

Stellar Resources Limited

ABN 96 108 758 961

Half-Year Report - 31 December 2022

Stellar Resources Limited
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31 December 2022



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Directors	<p>Mr Simon O'Loughlin (Non-Executive Chairman)</p> <p>Mr Thomas Whiting (Non-Executive Director)</p> <p>Mr Gary Fietz (Executive Director)</p> <p>Mr Simon Taylor (Non-Executive Director)</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>Level 8</p> <p>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

Highlights

Heemskirk Tin Project

Mineral Resource Update

- **Updated Mineral Resource Estimate (MRE) for the flagship Heemskirk Tin Project completed in November with a Total Updated MRE of 7.6Mt @ 1.1% Sn (81,976t contained Sn) representing:¹**
 - **16% increase in contained tin in the Heemskirk Tin Project Total MRE.**
 - **29% increase in contained tin in the Severn Total MRE of 4.9Mt @ 1.0% Sn (46,764t contained Sn). Severn is the largest of the four deposits comprising the Heemskirk Tin Project.**
 - **24% increase in Heemskirk Tin Project Indicated MRE component to 2.6Mt @ 1.1% Sn (29,798t contained Sn).**
 - **Addition of the St Dizier Open Pit Indicated MRE (2.3Mt @ 0.6% Sn), extends the Heemskirk Tin Project Indicated MRE to 4.9Mt @ 0.9% Sn (43,580t contained Sn) and the Total MRE to 9.9Mt @ 1.0% Sn (95,768t contained Sn).**

Phase 2A Drilling Program Completed

- Phase 2A drilling program completed on 21 September 2022, for a total of five diamond holes at the Severn Deposit, the largest of the Heemskirk Tin Project deposits.
- **Results from the third Phase 2A hole ZS150 were reported in July, surpassing the first Phase 2A hole ZS148 as the second-best significant intercept ever recorded at Severn on a grade * thickness (Sn%*m) basis with an outstanding intercept of:³**
 - **36.6m @ 1.07% Sn and 0.19% Cu from 471.5m, including:**
 - **12.0m @ 2.12% Sn and 0.23% Cu from 485.0m**
- **Results from the fourth Phase 2A hole ZS151 were reported in July, returned the second-widest significant intercept ever recorded at Severn of:³**
 - **51.6m @ 0.44% Sn and 0.06% Cu from 381.3m, including:**
 - **5.7m @ 0.71% Sn and 0.04% Cu from 381.3m, and**
 - **3.2m @ 1.91% Sn and 0.09% Cu from 429.8m.**
- **Results from the final Phase 2A drillhole ZS152 (1,195m total depth) testing a large magnetic and conductive target were reported in December:⁴**
 - **Continuity of the Severn tin deposit mineralisation demonstrated approximately 100m south of the Severn Mineral Resource.**
 - **Projected depth extension of the Queen Hill tin deposit mineralisation demonstrated approximately 300m down plunge and 150m south of the Queen Hill Mineral Resource.**
- **\$50,000 Exploration Drilling Grant Initiative (EDGI) grant awarded by Tasmanian Govt in August for drill hole ZS152.**

Phase 2B Drilling Program Underway

- Phase 2B drilling program (8 diamond holes for 3,680m) commenced on 29 September 2022 focused on growing the Severn Indicated Mineral Resource in wide high-grade areas of the deposit.
- Phase 2B drilling is progressing to plan with five holes completed and the sixth hole underway (total 2,477m completed to 2 March 2023):¹⁴
 - **Results from hole ZS156, returned the fifth-best significant intercept recorded to date at Severn on a tin grade * thickness basis (Sn%*m) with an outstanding intercept of:¹⁴**
 - **42.9m @ 0.77% Sn from 490.1m, including:**
 - **15.9m @ 1.27% Sn from 496.0m.**

- Results from hole ZS155, returned a further wide significant intercept of:¹⁴
 - 39.4m @ 0.46% Sn from 500.3m, including:
 - 5.8m @ 0.86% Sn from 500.3m, and
 - 4.7m @ 0.83% Sn from 513.0m.
- Hole ZS157 completed intersecting sulphide veining (pyrrhotite and pyrite) + cassiterite near the expected positions with the presence of tin confirmed by handheld XRF readings. Assay results pending.¹⁴
- Hole ZS158 completed. Core processing, logging and sampling have been completed with assay results pending.
- Hole ZS159 completed on 2 March 2023 with core processing, logging and sampling underway.
- Hole ZS160 commenced on 6 March 2023.
- These results have successfully extended the north-plunging, high tin grade * thickness (Sn%*m) zone at northern Severn by ~100m down dip and ~100m to the north. The zone now extends for a total of ~300m down dip and up to ~150m along strike.¹⁴

Concert Creek – Carbine Hill VMS Exploration Targets

- Stellar was awarded EL29/2022 over the Concert Creek – Carbine Hill area located approximately 10km east of Zeehan, Tasmania, considered highly prospective for volcanogenic massive sulphide (VMS) style Pb-Zn-Cu-Ag-Au deposits after winning a competitive application process.⁵

Northeast Tasmania Exploration Project

Mt Paris and Scamander North EL3/2022 Granted – Prospective for Lithium and Tin⁶

- EL3/2022 was granted in November 2022 for a combined area of 97 km² in the Mt Paris and Scamander North areas of Northeast Tasmania, which are prospective for Lithium and Tin.
- Initial work program commenced in December within the Mt Paris block focused on identifying lithium and tin targets via mapping and surface geochemistry, including searching for pegmatites which may occur near the granite Margins.

Historic Leura Goldfield Soil Gold Results (EL12/2020)⁷

- Anomalous gold soil results ranging from 0.1 to 2.4 g/t Au over a 400-500m strike length corresponding with the historic Leura Gold Mine, with likely strike extensions under shallow cover (>5m).
- The lack of any previous modern exploration over the Leura soil gold anomaly and the high-grade soil gold results provides an attractive drill target.

Historic Back Creek Goldfield Soil Gold Results (EL12/2020)⁷

- Lady Emily Reef - anomalous gold soil results ranging from 0.02 to 0.16 g/t Au over ~200m strike length over the historic Lady Emily Mine.
- Nevermind Reefs - anomalous gold soil results from 0.02 to 0.23 g/t Au over ~100m strike length over the northern reef and 0.02 to 0.05 g/t Au over ~50m strike length over the southern reef of the historic Nevermind Mine.

Nabowla Gold Exploration (EL11/2020)

- Initial stream sediment sampling program completed over the Nabowla gold exploration target on EL11/2020, one of twenty-two medium to high priority targets identified.
- Results returned low level anomalous gold and pathfinder elements over a broad area coinciding with a Northwest trending magnetic lineament where infill samples will be taken to refine the target.

North Scamander and Pinnacles Tin-Base Metals Exploration Targets (EL19/2020)

- \$83,750 Exploration Drilling Grant Initiative (EDGI) grants awarded by Tasmanian Government in August for drilling North Scamander and Pinnacles Tin-Base Metals targets.

Corporate

- Successfully raised \$1,888,425 via a placement in August and an additional \$591,500 through an oversubscribed Share Purchase Plan in September.⁸
- Shareholder approval received in November to issue free attaching options under the August 2022 Placement.⁹
- Cash balance at 31 December 2022 was \$3.1 million.

Tin Market

- **Since late-October 2022, tin prices have risen steadily as China has relaxed its' zero Covid policy and with Chinese tin smelter production increasing as a result.** Tin supply issues from Peru and Indonesia have also contributed to this increase in tin prices. **The tin price reached a high of US\$32,500/t on 27 Jan 2023 before softening again during February and March to US\$24,350/t on 7 March 2023.**
- **LME tin stocks declined to 2,910 tonnes on 7 March 2023, approaching decade low levels (~1,000 tonnes).**

Tin Market Outlook

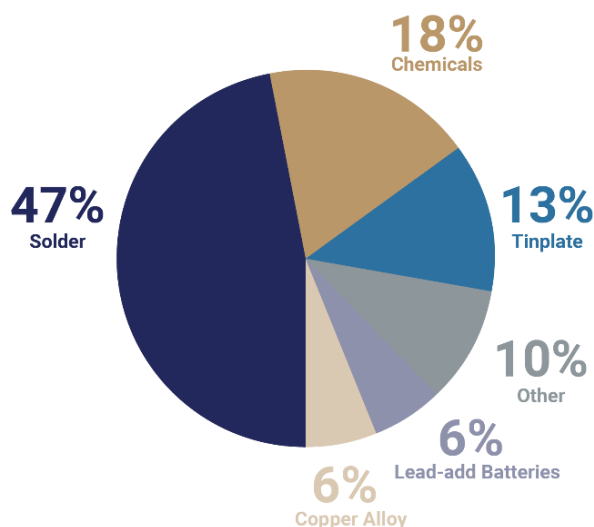


LME Spot Tin Price and Stocks 01/1/2010 to 07/03/2023 (Source: westmetal.com)

Tin demand has been growing strongly because of:

- 'Electrification' driven by de-carbonising along with Covid and the rise of remote working has boosted global demand for electronics.
- Approximately 50% of all tin is used as solder in electronics. Solder is the 'glue' that connects everything electronic together.
- Growing demand for use of tin in solar panels.
- Continued demand for tin in traditional uses including tinplate, chemicals, lead-acid batteries, alloys and other.
- Global demand currently ~360,000 tpa.

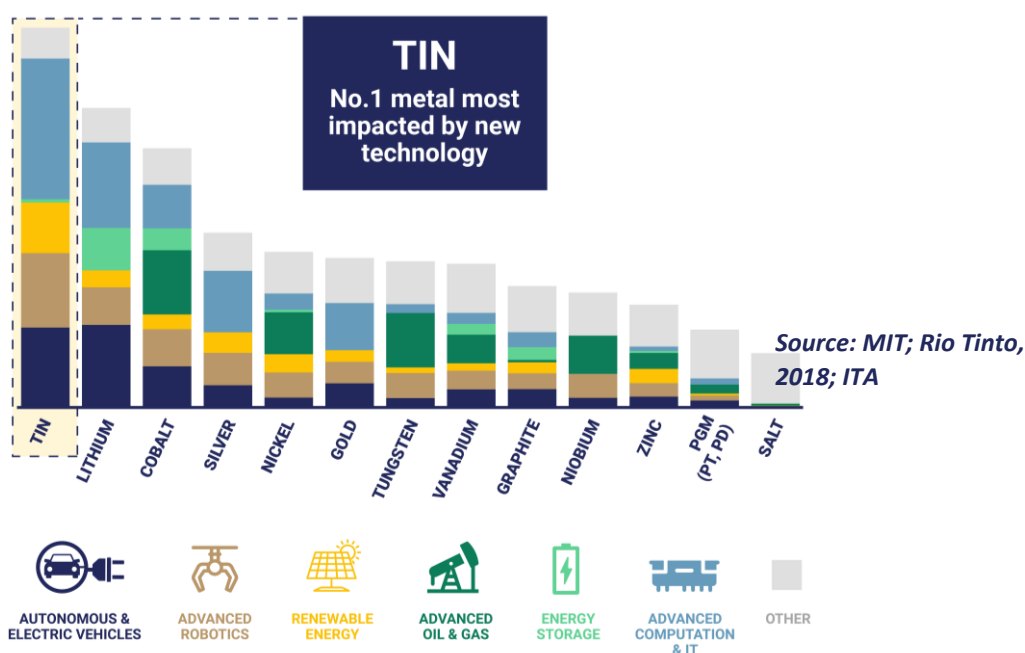
Global Tin Use by Applications



Source: ITA

Tin – The Number 1 New Technology Metal

Tin ranked as the No. 1 metal best placed to benefit from new technology according to a survey undertaken by Boston's Massachusetts Institute of Technology (MIT) for Rio Tinto in 2018.



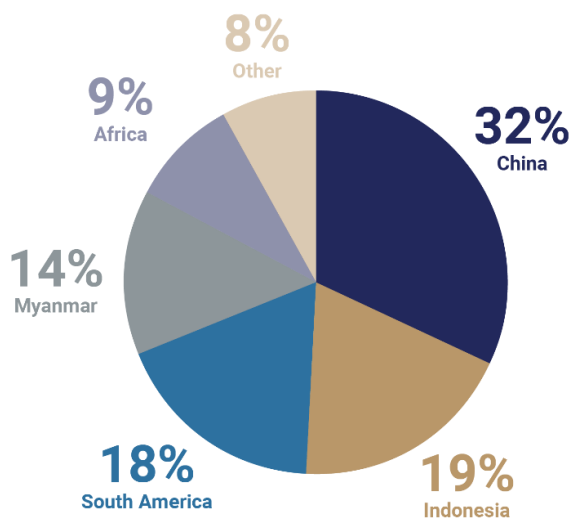
Our clean, new technology future is being driven by robotics, advanced computing, EV's, energy storage and renewables – these all require more electronics and semiconductors, which all need more tin. Growing research is also showing that tin may be a more effective anode material in Li-ion batteries.

Tin Supply

Global tin supply has fallen for each of the last 3 years to 2020 as a result of:

- Many existing tin mines globally now have lower grade and diminishing resources.
- Myanmar (world's 3rd largest producer) production continuing to fall due to the military coup and largely unreliable artisanal and small-scale mining.
- Limited exploration or investment in new tin projects with many projects either in risky jurisdictions and/or low-grade deposits.

