

SUPPLEMENTARY PROSPECTUS

Star Minerals Limited
(ACN 648 048 631)

1. Introduction

This supplementary prospectus (**Supplementary Prospectus**) is issued by Star Minerals Limited (ACN 648 048 631) (**Company** or **Star Minerals**) and is dated 1 September 2021. It was lodged with the Australian Securities & Investments Commission (**ASIC**) on that date.

This Supplementary Prospectus supplements, and is intended to be read with, the replacement prospectus issued by Star Minerals for its initial public offer dated 9 August 2021 (**Prospectus**).

The information set out in this Supplementary Prospectus is taken to be included in the Prospectus. The contents of the Prospectus remain unchanged, other than as set out in this Supplementary Prospectus. The matters stated in this Supplementary Prospectus are not considered to be materially adverse from the point of view of any investor.

Except where defined in this Supplementary Prospectus or inconsistent with the context, terms defined in the Prospectus have the same meanings when used in this Supplementary Prospectus.

Neither ASIC nor ASX Limited ACN 008 624 691 (including financial market operated by it known as the Australian Securities Exchange) (**ASX**) takes responsibility for the contents of this Supplementary Prospectus or the investment to which it relates.

2. Purpose of Supplementary Prospectus

The purpose of this Supplementary Prospectus is to:

- (a) extend the Closing Date of the Offers under Prospectus to 17 September 2021;
- (b) provide additional information required by ASX in relation to the Performance Rights to be issued to Bryah Resources for the acquisition of the Tumblegum South Project; and
- (c) provide additional information required by ASX in relation to the Performance Rights to be granted to Directors and the Chief Executive Officer.

3. Prospectus amendments

3.1 Introduction

The Prospectus is amended on the basis set out in this section 3.

3.2 Extension of Closing Date of Offers

The Closing Date of the Offers under the Prospectus is extended to 17 September 2021.

All references to the Closing Date of “3 September 2021” in the Prospectus are amended to “17 September 2021”.

The Indicative Timetable in the “Key Information on the Offers” Section of the Prospectus is amended as follows:

Indicative Timetable	
Replacement Prospectus lodged with ASIC	9 August 2021
Opening Date of the Offers	9 August 2021
Closing Date of the Offers	17 September 2021
Issue of securities under the Offers	24 September 2021
Dispatch of holding statements	27 September 2021
Shares commencing trading on ASX	30 September 2021

Note: This timetable is indicative only and is subject to change. Investors are encouraged to submit their Applications as early as possible as the Offers may close early. Star Minerals reserves the right, subject to the Corporations Act and all other applicable laws and regulations, to vary the dates in this timetable without prior notice, including to extend the Closing Date, or to accept late Applications, or to delay or withdraw the Offers. If the Offers are withdrawn, all Application Moneys for New Shares which have not been issued will be refunded (without interest) as soon as practicable.

3.3 Additional information about Performance Rights to be issued to Bryah Resources

In addition to the information stated in the Prospectus at Section 7.2(a) (Acquisition of Tumblegum South Project) and Annexure E (Independent Expert's Report on Performance Rights), the following information is provided in relation to the 3,000,000 Class A Performance Rights and 4,000,000 Class B Performance Rights to be issued to Bryah Resources as part of the Purchase Consideration for the acquisition of the Tumblegum South Project under the terms of the Tumblegum South Acquisition Agreement between the Company and Bryah Resources.

The Company proposes to issue the Performance Rights as part-consideration for the Tumblegum South Acquisition, and to align the interests of Bryah and the directors with the future success of the Company. In opting to issue a significant proportion of the Purchase Consideration as Performance Rights, the Company is seeking to balance the inherent speculative nature of mining exploration with its duty to protect its shareholders against unwarranted economic dilution.

