

Star to Accelerate Tumblegum South Gold Project

Highlights

- Environmental and approvals program initiated
- Dual Strategy - monetisation of the Tumblegum South Gold Project and earn-in and exploration rights agreement to the Cobra Uranium Project Namibia¹
- Pre contract engagement with mining contractors
- Gold price provides opportunity for significant potential upside to the Tumblegum South Gold Project

Star Minerals Limited (ASX: SMS, “the Company” or “Star”) is pleased to advise that given the surging gold price, particularly in Australian dollar terms, Star is progressing all environmental approvals of the Tumblegum South Gold Project.

The Tumblegum South Gold project is located on a granted Mining Licence (M51/888). The sustained increase in the gold price now over A\$4,500/oz², is some A\$700 above the figures used in Star’s Updated Scoping Study.³ Environmental and other approvals are now key to a clear pathway to commence mining. As this is the longest lead item, Star will progress these approval processes while negotiating mining and processing solutions.

Star’s Updated Scoping Study generated **A\$19.6m** free cash flow at the top end of the range \$A3,800/oz (see page 3 below). Using the current A\$ gold price which is ~\$700 above the top end of the scoping study, and while the study would need to be re-optimised, there is a clear opportunity for significant potential upside to the Project.

Cautionary Statement

The Updated Scoping Study referred to in this announcement was undertaken to determine the viability of open pit mining and third-party toll treatment of the Tumblegum South gold deposit. It is a preliminary technical and economic study of the potential viability of the Project. It is based on low level technical and economic assessments that are not sufficient to support estimation of ore reserves. Further evaluation work and appropriate studies are required before Star will be able to estimate any ore reserves or to provide any assurance of an economic development case.

The Updated Scoping Study is based on the material assumptions outlined in the Company’s ASX Announcement dated 20 May 2024. These include the availability of funding. While Star considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the range of outcomes indicated in this Updated Scoping Study funding of the order of \$1.7 million to \$3.9 million will likely be required. Investors should note that there is no certainty that Star will be able to raise that amount of funding when needed. It is also possible working capital may only be available on terms that may be dilutive to or otherwise affect the value of Star’s shares. It is also possible that Star could pursue other ‘value realisation’ strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce Star’s proportionate ownership of the Project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

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

² Refer <https://www.abcbullion.com.au/products-pricing/gold> as at 4 February 2025

³ See Star Minerals Limited (ASX: SMS) ASX Announcement dated 20 May 2024 titled: ‘Positive Updated Scoping Study for Tumblegum South

Concurrently, Star has begun drill planning to test high grade gold lode targets identified from a structural review and will update the market when drill permitting is approved.

Star continues to progress the Earn-in and Exploration Rights Agreement on the Cobra Uranium Project in the Erongo region, Namibia. The dual strategy allows Star to realise the potential increase in value at its gold project and the tremendous upside on its proposed uranium project acquisition.

Table 1: Tumblegum South Gold Project Proposed Activities and Timeline

	2025				2026			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Exploration drilling								
Infill Grade control drilling								
Permitting								
Environmental + Heritage								
Feasibility study								
Contractor engagement								
Mining								

All information contained in this announcement should be read in conjunction with the Company’s ASX Announcements titled ‘Tumblegum South Mineral Resource Update’ dated 29 May 2023’ and ‘Positive Updated Scoping Study for Tumblegum South’ – dated 20 May 2024.

Star Minerals’ Chair, Ian Stuart commented:

“As permitting is the outstanding and longest lead item to commence mining, Star is pleased begin this process while we concurrently negotiate mining and production solutions to unlock the increasing value in the Tumblegum South Gold Project.

The recently reported Updated Scoping Study demonstrated the value and viability of the Tumblegum South Gold Project over a broad range of gold price. Star is now taking the next steps to monetising this asset and more accurately assess various strategies to achieve this, including management contracts, sale, partial sale, or joint venture of the Project.”