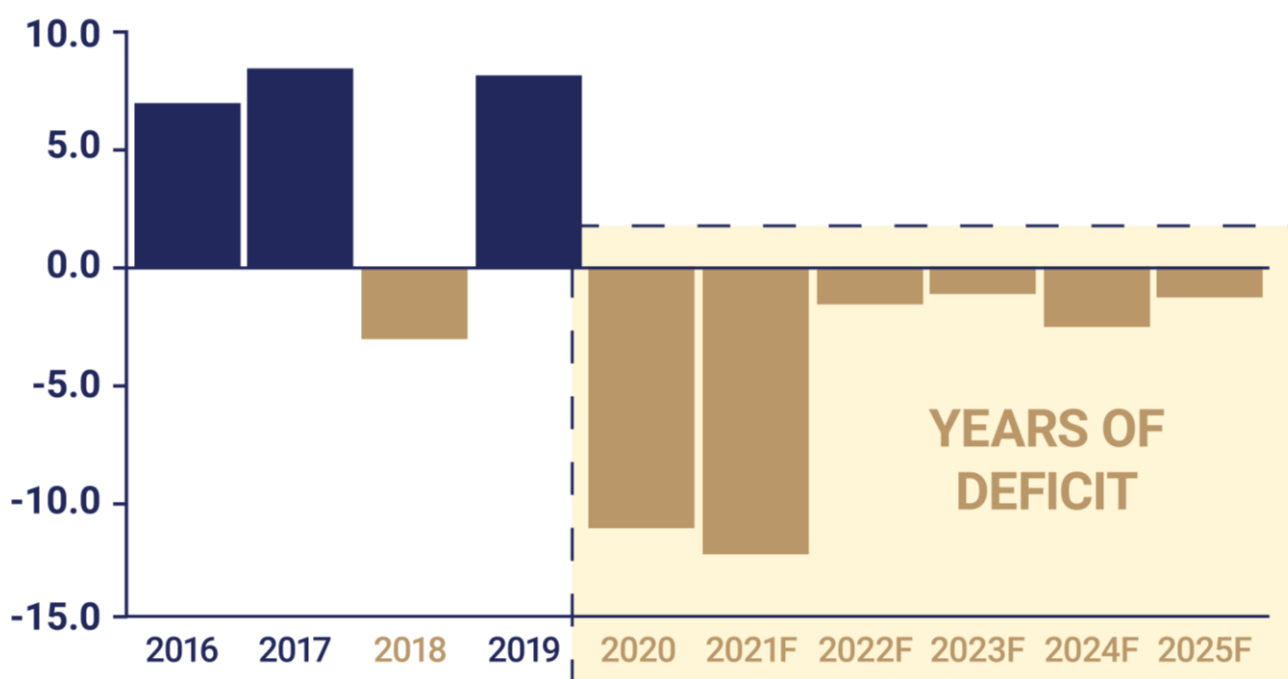
- ~75% of global tin production comes from non-Tier-One, non-OECD countries.



Source: ITA

Tin Market in Deficit

- Significant global tin supply deficit in 2020 and 2021 and forecast to continue.
- LME tin stocks declined to 2,910 tonnes on 7 March 2023, approaching decade low levels (~1,000t) experienced during the 2021 tin boom.
- Since late-October 2022, tin prices have risen steadily as China has relaxed its zero Covid policy and with Chinese tin smelter production increasing as a result. Suspension of supply from Minsur Tin Mine and concentrator operations due to violent protests in Peru since early 2023, along with supply disruptions in Indonesia, have also tightened tin supply. The tin price reached a high of US\$32,500/t on 27 Jan 2023 before softening again during February and March to US\$24,350/t on 7 March 2023.
- Heemskirk Tin is well positioned to meet the need for new sustainable tin supply from Tier-One OECD countries.



Global Tin Supply-Demand Balance (Source: ITA, SHFE, LME, Macquarie Strategy, Jun 2021)

Heemskirk Tin Project

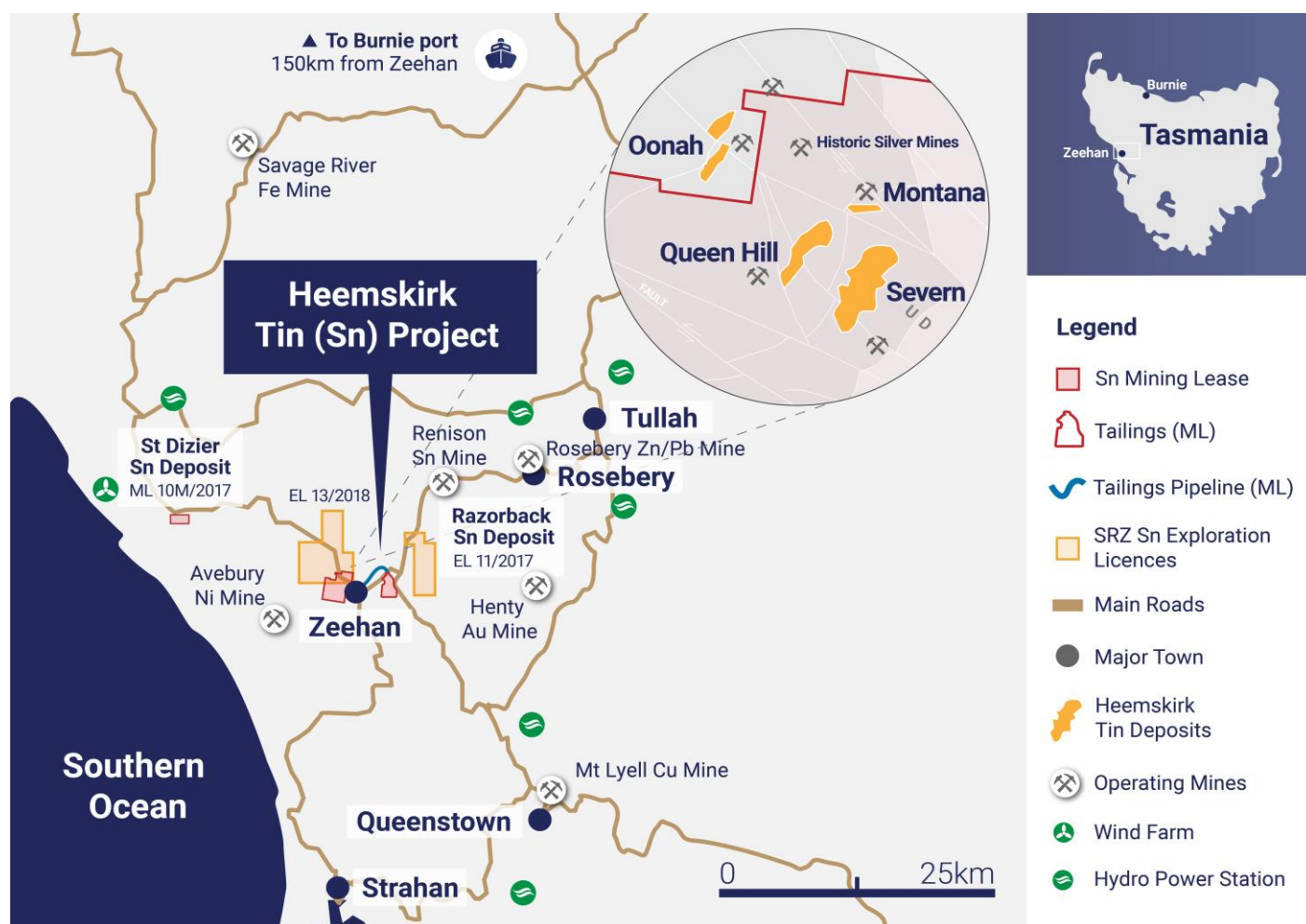
Overview of Stellar's Tin Project on West Coast of Tasmania

Stellar's 100% owned tin projects have an enviable location within the well-established mining district on the west coast of Tasmania with access to established infrastructure including nearby water and renewable power, access to the port of Burnie 150km to the north via sealed highway for export of concentrate, and a competitive local market for services, mining and processing inputs and labour.

Stellar's flagship Heemskirk Tin Project is just 18km to the southwest of the Renison tin mine, the largest and most productive tin mine in Australia. Including Renison, there are five major underground metal mines, three of which are operating, within 30km of the Heemskirk Tin Project.

The Heemskirk Tin Project includes four nearby tin deposits: Severn, Queen Hill, Montana and Oonah. Stellar holds secure Mining Leases over the Heemskirk Tin Project including the tailings pipeline route, tailings storage site and also over the St Dizier satellite tin deposit.

In addition to the Heemskirk Tin Project, Stellar owns a portfolio of nearby Exploration Licences including the Montana Flats and Mount Razorback EL's which contain a number of historic silver-lead-zinc mines with associated tin mineralisation, and the St Dizier and Mount Razorback satellite tin deposits.



Location of Stellar's Tin Projects – West Coast of Tasmania

Updated Mineral Resource Estimate

An updated Heemskirk Tin Project Total Mineral Resource Estimate (MRE) was completed in November 2022 totalling 7.6Mt @ 1.1% Sn (81,976t contained Sn) at a cut-off grade of 0.6% Sn. The MRE was defined in accordance with the JORC Code 2012 by Independent Technical Consultant, Ross Corben from Geowiz Pty. Ltd., as shown in the table below.

Heemskirk Tin Project Mineral Resource Statement 2022¹

Classification	Deposit	Resource Date	Tonnes (Mt)	Sn (%)	Contained Sn (t)	Cassiterite % of Total Sn (%)	Cu (%)	Pb (%)	Zn (%)
Indicated	Upper Queen Hill	2019	0.3	1.0	3,254	87	0.2	2.1	1.0
	Lower Queen Hill	2019	0.7	1.4	9,299	97	0.0	0.1	0.1
	Severn	2022	1.7	1.0	17,235	98	0.1	0.0	0.0
Sub Total	Indicated		2.6	1.1	29,788	97	0.1	0.3	0.2
Inferred	Upper Queen Hill	2019	0.1	1.6	1,728	94	0.2	1.9	0.7
	Lower Queen Hill	2019	0.4	1.4	5,106	97	0.0	0.2	0.0
	Severn	2022	3.2	0.9	29,528	98	0.1	0.0	0.1
	Montana	2019	0.7	1.5	10,443	96	0.1	0.7	1.4
	Oonah	2019	0.6	0.9	5,382	36	0.8	0.1	0.1
	Sub Total	Inferred	5.0	1.0	52,188	91	0.1	0.2	0.3
Sub Total	Queen Hill		1.4	1.3	19,387	95	0.1	0.7	0.3
Sub Total	Severn		4.9	1.0	46,764	98	0.1	0.0	0.0
Total	Heemskirk Tin Project		7.6	1.1	81,976	93	0.1	0.2	0.2

In addition, the satellite St Dizier Tin deposit has a Total Mineral Resource Estimate of 2.26Mt @ 0.61% Sn of which 1.20 Mt in the Indicated Mineral Resource Category and 1.06 Mt is in the Inferred Mineral Resource Category.¹

St Dizier Mineral Resource Statement (JORC 2012), March 2014¹²

Classification	Tonnes (mt)	Sn (%)	Contained Sn (t)	Cassiterite % of Total Sn (%)	WO ₃ (%)	Fe (%)	S (%)
Indicated	1.20	0.69	8,280	87	0.04	23.70	2.64
Inferred	1.06	0.52	5,512	58	0.05	22.22	1.81
Total Mineral Resource	2.26	0.61	13,786	75	0.04	23.00	2.25

Comparison with the Previous 2019 Mineral Resource Statement

The updated Severn Total MRE of 4.9Mt @ 1.0% Sn (46,764t contained Sn), is a 29% increase in contained tin compared with the 2019 Estimate (3.9Mt @ 0.9% Sn).¹

The updated Severn Inferred MRE extends approximately 100m deeper than the 2019 MRE because of intercepts from Phase 1 drillholes ZS143 and ZS143W, which significantly extend the Severn Mineral Resource Estimate down dip.

The updated Heemskirk Tin Project Total MRE of 7.6Mt @ 1.1% Sn (81,976t contained Sn), is a 16% increase in contained tin compared with the 2019 MRE (6.6Mt @ 1.1% Sn).¹

The updated Heemskirk Tin Project Indicated MRE of 2.6Mt @ 1.1% Sn (29,798t contained Sn) is 24% higher than the 2019 Indicated MRE (2.1Mt @ 1.1% Sn).¹

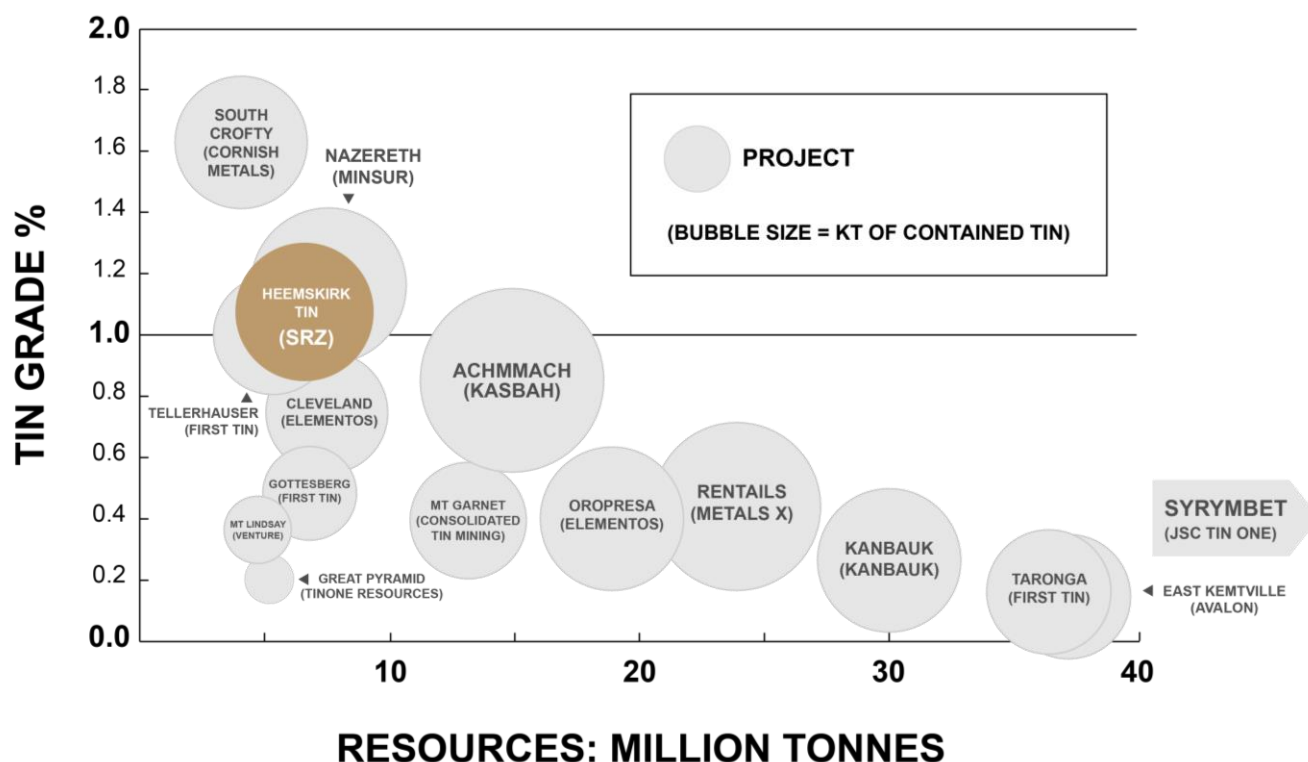
Addition of the St Dizier Open Pit Indicated MRE (2.3Mt @ 0.6% Sn) increases the Heemskirk Tin Project Indicated MRE to 4.9Mt @ 0.9% Sn (43,580t contained Sn) and the Total MRE to 9.9Mt @ 1.0% Sn (95,768t contained Sn). Open pit mining of 0.4Mt of the St Dizier Indicated Mineral Resource was included in the 2019 Scoping Study Mining Schedule for the Heemskirk Tin Project.¹

