

Quarterly Activities Report For Period Ending 31 December 2021

HIGHLIGHTS

- Star Minerals admitted to Official List of ASX on Monday, 25 October 2021
- Completed Phase 1 of drilling program at Tumblegum South project.
- Results announced on 24 January 2022 include 14m @ 2.49 g/t Au, 4m @ 15.07 g/t and 6m @ 3.07 g/t.

Star Minerals Limited (ASX: SMS, “the Company” or “Star Minerals”) is pleased to provide its Quarterly Activities Report for the period ending 31 December 2021.

The Company was admitted to the official list of the ASX on the 25 October 2021, with two main projects at Tumblegum South, a gold resource 40km south of Meekatharra, and the West Bryah project, 120km northwest of Meekatharra.

Tumblegum South Project

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

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

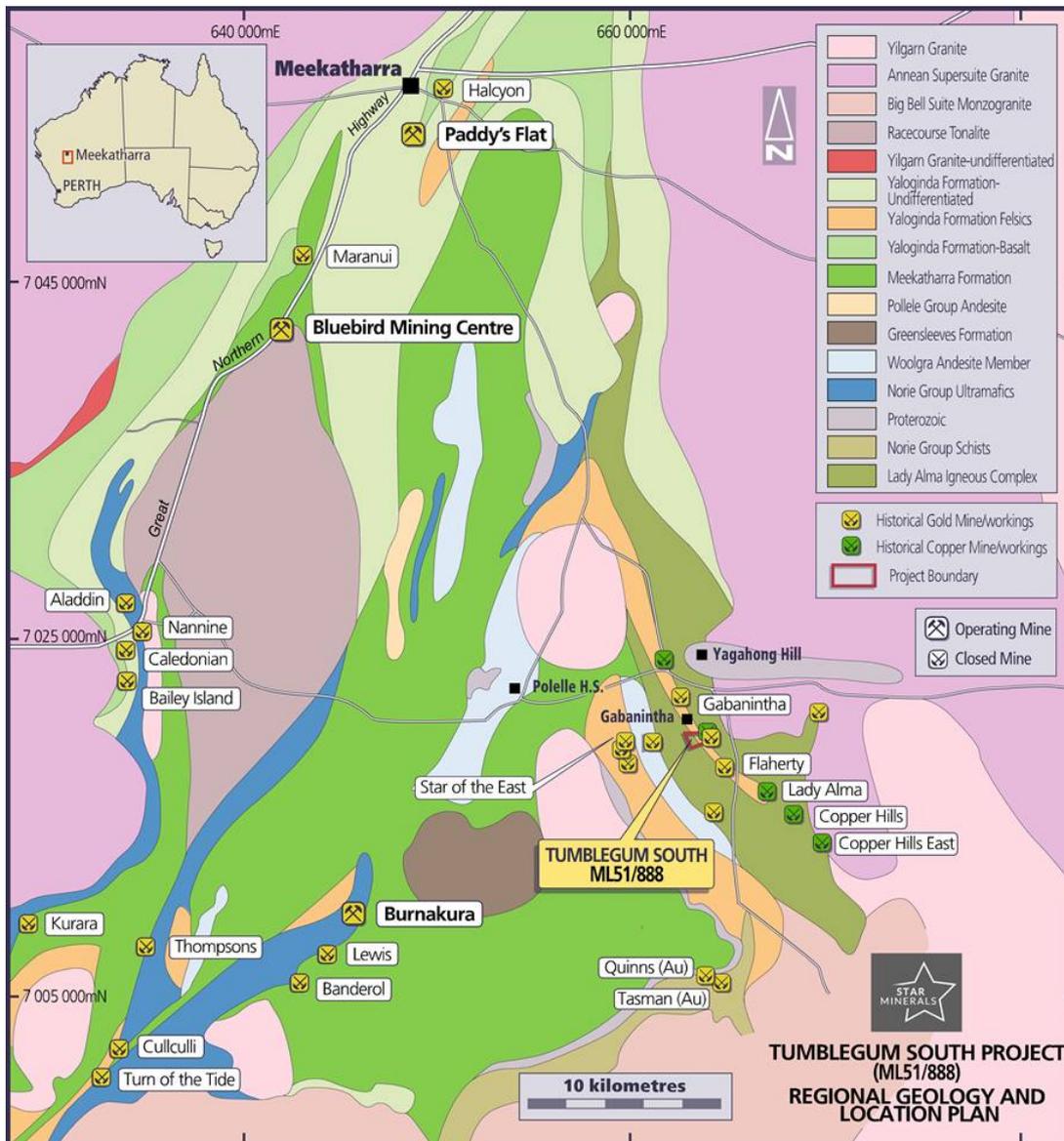


Figure 1 – Tumblegum South location

Star commenced drilling of Phase 1 of its drilling program at Tumblegum South on the 30 October 2021¹, after mobilising crew and contractors to site following its listing on the ASX.

All planned drilling was completed², with the resulting samples dispatched to an assay lab in Perth for analysis. First results from these assays came back in the last weeks of December. This work was completed in January.

¹ See Star Minerals Limited (ASX: SMS) ASX announcement dated 1 November 2021 ‘*Star Minerals Limited commences drilling at Tumblegum South Gold Project*’

² See Star Minerals Limited (ASX: SMS) ASX announcement dated 15 November 2021 ‘*Star Minerals Limited completes Phase 1 drilling at Tumblegum South Gold Project*’

Significant results from this drilling include:

Hole_ID	Depth_From	Depth_To	Interval (m)	Au (g/t, ppm)
TGRC020	36	40	4	15.07
TGRC013	63	77	14	2.49
TGRC014	109	113	4	6.90
TGRC018	12	18	6	3.07
TGRC014	84	85	1	17.00
TGRC008	147	151	4	3.94
TGRC023	39	44	5	3.08
TGRC021	53	56	3	4.01
TGRC014	115	119	4	2.85
TGRC013	96	100	4	2.74
TGRC012	47	49	2	5.42

This drilling, and the geology and assay information that resulted³, have confirmed the grade and extent of mineralisation that was previously identified by Bryah Resources.

Further work is in the planning stages to utilise this drilling and assay work to update the resource model and to provide the needed information for a scoping study to allow the company to proceed with its plans.