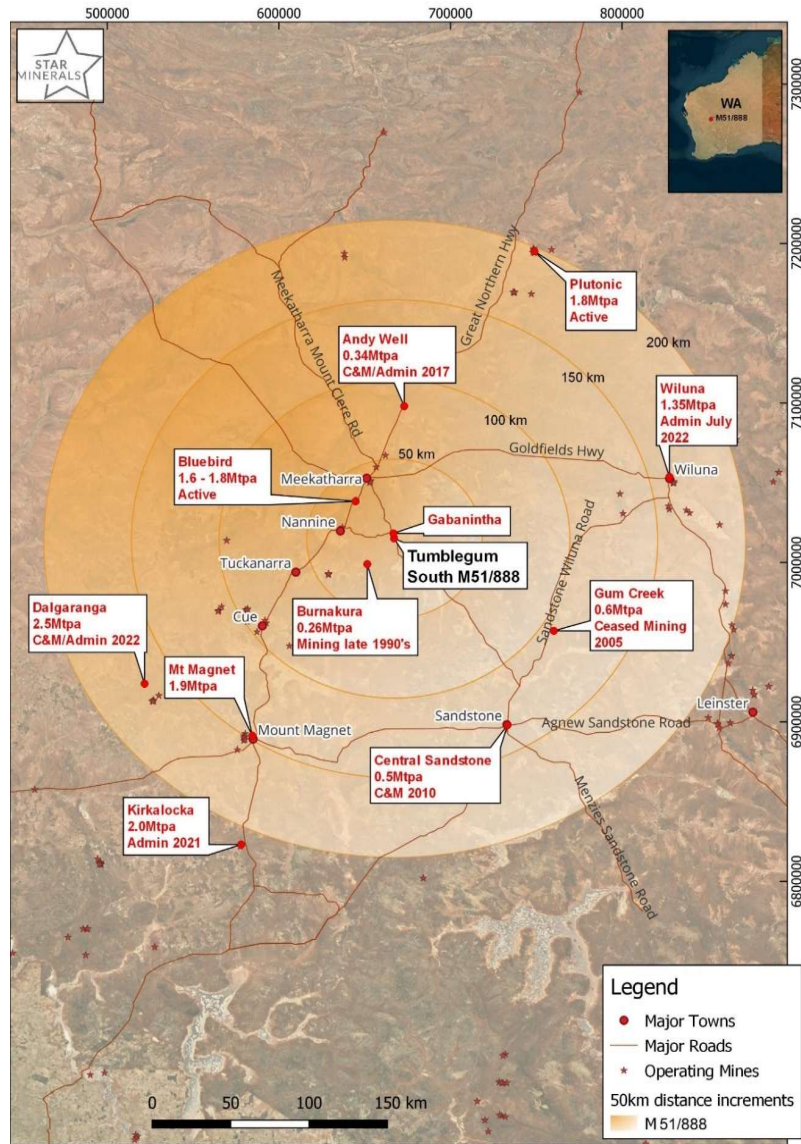


Figure 1: Location map and relevant infrastructure in the area

Tumblegum South Gold Project – Positive Scoping Study Update⁴

Star commissioned Orelogy Consulting Pty Ltd, a Western Australian based mine planning consulting firm with extensive experience evaluating mining projects across Australia, to update a Scoping Study completed in December 2023⁵ evaluating potential open pit mining at Tumblegum South and ore processing via toll treatment at an existing plants.

The processing plants considered for this study are located within a radius of 50-250km from Tumblegum South. No agreement has been entered into at the time of writing, and there is no guarantee an agreement will be entered into. It is noted Tumblegum South ore at a range from 2.16 g/t to 2.43 g/t compares favourably with head grade mined at a number of plants in the Murchison and has the potential to provide valuable mill feed and ore blending opportunities.

⁴ See Star Minerals Limited (ASX: SMS) ASX Announcement dated 20 May 2024 titled: 'Positive Updated Scoping Study for Tumblegum South'.

⁵ See Star Minerals Limited (ASX: SMS) ASX Announcement dated 8 December 2023 titled: 'Positive Scoping Study for Tumblegum South'.

The Scoping Study presented a range of outcomes for open-pit mining and third-party toll treatment of the Tumblegum South gold deposit (“**Tumblegum South**” or “**the Project**”) which is located approximately 40km south of Meekatharra in the Murchison district of Western Australia.

The options utilising third-party processing plants operating under a toll treatment agreement were evaluated for the increase in gold price and higher processing and trucking costs. There are currently three active processing plants with a radius of 50km to 250km from Tumblegum South.