Exploration Upside

Phase 1 drillhole ZS140 demonstrated the potential for the Severn Inferred MRE to extend significantly down dip with the ZS140 intercept located approximately 100m below the bottom of the updated Severn Inferred MRE. Mineralisation in all of the Heemskirk Tin project deposits remains open down dip and down plunge.¹

Heemskirk Tin Benchmarking – World Tin Resources

Heemskirk is the highest-grade undeveloped tin resource in Australia and the third highest grade tin resource globally. The increase in contained tin in the 2022 updated Mineral Resource also places the Heemskirk Tin Project in the five largest tin projects globally, on a contained tin basis.¹



Phase 2A Drilling Program

On 21 September 2022, Stellar completed its Phase 2A drilling program of five diamond holes at Severn, the largest of the Heemskirk Tin Project deposits. The program was focused on infill drilling to increase the Severn Indicated Mineral Resource primarily in areas of thicker and higher-grade tin mineralisation.^{2,3}

Assay Results from Severn Infill Hole ZS150

In July, outstanding assay results were reported hole ZS150, the third Phase 2A infill hole targeting an expansion of the Severn Indicated Mineral Resource, surpassing the first Phase 2A hole ZS148 as the second-best significant intercept ever recorded at Severn on a grade * thickness basis (Sn%*m):³

ZS150 - Summary of Key Significant Intercepts³

Hole No.	From (m)	To (m)	Length (m)	Est. True Thickness (m)	Sn (%)	Cu (%)
ZS150	471.5	509.8	36.6	34.6	1.07	0.19
Including:	485.0	497.0	12.0	11.3	2.12	0.23

Assay Results from Severn Infill Hole ZS151

In July, assay results were reported for ZS151, the fourth Phase 2A infill hole targeting an expansion of the Severn Indicated Mineral Resource, returning the second-widest significant intercept ever recorded at Severn:³

ZS151 - Summary of Key Significant Intercepts³

Hole No.	From (m)	To (m)	Length (m)	Est. True Thickness (m)	Sn (%)	Cu (%)
ZS151	381.3	433.0	51.6	39.5	0.44	0.06
Including:	381.3	387.0	5.7	4.4	0.71	0.04
And:	429.8	433.0	3.2	2.4	1.91	0.09

Assays Results from Drill Hole ZS152

In December, assay results were reported for the final Phase 2A drillhole ZS152 (1,195m total depth) testing magnetic and conductive targets approximately 100m south of the Severn Mineral Resource are shown in the table below⁴.

ZS152 - Summary of Key Significant Intercepts⁴

Deposit	Ore Zone	From (m)	To (m)	Length (m)	Sn (%)	Cu (%)
Severn	203	331.4	334.8	3.4	0.43	0.11
Severn	202	355.0	361.4	6.4	0.03	0.00
Severn	201	388.7	391.0	2.3	0.04	0.01
-		653.4	655.4	2.0	0.69	0.02
Queen Hill	306	760.0	763.0	3.0	0.33	0.21

Note: Hole ZS152 was drilled at approximately right angles to the dip of the deposit, therefore the (apparent) downhole interval lengths shown in the table are close to the true thicknesses.

Severn Deposit Intercepts

Hole ZS152 intersected tin mineralisation approximately 100m south of the current Severn Mineral Resource demonstrating the potential to extend Severn beyond the main deposit.⁴

Queen Hill Deposit Intercept

Hole ZS152 also intersected the projected depth extension of the Queen Hill tin deposit approximately 300m down plunge and 150m south of the Queen Hill Mineral Resource.

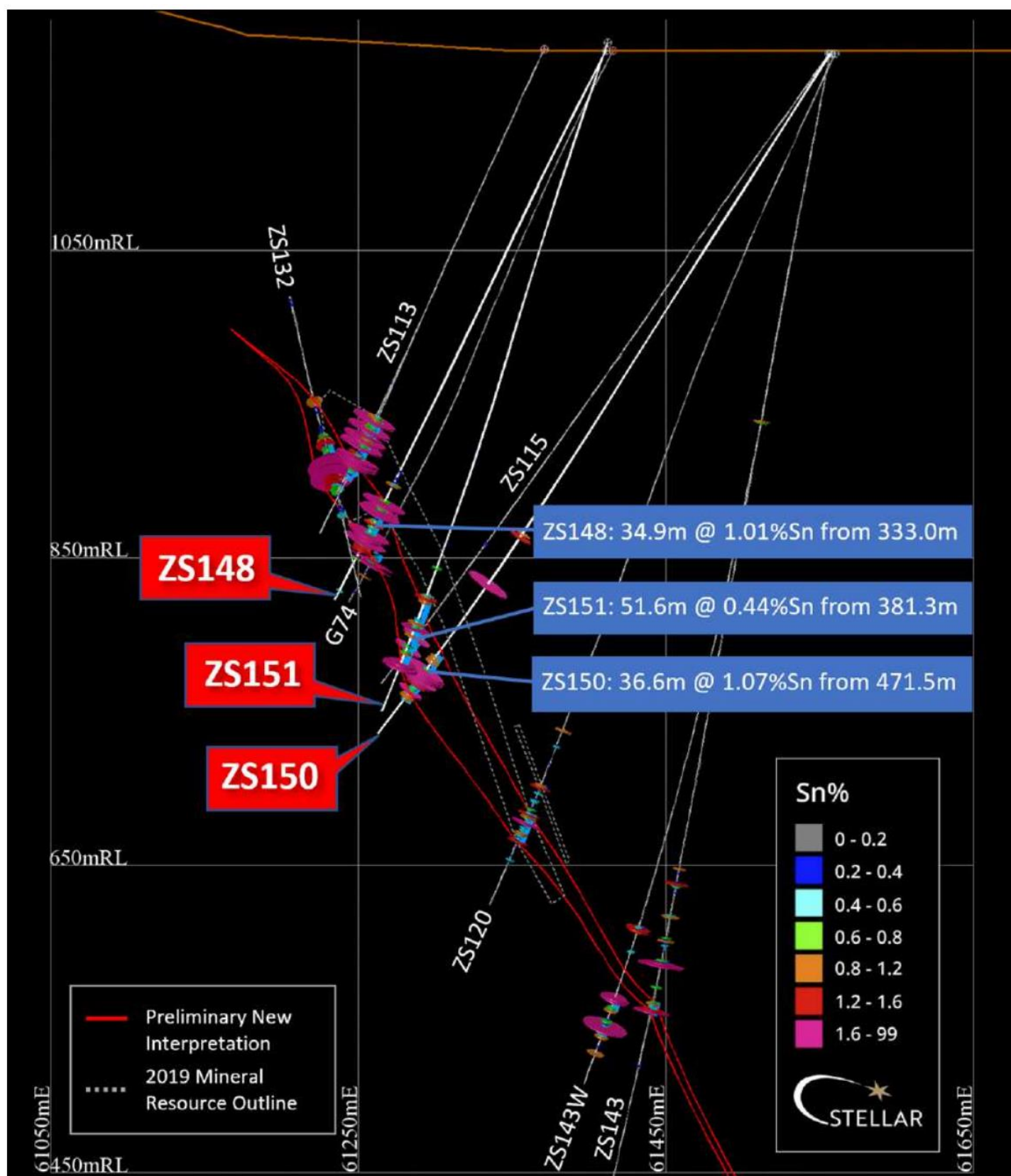
The intercept (interpreted as the main Queen Hill ore lens – zone 306) of 3.0m @ 0.33% Sn and 0.21% Cu from 760.0m lies within a broader 24.7m intersection of sulphide mineralisation +/- minor Sn, Cu, Pb, Zn mineralisation from 738.3m.⁴

Magnetic and Conductive Targets

Over 125m cumulative length of finely disseminated pyrrhotite +/- minor chalcopyrite (Cu) with moderate magnetic susceptibility (typically 5 to 15 SI units) was intersected between 944m and 1,177m in Hole ZS152 and largely explains the source of the magnetic anomaly defined to the south of the Severn deposit.

Drill core from 944m to the end of the hole is yet to be assayed, however handheld XRF readings recorded anomalous Cu and low Sn values though this zone warranting further investigation for the potential to host new zones of higher-grade mineralisation within structures / fluid pathways.

Over 350m cumulative length of black shale intersected between 736m and 1,119m may explain the conductor target source identified off historic hole ZS92 south of the Severn deposit.⁴



000000.Severn West-East Cross Section 3,775m North (ZMG) showing significant intercepts from ZS148, ZS150 and ZS151, historical drilling within +/-50m of the section line, preliminary new interpretation & current Mineral Resource³

On 29 September 2022, Stellar commenced its Phase 2B infill drilling program of eight inclined diamond holes for ~3,860m at Severn, the largest of the Heemskirk Tin Project deposits. A long section of the Severn deposit showing existing, completed and planned Phase 2B holes is shown in the figure below.



The Phase 2B drilling program is focused on the following wide, high-grade areas of the Severn deposit to further increase the Indicated Mineral Resource including:

- A Northern Severn high grade-thickness zone (6 holes)
- A potential Southern Severn high grade-thickness zone (2 holes).

The Phase 2B drilling program is progressing to plan with five holes completed and the sixth hole underway (total 2,477m completed to 2 March 2023):¹⁴

- Holes ZS155 and ZS156 have been completed with results announced on 21 February 2023.
- Hole ZS157 (563m total depth) has been completed intersecting sulphide veining (pyrrhotite and pyrite) + cassiterite near the expected positions with the presence of tin confirmed by handheld XRF readings. Assay results are pending.
- Hole ZS158 has been completed (399m total depth). Core processing, logging and sampling have been completed with assay results pending.
- Hole ZS159 was completed on 2 March 2023 (363m total depth) with core processing, logging and sampling underway. The hole intercepted the Severn deposit further south and shallower than the planned ZS_2022_23 position however will provide valuable information on the resource in this location. The ZS_2022_23 planned position will require to be redrilled in future.
- Hole ZS160 commenced on 6 March 2023.

Assay Results from Severn Infill Hole ZS156

In February, outstanding assay results were reported for Phase 2B hole ZS156, returning the fifth-best significant intercept recorded to date at Severn on a tin grade * thickness basis (Sn%*m):¹⁴

ZS156 - Summary of Key Significant Intercepts¹⁴

Hole No.	From (m)	To (m)	Length (m)	Sn (%)
ZS156	366.3	368.0	1.7	1.68
and:	490.1	533.0	42.9	0.77
including:	496.0	512.0	15.9	1.27

Assay Results from Severn Infill Hole ZS155

In February, assay results were reported for Phase 2B hole ZS155, returning a further wide significant intercept:¹⁴

ZS155 - Summary of Key Significant Intercepts¹⁴

Hole No.	From (m)	To (m)	Length (m)	Sn (%)
ZS155	486.1	488.5	2.4	0.66
and:	500.3	539.7	39.4	0.46
including:	500.3	506.0	5.8	0.86
including:	513.0	517.7	4.7	0.83

Northern Severn High Grade-Thickness Zone

The Severn Phase 2B drilling results to date extend the north-plunging, high tin grade * thickness (Sn%*m) zone at northern Severn defined in the Phase 2A drilling program last year by a further ~100m down dip and ~100m to the north. The zone now extends for a total of ~300m down dip and up to ~150m along strike as shown on the Severn Long Section above.¹⁴

Advancement of Heemskirk Tin Project Development

The Phase 2B infill drilling program underway at Severn is focused on further increasing the Heemskirk Tin Project Indicated Mineral Resource, targeting high grade-thickness mineralisation areas of the deposit.

A further Mineral Resource update will be undertaken at the completion of the Phase 2B drilling program in mid-2023.

The Phase 2B drilling program results are expected to support a Pre-Feasibility Study on the Heemskirk Tin Project planned for 2023 H2, following the completion of the Phase 2B drilling program.

