

Stellar Resources Limited

ABN 96 108 758 961

Half-Year Report - 31 December 2023

Stellar Resources Limited
Contents
31 December 2023



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Directors	<p>Mr Simon Taylor (Non-Executive Chairman) (Appointed on 18 September 2023, following holding the position as Non-Executive Director)</p> <p>Mr Simon O'Loughlin (Non-Executive Director) (Ceased to be Non-Executive Chairman on 18 September 2023)</p> <p>Mr Andrew Boyd (Non-Executive Director) (Appointed on 30 November 2023)</p> <p>Mr Thomas Whiting (Non-Executive Director) (Resigned on 30 November 2023)</p> <p>Mr Gary Fietz (Executive Director) (Resigned on 30 November 2023)</p>
Company Secretary	Mathew Watkins
Registered Office	<p>Level 4</p> <p>96-100 Albert Road</p> <p>South Melbourne VIC 3205</p> <p>Telephone: (03) 9692 7222</p> <p>Facsimile: (03) 9077 9233</p>
Principal place of business	<p>Level 4</p> <p>96-100 Albert Road</p> <p>South Melbourne VIC 3205</p> <p>Telephone: (03) 9692 7222</p> <p>Facsimile: (03) 9077 9233</p>
Share register	<p>Boardroom Pty Limited</p> <p>Level 8, 210 George Street</p> <p>Sydney NSW 2000</p> <p>Telephone: 1300 737 760</p>
Auditor	<p>William Buck</p> <p>Level 20, 181 William Street</p> <p>Melbourne VIC 3000</p>
Bankers	<p>National Australia Bank</p> <p>800 Bourke St</p> <p>Docklands VIC 3008</p>
Stock exchange listing	Stellar Resources Limited shares are listed on the Australian Securities Exchange (ASX code: SRZ)
Website	www.stellarresources.com.au

Review of Operations

The Company's primary focus during the reporting period was exploration and development activities at the Heemskirk Tin Project with drilling leading to an updated Mineral Resource Estimate (MRE). Additionally, exploration drilling at the North Scamander Project made an exciting new high-grade polymetallic discovery, providing an exciting Greenfields opportunity for the Company.

Heemskirk Tin Project

Resource Drilling

Results were announced for the final five holes from the Phase 2B drilling program completed at the Severn deposit, the largest of the deposits comprising the flagship Heemskirk Tin Project. Highlights included:^{1,2}

- **42.9m @ 0.77% Sn** from 490.1m from hole ZS156
- **13.0m @ 0.65% Sn** from 250.0m from hole ZS160
- **20m @ 1.16% Sn** from 312.0m from hole ZS162

Updated Mineral Resource

The Company successfully announced an updated MRE for the Heemskirk Tin Project of **7.48Mt @ 1.04% Sn (77,872t contained tin)**³ at a cut-off grade of 0.6% Sn, defined in accordance with the JORC Code 2012. The September 2023 MRE incorporates:

- **Severn deposit** – An updated MRE was completed, drill holes has locally reduced the drill spacing which, along with previous drilling results, support additions to the Severn Indicated and Inferred Mineral Resource.
- **Queen Hill deposit** – An updated MRE was completed using a more consistent geological interpretation which has reduced the number of ore zones from 12 to 3. No new drilling has been completed at Queen Hill since the 2019 MRE.
- **Montana deposit** – The 2019 MRE has been maintained and has not been updated.

The updated Heemskirk Tin Project Indicated Mineral Resource of **3.52Mt @ 1.05% Sn (36,991t contained tin)** is a 24% increase in contained tin in the Indicated Mineral Resource component compared with the November 2022 MRE and a 58% increase compared with 2019 MRE, significantly increasing confidence in the Project.

