



ASX ANNOUNCEMENT

31 October 2024

# Quarterly Activities Report for the Period Ending 30 September 2024

## HIGHLIGHTS

### Cobra Uranium Project Namibia

- Star Minerals Limited (“Star”) and Madison Metals Inc (“Madison”) enter an Earn In and Exploration Rights Agreement on the Cobra Uranium Project in the Erongo region Namibia<sup>1</sup>
- Star can earn **51% by spending USD\$3.95m over 3 years** including progress payments
- Star and Madison to create a Joint Venture between 51% and 85%
- Cobra Project - Foreign estimate of quantity and grade of mineralisation of **15.6Mt at 260ppm U<sub>3</sub>O<sub>8</sub> for 9M lb U<sub>3</sub>O<sub>8</sub>**<sup>1</sup>
- The Cobra project is situated within 25km of the two largest operating uranium mines in Namibia
- Namibia is a mining friendly jurisdiction, with excellent infrastructure to support mining activities including a seaport, airport, well-established road network, water and power
- Star will be the operator working in close association with Madison’s existing in-country team
- **297 km<sup>2</sup> tenement** with prospective geology for resource expansion and further discoveries
- Significant drill intercepts<sup>2</sup>
  - **60m at 333ppm U<sub>3</sub>O<sub>8</sub>** from 6 m
    - including **5m at 414ppm U<sub>3</sub>O<sub>8</sub>** in hole AR074 from 13 m
    - including **6m at 676ppm U<sub>3</sub>O<sub>8</sub>** in hole AR074 from 24 m
    - including **10m at 732ppm U<sub>3</sub>O<sub>8</sub>** in hole AR074 from 38 m
  - **7m at 971ppm U<sub>3</sub>O<sub>8</sub>** from 38m including 2m at 2883ppm U<sub>3</sub>O<sub>8</sub> in hole AR052 from 38m
  - **9m at 636ppm U<sub>3</sub>O<sub>8</sub>** from 71m including 5m at 1037ppm U<sub>3</sub>O<sub>8</sub> in hole AR076 from 74m
  - **14m at 360ppm U<sub>3</sub>O<sub>8</sub>** from 47m including 3m at 836ppm U<sub>3</sub>O<sub>8</sub> in hole AR069 from 47m

Cautionary Statement.

*The estimates of the quantity and grade of mineralisation for the Cobra Project referred to in this announcement are “foreign estimates” within the meaning of the ASX listing rules and are not reported in accordance with the JORC Code 2012. A competent person has not done sufficient work to classify the foreign estimates as mineral resources in accordance with the JORC Code 2012. It is uncertain that following evaluation and further exploration work that the foreign estimates will be able to be reported as mineral resources in accordance with the JORC Code.*

<sup>1</sup> See Star Minerals Limited (ASX: SMS) ASX Announcement dated 19 September 2024 titled: ‘Star to Earn into Namibian Project with a Significant Foreign Estimate of Uranium Mineralisation’

<sup>2</sup> Significant intercepts in full See Appendix 1 Star Minerals Limited (ASX: SMS) ASX Announcement dated 19 September 2024 titled: ‘Star to Earn into Namibian Project with a Significant Foreign Estimate of Uranium Mineralisation’



## Corporate

This report summarises the exploration and corporate activities of Star Minerals Limited (“Star” or “the Company”) during the quarter ended 30 September 2024.

At the end of the quarter the Company had a cash position of \$318k.

## Management Comments

Commenting on the September 24 quarter Ian Stuart said,

*“We are delighted for the potential to add such a significant foreign uranium estimate to the company and look forward to working with Madison to confirm and upgrade the estimate and test the exciting exploration potential in the area. Star have in-house expertise in uranium and specifically Namibian exploration experience via Mr Ashley Jones who will manage the Project following shareholder approval. Ashley has considerable experience working in Africa and has previously resided in Namibia for 3-years and more recently worked on the Letlahakane uranium project in Botswana for 5 years from 2014 – 2019.*

*Star sees enormous potential to upgrade and increase the existing estimates. We are buoyed by excellent long-term fundamentals for uranium and its role as a sustainable and carbon free energy source for the future.”*

Star Minerals Limited (ASX: SMS, “the Company” or “Star Minerals”) is pleased to provide its Quarterly Activities Report for the quarter ended 30 September 2024.

