

Quarterly Activities Report for the Period Ending 31 December 2022

HIGHLIGHTS

Tumblegum South Gold Project

- Results released for the initial Reverse Circulation (RC) drilling program completed at Star of the East gold project
- Tumblegum Phase 3 diamond drilling logged, sampled and assayed in anticipation of release
- Refinement of geology model and preparation for updated Mineral Resource Estimate

West Bryah Copper-Gold Project

- Public data analysis underway
- Soil sampling and ground magnetic survey completed, with planning for drilling to commence first half of 2023

Star Minerals Limited (ASX: **SMS**, “the Company” or “Star Minerals”) is pleased to provide its Quarterly Activities Report for the period ending 31 December 2022.

The Company has two projects, a gold Resource at Tumblegum South, 40km south of Meekatharra and the West Bryah copper-gold project, 120km northwest of Meekatharra.

During the quarter, Star Minerals made further headway towards its goal of bringing its Tumblegum South gold project into production. Completion of a diamond drilling program at the end of last quarter has been followed up with logging, sampling and assay activities.

In addition, the Company has completed its first drill program and completed this work with the collection of samples and return of assay results for the “Star of the East” project, a historical gold mine that complements the Company’s Tumblegum Project, only 2km to the east.

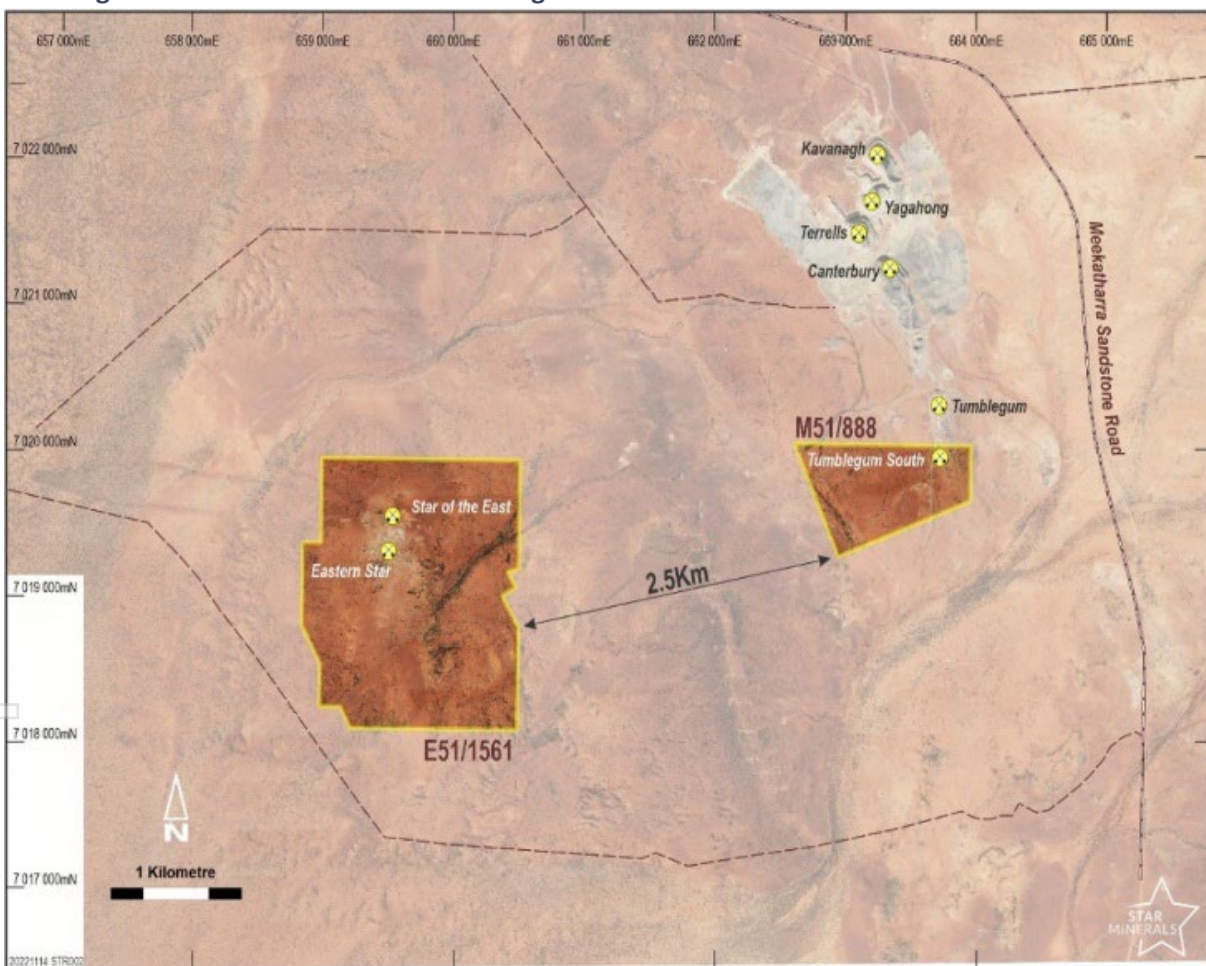
Work on completing analysis of the soil sampling, mapping and ground magnetic survey work on the West Bryah tenements is ongoing, with the results of this planned to be used for a proposed drill program in the first quarter of 2023.

