



ASX ANNOUNCEMENT

4<sup>th</sup> November 2024

## Renounceable Rights Issue to raise up to \$2.5 Million

### Highlights

- Completing funding to earn into the Cobra Uranium Project in Namibia
- 2 for 3 renounceable Rights Issue to raise up to \$2.5 million
- Attractively priced at 4 cents per share
- Discount of 27% to the last price of 5.5 cents and 27% to the 15 day VWAP
- Eligible shareholders can trade their rights and apply for additional shares under the shortfall facility
- Rights trading starts on 6 November 2024
- Directors to participate in the Rights Issue

Star Minerals Limited (ASX: SMS, “the Company” or “Star”) is pleased to announce that it is undertaking a 2 for 3 renounceable rights issue of shares (“Rights Issue”) at \$0.04 per share (New Shares) to raise up to approximately \$2.5 million (before costs).

The rights issue price represents a discount of:

27% to the Company’s last close of \$0.055 on the ASX; and

27% to the Company’s 15 day VWAP

The Rights Issue is open to all eligible shareholders who have a registered address within Australia or New Zealand, and who hold Shares on the Record Date. The Rights Issue will close on 20 November 2024 (unless extended), and eligible shareholders can apply for shortfall in excess of their entitlement. Shareholders can also trade their rights from 6 November 2024.

Funds raised will be used to enable the Company to:

- commence exploration activity at the Cobra Project- Namibia, assuming Shareholders approve the issue of Consideration Shares and Performance Shares to Madison at a forthcoming general meeting of shareholders, and the Company raises at least \$2,000,000 in capital by the issue of Shares (Cobra Project Acquisition Conditions);
- exploration at the Company’s existing Tumblegum South and West Bryah projects; and
- corporate costs and general working capital requirements.

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares.

The Company’s directors intend to participate in the Rights Issue in the manner set out in the Offer Document.

Further details of the Rights Issue are contained in the Company’s Offer Document for the Rights Issue released to ASX on 4 November 2024.

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The Offer Document and a personalised entitlement and acceptance form will be sent to eligible shareholders after the Record Date for determining entitlements to the Rights Issue.

Eligible shareholders should consider the Offer Document in deciding whether to acquire New Shares under the Rights Issue and will need to follow the instructions on the entitlement and acceptance form that will accompany the Offer Document. The following are indicative dates in respect of the Rights Issue:

<b>Event</b>	<b>Target Date</b>
<b>Announcement of Offer to ASX</b> Announcement of Offer and release of Appendix 3B to ASX	Monday, 4 November 2024
<b>Release of Offer Document to ASX</b> Release of Offer Document, Appendix 3B and notice under section 708AA(2)(f) of the Corporations Act to ASX	Monday, 4 November 2024
<b>Shares quoted on an “Ex” basis</b> <b>Rights trading commences. Rights are quoted on a “deferred settlement basis” from market open</b>	Wednesday, 6 November 2024
<b>Record Date</b> Determination of eligibility of Shareholders to participate in the Offer	4:00pm (AWST) on Thursday, 7 November 2024
<b>Opening Date</b> Despatch of Offer Document and Entitlement and Acceptance Forms to Eligible Shareholders Offer opens for Acceptances	Monday, 11 November 2024
<b>Rights trading ends at close of trading</b>	Wednesday, 13 November 2024
<b>Securities quoted on a deferred settlement basis from market-open</b>	Thursday, 14 November 2024
<b>Last day to extend the Offer Closing Date</b>	Friday, 15 November 2024
<b>Closing Date</b> Offer closes for Acceptances	5:00pm (AWST) on Wednesday, 20 November 2024
<b>Deferred settlement trading, announcement of results, and settlement</b> New Shares commence trading on deferred settlement basis from market open (if approved by ASX) Announcement to ASX with details of Acceptances and Shortfall Issue of New Shares under the Offer Release of Appendix 2A to ASX Despatch of holding statements	Monday, 25 November 2024
<b>Normal trading</b> Normal trading of New Shares commences on ASX	Tuesday, 26 November 2024

*These dates are indicative only and may change, subject to the Corporations Act and Listing Rules.*

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Chairman Ian Stuart said:

*“This fundraising is a major step to completing the Cobra Uranium Project transaction while advancing our exciting Tumblegum South Gold Project and we look forward to continued shareholder support as we progress these projects to the next level and deliver value for shareholders.*

*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 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.”*

Mahe Capital Pty Ltd, is the Lead Manager to the renounceable rights issue.

This announcement has been authorised for release to the market by the Board.

For more information please contact:

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## About the Projects:

### Proposed Acquisition – Cobra Project, Namibia

The Company has entered into an Earn In and Exploration Rights Agreement with Madison Metals Inc. (**Earn-in Agreement**) under which the Company is granted the right to acquire up to a 51% equity interest in Pennywort Investments (Proprietary) Limited (**Pennywort**), which is the registered holder of exploration permit EPL 8531 (**Permit**) in Namibia (**Cobra Project**). Under the agreement, Star can spend US\$2.425 million over 3 years on exploration to advance the project in addition to staged progress payments to Madison outlined below. Star look forward to working with Madison who have a team based in Namibia which Star can utilise to realise the full potential on the Cobra Project.

Madison currently holds an 85% equity interest in Pennywort through its wholly-owned Namibian subsidiary, Jenipapo Investments (Proprietary) Limited (**Jenipapo**). The remaining 15% interest in Pennywort is privately held by a Namibian local resident.