During the quarter, the Cobra Uranium Project in Namibia has been a significant focus in consultation with Madison Metals. Detailed below are the key components of the agreement and relevant background information.

## Transaction Terms

Earn In	1 <sup>st</sup> Earn-in 20%	2 <sup>nd</sup> Earn-in 40%	3 <sup>rd</sup> Earn-in 51%
Payment to Vendor	US\$300,000	US\$300,000	US\$390,000
SMS Shares Payment at greater of: (A) the 20day VWAP at time of payment and (B) A\$0.06;	US\$200,000	US\$200,000	US\$260,000
Exploration Spend	US\$750,000	US\$750,000	US\$925,000
Performance Shares Tranche 1 Completion of 2000m of drilling on EPL 8531 and SMS 20day VWAP is equal to or exceeds A\$0.06 at any time within 5 years of issue of Tranche 1 Performance Shares	2,466,667		
Performance Shares Tranche 2 A drill intercept on EPL 8531 which includes an average U3O8 grade of 200ppm or greater over 10 metres or more and SMS 20day VWAP is equal to or exceeds A\$0.09 at any time within 5 years of issue of Tranche 2 Performance Shares	1,850,000		
Performance Shares Tranche 3 JORC Code mineral resource estimate on EPL 8531 of at least 10Mt tonnes at an average U3O8 grade of 220 ppm (or greater) for 5Mlbs of contained U3O8 indicated mineral resources, with a minimum grade of 80 ppm U3O8.		2,368,000	

- Parties enter into a joint venture agreement on completion of the First Earn In.
- Issue of consideration shares and Performance Shares subject to Company shareholder approval.
- Completion is subject to Company capital raising for a minimum of A\$2,000,000



## Conditions to Transaction

Completion of the transaction is subject to satisfaction of conditions precedents, anticipated to occur within 3 months, including<sup>3</sup>:

1. Star raising a minimum of \$2,000,000 by the issue of Star Shares (**Capital Raising**); and
2. Star's shareholders in general meeting approving the issue of the Consideration Shares, Tranche 1 Performance Shares and the Tranche 2 Performance Shares to Madison; the issue of these shares is subject to Star shareholder approval for the purposes of ASX listing rule 7.1.

## Management Changes

After completing the conditions precedent, director Ashley Jones will assume all day-to-day responsibilities as Managing Director. Ashley has previous uranium experience both in Australia and Namibia, having resided in Namibia between 2011 to 2014. Ashley was a committee member on the Namibian Chamber of Mines whilst working for an Australian listed company. Ashley worked in uranium from 2006 - 2011 in Australia and Africa, and more recently was managing the Letlahakane uranium project in Botswana for 5 years from 2014 – 2019.

## Cobra Uranium Project - Estimates of Quantity and Grade of Mineralisation<sup>3</sup>

Area	JORC Equivalent Classification	Tonnage (K Tonnes)	Grade (ppm U3O8)	Metal (K lbs U3O8)
Area 1	Measured	-	-	-
	Indicated	-	-	-
	Measured + Indicated	-	-	-
	Inferred	960	200	420
Area 3	Measured	-	-	-
	Indicated	-	-	-
	Measured + Indicated	-	-	-
	Inferred	14,650	270	8,580
Total	Measured	-	-	-
	Indicated	-	-	-
	Measured + Indicated	-	-	-
	Inferred	15,620	260	9,000

Table 1 Statement of estimates for the Cobra Project Area 1 and Area 3 deposits<sup>4</sup>

## Cautionary Statement

*The estimates of the quantity and grade of mineralisation for the Cobra Project referred to in this announcement are "foreign estimates" within the meaning of the ASX listing rules and are not reported in accordance with the JORC Code 2012. A competent person has not done sufficient work to classify the foreign estimates as mineral resources in accordance with the JORC Code 2012. It is uncertain that following evaluation and further exploration work that the foreign estimates will be able to be reported as mineral resources in accordance with the JORC Code.*

<sup>3</sup> See Star Minerals Limited (ASX: SMS) ASX Announcement dated 19 September 2024 titled: 'Star to Earn into Namibian Project with a Significant Foreign Estimate of Uranium Mineralisation'

<sup>4</sup> Estimates completed by SRK Consulting (UK) Limited November 2015.