Northeast Tasmania Exploration Project

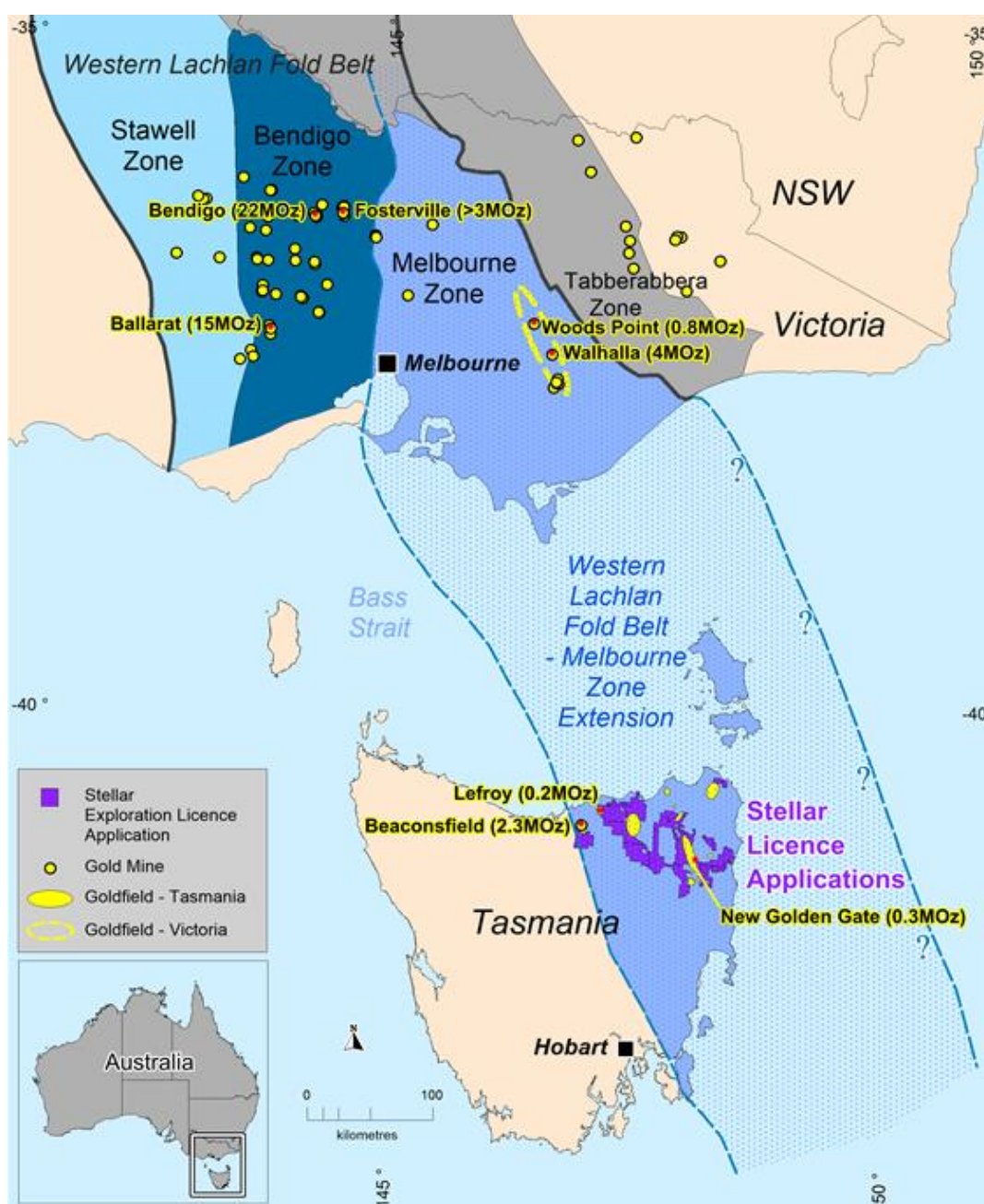
NE Tas – A Continuation of Victorian Western Lachlan Fold Belt

Gold deposits in northeast Tasmania lie within a continuation of the Western Lachlan Fold Belt in Victoria – one of the world's largest orogenic gold provinces.

The Western Lachlan Fold Belt in Victoria hosts the >3 Moz Fosterville Mine, Bendigo and other Tier 1 goldfields and has produced >80 Moz gold.

NE Tasmania hosts the Beaconsfield Mine (2.3 Moz), New Golden Gate Mine (0.3 Moz) and Lefroy Goldfield (0.2Moz), along with hundreds of smaller historic gold mines and occurrences.

While Victoria is currently experiencing intense gold exploration activity, NE Tasmania has had very little modern gold exploration undertaken.



Continuation of Western Lachlan Fold Belt from Victoria into NE Tasmania

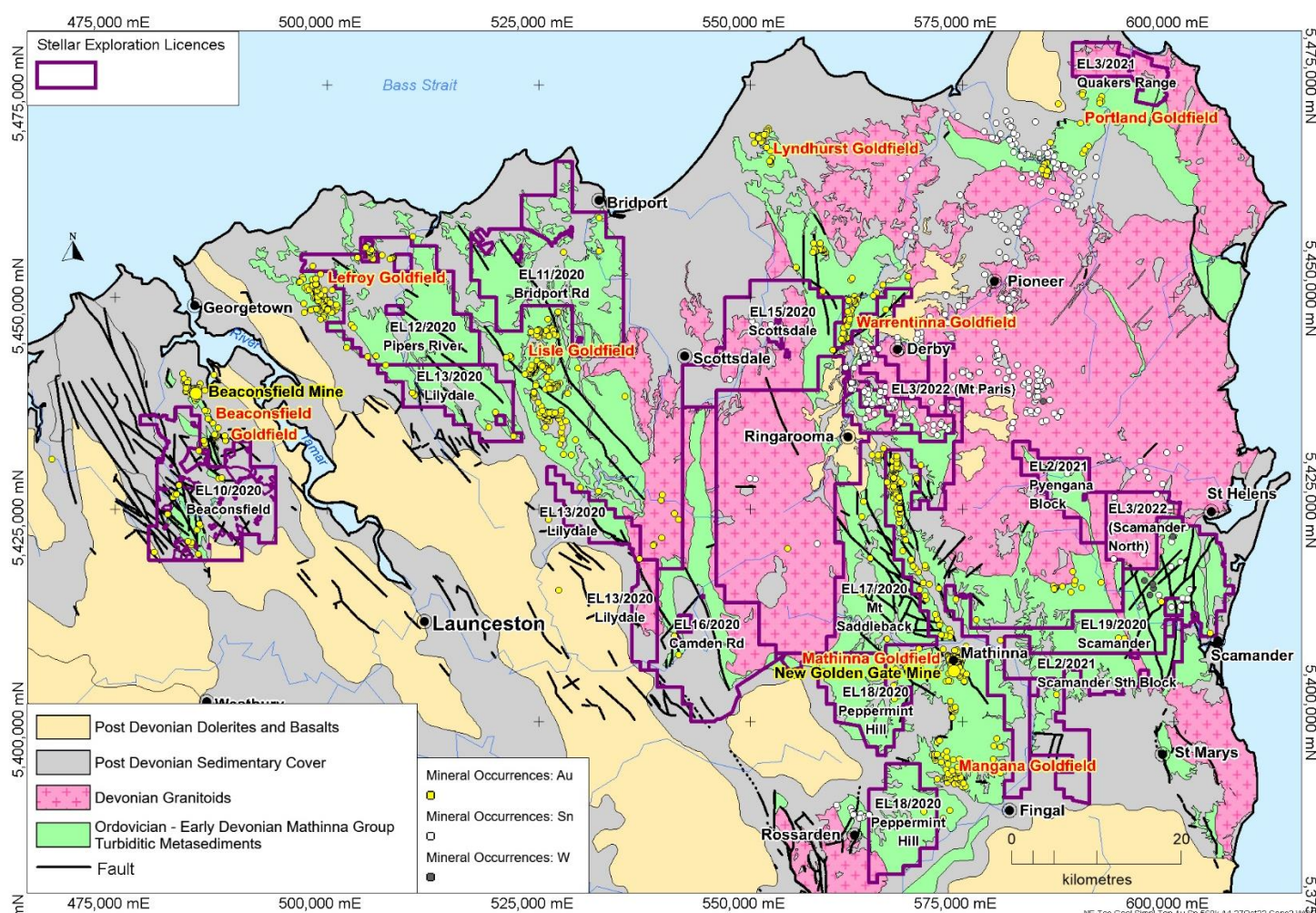
Stellar NE Tasmania Exploration Licences

Stellar holds twelve Exploration Licences covering a combined area of 2,212 km² in NE Tasmania, which is prospective for gold, tin and lithium as shown in the figure below.

Eleven of Stellar's twelve EL's (EL10/2020 to EL18/2020, EL2/2021 and EL3/2021) are prospective for Victorian style Orogenic Gold and for Intrusive Related Gold Systems (IRGS).

EL19/2020 (Scamander) is highly prospective for tin and base metals with significant historic exploration and drilling undertaken over the licence area.

There are ~77 recorded historic gold occurrences and ~83 tin and base metals occurrences over Stellar's Exploration Licences in NE Tasmania.

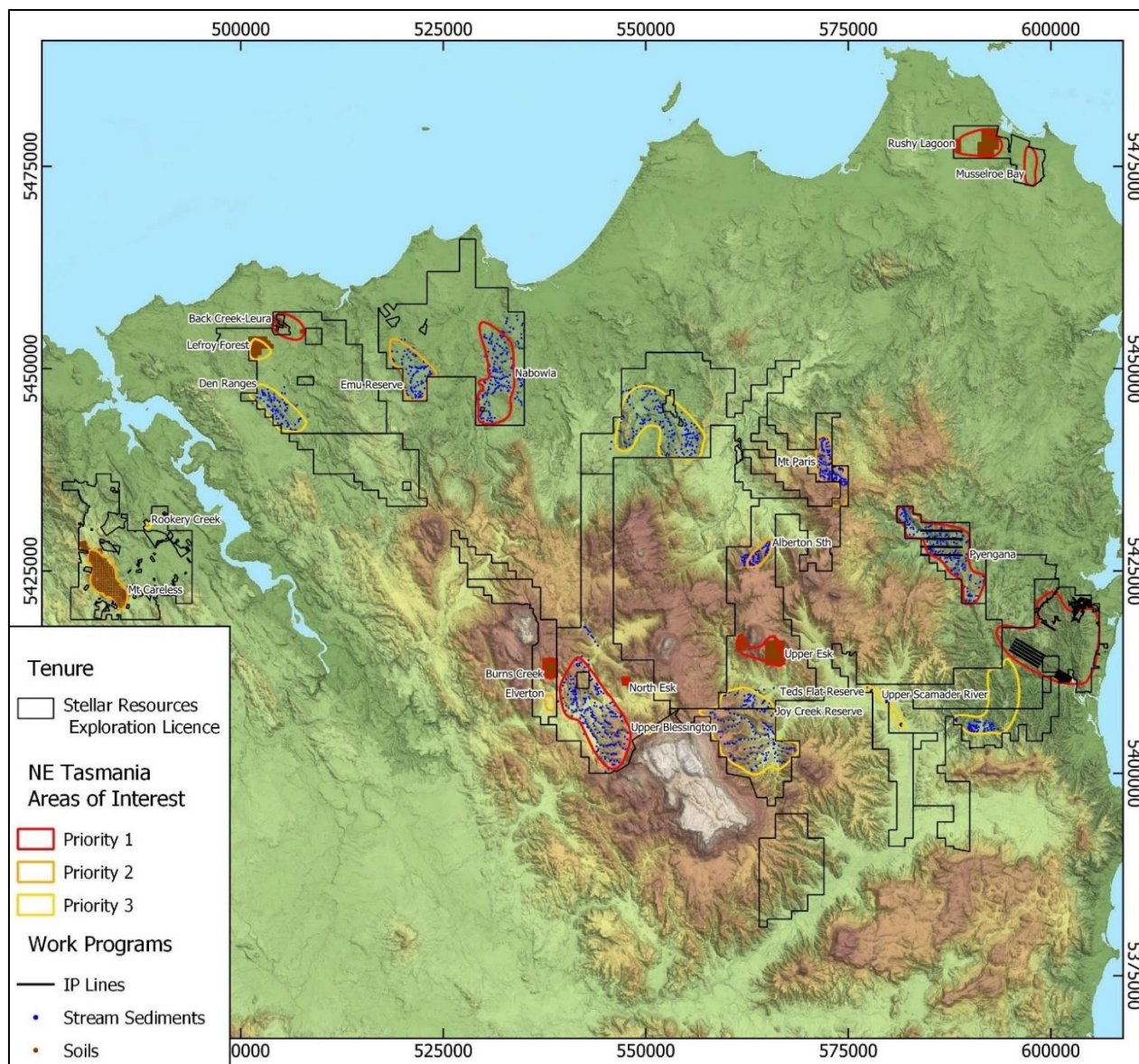


Stellar's tenement holdings overlain on geology and mineral occurrences

Northeast Tasmania Priority Exploration Targets

Approximately twenty-two medium to very-high priority desktop exploration targets within Stellar's northeast Tasmania EL's have been identified by Stellar's technical team led by Dr Josh Phillips following a comprehensive analysis of the historic exploration data. The majority of these priority targets are orogenic gold and IRGS gold targets, other than the Scamander advanced tin and base metals targets on EL19/2020 and the Mt Paris tin and lithium targets on EL3/2022.

Reconnaissance fieldwork including mapping, rock chip, stream and soil sampling over prioritised targets has been ongoing during the December quarter with results pending.

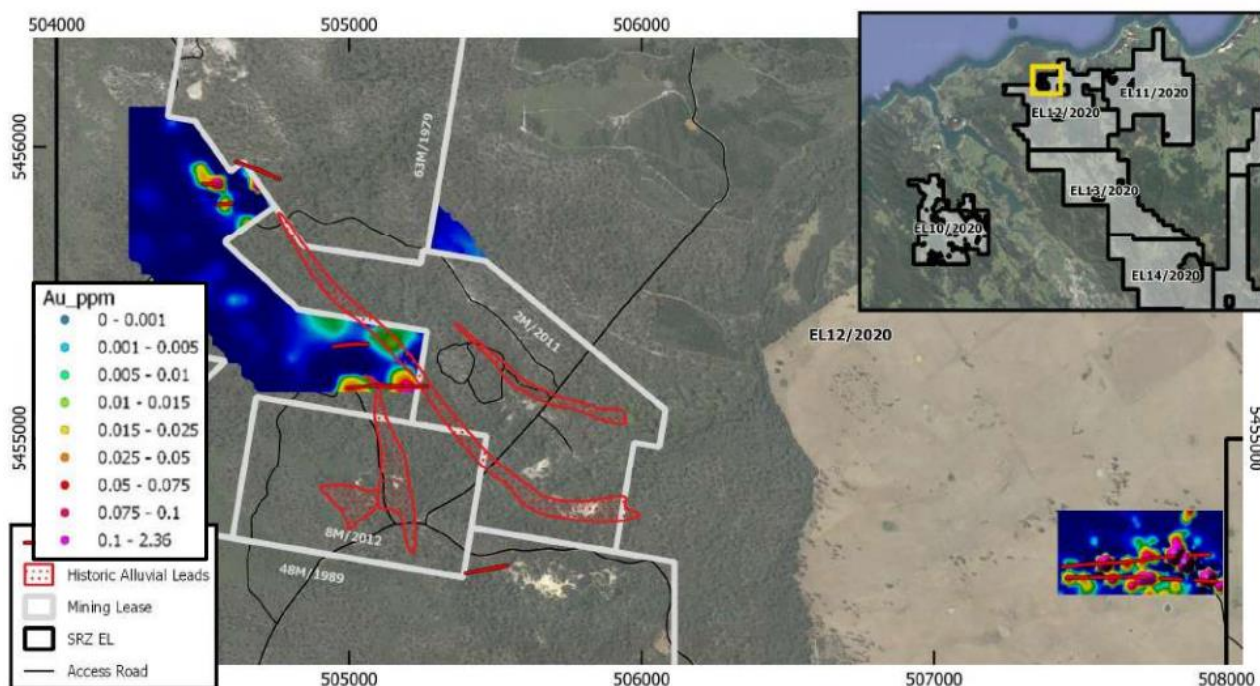


Priority Exploration Targets and Planned Work Programs within Stellar's Northeast Tasmania EL's

Leura and Back Creek Soil Geochemistry Results

Results from Stellar's first major field exploration program in NE Tasmania, a soil sampling program comprising of 276 samples at Leura and 274 samples at Back Creek on EL12/2020 completed during 2022 Q1 were announced in July 2022 including:⁷

- **Leura** – very encouraging anomalous gold soil results ranging from 0.1 to 2.4 g/t Au over 400m – 500m strike length, open in both directions with likely extensions under shallow cover (>5m). These strongly anomalous soil gold results confirm the location of the previously described Leura reefs (veins) and extend their strike lengths. The high-grade gold soil results from Leura, combined with the likely strike extensions make this a very attractive drill target.
- **Back Creek (Lady Emily Reef)** – anomalous gold soil results ranging from 0.02 to 0.16 g/t Au over ~200m strike length over the historic Lady Emily Mine.
- **Back Creek (Nevermind Reefs)** – anomalous gold soil results ranging from 0.02 to 0.23 g/t Au over ~100m strike length over the northern reef and 0.02 to 0.05 g/t Au over ~50m strike length over the southern reef of the historic Nevermind Mine.
- **Hidden Treasure Reef** – anomalous gold soil results over a range of 0.02 to 0.05 g/t Au and a potential strike length of >100m also characterise the approximate location of the Hidden Treasure Reef on EL12/2020, although transported cover has obscured the results over this area.

