

Quarterly Activities Report for the Period Ending 31 March 2023.

HIGHLIGHTS

Tumblegum South Gold Project

- **High-grade gold results from Tumblegum Phase 3 diamond drilling released, including 2.1m @ 20.49g/t Au in hole BGDD002 from 26.7m downhole and 0.4m @ 41.5g/t Au in hole TDH004 from 62.7m downhole**
- **Refinement of geology model and preparation for updated Mineral Resource Estimate.**

West Bryah Copper-Gold Project

- **Public data analysis underway.**
- **Rock Chip results released, with results including a sample returning 35.85g/t in the Top Dimble region and another 3.31g/t in the West Dimble area.**

Star Minerals Limited (ASX: **SMS**, “the Company” or “Star Minerals”) is pleased to provide its Quarterly Activities Report for the period ending 31 March 2023.

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 the return of the assay results from this work, and the use of this new information further refining our interpretation and geology model.

In addition, the Company has received and analysed the results from its reconnaissance work involving soil sampling, mapping and ground magnetic survey work on the West Bryah tenements. Results of this work has been used to complete planning for further activity, with crews planned to be on-site during the next reporting period, for further geophysical work, sampling and an initial drill program.

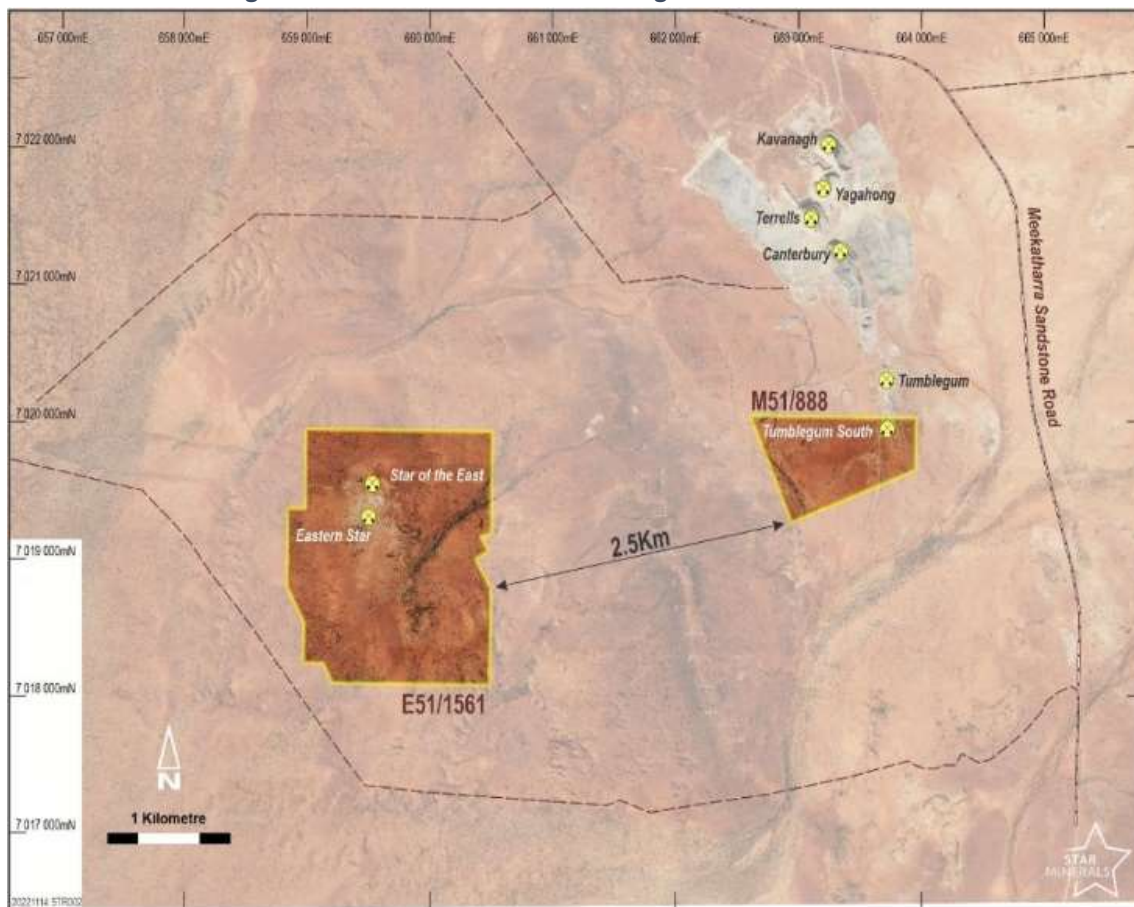
CEO Greg Almond comments:

“Following the successful completion of our RC and Diamond drilling programs at Tumblegum South, we are encouraged by the results, and looking forward to the completion of our geology modelling and resource work.

Our exploration success at Tumblegum South and Star of the East confirms the value of these assets and validates our ever-improving knowledge of these projects. The work completed also provides a predictive model to unlock further value in our existing assets, new targets and properties.

We look forward to completing the resource model and progress Tumblegum South through to a PFS. 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).

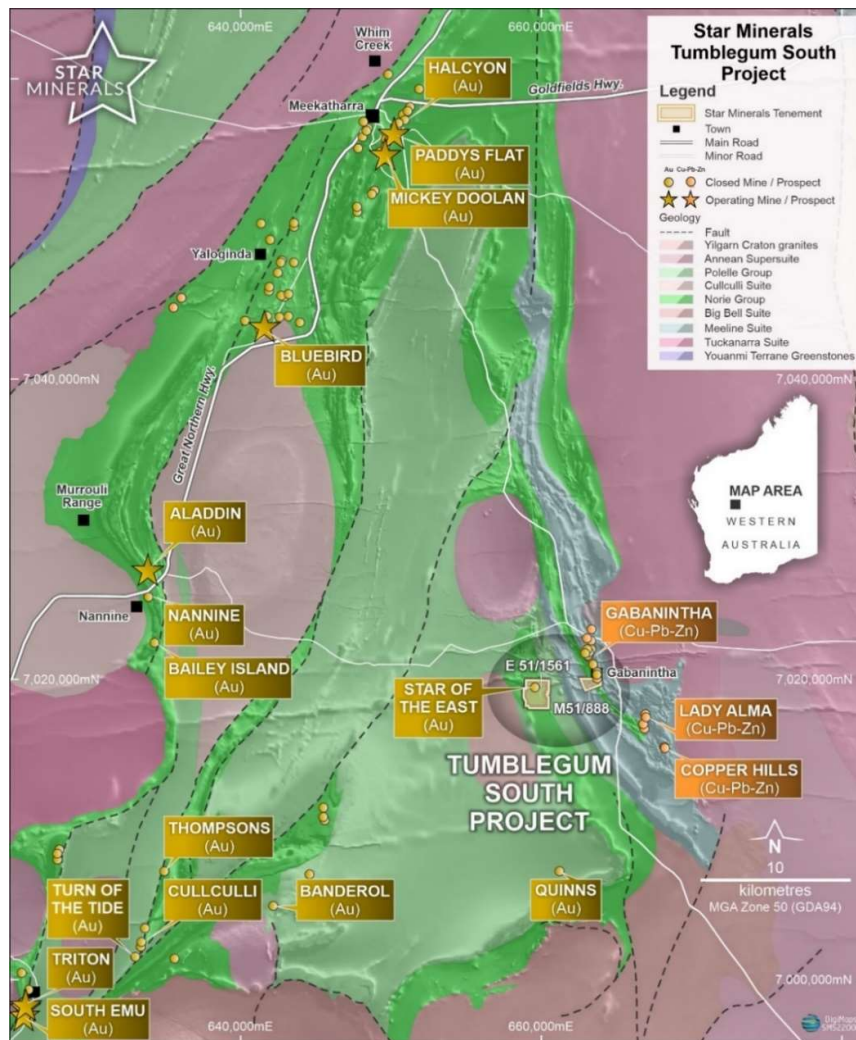
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Tumblegum South has an existing Inferred Resource estimate which totals 600kt, at a grade of 2.2 g/t Au.¹ This work was undertaken by Bryah Resources Limited in January 2020. Work is currently underway to update this resource, based on the completed drilling programs, returned assays and updated geology model.

