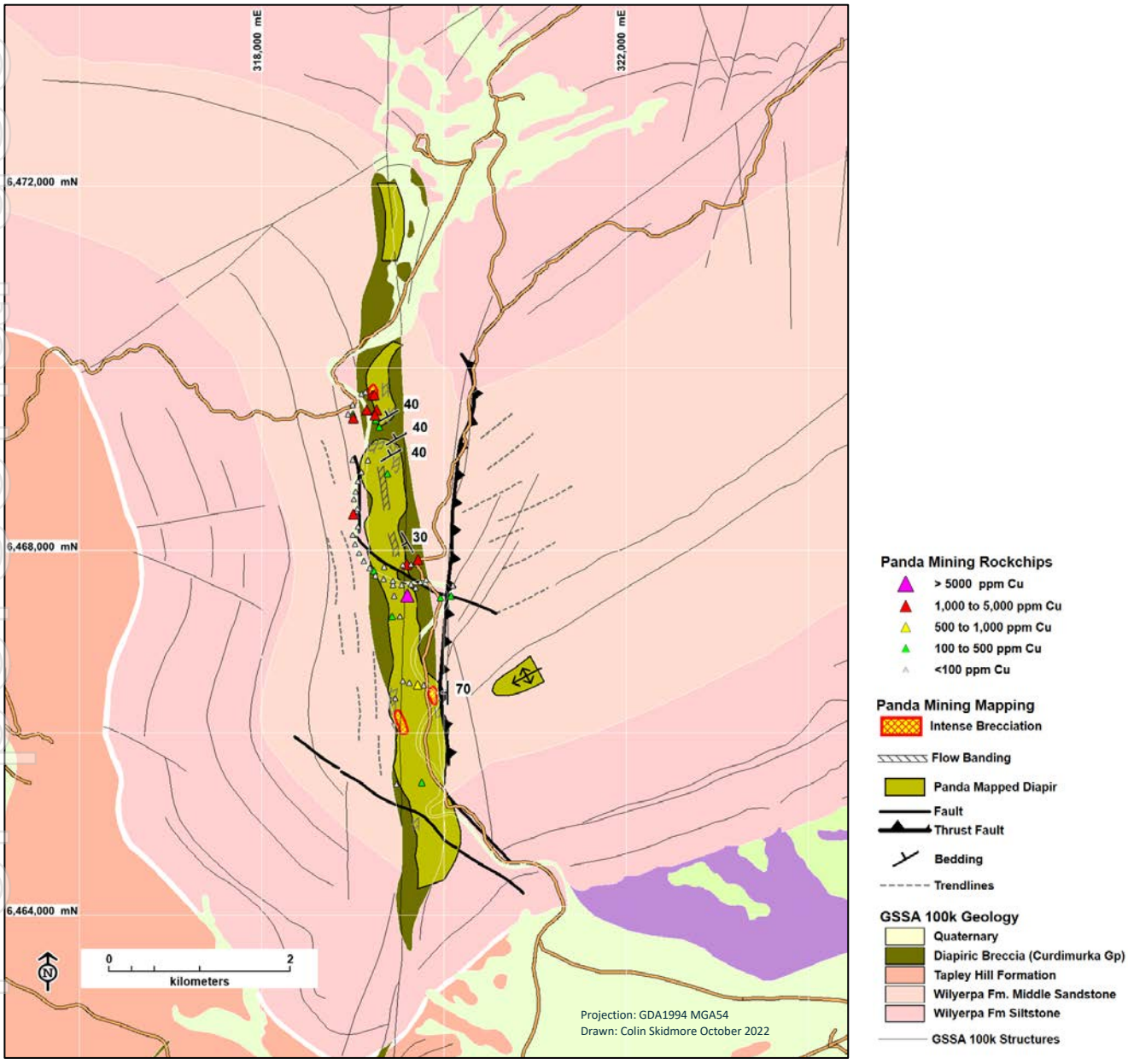

Figure 5: Bibliando Diaper showing geological setting and Panda Mining's thematic copper rock-chip sample

Winowarta Diapir

Stelar believes the Windowarta Diapir and its surrounding Tapley Hill sediments have potential to host REE metals as the geological setting is similar to that of Taruga's Morgan Creek REE project (ASX announcement, TAR, 20 October 2022). Stelar has recalibrated its new Niton portable XRF to include a REE suite of elements and is currently undertaking orientation work to devise an optimal sampling methodology to better evaluate the potential of this and other diapirs in the Flinders Ranges.