## Foreign Estimate of Mineralisation

The foreign estimates of mineralisation stated above are taken from a report dated November 2015 completed by SRK Consulting (UK) Limited (“SRK”) for Cobra Resources, the then private company holder of the Permit area, using categories of mineralisation equivalent to mineral resources in accordance with the JORC Code 2012. The resource report was not released publicly and did not include the information specified in JORC Table 1. Star is only in possession of the drilling data, inclusive of the QAQC and not the resource estimation data. The estimate is treated as a “foreign estimate” under the ASX listing rules. A series of confirmation holes, QAQC and modelling of the mineralisation will be required for the mineralisation to be remodelled and re estimated. The initial planned drill program will be a combination of targeting the known resource to confirm the known estimate and drilling targets along strike. Further information about the foreign estimate of the mineralisation for the purposes of the requirement of ASX listing rule 5.12 is set out below under the heading ‘Foreign Estimate Statements’.

## Cobra Uranium Project Background

### Project tenure

The Cobra Project located in Namibia is on EPL 8531 (**Permit**) held by the Namibian company, Pennywort Investments (Proprietary) Limited (**Pennywort**) in which Madison holds an 85% shareholding interest through its Namibian subsidiary. The Permit expires on 17 October 2025 and can be extended as per the tenement conditions for further two year periods. The Permit sits adjacent to the Rossing Mine 50 km from the city of Swakopmund.

### Location

Namibia is considered a favourable jurisdiction for uranium mining due to its stable political environment, well-established mining regulations, and rich uranium deposits. Namibia is ranked as the 6th highest African mining jurisdiction for mining investment according to the Fraser Institute's 2022 annual survey, and was the world's third-largest producer of uranium, accounting for 11% of global production, in 2022<sup>5</sup>.

EPL 8531 is located south of Arandis Town, Namibia, near the main B2 highway from Swakopmund to Okahandja immediately west of the Rossing & Husab Uranium mines and 50km to the north-northwest of Paladin Energy’s Langer Heinrich mine is 50 km north -northwest of Rossing, in the Namib Park, and 80 km from the coast.

The Rössing Uranium Mine is one of the world’s longest-operating uranium mines having produced more than 260 million pounds of uranium since 1976. The mine was initially majority owned by Rio Tinto, but in 2019, Rio Tinto sold its 69% stake to China National Uranium Corporation (CNUC). The mine was responsible for 5% of the worlds production in 2022.<sup>6</sup> Husab Mine (formerly known as Rossing South) was discovered in 2008 by Extract Resources. The Husab Mine was acquired by China General Nuclear Power Group (CGN) through its subsidiary, Taurus Minerals Limited, in 2012. CGN purchased a 90% stake in the mine from Extract Resources for approximately \$2.2 billion. The mine was responsible for 7% of the worlds production in 2022.<sup>7</sup>

<sup>5</sup> <https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2022.pdf>

<sup>6</sup> <https://world-nuclear.org/information-library/country-profiles/countries-g-n/namibia>

<sup>7</sup> <https://world-nuclear.org/information-library/country-profiles/countries-g-n/namibia>