Table 1 – Heemskirk Tin Project Mineral Resource Statement (Sept 2023)

By Classification	Deposit	Tonnes (Mt)	Sn (%)	Contained Sn (t)	Cassiterite % of Total Sn (%)	Cu (%)	Pb (%)	Zn (%)	Resource Date
Indicated	Upper Queen Hill	0.37	1.07	3,991	88	0.14	1.84	0.72	2023
	Lower Queen Hill	0.81	1.30	10,493	97	0.04	0.29	0.35	2023
	Severn	2.33	0.96	22,507	98	0.07	0.02	0.03	2023
Sub Total	Indicated	3.52	1.05	36,991	97	0.07	0.27	0.18	
Inferred	Upper Queen Hill	0.14	0.92	1,332	89	0.12	1.70	0.39	2023
	Lower Queen Hill	0.77	1.16	8,873	98	0.04	0.21	0.12	2023
	Severn	2.37	0.85	20,234	99	0.05	0.02	0.04	2023
	Montana	0.68	1.54	10,443	96	0.08	0.72	1.42	2019
Sub Total	Inferred	3.96	1.03	40,881	98	0.05	0.23	0.30	
Grand Total	Heemskirk Tin Project	7.48	1.04	77,872	97	0.06	0.25	0.25	

North Scamander Project

Exploration Drillhole

¹ SRZ ASX Announcement 20 July 2023 – Further Tin Results from Resource Drilling at Heemskirk

² SRZ ASX Announcement 31 July 2023 – Outstanding Tin Results from Severn Hole ZS162

³ SRZ ASX Announcement 4 September 2023 – Heemskirk Tin Project MRE Update

During the reporting period, the Company received results from maiden exploration drill hole NSD005, which confirmed a significant new high-grade polymetallic discovery. Significant intercepts included:⁴

- **32.0m @ 141 g/t Ag, 0.34% Sn, 3.8% Zn, 2.0% Pb, 77 g/t In and 19 g/t Ga** from 130.0m
 - **Inc. 5.0m @ 495 g/t Ag, 1.04% Sn, 5.2% Zn, 7.1% Pb, 113 g/t In, 23 g/t Ga** from 130.0m
 - **Inc. 1.4m @ 353 g/t Ag, 2.29% Sn, 14.2% Zn, 8.8% Pb, 594 g/t In, 29 g/t Ga** from 159.7m

Of note were the individual results of up to **1,035 g/t Ag, 5.75% Sn, 27.6% Zn, 21.2% Pb and 1,070 g/t Indium** within the 32.0m Upper Vein-Breccia Zone intercept.

Results from the Lower Stockwork Zone intersected in NSD005 returned anomalous copper levels, including 204.5m @ 0.05% Cu from 369m corresponding to pyrrhotite +/- chalcopyrite stockwork veining.⁵

These results confirm a change in mineralisation style and metal tenor from the sulphide vein and breccia hosted Ag-Sn-Zn-Pb-In mineralisation in the Upper Vein-Breccia Zone to pyrrhotite-dominant stockwork-hosted lowgrade Cu mineralisation in the Lower Stockwork Zone. The results are interpreted as a possible 'near-miss' indicator of a potential tin system, or the low-grade margins to a copper-dominant system.

DHEM Survey

A downhole electromagnetic (DHEM) survey completed by GAP Geophysics in late-October identified multiple downhole conductors in the North Scamander discovery hole NSD005. GAP geophysics also completed a fixed loop electromagnetic (FLEM) survey around NSD005 enabling the strike extent of these conductors to be modelled.⁶

Modelling of the DHEM and FLEM data by geophysical consultant Mitre Geophysics resulted in a set of conductive plate models that are thought to represent both the Upper Vein-Breccia Zone and the Lower Pyrrhotite Stockwork Zone intersected in discovery hole NSD005.

Corporate

Board Changes

Mr. Simon Taylor was appointed as Non-Executive Chairman, with Mr Simon O'Loughlin reverting to Non-Executive Director. Mr Andrew Boyd was appointed as Non-Executive Director, with Directors Gary Fietz and Dr Thomas Whiting resigning.^{7,8}

Placement and Share Purchase Plan

The Company successfully completed a \$1,000,000 Placement during the reporting period and a share purchase plan raising an additional \$287,560 (before costs).^{9,10}

