

Quarterly Activities Report For Period Ending 30 June 2022

HIGHLIGHTS

Tumblegum South Gold Project

- Phase 2 drilling completed, assays pending
- Scoping study planned
- Active assessment of potential acquisitions

West Bryah Copper-Gold Project

- Public data analysis underway
- Soil sampling, ground magnetic survey and drilling program planned
- Expansion of project through tenement acquisition

Star Minerals Limited (ASX: SMS, “the Company” or “Star Minerals”) is pleased to provide its Quarterly Activities Report for the period ending 30 June 2022.

During the Quarter, Star Minerals progressed towards one of its stated IPO goals of bringing its Tumblegum South gold project into production.

Commencing in May 2022 and concluding in June 2022, the second phase RC drilling programme was undertaken comprising 46 holes for a total of 2,669 metres.

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

CEO Greg Almond comments:

“Following the successful completion of two phases of drilling at Tumblegum South, Work is currently underway to update the resource model and progress this through to a scoping study. Our second phase of drilling leveraged off our initial success, and we look forward to the results confirming our model of the geology and grade.

We are also looking at potential acquisitions, to help expand our potential resource base and give us further options and flexibility.”

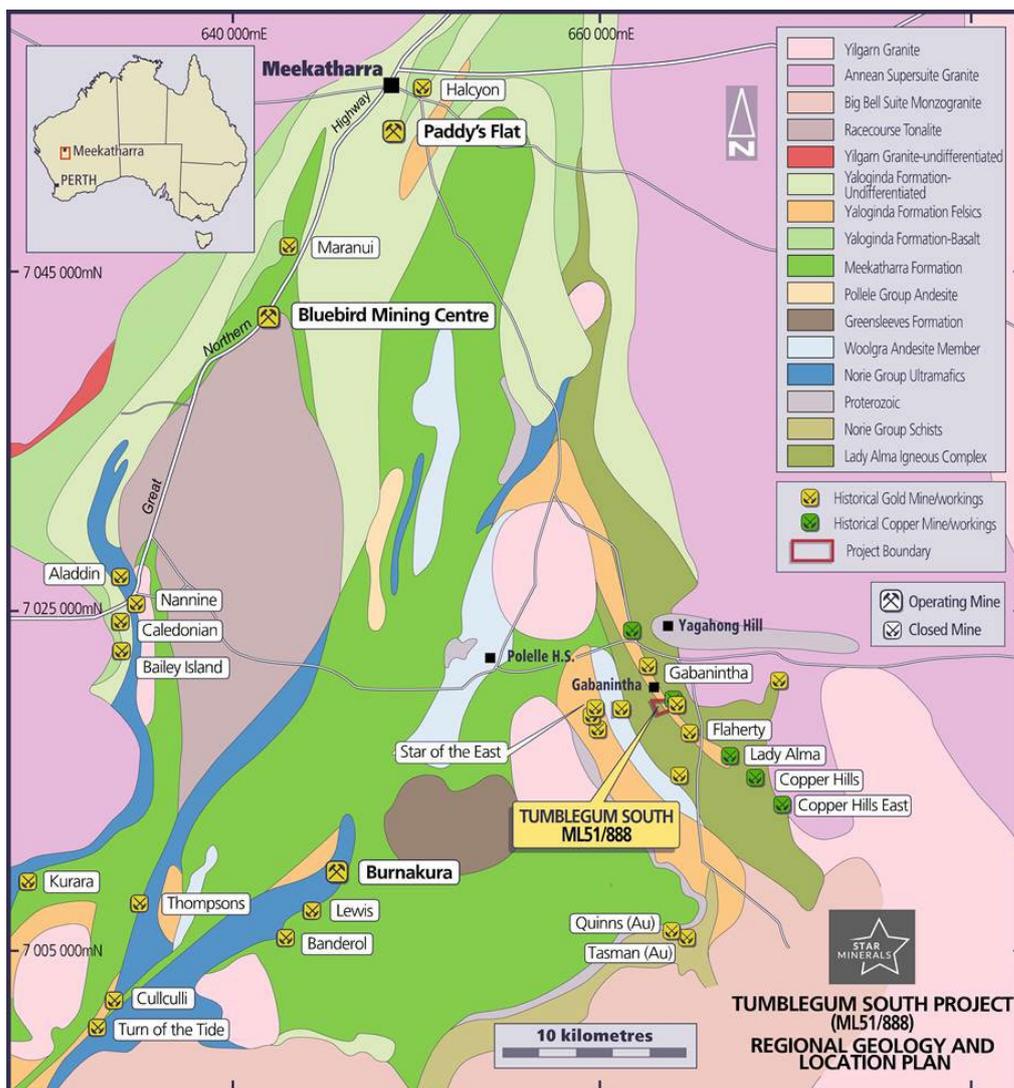


Figure 1 – Tumblegum South location

Star completed Phase 2 of its drilling program at Tumblegum South in May, building on the results of its inaugural drill program in December 2021 (see Figure 2).



Figure 2 - Phase 2 Drilling at Tumblegum South

A total of 46 holes were completed, for a total of 2,669m. Original plans were for 2,448m, but a number of holes were extended during the course of drilling based on field geology logging.