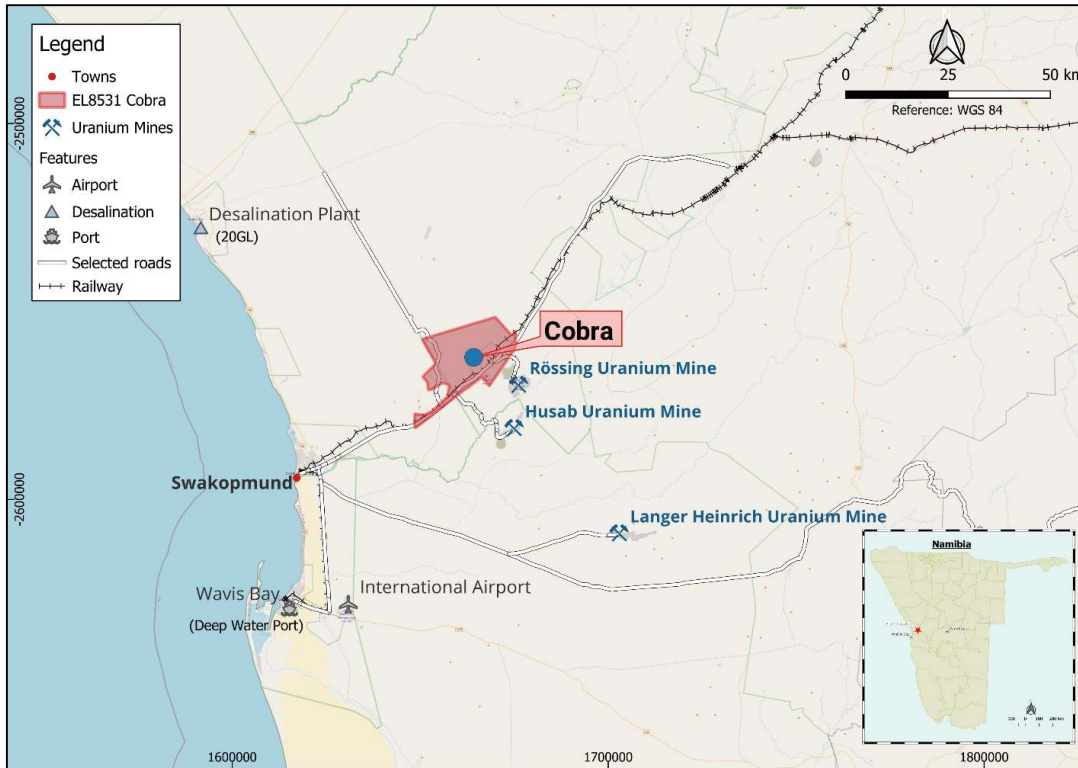


Figure 1 Location map

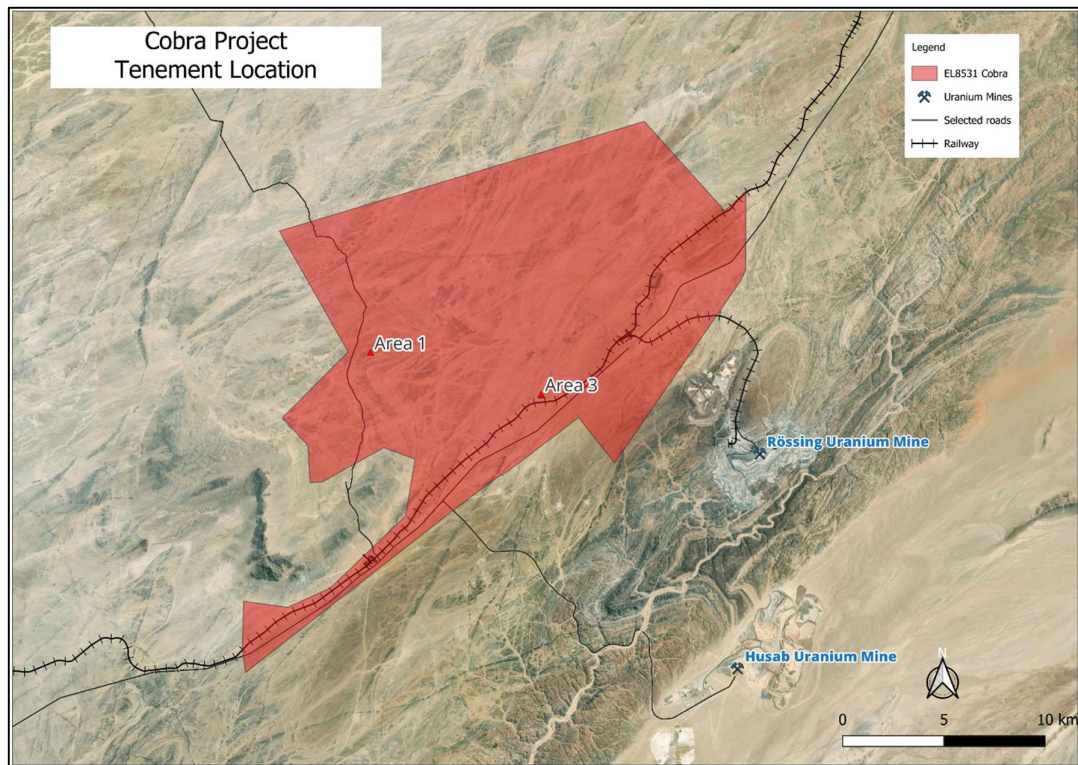


Figure 2 Project Area 1 and Area 3 adjacent to the Rössing Uranium Mine



## **CORPORATE ACTIVITIES**

### **Capital Structure**

At 30 September 2024, the Company had 94,722,791 ordinary shares on issue.

### **Cash Position**

As at 30 September 2024, the Company had \$318k in cash.

### **Additional ASX Information**

During the quarter the Company spent \$19k on exploration and evaluation expenditure. \$14k related to tenement DMP fees and shire rates with the remaining costs attributable primarily to geological consultants.

No production and development activities were undertaken during the quarter.

The aggregate amount of payments to related parties and their associates included in Section 6.1 of the Appendix 5B cash flows from operating activities was \$120k for Directors' fees.



## Tenements

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

**Table 2 Tenements held during the quarter and their area.**

Project	Tenement	Registered Holder	Beneficial Interest	Location	Status
Tumblegum South Project	M51/888	White Star Minerals Pty Ltd	100%	Western Australia	Granted
	L51/112	White Star Minerals Pty Ltd	100%	Western Australia	Granted
West Bryah Project	E51/2069	Star Minerals Limited	100%	Western Australia	Granted
	E52/3553	Star Minerals Limited	100%	Western Australia	Granted
	E52/3635	MW Minerals Pty Ltd	100%	Western Australia	Granted
	E52/3737	Star Minerals Limited	100%	Western Australia	Granted
	E52/3739	Star Minerals Limited	100%	Western Australia	Granted
	E52/3802	Star Minerals Limited	100%	Western Australia	Granted
	E52/3803	Star Minerals Limited	100%	Western Australia	Granted
	E52/3804	Star Minerals Limited	100%	Western Australia	Granted
	E52/3809	Star Minerals Limited	100%	Western Australia	Granted
	E52/4335	MW Minerals Pty Ltd	100%	Western Australia	Granted

For further information, please contact:

**Ian Stuart**

**Chairman**

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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**

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.

### **Competent Person Statement – Exploration Results**

The information in this announcement that relates to exploration results in respect of the Permit is based on information compiled by Mr Ashley Jones, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Director of Star Minerals Limited. Mr Jones has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jones consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.



## 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**

**30 September 2024**

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date</b>