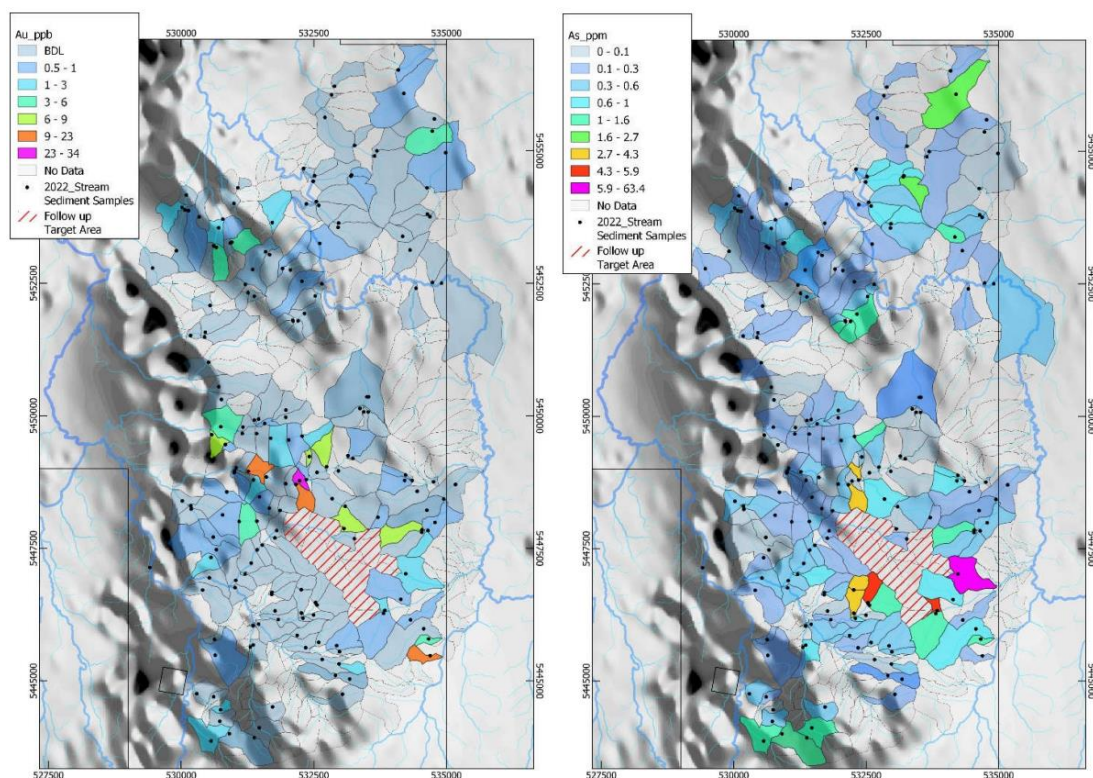


Historically mapped gold mineralisation of the Back Creek goldfield, with soil sample results⁷

Nabowla Stream Sediment Sampling Program

187 stream sediment samples were taken over the Nabowla gold exploration target on EL11/2020, one of twenty-two medium to high priority targets identified on the Company's EL's in northeast Tasmania.²

Results from these preliminary stream sediment samples have returned low level anomalous gold and pathfinder elements over a broad area coinciding with a northwest trending magnetic lineament.² An infill sampling program of ~20 samples is planned to further refine the target area.



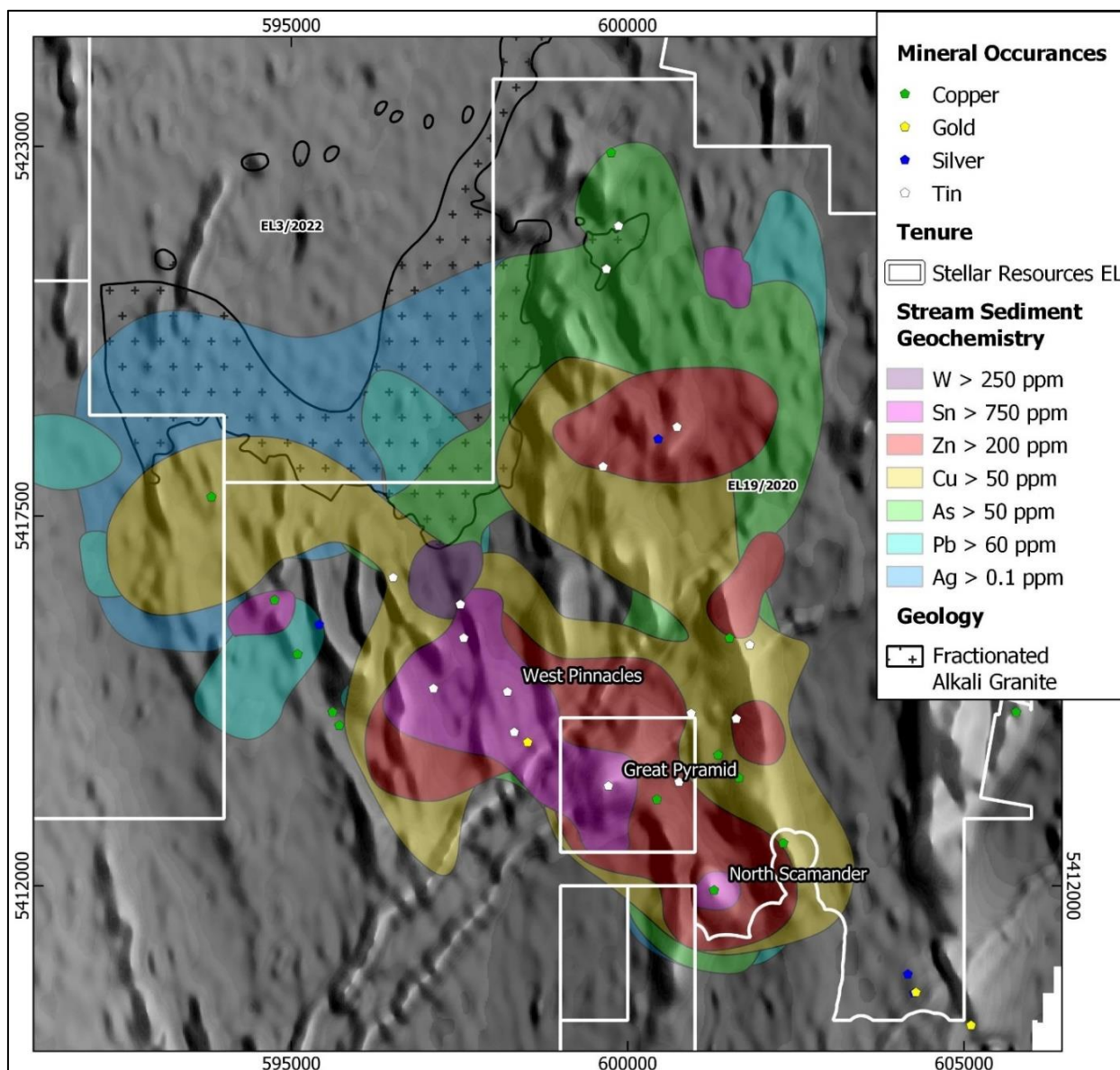
Nabowla Gold Exploration Target (EL11/2020) – Stream Sediment Sampling Results (A) Gold and (B) Arsenic (points and local catchment areas) overlain on Greyscale Airborne Magnetics with Infill Sampling area highlighted²

Scamander Tin-Base Metals Exploration Targets (EL19/2020)

The Scamander district contains a large number of metallic mineral occurrences hosted within folded and faulted Ordovician Mathinna Group sedimentary rocks and is underlain by a strongly fractionated alkali granite. The metalliferous nature of the district, well defined metal zonation and location above the inferred alkali granite suggest that known mineralisation in this area is spatially and genetically associated with the emplacement of the fertile granite.¹³

Significant historic exploration for tin and base metals has been undertaken on Stellar's Scamander EL EL19/2020 including extensive soil sampling, stream sediment sampling and drilling defining areas of anomalous Sn, Zn, Cu, Ag and Pb mineralisation extending to the NW and SE of the Great Pyramid mine within adjacent RL2/2009 held by Tin One Resources Incorporated. The Great Pyramid Tin Mine operated between 1928 and 1936 with 336 tonnes of ore mined at an average recovered grade of 0.88% Sn, implying an average grade of 1.5% Sn. The remaining Great Pyramid deposit within adjacent RL2/2009 has a JORC mineral resource of 5.2Mt @0.2% Sn at a 0.1% Sn cut-off, with an average drilling depth of 46m, demonstrating the potential in the district.¹³

Significant W, Sn, Cu and Zn anomalies are defined by stream sediment geochemistry which define a regional scale NW-SE trending mineralised corridor which includes the Pinnacles and North Scamander tin-base metals projects on EL19/2020, extending to the NW and SE of the Great Pyramid mine.¹³



Scamander District - Regional Magnetics (greyscale), Surface Stream Sediment Geochemistry, Mineral Occurrences, and Outcropping Fractionated Alkali Granite over EL19/2020 (GDA94 Grid)¹³

North Scamander Sn-Base Metals Target (EL19/2020)

The North Scamander tin-base metals project is characterised by an outcropping mineralised gossan, that has generated strong surface stream sediment and soil tin geochemistry anomalies over the prospect and corresponds with a significant aeromagnetic anomaly. Rock chip samples from the prospect return grades of up to 1.07% Sn.¹³

Drilling over the North Scamander target completed in 1981 includes 4 shallow percussion and 4 diamond drillholes to approximately 250m depth which intersected intervals of pyrrhotite-cemented hydrothermal breccia associated with intense magnetite alteration of the wall rocks and strongly anomalous Sn, Cu and Zn values. Previous results include:¹³

- NSD2 – 138m @ 0.8% Zn (from 31m), including 1m 0.45% Sn, 6.2% Pb, 7.8% Zn, and 62 g/t Ag
- NSD1 – 13m @ 0.1% Sn, 0.2% Cu, 0.1% Pb, 0.8% Zn and 25 g/t Ag (from 163m)

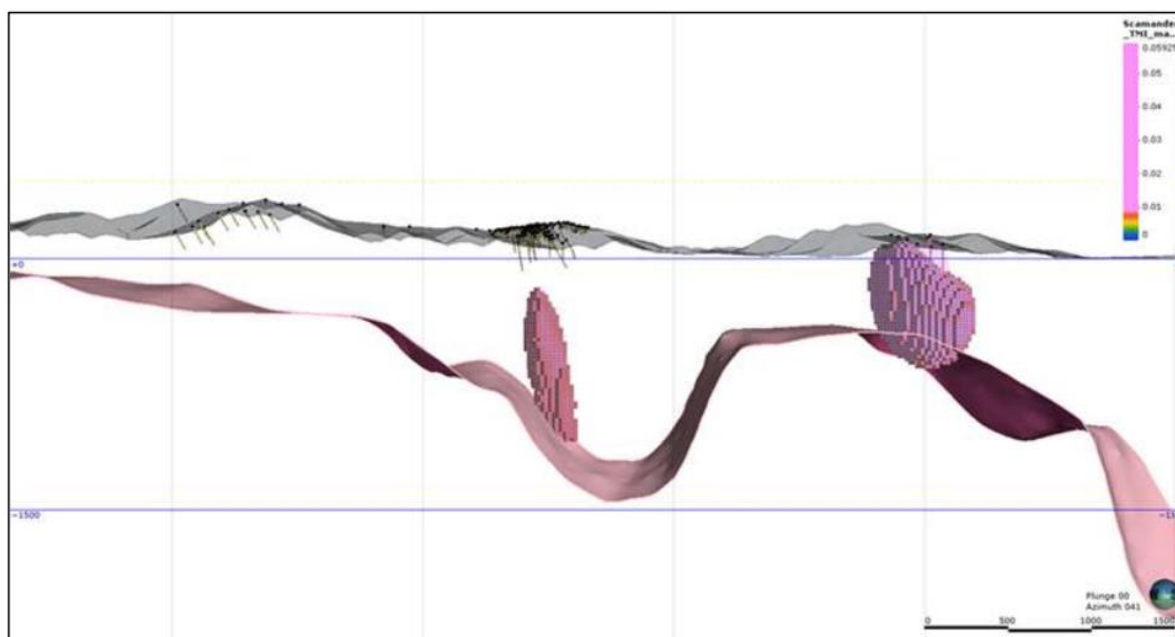
Pinnacles Sn-Base Metals Target (EL19/2020)

The Pinnacles tin-base metals project is characterised by widespread outcropping sheeted quartz-cassiterite veins which are likely responsible for the strong surface stream sediment and soil tin geochemistry anomalies over the prospect and corresponds with a low intensity aeromagnetic anomaly. Limited rock chip samples are available over the prospect.⁹

Historic drilling over the Pinnacles target completed in 1983 includes 12 RC holes to a maximum depth of 120m targeting a large Sn soil anomaly, related to the sheeted quartz-cassiterite veins mapped at surface. Sn grades up to 0.4% over a length of 1.0m were reported in drillhole PPH1, with holes either side also returned anomalous Sn.¹³

Magnetic Inversion Modelling & Drill Targets

Magnetic inversion modelling undertaken by Stellar's geophysical consultant has shown that drilling at North Scamander was not deep enough to intersect the core of the magnetic feature which represents a high potential drilling target. Whilst the Pinnacles prospect is characterised by a more subtle magnetic feature, its strong surface geochemical anomalies, mapped sheeted quartz-cassiterite veins and historic drilling results combine to make the Pinnacles prospect another high potential drilling target. Stellar plans to undertake ground IP surveys to further refine the North Scamander and Pinnacles targets prior to finalising drill hole designs to test these prospects.¹³



Regional cross section looking NE showing modelled position of Constables Creek Granite (pink) with magnetic inversion voxels clipped to 0.00475×10^{-5} Si units and historic drilling (GDA94 Grid)¹³

Tasmanian Government co-funded Exploration Drilling Grants totalling \$83,750 were awarded to Stellar's wholly owned subsidiary, Tarcoola Iron Pty Ltd in August 2022 to drill North Scamander and Pinnacles targets on EL19/2020 in 2023.