After the reporting period, the Company successfully received commitments to raise a further \$3,200,000 via a Placement, which is separated into 2 tranches, including a cornerstone investor Nero Resource Fund participated to the amount of approximately \$2,400,000.¹¹ On 28 February 2024, the Company completed tranche 1 Placement and issued 287,256,610 ordinary shares at \$0.008 per share (0.8 cents) and raised \$2,298,000. The remaining balance of approximately \$902,000 to be completed in tranche 2 in April 2024.¹²

⁴ SRZ ASX Announcement 19 September 2023 – New High Grade Polymetallic Discovery

⁵ SRZ ASX Announcement 3 August 2023 – Broad Copper-Bearing Stockwork Zone Intersected

⁶ SRZ ASX Announcement 4 December 2023 – Multiple Downhole Conductors Confirmed at North Scamander

⁷ SRZ ASX Announcement 18 September 2023 – Change in Non-Executive Chairman

⁸ SRZ ASX Announcement 20 November 2023 – Board Changes and Extension to Share Purchase Plan.

⁹ SRZ ASX Announcement 20 October 2023 – SRZ to raise up to \$1 Million by way of a Placement

¹⁰ SRZ ASX Announcement 13 December 2023 – Share Purchase Plan Results

¹¹ SRZ ASX Announcement 22 February 2024 – Stellar to Raise \$3.2m by way of a Placement

¹² SRZ ASX Announcement 28 February 2024 – Appendix 2A - Application for quotation of securities

Tenements

Description	Tenement Number	Interest Owned (%)
Mining Lease - Zeehan, Tasmania	ML 2023P/M	100
Mining Lease - Tailing Dam, Zeehan, Tasmania	ML 2M/2014	100
Mining Lease – Pipeline Route, Zeehan, Tasmania	ML 2040P/M	100
Retention Licence - Zeehan, Tasmania	RL 5/1997	100
Mining Lease - St Dizier, Zeehan, Tasmania	ML 10M/2017	100
Exploration Licence - Montana Flats, Zeehan, Tasmania	EL 13/2018	100 ^{*1}
Exploration Licence – Beaconsfield South, NE Tasmania	EL10/2020	100 ^{*2}
Exploration Licence – Bridport Rd, NE Tasmania	EL11/2020	100 ^{*3}
Exploration Licence - Pipers River, NE Tasmania	EL12/2020	100 ^{*4}
Exploration Licence - Lilydale, NE Tasmania	EL13/2020	100 ^{*5}
Exploration Licence - Scottsdale, NE Tasmania	EL15/2020	100 ^{*6}
Exploration Licence - Camden Rd, NE Tasmania	EL16/2020	100 ^{*7}
Exploration Licence - Mt Saddleback, NE Tasmania	EL17/2020	100 ^{*8}
Exploration Licence - Peppermint Hill, NE Tasmania	EL18/2020	100 ^{*9}
Exploration Licence - Scamander, NE Tasmania	EL19/2020	100 ^{*10}
Exploration Licence – Scamander South & Pyengana, NE Tasmania	EL2/2021	100 ^{*11}
Exploration Licence – Quakers Ranges, NE Tasmania	EL3/2021	100 ^{*12}
Exploration Licence – Mt Paris and North Scamander	EL3/2022	100 ^{*13}
Exploration Licence – Concert Creek - Carbine Hill	EL29/2022	100

Notes:

EL 11/2017 (Mt Razorback) was surrendered in December 2023.

^{*1} In December 2023, Stellar applied to surrender 17km² of the 24km² area of EL13/2018 (Montana Flats). Post quarter end, this application was approved by Mineral Resources Tasmania. In December Stellar also applied for a 1-year Extension of Term for the remaining 7km² area of EL13/2018 and for a Retention Licence over the 1.25km² area of EL13/2018 containing the Oonah Tin Mineral Resource and the Zeehan Western historic silver-lead mine / exploration target and other minor mineral occurrences with the objective of holding these areas over a longer period of time. Both the Extension of Term application and the Retention Licence application over parts of EL13/2018 were still being processed by Mineral Resources Tasmania at the time of writing.