Significant results from this drilling are not available as of this report, as assays results are still to be returned. Initial logging of geology indicates that the rock types and mineralisation are consistent with what was seen in previous work programmes.

Further work has started with the engagement of Entech, a mining consultant, to review and update the resource model. This work is ongoing, and it is intended this will provide a foundation for a scoping study to define the potential size and scope for mining of the deposit. The completion of phase 2 and the anticipated assay results from it will be used for Entech to complete this work.

Further work has begun in the quarter with the first submission of samples to provide information for mining approvals work. These samples will provide information on the ore and waste composition needed for environmental assessment. Further samples from Phase 2 will be prepared and sent once they are returned.

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, magnetic survey and drilling program to commence in 2022.

CEO Greg Almond comments:

“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 Bryah Resources Limited (ASX: BYH) and Australian Vanadium Limited (ASX: AVL) geology teams to map the best pathway forward into production for both the Tumblegum South gold project on its granted mining lease as well as the best exploration pathway for the West Bryah.”

The soil sampling and magnetic survey work are planned to commence shortly (July-August 2022), with drilling to follow once planning and permits are in place, now that many of the Covid-19 safety protocols the company was operating under have been eased.

In addition, a number of opportunities to expand the Company's tenements have been examined, building on its knowledge of the West Bryah region (See Figure 3 below).