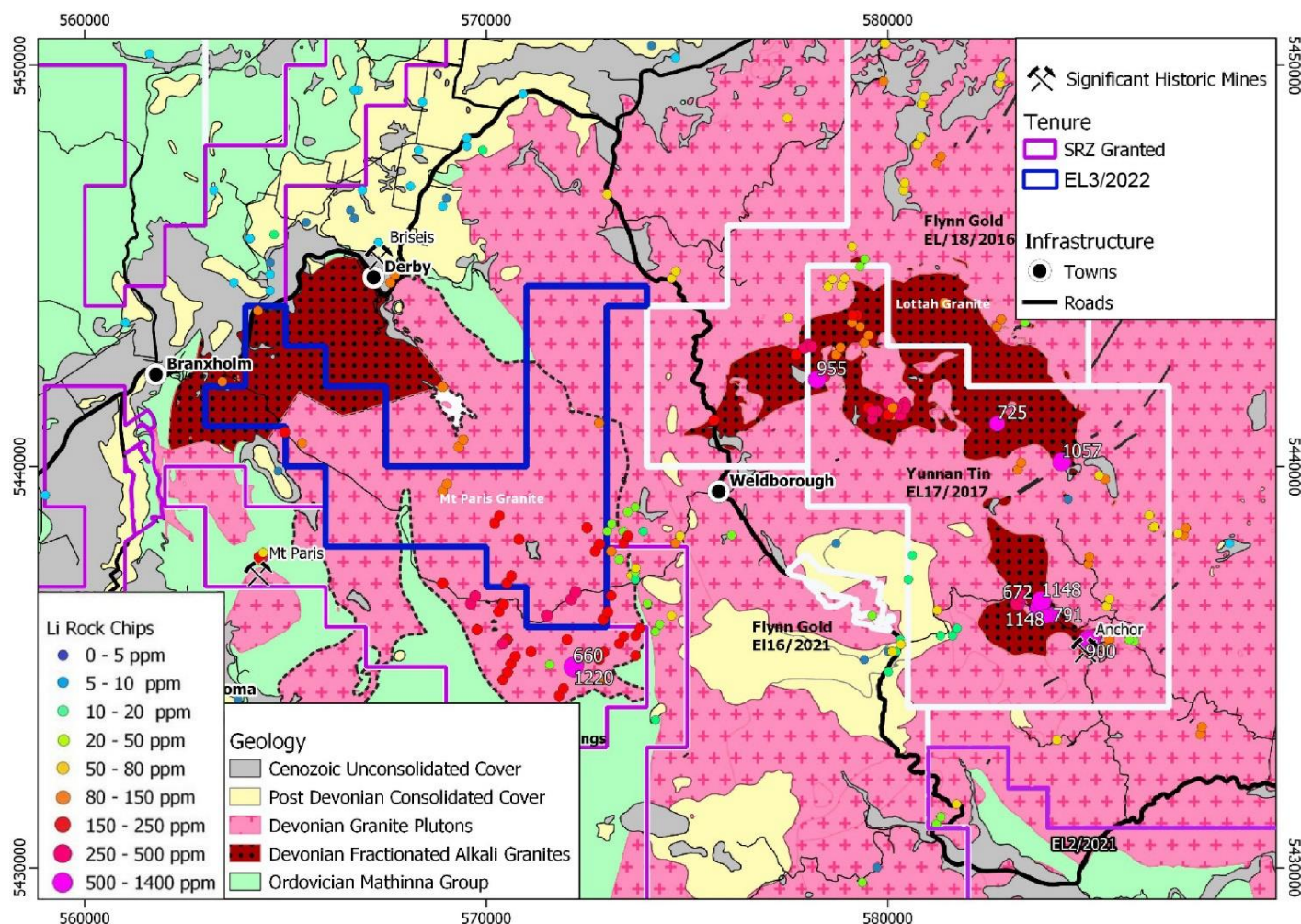
EL3/2022 Granted over Mt Paris and North Scamander Areas

Exploration Licence EL3/2022 was granted in November 2022 over a combined area of 97 km² in the Mt Paris and Scamander North areas of northeast Tasmania, which are prospective for Lithium and Tin and base metals.⁶

Mt Paris Block – Prospective for Lithium and Tin

The EL3/2022 Mt Paris block (38 km²) is prospective for lithium and tin mineralisation, based on review of open file data sourced from the MRT geochemistry database.⁶

The Mt Paris block covers the fractionated Mount Paris S-type granite, equivalent to the nearby Lottah Granite, **which contains the highest levels of lithium recorded (0.02% Li₂O to 0.1% Li₂O) anywhere in Tasmania** and hosts the historic Anchor Tin Mine as shown in the figure below.



EL3/2020 Mt Paris block area showing geology with lithium in rock chip results (values >500ppm labelled)⁶

The Mt Paris block contains 8 recorded historic tin occurrences/mines with adjoining third party EL's to the south and east containing extensive (44) historical tin occurrences/mines including the Anchor Tin Mine (EL17/2017), all of which occur within fractionated alkali-feldspar S-type granite.⁶

The northern part of the Mt Paris Granite has seen little modern exploration, and as such, few samples are available despite the presence of a significant body of alkali granite considered prospective for tin and lithium mineralisation. Limited stream sediment samples from the southern part of the Mt Paris Granite have been recorded within the EL3/2022 Mt Paris block with values up to 1,000 ppm Sn highlighting the potential for tin mineralisation. Additional anomalous stream sediment samples up to 9,400 ppm Sn and 1,220 ppm Li have been recorded within bordering third party EL's.⁶

The initial work program on the Mt Paris block commenced in December focused on identifying lithium and tin targets via mapping, rock chip and stream sediment sampling, in particular searching for pegmatites which may occur near the Mt Paris Granite Margins.⁶

Scamander North Block – Highly Prospective for Tin and Base Metals

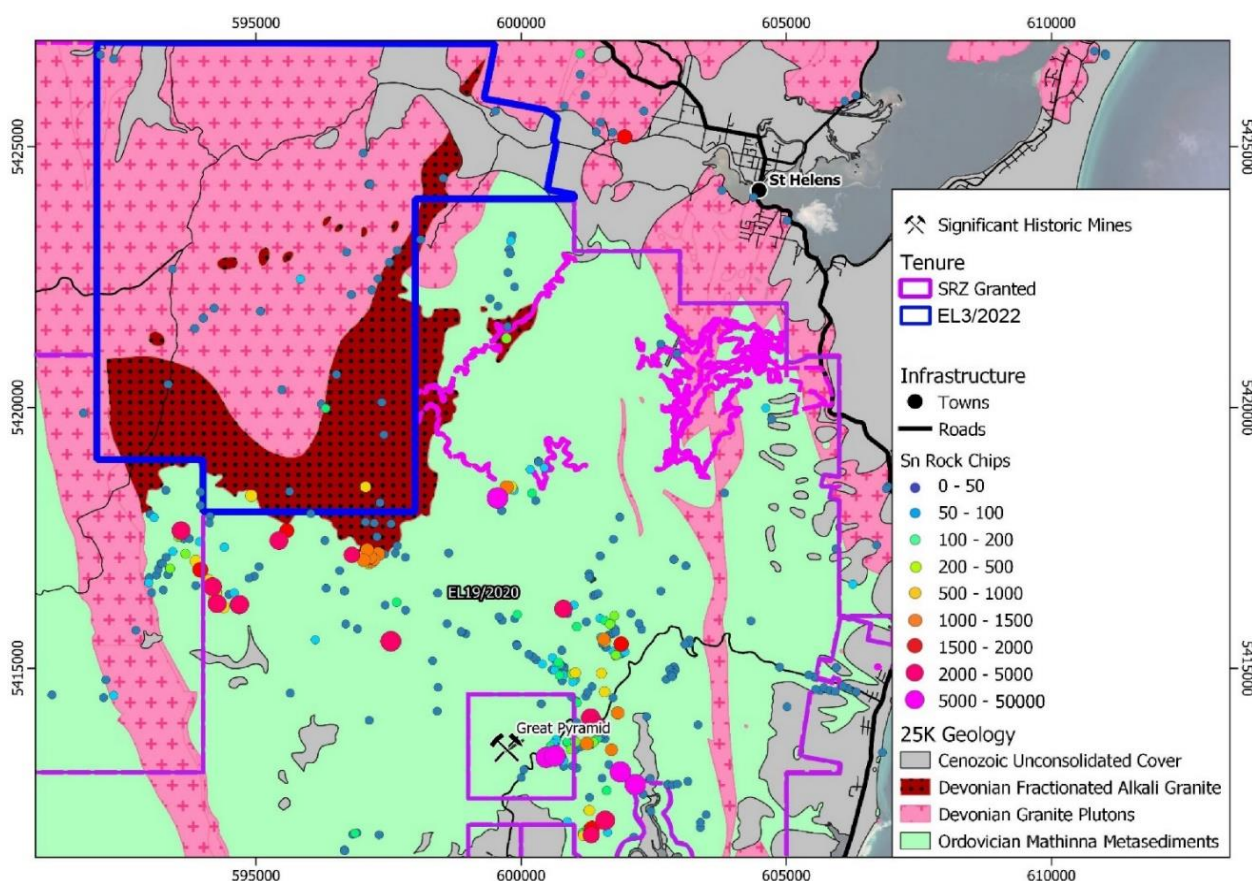
The EL3/2022 Scamander North block (58 km²) and Stellar's adjoining Scamander EL19/2020 to the south are highly prospective for tin and base metal mineralisation, based on review of open file geochemical data sourced from MRT. The Scamander North block covers partly exposed, late stage, Constables Creek fractionated alkali granite occurring at the margins of the extensive Mt Pearson Granite which may be related to the zoned tin and base metal mineralisation of the Scamander Mineral field located further south on Stellar's Scamander EL19/2020.⁶

The Scamander North block contains 7 recorded alluvial tin mining occurrences/mines, the hard-rock source of which appears not to have been investigated by previous explorers. Stellar's adjoining Scamander EL19/2020 contains 29 recorded historic mineral occurrences/mines with a combination of tin, tungsten, copper, lead, zinc and silver mineralisation occurring within a zoned mineral system.⁶

Anomalous tin in stream sediment sample results of up to 9,300 ppm Sn are reported around alluvial tin fields in the Scamander North block and up to 12,000 ppm Sn in adjoining Scamander EL19/2020, highlighting the potential for tin mineralisation within Stellar's EL3/2022 and EL19/2020.⁶

Anomalous tin, tungsten, copper, lead, zinc, arsenic and silver in rock chip sample results of up to 1,000 ppm Sn in the Scamander North block and up to 39,500 ppm Sn in adjoining Scamander EL19/2020 highlights the potential for tin, tungsten and base metal deposits in the zoned mineral system within EL19/2020 and at the margins of this partially exposed alkali granite within the Scamander North block.⁶

Significant historic exploration for tin and base metals has been undertaken on Stellar's EL19/2020 including extensive soil sampling, stream sediment sampling and drilling defining areas of anomalous Sn, Zn, Cu, Ag and Pb mineralisation NW and SE along strike of the Great Pyramid Tin Mine within RL 2/2009 held by Tin One Resources Corporation.⁴