As a result of a review completed by Stellar's technical team in late-November 2023, the following partial surrender applications were made in December 2023 over low priority exploration targets in NE Tasmania, whilst retaining tenure over all high and medium priority exploration targets. Post quarter end, these applications were approved by Mineral Resources Tasmania resulting in the following changes to Stellar's NE Tasmania tenements:

- ^{*2} EL10/2020 (Beaconsfield South) – 100% of tenement surrendered.
- ^{*3} EL11/2020 (Bridport Rd) – 88% of tenement surrendered.
- ^{*4} EL12/2020 (Pipers River) – 81% of tenement surrendered
- ^{*5} EL13/2020 (Lilydale) – 70% of tenement surrendered
- ^{*6} EL15/2020 (Scottsdale) – 77% of tenement surrendered
- ^{*7} EL16/2020 (Camden Rd) – 44% of tenement surrendered
- ^{*8} EL17/2020 (Mt Saddleback) – 59% of tenement surrendered
- ^{*9} EL18/2020 (Peppermint Hill) – 65% of tenement surrendered
- ^{*10} EL19/2020 (Scamander) – 63% of tenement surrendered
- ^{*11} EL2/2021 (Scamander South & Pyengana) – 81% of tenement surrendered
- ^{*12} EL3/2021 (Quakers Ranges) – 100% of tenement surrendered
- ^{*13} EL3/2022 (Mt Paris and North Scamander) – 37% of tenement surrendered

Stellar's NE Tasmania tenements have been reduced from a total of 2,207 km² to a total of 646km². Applications to consolidate the remaining areas of the 10 NE Tasmania EL's held by Stellar into 4 EL's were also made in December 2023. Post quarter end, two of these consolidation applications were approved by Mineral Resources Tasmania with the remaining two consolidation applications still being processed by Mineral Resources Tasmania at the time of writing.

Forward Looking Statements

This report may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Stellar Resources Limited's planned activities and other statements that are not historical facts. When used in this report, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. In addition, summaries of Exploration Results and estimates of Mineral Resources and Ore Reserves could also be forward-looking statements. Although Stellar Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. The entity confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed. Nothing in this report should be construed as either an offer to sell or a solicitation to buy or sell Stellar Resources Limited securities.

This announcement is authorised for release to the market by the Board of Directors of Stellar Resources Limited.

For further details please contact:

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Non-Executive Chairman
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The Directors of Stellar Resources Limited ("the company") and its controlled entities ("the consolidated entity") submit herewith the financial report for the half-year ended 2023. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors of the company in office at any time during or since the end of the half-year are:

Simon Taylor (Non-Executive Chairman) (Appointed on 18 September 2023, following holding the position as Non-Executive Director)

Simon O'Loughlin (Non-Executive Director) (Ceased to be Non-Executive Chairman on 18 September 2023)

Andrew Boyd (Non-Executive Director) (Appointed on 30 November 2023)

Thomas Whiting (Non-Executive Director) (Resigned on 30 November 2023)

Gary Fietz (Executive Director) (Resigned on 30 November 2023)

The above named Directors held office during and since the end of the half-year.

Principal activities

The principal activity of the consolidated entity during the year continued to be mineral exploration and evaluation with the objective of identifying and developing economic reserves.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Operational performance and financial position

The loss for the consolidated entity after providing for income tax amounted to \$1,203,601 (31 December 2022: \$1,827,877).

Financial performance

The consolidated entity's corporate and administration costs increased by \$863 to \$502,881 (31 December 2022: \$502,018). The consolidated entity's exploration expenditure for half year is \$762,054 (31 December 2022: \$1,289,633 (Restated)).

Financial position

Net assets increased to \$1,755,564 (30 June 2023: \$1,743,361) with cash balances of \$1,396,245 (30 June 2023: \$1,558,082). This increase primarily attributable to the proceeds from the placement and share purchase plan amounted to \$1,157,604 net of transaction costs, which offset by exploration expenditure of \$762,054 was incurred during the half year ended 2023.

Refer to the detailed "Review of Operations" section preceding this report for further information on the consolidated entity's activities.