CEO Greg Almond comments:

“Following the successful completion of initial RC drilling at Star of the East and our latest round of diamond core at Tumblegum South, we are heartened by the results so far, and having success at two projects gives us a lot of confidence for the future.

We look forward to making further strides through the work we have in progress, to update the resource model and progress Tumblegum South through to a scoping study. Our diamond drilling leveraged our initial success with our two RC programs, and we are very happy that the assay results continue to support the existing model of the geology and grade.

Figure 1 - Star of the East and Tumblegum South tenement location



Tumblegum South is located approximately 40km south of the town of Meekatharra in Western Australia (see Figure 1).

Tumblegum South has an existing Inferred Resource estimate which totals 600kt, at a grade of 2.2 g/t Au.¹ This work was undertaken by Bryah Resources Limited in January 2020.

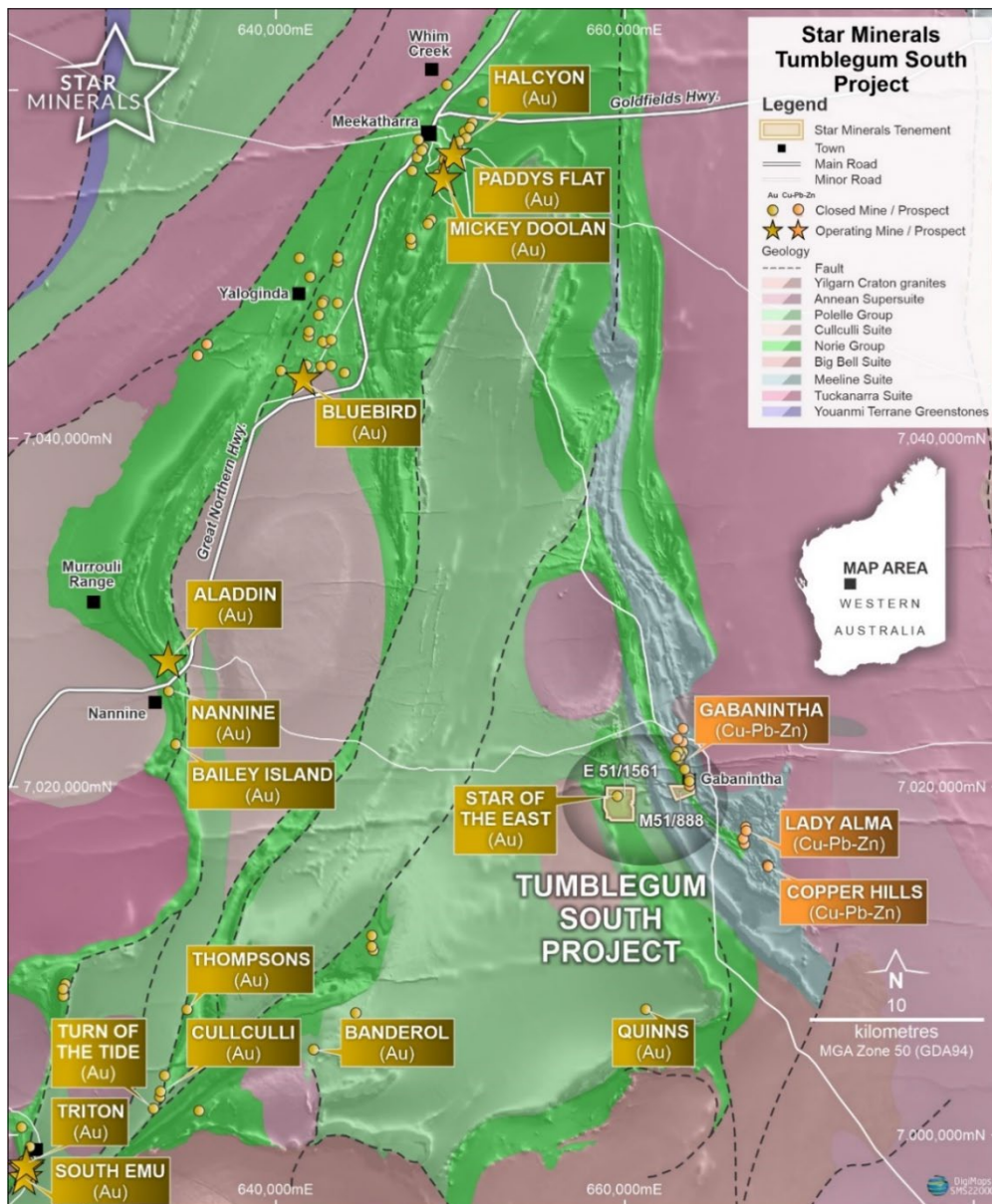
¹ See Star Minerals Limited (ASX: SMS) dated 1 November 2021 titled: Tumblegum South Gold Project Drilling Underway.

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The existing mining lease ML51/888 is directly along strike from the Tumblegum Pit which was mined by Dominion during the 1987–1992 Gabanintha Gold Mine Joint Venture. The Company’s current focus is on gold, but there is also significant copper potential on the lease.