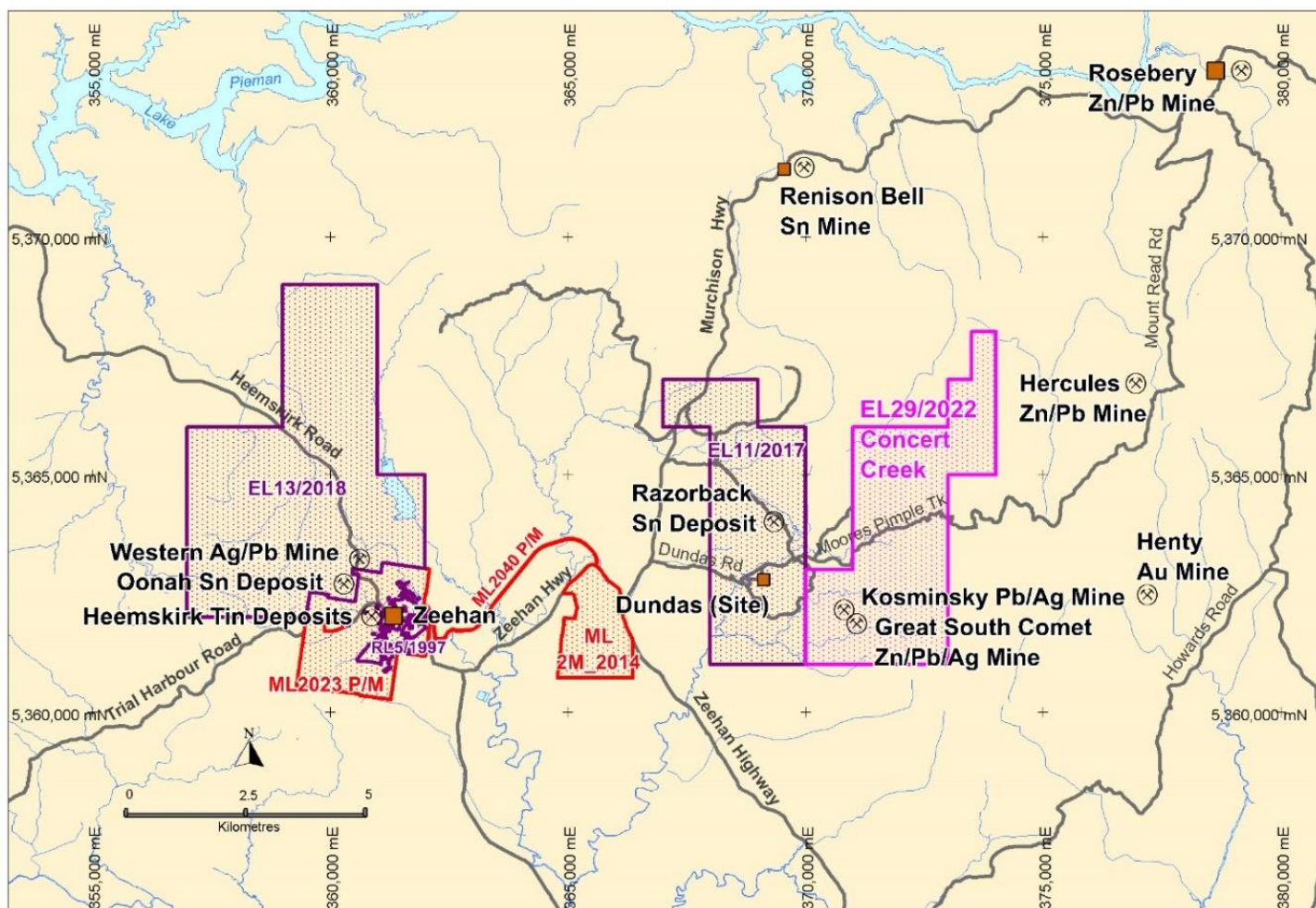
EL3/2022 Scamander North block area showing geology with tin in rock chip samples⁶

EL29/2022 Granted over Highly Prospective VMS Targets in the Concert Creek - Carbine Hill Area

EL29/2022 covering an area of 15 km² in the Concert Creek – Carbine Hill area approximately 10 km east of Zeehan, Tasmania was granted in December 2022 to Stellar's wholly owned subsidiary, Columbus Metals Pty Limited, following a competitive process (Exploration Release Area process) where applicants are assessed on the merits of the exploration work programs submitted.

EL29/2022 is located within 11 km of four major mines as shown in the figure below:

- **Rosebery Zn-Pb Cu-Ag-Au mine** (VMS style deposit) 11 km northeast,
- **Henty Au mine** (VMS Style deposit) 8 km southeast,
- **Historic Hercules Ag-Pb-Zn-Au mine** (VMS style deposit) 5 km east,
- **Renison Sn mine** 7 km north, and
- **Stellar's Heemskirk Sn project** and the town of Zeehan 10 km to the West.



Location of EL29/2022 with Stellar Resources tenements and nearby mines shown⁵

Highly Prospective VMS Style Pb-Zn-Cu-Ag-Au Deposit Targets

EL29/2022 is located within the highly prospective Mount Read Volcanics renowned for hosting major Cu-Pb-Zn-Ag-Au volcanogenic massive sulphide VMS deposits. EL29/2022 contains over 52 documented mineral occurrences, with the most significant being the historic Kosminsky – South Comet mines. These are typically vein-style occurrences associated with either:⁵

- a) Hydrothermal fluids related to Devonian granite intrusions (e.g. Pine Hill granite to the northwest), or,
- b) Remobilisation of VMS deposits.

A high-resolution helicopter-borne Versatile Time Domain Electromagnetic (VTEM) survey was flown by Stellar in 2007 over previously held EL21/2004 which overlapped the Carbine Hill targets within EL29/2022. Initial conductivity inversion modelling of the Carbine Hill VTEM anomaly was undertaken in 2008 by geophysical consultant, Jovan Silic, for Stellar identifying the Carbine Hill VTEM anomalies as prospective exploration targets. In 2012-2013 a further helicopter borne VTEM survey was flown over EL29/2022 by the previous licence owners, Yunnan Tin Australia (EL22/2010 held from 2010 to 2021) which reconfirmed the VTEM anomalies at Carbine Hill and also identified other VTEM anomalies / targets over EL22/2010, many of which are coincident with anomalous surface soil and/or surface rock chip geochemistry results.⁵

In 2014, Geotech Ltd undertook conductivity and magnetic inversion modelling including generation of the Maxwell conductor plates over the VTEM anomalies identified in the 2012-2013 helicopter-borne VTEM and magnetic survey over the EL29/2022 area. The Carbine Hill targets are strong, isolated, flat-lying conductors of limited strike extent, possibly hosted in volcanoclastics, typical of flat lying volcanic hosted sulphide deposits.⁵

Yunnan Tin Australia drilled some of the VTEM anomalies within the EL29/2022 area focusing on the Great South Comet and Kosminsky mine areas with best intersections including:⁵

- CC0_5: 1m @ 9.1% Pb and 9.6% Zn from 93m, 1m @ 1.7% Pb and 0.5% Zn from 100m and 5m @ 1.6% Pb and 2.1% Zn from 438m.
- SCD001: 3m @ 2.0% Pb, 2.45% Zn and 84 ppm Ag from 166m and 2m @ 24.1% Pb, 1.48% Zn and 650 ppm Ag from 249m.
- SCD002: 4m @ 5.5% Pb, 2.52% Zn and 67 ppm Ag from 247m

While EL29/2022 has had significant exploration undertaken in the southern part of the license near the historic Great South Comet and Kosminsky mine areas, there has been no drilling undertaken in the vicinity of the Carbine Hill and Evenden targets.⁵

Surface soil and rock chip sampling was undertaken over the Carbine Hill East, Carbine Hill West, and Evenden VTEM anomalies by Geophoto Resources (EL7/1968 held from 1968 to 1974); RCG Exploration Pty Ltd (EL42/1971 held from 1971 to 1987 & EL101/1987 held from 1987 to 1995) and Pasminco and later Zinifex (EL21/1996 held from 1996 to 2001 & EL11/2002 held from 2001 to 2007)³. Much of the anomalous geochemistry is offset to the south of the Carbine Hill targets where the topography falls away and at a depth below surface, consistent with the depth of the flat lying targets.⁵

The Carbine Hill East, Carbine Hill West and Evenden VTEM anomalies are interpreted as high-quality drill targets supported by modelled Maxwell conductor plates and coincident anomalous surface soil and/or surface rock chip geochemistry results.⁵

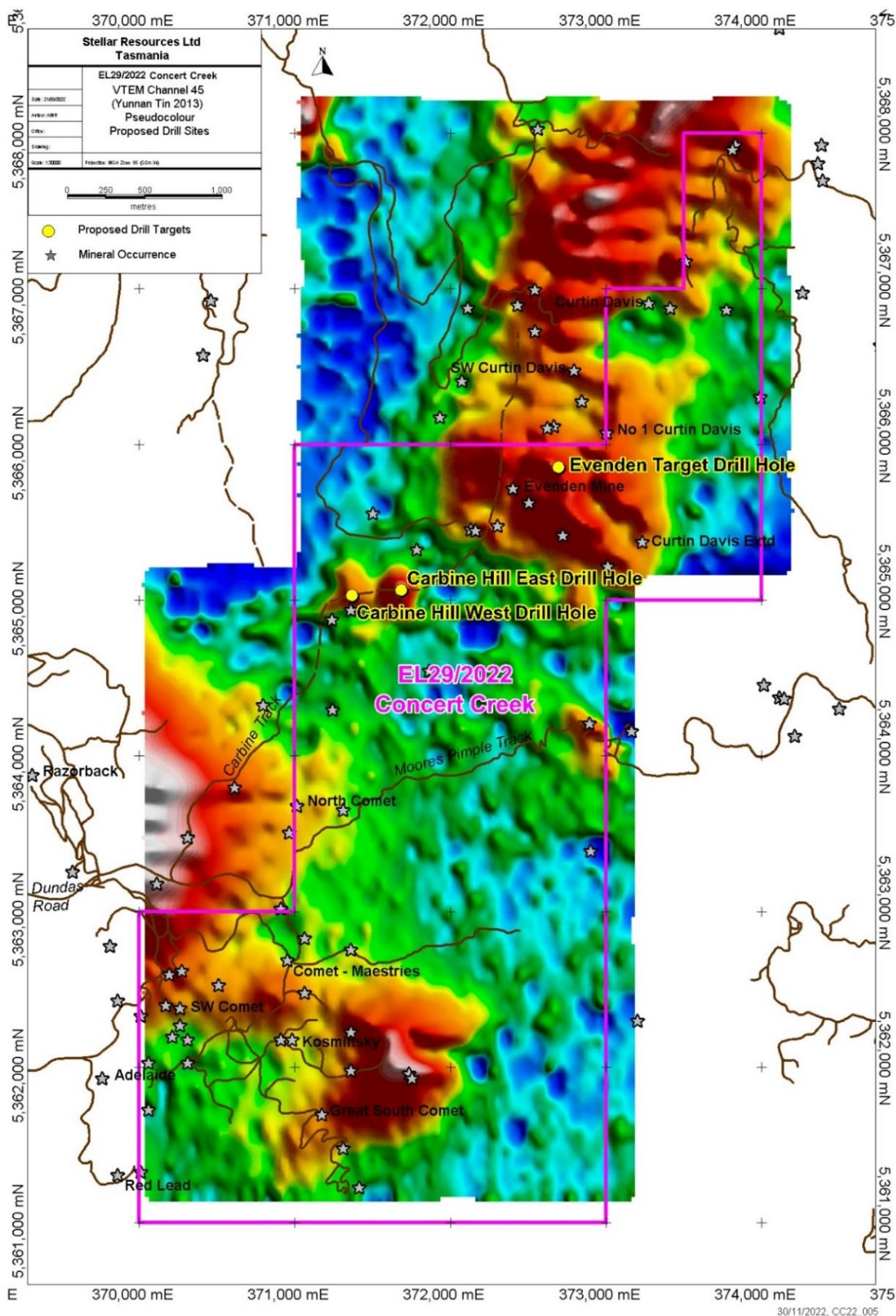
Three drilling targets have been identified within EL29/2022:

- Carbine Hill West VMS style target (1 x 350 m diamond drillhole planned).
- Carbine Hill East VMS style target (1 x 200 m diamond drillhole planned).
- Evenden VMS style target (1 x 200 m diamond drillhole planned).

The drill targets will be refined prior to drilling with the following work planned in Q1 2023:

- Modelling of the three targets from the 2012-2013 VTEM survey.
- Further soil and rock chip sampling program around the 3 target areas.
- Analysis of previous and new soil and rock chip data.
- Finalise drillhole locations, orientations and access based on above.

The drilling program is expected to be undertaken during 2023, subject to rig availability. It is expected that the holes will need to be heli-supported.



30/11/2022, CC22_005

EL29/2022 2013 VTEM_Ch45 with Carbine hill East and West and Evenden Drill Targets) with Historic Mining Occurrences⁵

Corporate

On 22 August 2022, Stellar completed a Placement raising \$1,888,425 via the issue of 125,895,000 fully paid Ordinary shares at an issue price of 1.5 cents per share, a 9.6% discount to the 15-day VWAP.

On 28 September 2022, Stellar completed a Share Purchase Plan (SPP) which was oversubscribed raising \$591,500 (before costs) from eligible shareholders at an issue price of 1.5 cents per share.

At the Company's Annual General Meeting in November 2022, shareholders voted in favor of 1 free attaching unlisted option for every 2 new shares subscribed for under the Placement completed on 22 August 2022 and the SPP completed on 28 September 2022, exercisable at 2.5 cents on or before an expiry date of two years from the date of issue.

Cash balance at 31 December 2022 was \$3,089,983.

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 - Mt Razorback, Zeehan, Tasmania ^{*1}	EL 11/2017	100
Exploration Licence - Montana Flats, Zeehan, Tasmania	EL 13/2018	100
Exploration Licence – Beaconsfield South, NE Tasmania	EL10/2020	100
Exploration Licence – Bridport Rd, NE Tasmania	EL11/2020	100
Exploration Licence - Pipers River, NE Tasmania	EL12/2020	100
Exploration Licence - Lilydale, NE Tasmania	EL13/2020	100
Exploration Licence - Scottsdale, NE Tasmania	EL15/2020	100
Exploration Licence - Camden Rd, NE Tasmania	EL16/2020	100
Exploration Licence - Mt Saddleback, NE Tasmania	EL17/2020	100
Exploration Licence - Peppermint Hill, NE Tasmania	EL18/2020	100
Exploration Licence - Scamander, NE Tasmania	EL19/2020	100
Exploration Licence – Scamander South & Pyengana, NE Tasmania	EL2/2021	100
Exploration Licence – Quakers Ranges, NE Tasmania	EL3/2021	100
Exploration Licence – Mt Paris and North Scamander	EL3/2022	100
Exploration Licence – Concert Creek - Carbine Hill ^{*2}	EL29/2022	100

^{*1} EL11/2017 (Mt Razorback) reached the end of its initial 5-year term on 05/12/2022. On 03/11/2022 Stellar submitted an application for and extension of term for EL11/2017 which is currently being processed by Mineral Resources Tasmania. The Directors consider that there is a reasonable prospect of the tenement being extended for a further 1 year period.