West Bryah Project

Work at the West Bryah project has been focused on further review of public data, and the planning of a soil sampling and drilling program to commence in 2022. In addition, a number of opportunities to expand the Company's tenements have been examined.

³ See Star Minerals ASX announcement "Gold assay results from Tumblegum South Project Phase 1 drilling" from 25 January 2022.



Compliance Statements

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 2021 Tumblegum South Gold Project - Phase 1 Drilling Complete

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

SMS 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.

Table 1 – Comparison of actual expenditure versus estimated expenditure

Use of funds	First 2 Years post listing	Spent First Quarter Post Listing	Balance Remaining
<u>Tumblegum South</u>	\$	\$	\$
Exploration drilling	2,178,000	152,000	2,026,000
<u>West Bryah</u>			
Soil sampling and exploration drilling	880,000	-	880,000
Costs of the Offer	517,500	449,000	68,500
Stamp Duty on Tenements			
Acquisition (estimated)	174,422	-	174,422
Tenement Acquisition and reimbursement of exploration expenses	505,000	505,000	-
Administration costs	816,000	288,000	528,000
Total	\$5,070,922	\$1,394,000	\$3,676,922

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

The cash position of Star at 31st December 2021 was approximately \$3.45million.

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were approximately \$47,000, comprising Directors' fees.

During the quarter approximately \$152,000 of exploration and evaluation expenditure was capitalised, comprising amounts for drilling (Impact Drilling), with the balance being other consultants, tenement costs and general exploration expenditure.

No production and development activities were undertaken during the quarter.

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.

Table 2- Tenements acquired during the quarter and their location

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*
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.*

- Ends -

This announcement has been approved for release by the Board of SMS

For further information, please contact:

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

ABOUT STAR MINERALS LIMITED

SMS 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.