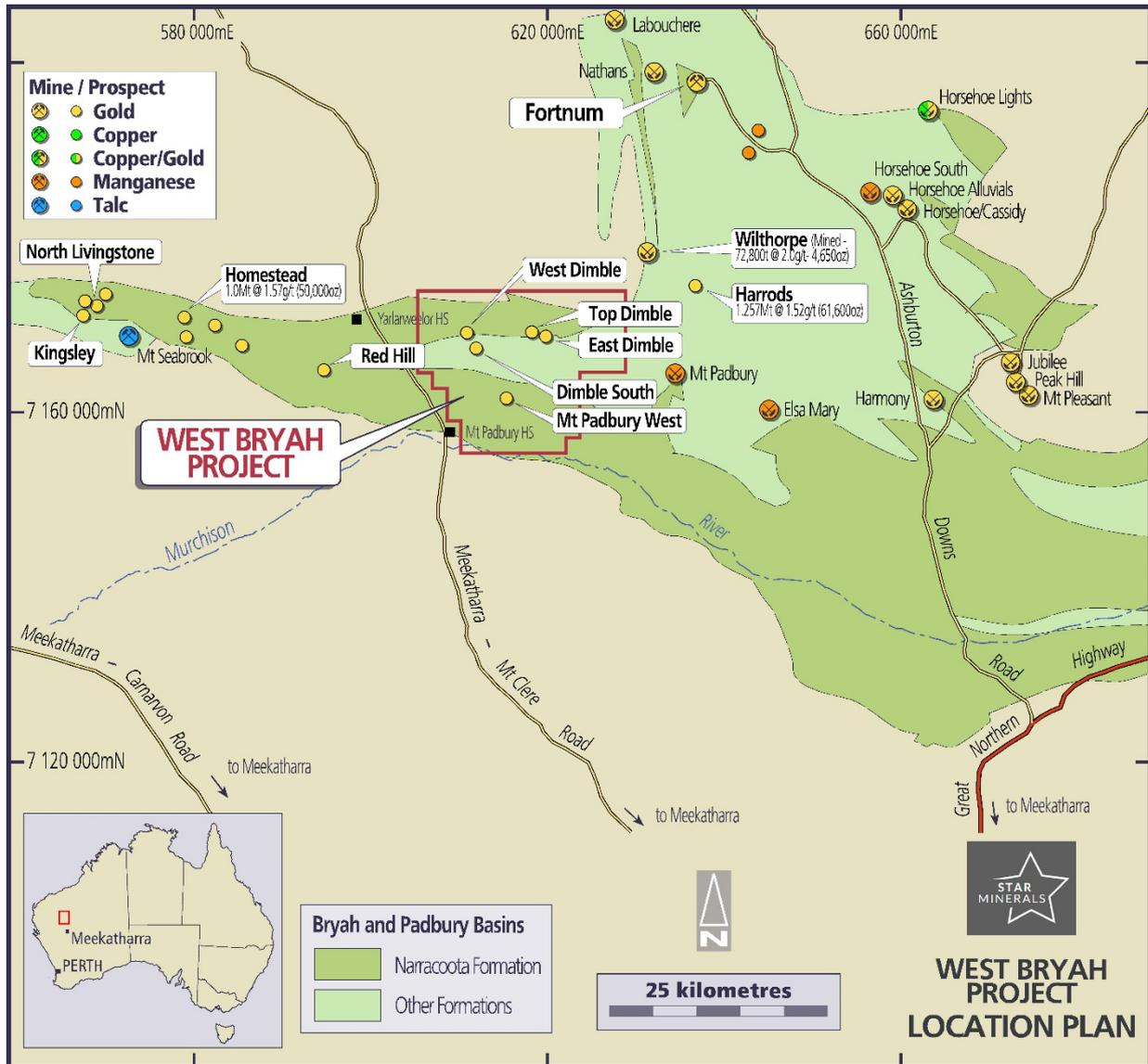


Figure 3 – West Bryah location



Marketing

CEO Greg Almond has presented at and attended several conferences during the quarter, enabling Star Minerals to become known by a wider audience. Conferences included:

- Spark Plus Metals & Mining Day, online (presented)
- Spark Plus Investors presentation, Singapore (presented)

With removal of many Covid-19 restrictions, it is planned to organise more investor meetings and to attend conferences.

CEO Greg Almond comments:

“The gold and copper markets have seen turmoil, but remain strong in historical terms, and we are confident that they will see strong recovery, and Star Minerals is working hard to prepare for that. We will continue to use online and in-person tools to explain the company and its efforts to existing and potential investors.”

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 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	Aggregate Spent in 3 Quarter Post Listing	Balance Remaining
<u>Tumblegum South</u>	\$	\$	\$
Exploration drilling	2,178,000	521,000	1,657,000
<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	630,000	186,000
Total	\$5,070,922	\$2,105,000	\$2,965,922

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 30th June 2022 was approximately \$2.97 million.

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were approximately \$70,000, comprising Directors' fees.

During the quarter approximately \$318,000 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.

As part of the IPO and tenement acquisition, the Company issued the following Performance Rights: which remained on issue for the duration of the quarter:

1. 3,000,000 Class A Performance Rights to Bryah Resources Limited (Class A Performance Rights); and
2. 4,000,000 Class B Performance Rights to Bryah Resources Limited and 2,500,000 in total to the

Directors and CEO of the Company (Class B Performance Rights).

Regarding the Class A Performance Rights, each one (1) Class A Performance Right vests as one (1) ordinary fully paid \$0.20 ordinary share upon the announcement by the Company to ASX of a measured Mineral Resource in compliance with the JORC Code 2012 in relation to Tenement M51/888 within 5 years of issue. To date, no such ASX announcement has been made by the Company.

Regarding the Class B Performance Rights, each one (1) Class B Performance Right vests as one (1) ordinary fully paid \$0.20 ordinary share upon the commencement of commercial gold production in relation to Tenement M51/888 within 5 years of issue. To date, commercial gold production in relation to Tenement M51/888 has not commenced.

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*

The Company is still awaiting confirmation of stamp duty assessment for completion of the tenement and tenements and the mining license.

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.

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.