The latest addition to the Company’s projects is Star of the East, a historical gold mine that has been optioned by the company and the first phase of exploration completed. Star of the East is only 2.5km from Tumblegum South and represents an opportunity for Star Minerals to replicate its success with the same strategy used at Tumblegum South.

Figure 2 - Tumblegum South Project area – Tumblegum South and Star of the East



Concluding in September 2022 (during the last quarter), the initial phase of RC drilling program was undertaken at Star of the East, comprising 7 holes for a total of 2,669 metres. Results from this drilling were received during the quarter, with highlighted downhole results in the table below.

Table 1 – Down Hole Results from Star of the East drilling RC drilling program²

Hole ID	East	North	RL	Max Depth	m From	m To	Interval m	Au g/t*
SRC001	659377	7019469	466.60	42	30	31	1	0.50
SRC002	659390	7019466	466.60	67	15	29	14	2.1
				<i>Including</i>	18	26	8	14.2
				<i>Including</i>	18	19	1	80.9
SRC004	659425	7019460	466.35	61	23	25	2	0.77
					37	39	2	1.76
SRC005	659439	7019470	466.10	25	7	13	6	1.94
SRC006	659490	7019451	466.25	31	16	20	4	2.44
					21	22	1	0.62
SRC007	659564	7019455	466.65	19	6	7	1	0.68
					9	15	6	4.95
				<i>Including</i>	12	13	1	12.2

*Intercepts calculated greater than 0.5g/t (uncut) with 1m internal waste.