Significant changes in the state of affairs

On 18 September 2023, the Company appointed current Non-Executive Director, Mr Simon Taylor, as Non-Executive Chairman and current Non-Executive Chairman, Mr Simon O'Loughlin reverted to Non-Executive Director.

On 20 October 2023, the Company announced a Placement to raise \$1,000,000 to sophisticated and professional investors at \$0.009 (0.9 cents) per share ("the Placement"), an 18% discount to the most recently traded price with directors participating up to \$170,000 in the Placement. Subsequently, on 27 October 2023, 92,222,223 ordinary shares of the Company at \$0.009 (0.9 cents) per share were issued and raised \$830,000 before cost; and on 7 December 2023, 18,888,890 ordinary shares at \$0.009 (0.9 cents) per share were issued to the directors and a former director of the Company and raised \$170,000 under the Placement upon the approval of shareholders at the AGM.

On 20 October 2023, the Company announced that Mr Andrew Boyd was appointed as a Non-Executive Director effective from the conclusion of the AGM was held on 30 November 2023. As part of the Board changes, Directors Mr Gary Fietz and Dr Tom Whiting both stepped down from the Board effective from the conclusion of the AGM.

On 26 October 2023, the Company announced offering eligible shareholders to participate in a Share Purchase Plan ("SPP") under which the Company intended to raise up to \$500,000 at an issue price of \$0.009 (0.9 cents) under SPP, on the same terms as the Placement. Subsequently, on 15 December 2023, 31,951,092 ordinary shares at \$0.009 (0.9 cents) per share were issued and raised \$287,560.

On 7 December 2023, the Company announced in respect of Placement announced on 20 October 2023, the Company has received shareholders' approval on 30 November 2023 to issue 10,000,000 Broker options to lead manager Taylor Collison.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 22 February 2024, the company announced that \$3.2 million was raised by way of a Placement of 400 million new shares ("Shares") to sophisticated and professional investors.

Participants in the Placement will receive one (1) unlisted free attaching option for every two (2) Shares allocated in the Placement ("Attaching Options"). The Attaching Options will have an exercise price of 1.5 cents per option and an 18-month term from allotment. The Attaching Options will be subject to receiving shareholder approval at a Extraordinary General Meeting.

The Placement will take place under two-tranches. The first tranche was issued in accordance with the company's available placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A and will be a total of up to 287.3 million Shares ("Tranche One") which completed on 28 February 2024. The second tranche will consist of the issue of all the Attaching Options and up to 112.7 million Shares ("Tranche Two"). The Tranche Two Shares includes the Stellar Resources Limited director's commitment to take up \$50,000 in the Placement. Tranche Two will be subject to receiving approval from shareholders, to be obtained at an Extraordinary General Meeting to be held on or around 10 April 2024.

On 28 February 2024, the Company completed tranche 1 Placement and issued 287,256,610 ordinary shares at \$0.008 per share (0.8 cents) and raised \$2,298,000. The remaining balance of approximately \$902,000 is committed to be raised in April 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Environmental regulations

The consolidated entity's exploration activities are subject to various environmental regulations under both state and federal legislation in Australia. The ongoing operation of these tenements is subject to compliance with the respective mining and environmental regulations and legislation.

Licence requirements relating to ground disturbance, rehabilitation and waste disposal exist for all tenements held. The Directors are not aware of any significant breaches of mining and environmental regulations and legislation during the half-year period covered by this report.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Simon Taylor', with a horizontal line extending to the right.

Simon Taylor
Non- Executive Chairman

13 March 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Stellar Resources Limited

As lead auditor for the review of Stellar Resources Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Stellar Resources Limited and the entities it controlled during the period.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director
Melbourne, 13 March 2024

Stellar Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



	Note	Consolidated 2023 \$	2022 Restated * \$
Income			
Interest received		11,745	7,066
Government grants		70,000	-
Expenses			
Exploration expenditure	5	(762,054)	(1,289,633)
Employment and Consulting costs		(271,597)	(117,463)
Corporate expenditure		(231,284)	(384,555)
Depreciation and amortisation expenses		(19,987)	(19,966)
Business development, licensing and other exploration related costs		-	(22,297)
Finance costs		(424)	(1,029)
Loss before income tax expense		(1,203,601)	(1,827,877)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Stellar Resources		(1,203,601)	(1,827,877)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Stellar Resources		(1,203,601)	(1,827,877)
		Cents	Cents
Basic loss per share	10	(0.115)	(0.193)
Diluted loss per share	10	(0.115)	(0.193)

* Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Stellar Resources Limited
Statement of financial position
As at 31 December 2023



		Consolidated		
	Note	31 December 2023	30 June 2023	1 July 2022 Restated *
		\$	\$	\$
Assets				
Current assets				
Cash		1,396,245	1,558,082	2,469,036
Trade and other receivables		29,015	29,249	84,171
Prepayments		31,790	37,880	52,071
Total current assets		<u>1,457,050</u>	<u>1,625,211</u>	<u>2,605,278</u>
Non-current assets				
Trade and other receivables		262,700	262,700	262,700
Property, plant and equipment		144,711	157,366	182,335
Right-of-use assets		22,007	29,339	44,006
Total non-current assets		<u>429,418</u>	<u>449,405</u>	<u>489,041</u>
Total assets		<u>1,886,468</u>	<u>2,074,616</u>	<u>3,094,319</u>
Liabilities				
Current liabilities				
Trade and other payables		75,024	284,025	295,940
Provisions		26,788	16,817	10,615
Lease liabilities		14,834	14,657	13,943
Total current liabilities		<u>116,646</u>	<u>315,499</u>	<u>320,498</u>
Non-current liabilities				
Provisions		6,269	5,245	-
Lease liabilities		7,989	10,511	30,063
Total non-current liabilities		<u>14,258</u>	<u>15,756</u>	<u>30,063</u>
Total liabilities		<u>130,904</u>	<u>331,255</u>	<u>350,561</u>
Net assets		<u>1,755,564</u>	<u>1,743,361</u>	<u>2,743,758</u>
Equity				
Issued capital	6	46,382,849	45,225,245	43,018,120
Reserves		183,088	124,888	41,090
Accumulated losses		(44,810,373)	(43,606,772)	(40,315,452)
Total equity		<u>1,755,564</u>	<u>1,743,361</u>	<u>2,743,758</u>

* Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

Stellar Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2023



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	43,018,120	41,090	(26,393,746)	16,665,464
Adjustment for change in accounting policy (note 3)	-	-	(13,921,706)	(13,921,706)
Balance at 1 July 2022 - restated	43,018,120	41,090	(40,315,452)	2,743,758
Loss after income tax expense for the half-year	-	-	(1,827,877)	(1,827,877)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,827,877)	(1,827,877)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,177,125	-	-	2,177,125
Share-based payments (note 11)	-	124,888	-	124,888
Lapse of options	-	(41,090)	41,090	-
Balance at 31 December 2022	<u>45,195,245</u>	<u>124,888</u>	<u>(42,102,239)</u>	<u>3,217,894</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	45,225,245	124,888	(43,606,772)	1,743,361
Loss after income tax expense for the half-year	-	-	(1,203,601)	(1,203,601)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,203,601)	(1,203,601)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 6)	1,157,604	-	-	1,157,604
Share-based payments (note 11)	-	58,200	-	58,200
Balance at 31 December 2023	<u>46,382,849</u>	<u>183,088</u>	<u>(44,810,373)</u>	<u>1,755,564</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Stellar Resources Limited
Statement of cash flows
For the half-year ended 31 December 2023



	Consolidated	
	2023	2022
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(480,419)	(455,416)
Payments for exploration expenditure	(971,053)	(1,224,428)
	(1,451,472)	(1,679,844)
Interest received	11,745	7,066
Proceeds from government grants	70,000	-
Interest and other finance costs paid	-	(1,029)
Net cash used in operating activities	(1,369,727)	(1,673,807)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(374)
Net cash used in investing activities	-	(374)
Cash flows from financing activities		
Proceeds from issue of shares net of transaction costs	1,287,560	2,302,013
Payments of share issue costs	(71,756)	-
Repayment of lease liabilities	(7,914)	(6,885)
Net cash from financing activities	1,207,890	2,295,128
Net increase/(decrease) in cash and cash equivalents	(161,837)	620,947
Cash and cash equivalents at the beginning of the financial half-year	1,558,082	2,469,036
Cash and cash equivalents at the end of the financial half-year	<u>1,396,245</u>	<u>3,089,983</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Stellar Resources Limited as a consolidated entity consisting of Stellar Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Stellar Resources Limited functional and presentation currency.