^{*2} EL29/2022 (Concert Creek – Carbine Hill) Processing of the formal title documents for EL29/2022 by Mineral Resources Tasmania has not yet been completed due to a backlog in their Exploration Licence processing section.

Footnotes / Live Links

¹ [ASX Announcement 24 November 2022 – Severn Mineral Resource Returns a 29% Increase in Contained Tin](#)

² [ASX Announcement 10 October 2022 – Heemskirk Tin Phase 2B Drilling Commencement](#)

³ [ASX Announcement 27 July 2022 – More Outstanding Tin Intersections from Severn Infill Holes](#)

⁴ [ASX Announcement 23 December 2022 – Severn Drilling Update](#)

⁵ [ASX Announcement 6 December 2022 – Exploration Licence Granted Over Highly Prospective VMS Targets](#)

⁶ [ASX Announcement 2 November 2022 – Exploration Licence Granted Over Prospective Lithium and Tin Ground in NE Tasmania](#)

⁷ [ASX Announcement 14 July 2022 – High Grade Soil Anomalies at Leura & Back Creek](#)

⁸ [ASX Announcement 22 August 2022 – Stellar to Raise up to \\$2.4 Million by Way of a Placement and SPP](#)

⁹ [ASX Announcement 8 November 2022 – Results of Annual General Meeting](#)

¹⁰ [ASX Announcement 8 November 2022 – Presentation – Annual General Meeting](#)

¹¹ [ASX Announcement 1 October 2019 – Heemskirk Tin Scoping Study Confirms Attractive Economics](#)

¹² [ASX Announcement 12 March 2014 – New Open Pittable Resource at St Dizer](#)

¹³ [SRZ Announcement 3 August 2022 "Stellar Awarded 3 Tasmanian Government Grants for South Severn and Scamander Exploration Drilling](#)

¹⁴ [SRZ Announcement 21 February 2023 "Robust Tin Results from Initial Phase 2B Holes at Severn"](#)

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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Executive Director
Stellar Resources Limited
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Zander Beacham
White Noise Communications
T: 0433 515 723
E: zander@whitenoisecomms.com

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 31 December 2022. 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 O'Loughlin (Non-Executive Chairman)
Thomas Whiting (Non-Executive Director)
Gary Fietz (Executive Director)
Simon Taylor (Non-Executive Director)

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 \$538,244 (31 December 2021: \$341,611).

Financial performance

The consolidated entity's corporate and administration costs increased by \$167,956 to \$502,018 (31 December 2021: \$334,062).

Financial position

Net assets increased to \$18,429,233 (30 June 2022: \$16,665,464) with cash balances of \$3,089,983 (30 June 2022: \$2,469,036). This increase primarily attributable to the proceeds from the placement and share purchase plan amounted to \$2,177,125 net of transaction costs, which offset by exploration expenditure of \$1,289,633 was incurred during the half year ended 31 December 2022.

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 29 August 2022, the Company issued 125,895,000 fully paid ordinary shares at \$0.015 (1.5 cents) each (the New Shares), raising \$1,888,425 before capital raising costs, by way of a Placement (per announcement on 22 August 2022). On 11 November 2022, the participants in the Placement received one (1) free attaching unlisted option ("the option") over one fully paid ordinary share for every two (2) New Shares (per announcement on 22 August 2022) subscribed for, exercisable at \$0.025 (2.5 cents) per fully paid ordinary share, on or before an expiry date of two years from the date of issue, being 11 November 2022.

On 30 September 2022, the Company issued 39,433,282 fully paid ordinary shares at \$0.015 (1.5 cents) each and raised \$591,500, before capital raising costs, through the completion of a Share Purchase Plan ("SPP"). Investors under the SPP were issued one (1) free attaching unlisted option ("the option") over one fully paid ordinary share for every two (2) New Shares, exercisable at \$0.025 (2.5 cents) per fully paid ordinary share on or before an expiry date of two years from the date of issue, being 11 November 2022.

On 5 December 2022, EL11/2017 over the Mt Razorback area in SW Tasmania reached the end of its initial 5 year term. An application for and extension of term of the tenement was made by the Company in November 2022 which is currently being processed by Mineral Resources Tasmania. The Directors consider that there is a reasonable prospect of the tenement being extended for a further 1 year period.

On 6 December 2022, the Company was awarded EL29/2022 over a strategically located and lightly explored area considered highly prospective for volcanogenic massive sulphide (VMS) style Pb-Zn-Cu-Ag-Au deposits. L29/2022 covers the Mount Read Volcanics, renowned for hosting major VMS deposits including; the Rosebery Zn-Pb-Cu-Ag-Au mine 11 km northeast, the historic Hercules Ag-Pb-Zn-Au mine 5 km east and the Henty Au mine 8 km southeast. EL29/2022 contains over 52 documented historic mineral occurrences within a relatively small footprint of 15 km². Processing of the formal title documents for EL29/2022 by Mineral Resources Tasmania has not yet been completed due to a backlog in their Exploration Licence processing section.

On 24 December 2022, 27,800,000 options to ordinary SRZ shares expired.

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

No matter or circumstance has arisen since 31 December 2022 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 blue ink, appearing to read 'S. O'Loughlin', written over a horizontal line.

Simon O'Loughlin
Non- Executive Chair

10 March 2023
Melbourne

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF STELLAR RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2022 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.



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



J. C Luckins
Director

Melbourne, 10 March 2023

Stellar Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022



	Note	Consolidated 2022 \$	2021 \$
Income			
Interest received		7,066	3,984
Expenses			
Administration expenditure		(384,555)	(242,838)
Employee costs		(117,463)	(88,911)
Business development, licensing and other exploration related costs		(22,297)	(10,998)
Legal fees		-	(2,313)
Depreciation and amortisation expenses		(19,966)	(208)
Finance costs		(1,029)	(327)
Loss before income tax expense		(538,244)	(341,611)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Stellar Resources		(538,244)	(341,611)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax		-	501,595
Other comprehensive income for the half-year, net of tax		-	501,595
Total comprehensive income for the half-year attributable to the owners of Stellar Resources		(538,244)	159,984
		Cents	Cents
Basic loss per share	9	(0.057)	(0.041)
Diluted loss per share	9	(0.057)	(0.041)

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 2022



		Consolidated	
	Note	31 December 2022 \$	30 June 2022 \$
Assets			
Current assets			
Cash		3,089,983	2,469,036
Trade and other receivables		59,160	84,171
Prepayments		34,641	52,071
Total current assets		<u>3,183,784</u>	<u>2,605,278</u>
Non-current assets			
Trade and other receivables		262,700	262,700
Property, plant and equipment		169,124	182,335
Right-of-use assets		36,673	44,006
Exploration expenditure	4	<u>15,211,339</u>	<u>13,921,706</u>
Total non-current assets		<u>15,679,836</u>	<u>14,410,747</u>
Total assets		<u>18,863,620</u>	<u>17,016,025</u>
Liabilities			
Current liabilities			
Trade and other payables		375,901	295,940
Provisions		21,365	10,615
Lease liabilities		14,296	13,943
Total current liabilities		<u>411,562</u>	<u>320,498</u>
Non-current liabilities			
Lease liabilities		<u>22,825</u>	<u>30,063</u>
Total non-current liabilities		<u>22,825</u>	<u>30,063</u>
Total liabilities		<u>434,387</u>	<u>350,561</u>
Net assets		<u>18,429,233</u>	<u>16,665,464</u>
Equity			
Issued capital	5	45,195,245	43,018,120
Reserves		124,888	41,090
Accumulated losses		<u>(26,890,900)</u>	<u>(26,393,746)</u>
Total equity		<u>18,429,233</u>	<u>16,665,464</u>

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 2022



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	42,884,830	136,880	(26,163,155)	16,858,555
Loss after income tax expense for the half-year	-	-	(341,611)	(341,611)
Other comprehensive income for the half-year, net of tax	-	501,595	-	501,595
Total comprehensive income for the half-year	-	501,595	(341,611)	159,984
<i>Transactions with owners in their capacity as owners:</i>				
Vesting of Share-based payments	44,386	(44,386)	-	-
Transfer upon disposal of investment in Alligator Energy Limited's equity instruments	-	(501,595)	501,595	-
Balance at 31 December 2021	<u>42,929,216</u>	<u>92,494</u>	<u>(26,003,171)</u>	<u>17,018,539</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	43,018,120	41,090	(26,393,746)	16,665,464
Loss after income tax expense for the half-year	-	-	(538,244)	(538,244)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(538,244)	(538,244)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 5)	2,177,125	-	-	2,177,125
Vesting of share-based payments (note 5)	-	124,888	-	124,888
Lapsed of options	-	(41,090)	41,090	-
Balance at 31 December 2022	<u>45,195,245</u>	<u>124,888</u>	<u>(26,890,900)</u>	<u>18,429,233</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 2022



	Consolidated	
	2022	2021
	\$	\$
Cash flows from operating activities		
Payments to suppliers	(455,416)	(412,394)
Interest received	7,066	4,444
Interest and other finance costs paid	(1,029)	-
Net cash used in operating activities	(449,379)	(407,950)
Cash flows from investing activities		
Payments for property, plant and equipment	(374)	(13,104)
Payments for exploration and evaluation costs	(1,224,428)	(1,314,880)
Proceeds from disposal of investments	-	515,018
Net cash used in investing activities	(1,224,802)	(812,966)
Cash flows from financing activities		
Proceeds from issue of shares net of transaction costs	2,302,013	-
Repayment of lease liabilities	(6,885)	(10,560)
Net cash from/(used in) financing activities	2,295,128	(10,560)
Net increase/(decrease) in cash and cash equivalents	620,947	(1,231,476)
Cash and cash equivalents at the beginning of the financial half-year	2,469,036	5,409,191
Cash and cash equivalents at the end of the financial half-year	<u>3,089,983</u>	<u>4,177,715</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 as a consolidated entity consisting of Stellar Resources 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 functional and presentation currency.

Stellar Resources 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 10 March 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 2022 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 principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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. 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 4. Non-current assets - exploration expenditure

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Exploration expenditure	22,102,189	20,812,556
Less: Impairment	(6,890,850)	(6,890,850)
	<u>15,211,339</u>	<u>13,921,706</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Exploration expenditure \$
Balance at 1 July 2022	13,921,706
Additions	1,289,633
Balance at 31 December 2022	<u>15,211,339</u>

During the half year ended 31 December 2022, the Consolidated Entity performed an assessment for indicators of an impairment of exploration and evaluation expenditure.

The assessment for indicators of impairment concluded that, based on the early stages of development, the increase in tin prices to US\$24,800/t at 31 December 2022 and the majority of the capitalised costs being in respect of areas of interest with potential tin resources, that there is no need to recognise an impairment charge as of 31 December 2022 in respect of exploration and evaluation costs capitalised.

Note 5. Equity - issued capital

	Consolidated			
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,004,630,908</u>	<u>839,302,626</u>	<u>45,195,245</u>	<u>43,018,120</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	839,302,626		43,018,120
Placement *	29 August 2022	125,895,000	\$0.0150	1,888,425
Share purchase plan *	28 September 2022	39,433,282	\$0.0150	591,500
Less capital raising costs **		-		(302,800)
Balance	31 December 2022	<u>1,004,630,908</u>		<u>45,195,245</u>

Note 5. Equity - issued capital (continued)

* Investors under the placement and eligible shareholders under the share purchase plan to be offered one (1) free attaching unlisted option for every two (2) shares issued, exercisable at \$0.025 (2.5 cents) on or before an expiry date of two years from the date of issue. As at 31 December 2022, 82,664,135 unlisted options were issued to the investors.

** \$124,888 of the total capital raising costs was in relation to the grant of 25,179,000 unlisted option to the lead manager and its nominees of the placement. The unlisted options were granted on 8 November 2022, exercisable at \$0.025 (2.5 cents) on or before an expiry date of two years from the date of issue. Refer to note 10 for details.

Note 6. Equity - dividends

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

Note 7. Commitments

	Consolidated	
	31 December	30 June
	2022	2022
	\$	\$
Exploration commitments		
Within one year	428,927	664,003
One to five years	372,248	4,800,247
	<u>801,175</u>	<u>5,464,250</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.

Exploration Licences in Tasmania are generally granted for 5-year terms. Expenditure commitments for the first 2 years of Exploration Licences are set by Mineral Resources Tasmania when the licences are granted. Expenditure commitments for Year 2 are reviewed and established by Mineral Resources Tasmania at the end of Year 1 based on the Year 1 expenditure completed and the Year 2 work program and expected expenditure submitted by the licensee. Expenditure commitments for years 3 to 5 are then set at the start of years 3, 4 and 5 of the Exploration Licence term based on the work program and expected expenditure submitted by the licensee at the end of the previous year, and Mineral Resources Tasmania's annual review of this which determines the minimum expenditure commitment for the Exploration Licence for the following year. As such the years 3, 4 and 5 expenditure commitments are not set until that time. Mining Leases and Retention Licences in Tasmania do not have any minimum expenditure commitments.

As a result of the change of management estimates for exploration commitments in years 3, 4 and 5 of the licence tenures, exploration commitments have reduced significantly.

Note 8. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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 9. Loss per share

	Consolidated	
	2022	2021
	\$	\$
Loss after income tax attributable to the owners of Stellar Resources	<u>(538,244)</u>	<u>(341,611)</u>

Note 9. Loss per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	944,863,875	833,246,238
Weighted average number of ordinary shares used in calculating diluted earnings per share	944,863,875	833,246,238
	Cents	Cents
Basic loss per share	(0.057)	(0.041)
Diluted loss per share	(0.057)	(0.041)

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 10. Share-based payments

On 8 November 2022, the Company granted 25,179,000 unlisted options to the lead manager and its nominees of the placement, which were exercisable at \$0.025 (2.5 cents) on or before an expiry date of two years from the date of issue.

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
08/11/2022	10/11/2024	\$0.0120	\$0.0250	109.41%	-	3.40%	\$0.00496

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 2022 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 blue ink, appearing to read 'Simon O'Loughlin', written over a horizontal line.

Simon O'Loughlin
Non- Executive Chair

10 March 2023
Melbourne

Stellar Resources Limited

Independent auditor's review report

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Stellar Resources Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Stellar Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b. complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

Responsibility of Management for the Financial Report

The directors of the Group 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 2022 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, 10th March 2023