These assay results confirm the presence of strong gold mineralisation throughout the system and confirm the initial assessment work on targets identified from our review of the historical data completed before acquiring access to the project. This program was intended to immediately test these targets and was drilled opportunistically as one of our contractors moved past the location.

Also completed was a 340m diamond core program at Tumblegum South, designed to provide further structural information to confirm the well-advanced geology model of the mineralised system.

This program was completed successfully in the last quarter, with the core then transported to Perth for full photography, logging, cutting and assay, all completed during this quarter. Results from this work will be released shortly, after all the necessary checks and validation have been completed.

Resource work continued with the support of mining consultants Entech, to review and update the resource model. This work is ongoing, and when complete will provide a foundation for a scoping study to define the potential size and scope for mining of the deposit. The completion of the diamond drilling was a significant aid to this, and the results will allow this work to be completed.

Additional work started in this the quarter included the first submission of samples to provide information for mining approvals work. These samples will provide information on the mineralisation style and waste composition, both studies required for environmental assessment. Further samples are being prepared.

² See Star Minerals Limited (ASX: SMS) dated 15 November 2022 titled: High-grade gold assay results from Star of the East

West Bryah Project

Work at the West Bryah project has been focused on further review of public data, and the review of information gathered from the soil sampling and magnetic survey work, with a drilling program to commence in early 2023.

CEO Greg Almond commented:

“Work at the West Bryah copper-gold project is being planned and further expansion of the area is under review, with a number of options being examined.

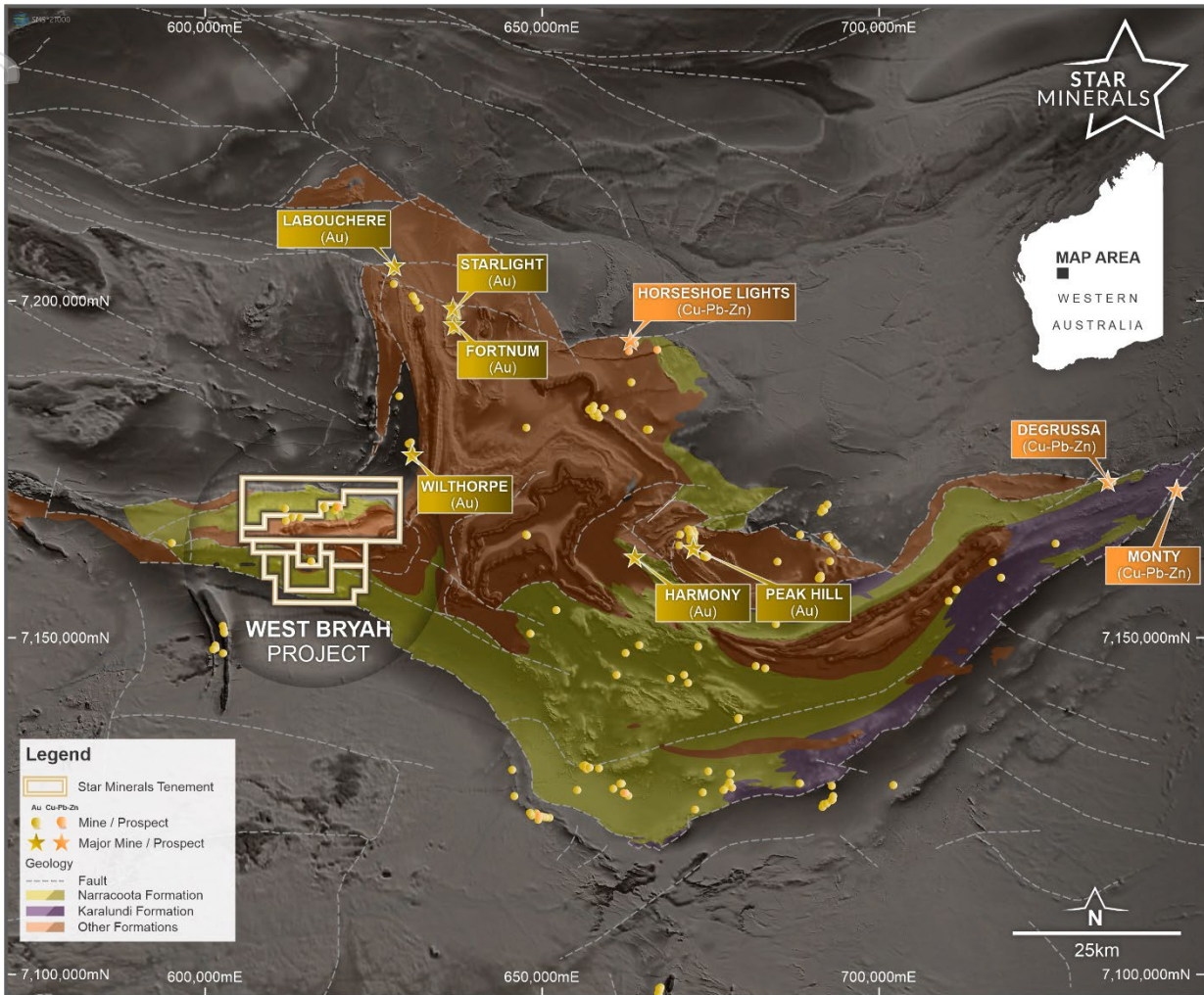
We continue to work with the technical team we share with Bryah Resources Limited (ASX: BYH) and Australian Vanadium Limited (ASX: AVL) to map the best exploration pathway for the West Bryah using the mapping and sampling work we completed last quarter.”