Stellar Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4
96-100 Albert Road
South Melbourne VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13 March 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated at note 3.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

All new accounting standards required, were adopted and they did not have a material impact.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior half-years.

Note 3. Restatement of comparatives

Change in accounting policy

During the year ended 30 June 2023, the consolidated entity concluded that given the early stage of the development of its projects, in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, it is more appropriate to expense all costs associated with the exploration and evaluation activities undertaken. This included the cost of acquisition of tenements and all associated expenditures incurred.

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the consolidated entity has retrospectively applied the aforementioned change in accounting policy and therefore comparative information presented herein has been restated.

Note 3. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income

	31 December 2022	Consolidated	31 December 2022
Extract	\$ Reported	\$ Adjustment	\$ Restated
Expenses			
Exploration expenditure	-	(1,289,633)	(1,289,633)
Loss before income tax expense	(538,244)	(1,289,633)	(1,827,877)
Income tax expense	-	-	-
Loss after income tax expense for the half-year attributable to the owners of Stellar Resources	(538,244)	(1,289,633)	(1,827,877)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year attributable to the owners of Stellar Resources	<u>(538,244)</u>	<u>(1,289,633)</u>	<u>(1,827,877)</u>
	Cents Reported	Cents Adjustment	Cents Restated
Basic loss per share	(0.057)	(0.136)	(0.193)
Diluted loss per share	(0.057)	(0.136)	(0.193)

Statement of financial position at the beginning of the earliest comparative period

	1 July 2022	Consolidated	1 July 2022
Extract	\$ Reported	\$ Adjustment	\$ Restated
Assets			
Non-current assets			
Exploration expenditure	13,921,706	(13,921,706)	-
Total non-current assets	<u>14,410,747</u>	<u>(13,921,706)</u>	<u>489,041</u>
Total assets	<u>17,016,025</u>	<u>(13,921,706)</u>	<u>3,094,319</u>
Net assets	<u>16,665,464</u>	<u>(13,921,706)</u>	<u>2,743,758</u>
Equity			
Accumulated losses	(26,393,746)	(13,921,706)	(40,315,452)
Total equity	<u>16,665,464</u>	<u>(13,921,706)</u>	<u>2,743,758</u>

Note 4. Segment information

Identification of reportable operating segments

The consolidated entity operates in the minerals exploration and evaluation segment, which is also the basis on which the board reviews the company's financial information.

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In the current year the board reviews the consolidated entity as one operating segment being mineral exploration within Australia.

All assets and liabilities and operations are based in Australia.

Note 5. Exploration expenditure

Reconciliations of the cumulative expenditure recognised in the profit and loss from the grant date of the tenements to the beginning and end of the current and previous financial period are set out below:

	31 December 2023 \$	31 December 2022 \$
Cumulative expenditure at the beginning of the period	23,691,357	21,194,134
Expense during the half year	<u>762,054</u>	<u>1,289,633</u>
Cumulative expenditure at the end of the period	<u><u>24,453,411</u></u>	<u><u>22,483,767</u></u>

Note 6. Equity - issued capital

	31 December 2023 Shares	30 June 2023 Shares	Consolidated 31 December 2023 \$	30 June 2023 \$
Ordinary shares - fully paid	<u>1,149,026,446</u>	<u>1,005,964,241</u>	<u>46,382,849</u>	<u>45,225,245</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	1,005,964,241		45,225,245
Placement	27 October 2023	92,222,223	\$0.0090	830,000
Placement	7 December 2023	18,888,890	\$0.0090	170,000
Share Purchase Plan	15 December 2023	31,951,092	\$0.0090	287,560
Less capital raising costs *				<u>(129,956)</u>
Balance	31 December 2023	<u>1,149,026,446</u>		<u>46,382,849</u>

* \$58,200 of the total capital raising costs was in relation to the grant of 10,000,000 unlisted broker option to the lead manager Taylor Collison. The unlisted options were granted on 30 November 2023, exercisable at \$0.015 (1.5 cents) on or before an expiry date 7 December 2026. Options were granted on shareholder approval at the AGM on 30 November 2023. Refer to note 11 for details.