- At gold prices from AUD\$3,000 to AUD\$3,800/oz, the updated Production Target for the Project (“**Updated Production Target**”) ranges from approximately:
 - 167kt at 2.43g/t producing 11.8koz gold, to
 - 255kt at 2.16g/t producing 15.9koz gold.
- The Updated Production Target generates an undiscounted accumulated cash surplus after payment of all working capital costs, but excluding pre-mining capital requirements, of approximately **\$9.4M to \$19.6M**.
- Mining is contemplated as a single campaign over approximately **18-months**.
- Pre-mining capital and start-up costs are estimated to be approximately **\$0.7M to \$1.5M**.
- Sensitivity of the Base Case scenario to gold price was assessed. Results suggest that **project economics are robust** for a broad range of gold prices.

Material Assumptions and Modifying Factors

The Updated Scoping Study and the Updated Production Target derived from the study are based on the material assumptions and modifying factors described in the following notes and in the appended table of Modifying Factors in the format specified in the JORC Code (2012) Table 1 Section 4. Star’s evaluation of the Project is at an early stage, and although there are reasonable grounds for these assumptions, they represent low level technical assessments that are not sufficient to support the estimation of Ore Reserves, or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Updated Scoping Study will be realised.

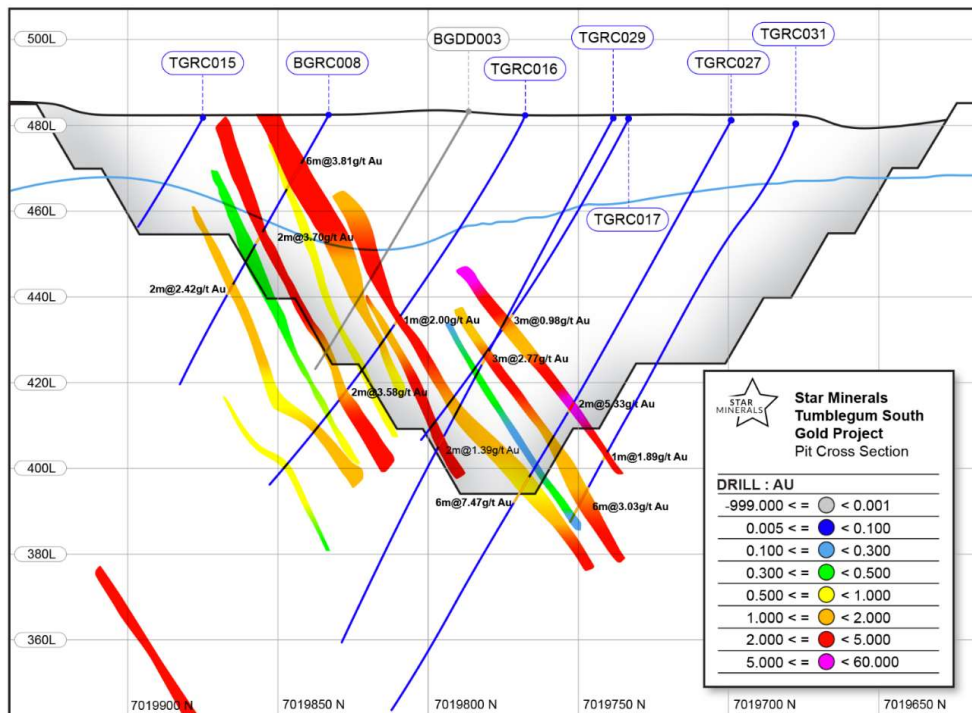
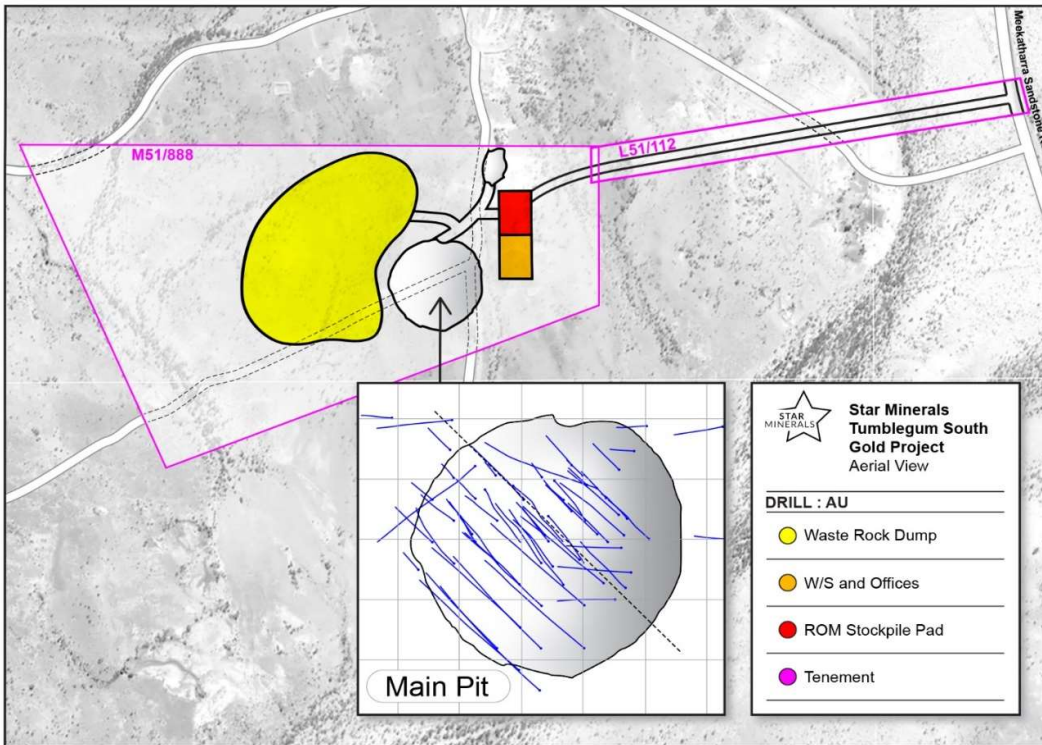
Material assumptions and modifying factors underpinning the Updated Scoping Study and the Updated Production Target comprise the following:

- The Ordinary Kriged (OK) resource estimate model was provided by Entech Geology Consultants (Australia). At a 0.5g/t cut-off, the resource estimate is:

Project Area	Resource Category	Weathering	Tonnes (kt)	Grade (g/t Au)	Gold ounces (koz)
Tumblegum South	Indicated	Transitional	25	2.99	2
		Fresh	312	2.48	25
		Subtotal	337	2.52	27
	Inferred	Transitional	40	1.76	2
		Fresh	239	2.03	16
		Subtotal	279	1.99	18
Total			616	2.28	45

*Tonnes are dry metric tonnes. Minor discrepancies may occur due to rounding.

Table 1. Tumblegum South – May 2032 Mineral Resource Estimate at 0.5g/t cut-off by Weathering status



Ian Stuart
Chair

This announcement has been approved for release by the Board.

Further information contact: Ian Stuart ian@starminerals.com.au

Compliance Statements

The information in this announcement relating to the current resource estimate for the Tumblegum South gold deposit is extracted from the Company's announcement 'Tumblegum South Mineral Resource Update' dated 29 May 2023 and is available to view on the Star website, Starminerals.com.au. 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. The estimated mineral resources underpinning the Production Target have been prepared by the Competent Person in accordance with the requirements of the JORC Code (2012).

The information in this announcement relating to metallurgy of the Tumblegum South gold deposit is extracted from the announcement of Bryah Resources Limited⁶ released to the market on 20 April 2020 and included in the Company's announcement 'Tumblegum South Mineral Resource Update' dated 29 May 2023. 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.

The information in this report that relates to the Open Pit Mining Scoping Study for Tumblegum South and to the Production Target derived from the Scoping Study is based on information compiled by Mr Jake Fitzsimons, a Competent Person who is a Member or Fellow of The Australian Institute of Mining and Metallurgy and a full time employee of Orelogy Pty Ltd. Mr Fitzsimons 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 Exploration Results, Mineral Resources and Ore Reserves". Mr Fitzsimons consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.'

Forward Looking Statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'should', 'believes', 'estimates', 'targets', 'expected', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are considered reasonable. Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance, or achievements expressed or implied by the forward-looking statements contained in this announce will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

⁶ ASX announcement (ASX:BYH) 8 April 2020 'Positive Gold Recoveries for Tumblegum South'.