The soil sampling, mapping and ground magnetic survey work were completed during the last quarter, with final results pending. Final analysis will occur with the return of all results, with initial planning of follow-up drilling underway.

This will be completed when all results are in, and to follow once planning and permits are in place.

In addition, the Company’s continues to examine opportunities to expand on its holdings, building on its knowledge of the West Bryah region (See Figure 3 below) and its current land position.

Figure 1 - West Bryah location plan



Marketing

CEO Greg Almond comments:

“Despite increased volatility in gold and copper markets, these commodities remain strong in historical terms and we are confident that they will see strong recovery. Star Minerals is working hard to prepare for this, and we will continue to use online and in-person tools to explain the Company and its efforts to existing and potential investors.”

Star Minerals Limited has an active social media presence across LinkedIn, Facebook and Twitter, sharing information about the Company and its commodities.

Reporting Confirmation

The information in this report that relates to current resource estimates is extracted from the Company's following ASX announcements:

- 1 November 2021 Tumblegum South Gold Project Drilling Underway
- 15 November 2022 High-grade gold assay results from Star of the East

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. 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.

IPO and ASX Listing Compliance

The Company raised \$5,000,000 pursuant to the offer under its replacement prospectus dated 9 August 2021 as varied by the supplementary prospectus dated 1 September 2021 and the second supplementary prospectus dated 23 September 2021 by the issue of 25,000,000 shares at an issue price of \$0.20 per share and 12,500,000 quoted options exercisable at \$0.30 per option expiring on 15 October 2024.

In accordance with ASX listing rule 5.3.1, details of the Company's group exploration activities for the quarter, including any material developments or material changes in those activities, and a summary of the expenditure incurred on those activities is detailed in the preceding sections and in Table 1 below.

With respect to listing rule 5.3.2, the Company confirms that there were no mine production and development activities for the quarter.

For the purposes of listing rule 5.3.4, the Company provides the following comparison of actual expenditure during the quarter against the Statement of Capital Structure following the issue of securities pursuant to the Replacement Prospectus and Second Supplementary Prospectus, both announced on 25 October 2021 together with comments.

As noted, Star Minerals listed on the ASX on 25 October 2021 and as such is still in the first of the 2 years of expenditure commitment referred to in the above table.

The cash position of Star as at 31 December 2022 was approximately \$1.6 million.

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities is approximately \$55,000.

During the quarter approximately \$475,000 of exploration and evaluation expenditure was capitalised, comprising amounts relating to duties assessments, drilling programs and

associated costs and general exploration expenditure.