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 newest company project 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



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



Drilling and assays result from Star of the East, comprising 7 holes for a total of 283 metres were completed last quarter.

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.

Results from this drilling and further review of historical data has been used for planning another phase of drilling. This work has been planned out, and applications for all relevant permits submitted, with the work planned for early May.

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.

All core processing was completed, with full photography, logging, cutting and assay, all finished during the quarter. Results from this work were released² after all the necessary checks and validation were completed, with the high-grade results further supporting the companies already strong results from Tumblegum South. This data has been used to update the geology model and will be used for the resource work.

Resource work continued with the support of mining consultants Entech, to review and update the resource model. This work is progressing well and will be completed early in the next quarter. Once this work is complete it will provide data for a PFS 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.

West Bryah Project

Work at the West Bryah project was focused on the newly received and analysed results from its reconnaissance work³ involving soil sampling, mapping and ground magnetic survey work on the West Bryah tenements.

² See Star Minerals Limited (ASX: SMS) ASX announcement dated 21 March 2023 'High Grade Gold Assay Results - Tumblegum South'.

³ See Star Minerals Limited (ASX: SMS) ASX announcement dated 13 April 2023 'New Frontier Returns High Grade Gold Rock Chips - West Bryah'.

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Results from this work has been used to complete planning for further works, with crews planned to be on-site during the next reporting period, for further geophysical work, sampling and an initial drill program.

CEO Greg Almond commented:

“Work at the West Bryah copper-gold project is being planned and further expansion of our work in the area is under review.

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.

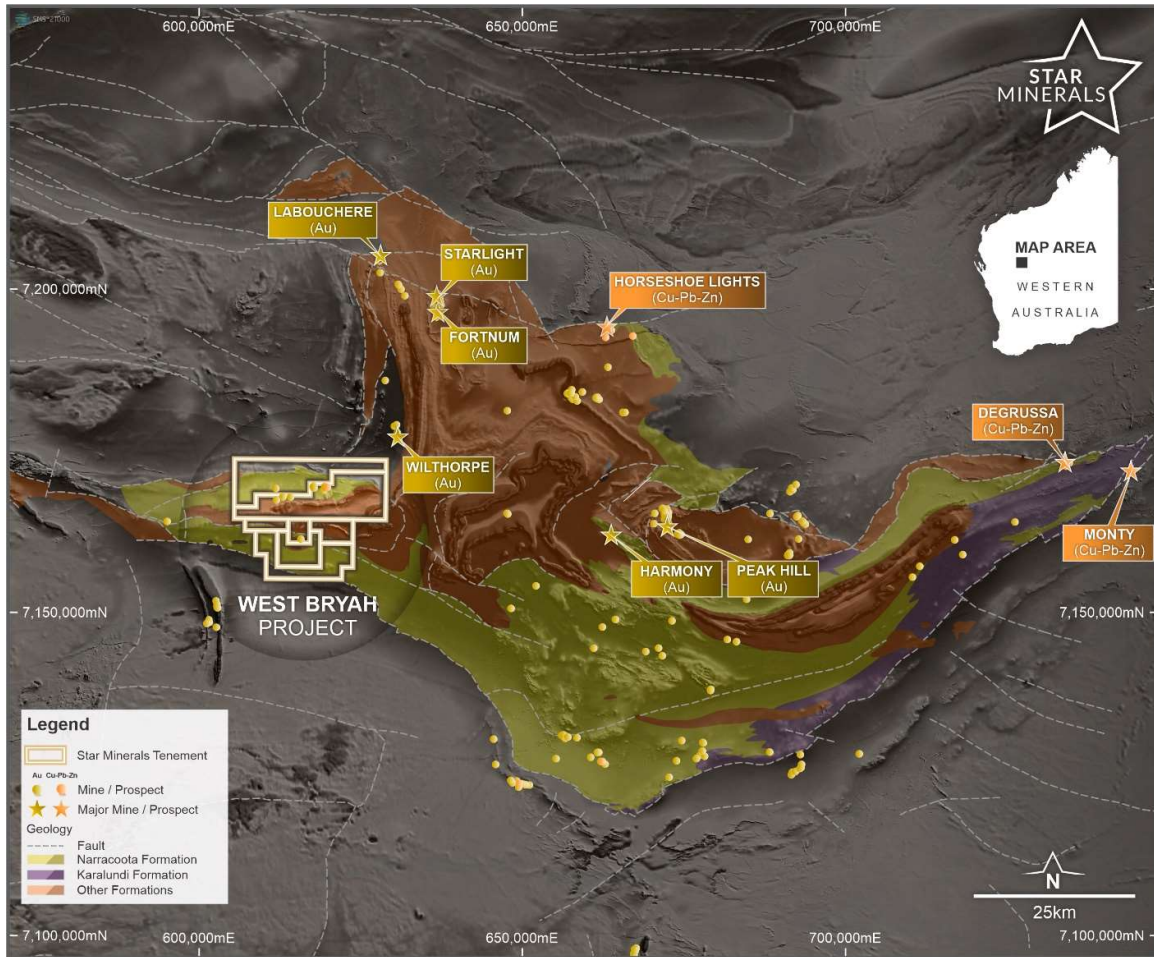
The promising results from our first field program has delivered a number of targets to be further investigated”.