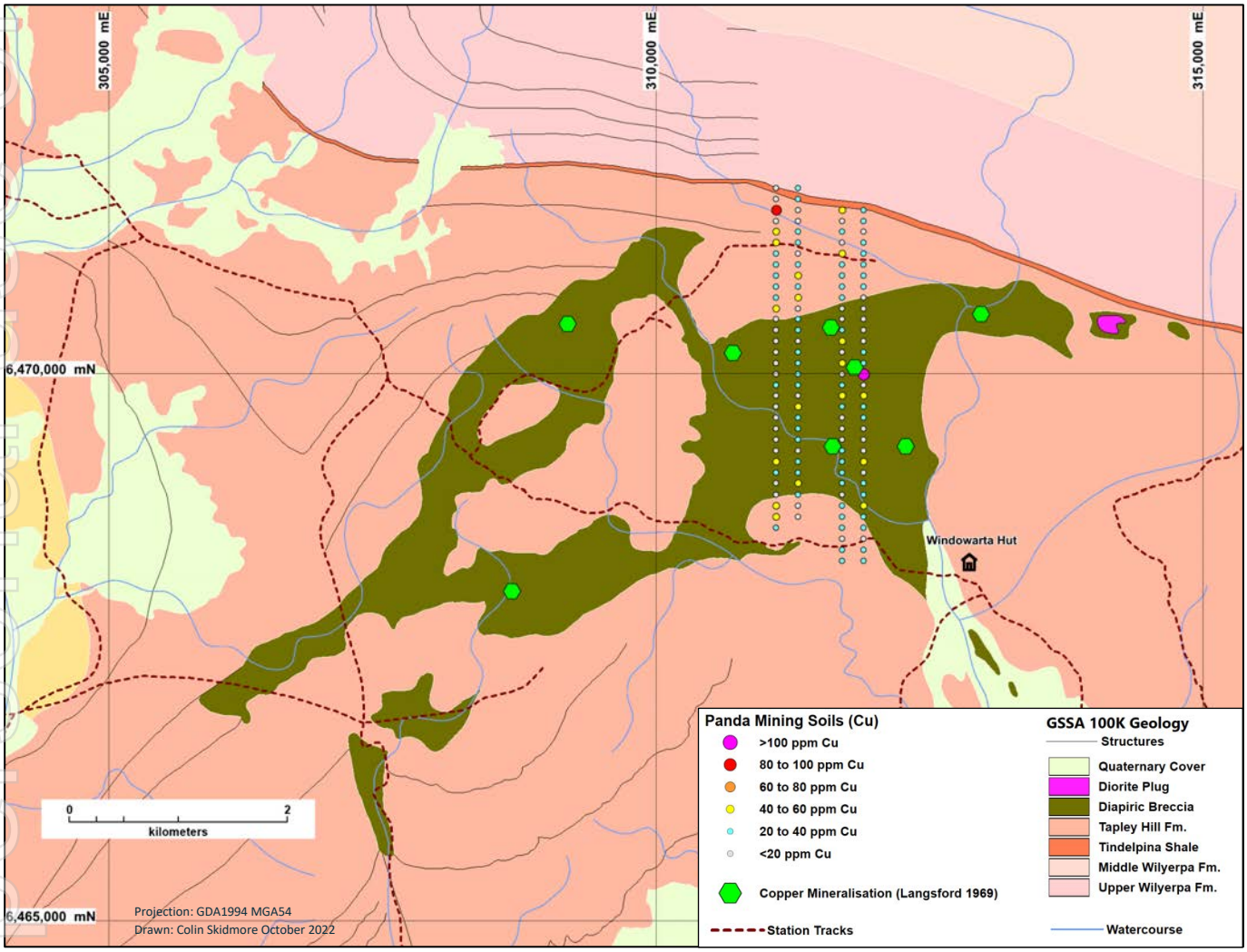

Figure 6: Geology of the Windowarta Diapir showing previously located copper mineralisation and the limited soil sampling undertaken by Panda Mining in 2008 using an early portable XRF.

Other Targets

There are several additional recorded mineral occurrences on the Baratta Project such as copper-cobalt at Lone Pine and silver at Baratta Springs which still require follow-up (Figure 1). On the foothill slopes of the northern part of EL 6803, Panda Mining discovered a broad lead-zinc anomaly during their initial soil sampling program in 2008 at Valley View.

Exploration Models

Stelar considers that several exploration models are valid for the project area. The Adelaidean sequence is prospective for Zambian-style SHCDs (sediment-hosted copper deposit), Rare Earth Element (REE) mineralisation as well as zinc-lead mineralisation.

The prospectivity for SHCD mineralisation is supported at a large scale by comparison of the geological and geodynamic setting between the Adelaidean and the Copperbelt. At a smaller scale, Stelar has noted the adjacent discoveries by Taruga Minerals of significant REE as well as copper mineralisation directly along strike at Wyacca (ASX announcement, TAR, 30 August 2021), hosted in the Tapley Hill Formation.