No production and development activities were undertaken during the quarter.

Activities and spend were broadly in line with the proposed use of funds set out in the prospectus, with variations due to a number of factors including: time spent on drill planning, lack of staff capacity pushing back the start of activities in the West Bryah, and delays in assay results pushing back drill program commencement in the Tumblegum South project. Minor delays with permitting and approvals have also affected start date for works programs.

Table 2 - Comparison of actual expenditure versus estimated expenditure

Use of funds	First 8 Quarters Expenditure Post Listing	Aggregate Spent as at 5th Quarter	Balance Remaining
<u>Tumblegum South</u>	\$	\$	\$
Exploration & evaluation	2,178,000	1,129,806	1,048,194
Star of the East project	-	79,040	(79,040)-
<u>West Bryah</u>			
Exploration & evaluation	880,000	29,615	850,385
Costs of the Offer	517,500	449,000	68,500
Stamp Duty: Tenement (IPO)	174,422	231,021	(56,599)
Tenement Acquisition	505,000	505,000	-
Administration costs	816,000	1,167,038	(351,038)
Total	\$5,070,922	\$3,590,520	\$1,480,402

Tenements

According to Listing Rule 5.3.3, the Company provides the following information in relation to its mining tenements.

The Tenements detailed below in Table 2 were acquired by the company as part of the IPO and listing process. There were no other tenements acquired or disposed of during the quarter, however the company has an option agreement over an additional tenement.

Table 3 Tenements held during the quarter and their area

Project	Tenement	Registered Holder	Beneficial Interest	Location	Status
Tumblegum South Project	M51/888	Australian Vanadium Ltd	100%	Western Australia	Pending*
	L51/112	Bryah Resources Ltd	100%	Western Australia	Pending*
Star of the East	E51/1561	Williams and Lockyer	Exclusive Option	Western Australia	Optioned
West Bryah Project	E52/3553	Pet FC Pty Ltd	100%	Western Australia	Pending*
	E52/3737	Pinny Pty Ltd	100%	Western Australia	Pending*
	E52/3739	Bryah Resources Ltd	100%	Western Australia	Pending*
	E52/3802	ELBAJA Trust (Jalein)	100%	Western Australia	Pending*
	E52/3803	Pinny Pty Ltd	100%	Western Australia	Pending*
	E52/3804	Pinny Pty Ltd	100%	Western Australia	Pending*
	E52/3809	ELBAJA Trust (Jalein)	100%	Western Australia	Pending*

**Denotes tenement transfer is in progress*

The Company has received confirmation of stamp duty assessment for completion of the transfer of tenements and the mining license and is awaiting confirmation the transfer has been processed.

Also of note is the option agreement the company has exercised over E51/1561, the tenement that holds the historical “Star of the East” project. The Company has the right to perform work on this ground, such as drilling and sampling, and the right to acquire the tenement if the relevant conditions are met and the Company exercises its rights.

For further information, please contact:
Greg Almond, CEO +61 8 9226 1860

This announcement has been produced in accordance with the Company's published continuous disclosure policy and has been approved by the Board.

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ABOUT STAR MINERALS LIMITED

Star Minerals is focused on development and exploration of its copper and gold projects. The Company will be using the data gathered to complete the required works to bring the Tumblegum South project up to the necessary level for a decision to mine to be made. In addition, it will use the latest exploration techniques as well as results of previous exploration work undertaken by Bryah Resources and other explorers to investigate the potential of both the Tumblegum South and West Bryah projects.

The Board's strategy is to advance the exploration and development of its deposits wherever possible, utilising established mining operations and infrastructure to achieve low risk early production outcomes.

In addition, the Company intends to continue to investigate ways to grow its business by:

- acquisition, application, or joint venturing into areas surrounding and adjacent to the Projects; and
- acquisition, application, or joint venturing into other, unrelated but economically attractive projects compatible with the Company's goals and capabilities if, and when opportunities of this type come available.