The soil sampling, mapping and ground magnetic survey work were completed during the previous quarter, with final results received during this period. Final analysis will be completed early in the next period along with initial planning of follow-up works, including drilling.

This will be scheduled when all results are incorporated into our updated models and planning is completed and will commence once the required 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 3 - West Bryah location plan



Marketing

During the period, CEO Greg Almond attended the Brisbane Mining Investor conference⁴.

CEO Greg Almond comments:

“Despite some tough conditions in the market and ongoing volatility in gold and copper markets, these commodities remain strong in historical terms and we remain confident that we are in the right business. Star Minerals is working hard to explain the Company, its assets, and its ongoing exploration efforts to existing and potential investors, using both in-person and online tools.”

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

⁴ See Star Minerals Limited (ASX: SMS) ASX announcement dated 23 March 2023 ‘Corporate Presentation’.



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 estimated expenditure 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 Minerals as at 31 March 2023 was approximately \$1,380,000.

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities was approximately \$34,000.

Approximately \$102,000 was spent during the quarter on exploration and evaluation primarily relating to staff geological and consulting costs.

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 1 - Comparison of actual expenditure versus estimated expenditure

Use of funds	First 8 Quarters Expenditure Post Listing	Aggregate Spent as at 6th Quarter	Balance Remaining
<u>Tumblegum South</u>	\$	\$	\$
Exploration & evaluation	2,178,000	955,804	1,222,196
Star of the East project	-	79,040	(79,040)
<u>West Bryah</u>			
Exploration & evaluation	880,000	181,383	698,617
Costs of the Offer	517,500	477,831	39,669
Stamp Duty: Tenement (IPO)	174,422	231,021	(56,599)
Tenement Acquisition	505,000	505,000	-
Administration costs	816,000	1,480,921	(664,921)
Total	\$5,070,922	\$3,911,000	\$1,159,922

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.

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Table 2 - Granted 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.

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Appendix 5B

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

Star Minerals Limited

Quarter ended ("current quarter")

ABN: 53 648 048 631

31 MARCH 2023

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(102)	(666)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(25)	(257)
	(e) administration and corporate costs	(101)	(546)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST Paid)	(3)	16
1.9	Net cash from / (used in) operating activities	(238)	(1,453)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	(122)
	(c) property, plant and equipment	(16)	(20)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows 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	(16)	(142)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,634	2,975
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(238)	(1,453)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(142)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,380	1,380

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	1,380	1,634
5.2	Call deposits	-	-
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)	1,380	1,634

6.	Payments to related parties of the entity and their associates	Current quarter
		\$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	34
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(238)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(238)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,380
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,380
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.8
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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: Not applicable	
8.8.2 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: Not applicable	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not applicable	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

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: **26 April 2023**

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

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.