	<b>\$A'000</b>	<b>(3 months)</b>
		<b>\$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(19)	(19)
(b) development	-	-
(c) production	-	-
(d) staff costs	(32)	(32)
(e) administration and corporate costs	(233)	(233)
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)	(9)	(9)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(293)</b>	<b>(293)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(61)	(61)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date</b>
		<b>\$A'000</b>	<b>(3 months)</b>
			<b>\$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(61)</b>	<b>(61)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	285	285
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	(48)	(48)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>237</b>	<b>237</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	435	435
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(293)	(293)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(61)	(61)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	237	237

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date</b>
		<b>\$A'000</b>	<b>(3 months)</b>
			<b>\$A'000</b>
	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>318</b>	<b>318</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter</b>	<b>Previous quarter</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>\$A'000</b>	<b>\$A'000</b>
5.1	Bank balances	318	435
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>318</b>	<b>435</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter</b>
		<b>\$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	120
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.*

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</b>
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(293)
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)	(293)
8.4 Cash and cash equivalents at quarter end (item 4.6)	318
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	318
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>1.10</b>
<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:	
Yes.	
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:	
Yes. The Company anticipates raising additional capital, which is consistent with the Company's ASX Announcement, dated 19 September 2024.	
The Company has been successful raising capital in the past.	

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

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:

Yes. On the basis that new capital will be obtained.

*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.*

### 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: **31 October 2024**

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.