In 2015, SRK engaged by Cobra Resources a Namibian private company, derived an estimate of 15.6Mt grading at 260ppm U<sub>3</sub>O<sub>8</sub><sup>1</sup> for a contained metal total of 9.0 Mlbs U<sub>3</sub>O<sub>8</sub>. This is considered a foreign estimate under the ASX guidelines. A Namibian private company Cobra Resources held the tenements EPL3524 and 3624 in central Namibia, completing the majority of field work in 2015. The uranium mineralisation intersected in selected areas and drilling based primarily on reverse circulation ('RC') drill holes drilled between January and July of 2015. The current mineralisation database for Areas 1 and 3 of the Cobra Project consists of over 3,720 metres of RC drilling from 50 drill holes.

The Cobra Project is a Rössing type alaskite deposit which is the same mineralisation type as Rössing and Husab uranium mines. 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>2</sup>

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

<sup>2</sup> <https://world-nuclear.org/information-library/country-profiles/countries-g-n/namibia>

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 world's production in 2022.<sup>3</sup>

Madison acquired an 85% share in the project in 2022. Madison has completed two areas of surface radiometrics over and along strike from Area 1 and Area 3. Madison has approval for further drilling on targets along strike from Area 3, referring to it as the Madison North target.

## Cautionary Statements

*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.*

## About the Company:

### Company overview – existing projects

The Company carries on the business of mineral exploration, focused on the exploration and evaluation of the Tumblegum South Project and the West Bryah Project, located in central Western Australia.

### Tumblegum South Project

The Tumblegum South Project consists of Mining Lease 51/888, located approximately 40km south of Meekatharra, Western Australia and hosts a gold mineral resource of 616,000 tonnes @ 2.28g/t Au for a total of 45,000 ounces of contained gold and includes an Indicated mineral resource of 337,000 tonnes @ 2.52 g/t Au for 27,000 Oz gold.<sup>4</sup>

The primary activity on the Tumblegum South Project mining lease has involved two reverse circulation (RC) drilling programs and one diamond core program to provide further information for an update of the existing resource model.

Most recent work is the release of a positive updated scoping study on the Tumblegum south gold resource. Star engaged an external consultant to update the findings of the recent scoping study to better reflect current Australian gold price and potential upside on a sustained increase in gold price. The updated scoping study also reviewed and updated processing and haulage costs.<sup>5</sup> A review of the structural model for the mineral resource estimate implies further exploration potential on the mining lease, with additional structures prospective for gold mineralisation likely to be present.<sup>6</sup>

### West Bryah Project

At the West Bryah Project, 100km north of Meekatharra, the Company holds nine exploration licences over an area of 664km<sup>2</sup>. The tenements cover the large regional East-West trending Padbury Synform, which feature lithological units of the Robinson Range, Wilthorpe Formation and Labouchere Formation within the centre and the highly prospective Narracoota Formation on the Northern and Southern limbs.

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<sup>3</sup> <https://world-nuclear.org/information-library/country-profiles/countries-g-n/namibia>

<sup>4</sup> See Star Minerals Limited (SMS) ASX announcement dated 29 May 2023 'Tumblegum South Mineral Resource Update'.

<sup>5</sup> See Star Minerals Limited (SMS) ASX announcement dated 20 May 2024 'Positive Updated Scoping Study for Tumblegum South'.

<sup>6</sup> See Star Minerals Limited (SMS) ASX announcement dated 29 April 2024 'Tumblegum South Gold Resource Review'.

The Company recently successfully completed a series of reconnaissance exploration programs over several areas within the West Bryah Project. These include work at the West Bryah Project focused on the known gold prospects through the Dimble Trend and the Mount Padbury areas. Reconnaissance work included surface sampling, mapping and ground magnetics survey work. A significant campaign of passive seismic for 30.8 line km was completed during the first half of 2023, evaluating depth of cover sequences and weathering with information from the program required to design effective exploration programs. The geochemical sampling program confirmed gold mineralisation at multiple key areas including from in-situ rock chips and re-sample of historic workings in the Top Dimble, West Dimble, East Dimble and Mount Padbury regions, and highlighted potential new targets based on early structural interpretations.

### **Competent Person Statement in Respect of 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). Mr Jones 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.

### **Foreign Estimate Statements**

The Foreign Estimate of the deposit for the Cobra Project referred to in this announcement above was completed in 2015 by SRK Consulting (UK) Ltd (SRK) a qualified mining consulting company, for the then holder of the Permit, Cobra Resources, a Namibian private company. The foreign estimate has been provided to the Company by Madison. The estimate was prepared by SRK in accordance with criteria specified in the JORC Code 2012 but has been treated as a foreign estimate as a competent person has not done sufficient work to classify the estimates in accordance with the JORC Code 2012 and the ASX listing rules and has not signed off on the estimate as a JORC Code mineral resource in the public domain. It is uncertain that following evaluation and further exploration work that the historical estimates will be able to be reported as mineral resources in accordance with the JORC Code.

The information in this announcement that relates to the Foreign Estimate 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 qualifies as a 'Competent Person'. Mr Jones is a director of Star Minerals Limited. Mr Jones confirms that the information contained in this announcement about the Foreign Estimate is an accurate representation of the available data and studies for the Permit.