The prospectivity for Beltana-Kipushi type mineralisation is supported regionally by examples of this style of mineralisation in the Beltana-Aroona district in the northern Flinders Ranges. This style of mineralisation represents an excellent target type for copper, zinc and lead, with potentially high grade and significant depth extent. Mineralised systems of this type are expected to have a small lateral footprint but can be recognised by distinctive alteration and geochemistry.

Large gravity and coincident magnetic anomalies underpin the Bibliando Dome which have historically been the focus of previous explorers such as Minotaur who considered them to be potentially related to Olympic Dam style IOCG targets. These have potential to be part of the mineralising system that contributed to SHCD deposition and other economic elements in the overlying permeable Adelaidean sediments

The potential for Rare Earth Elements (REE) associated with ionic absorption clays and the diapiric systems is an important exploration model that will be evaluated by Stelar Metals at both the Windowarta and Bibliando diapirs.

Next Steps

The initial focus will be on the Windowarta Diapir undertaking soil and rock-chip samples along with geological mapping whilst the geophysical reprocessing is finalised over the Baratta Copper and Bibliando Diapir target areas.

Systematically, the Baratta Copper and Bibliando Diapir will be sampled and mapped with the aim of generating prioritised drill targets for the Baratta Project.

Stelar Metals has commenced discussions with the Traditional Owners and once agreed will commence Heritage Clearance Surveys and seek drilling approval from the South Australian regulators.

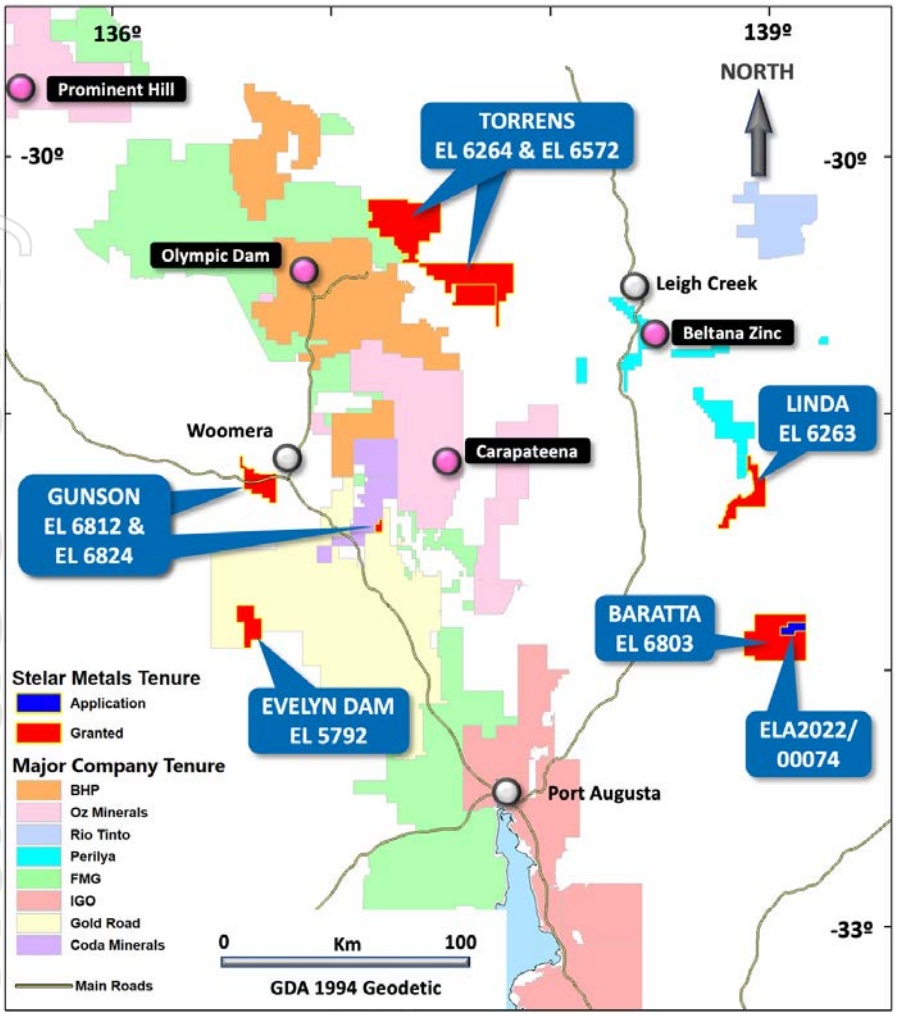

Figure 2: Stelar's exploration projects in South Australia.

APPROVED BY THE BOARD OF STELAR METALS LIMITED

FOR MORE INFORMATION:

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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.

JORC, 2012 Edition – Table 1 – Baratta Project Historic Work October 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.
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 known drilling undertaken on the current EL 6803

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

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.*
		• 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 45 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 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.*
		• Historic soil and rock-chip sampling only being 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').*	• 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.