Note 7. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 8. Commitments

	Consolidated	
	31 December	30 June 2023
	2023	
	\$	\$
Exploration commitments		
Within one year	631,643	428,927
One to five years	209,756	372,248
	<u>841,399</u>	<u>801,175</u>

In order to maintain current rights to tenure to exploration and mining tenements, the Consolidated Entity has the above exploration expenditure requirements up until expiry of leases. These obligations, which may be varied from time to time and which are subject to renegotiation upon expiry of the lease are not provided for in the financial report and are payable. In case of not meeting the commitments, the Consolidated Entity will seek the approval for extension from the Department of State Growth – Mineral Resources Tasmania to maintain current rights to tenure to exploration and mining tenements.

Mining Leases and Retention Licences in Tasmania do not have any minimum expenditure commitments.

Note 9. Events after the reporting period

On 22 February 2024, the company announced that \$3.2 million was raised by way of a Placement of 400 million new shares ("Shares") to sophisticated and professional investors.

Participants in the Placement will receive one (1) unlisted free attaching option for every two (2) Shares allocated in the Placement ("Attaching Options"). The Attaching Options will have an exercise price of 1.5 cents per option and an 18-month term from allotment. The Attaching Options will be subject to receiving shareholder approval at a Extraordinary General Meeting.

The Placement will take place under two-tranches. The first tranche was issued in accordance with the company's available placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A and will be a total of up to 287.3 million Shares ("Tranche One") which completed on 28 February 2024. The second tranche will consist of the issue of all the Attaching Options and up to 112.7 million Shares ("Tranche Two"). The Tranche Two Shares includes the Stellar Resources Limited director's commitment to take up \$50,000 in the Placement. Tranche Two will be subject to receiving approval from shareholders, to be obtained at an Extraordinary General Meeting to be held on or around 10 April 2024.

On 28 February 2024, the Company completed tranche 1 Placement and issued 287,256,610 ordinary shares at \$0.008 per share (0.8 cents) and raised \$2,298,000. The remaining balance of approximately \$902,000 is committed to be raised in April 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 10. Loss per share

	Consolidated	
	31 December	31 December
	2023	2022
	\$	\$
Loss after income tax attributable to the owners of Stellar Resources	<u>(1,203,601)</u>	<u>(1,827,877)</u>

Note 10. Loss per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,043,991,538</u>	<u>944,863,875</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,043,991,538</u>	<u>944,863,875</u>
	Cents	Cents
Basic loss per share	(0.115)	(0.193)
Diluted loss per share	(0.115)	(0.193)

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 'Earnings Per Share'. The rights to options are non-dilutive as the consolidated entity is loss generating.

Note 11. Share-based payments

On 30 November 2023, the Company granted 10,000,000 unlisted broker option to the lead manager Taylor Collison, which were exercisable at \$0.015 (1.5 cents) on or before an expiry date 7 December 2026. Options were vested on shareholder approval at the AGM on 30 November 2023. There is no services or performance conditions applicable to the options. The fair value of the options issued of \$58,200 is included in capital raising costs recorded during the half-year period.

For the unlisted options granted during the current half-year, the fair values were determined by applying Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	Expiry Date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
30/11/2023	07/12/2026	\$0.0085	\$0.0150	130.98%	-	4.01%	\$0.0058

The Directors of the Company declare that:

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Simon Taylor', with a stylized flourish above it.

Simon Taylor
Non- Executive Chairman

13 March 2024

Independent auditor's review report to the members of Stellar Resources Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Stellar Resources Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director
Melbourne, 13 March 2024