The Company has determined the number of Performance Rights to be issued to Bryah Resources and considers the number to be appropriate and equitable having regard to an assessment of the value of M51/888 based on a “resource ounce” methodology and an assessment of the value of Shares to be issued as consideration for the Tumblegum South Project, on the following basis:

- (a) the 9,000,000 Shares to be issued have been valued at \$0.20 each (being the proposed issue price of Shares under the Public Offer, for a total value of \$1.8 million; this values the Tumblegum South Project at ~\$42/resource ounce (\$1,800,000 / 42,500 resource ounces) based on the existing inferred mineral resource;

- (b) the additional Shares to be issued on the vesting of the 3,000,000 Performance Shares if the Milestone for the Class A Performance Rights is achieved have a value of \$600,000 at \$0.20 each at the IPO price per Share; this values the Tumblegum South Project at ~\$56/resource ounce (\$2.4 million / 42,500 resource ounces), reflective of the increase in value of the Tumblegum South Project if a measured mineral resource is determined; and
- (c) the additional Shares to be issued on the vesting of the 4,000,000 Performance Shares if the Milestone for the Class B Performance Rights is achieved have a value of \$800,000 at \$0.20 each; these additional Shares will be issued if gold production commences at Tumblegum South Project and are reflective of the expected increase in value of the Tumblegum South Project where it is able to be developed to a point where production of gold is economic.

3.4 Additional information about Performance Rights to be issued to Directors and CEO

In addition to the information stated in the Prospectus at Section 9.3 (Interests of Officers) of the Prospectus and Annexure E (Independent Expert's Report on Performance Rights), the following information is provided in relation to 2,500,000 Class B Performance Rights proposed to be granted to the CEO and the Directors.

The Performance Rights are being issued to the CEO and the Directors in connection with the Public Offer to incentivise them and are not "ordinary course of business remuneration securities".

The CEO, Greg Almond, will have primary responsibility for delivering on the milestone to the Class B Performance Rights in his capacity as CEO. Mr Almond's proposed allocation of Performance Rights, being greater than each other Director, reflects this primary responsibility. Each of the Directors is responsible for the Company's performance in their roles overseeing the Company's corporate governance, monitoring the performance of the Company's executive team (primarily Mr Almond), signing off on capital allocation decisions and the strategic direction of the Company, and managing the Company's risk profile.

Details of the Company's securities held or to be held by the CEO and the Directors (or their associates):

Director	Number of Shares held	Performance Rights to be granted
Gregory Almond	Nil	1,000,000
Ian Stuart (Scarfell Pty Ltd ATF Stuart Superannuation Fund)	30,000 Shares issued at \$0.05 / Share; cash consideration paid for issue of Shares	750,000
Ashley Jones (ATF Jones Family Trust)	30,000 Share issued at \$0.05 / Share (cash consideration paid for issue of Shares)	375,000
Stephen Strubel (SRSHGS Pty Ltd – SRS Family A/C)	1,800,001 Shares issued at \$0.0002 / Share (except 1 Share issued at \$1); cash consideration paid for issue of Shares	375,000

It is considered appropriate to incentivise the CEO and the Directors to achieve the Performance Shares' milestones, as it aligns their interests with that of Shareholders and the quantum of the

incentive is considered reasonable having regard to the cash remuneration of the CEO as salary and the Directors as fees.

The Directors consider that the number of Performance Rights to be issued to the CEO is appropriate and equitable as it provides only minimal dilution to Shareholders of 1.57% (based on the total Shares to be on issue on completion of the Public Offer and issue of Shares on vesting of all other Performance Rights).

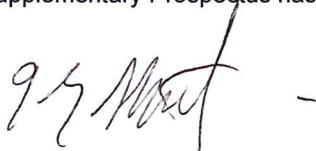
The Company considers that the number of Performance Rights to be issued to the Directors is appropriate and equitable as it provides only minimal dilution to Shareholders of 2.36% (based on the total Shares to be on issue on completion of the Public Offer and issue of Shares on vesting of all other Performance Rights).

4. Directors' authorisation

This Supplementary Prospectus is issued by Star Minerals pursuant to resolution of the directors.

Each director has given, and has not withdrawn their consent, to the lodgement of this Supplementary Prospectus with ASIC.

This Supplementary Prospectus has been signed for and on behalf of Star Minerals by:

A handwritten signature in black ink, appearing to read 'Ian Stuart', followed by a horizontal line.

Ian Stuart
Chairman, Star Minerals Limited

1 September 2021