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ANNUAL REPORT 2022

30 JUNE 2022

ABN 96 108 758 961



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Corporate Directory

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Directors	Simon O'Loughlin (Non-Executive Chairman) Thomas Whiting (Non-Executive Director) Gary Fietz (Executive Director) Simon Taylor (Non-Executive Director)
Company Secretary	Mathew Watkins
Notice of annual general meeting	The Company will hold its annual general meeting of shareholders on 8 November 2022
Registered Office	Level 4 96 - 100 Albert Road South Melbourne VIC 3205 Telephone: (03) 9692 7222 Facsimile: (03) 9077 9233
Principal place of business	Level 4 96 - 100 Albert Road South Melbourne VIC 3205 Telephone: (03) 9692 7222 Facsimile: (03) 9077 9233
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: 1300 737 760
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
Bankers	National Australia Bank 800 Bourke Street Melbourne VIC 3000
Stock exchange listing	Stellar Resources Limited shares are listed on the Australian Securities Exchange (ASX code: SRZ)
Corporate Governance Statement	Corporate governance statements are available in Company's website. Please refer to http://www.stellarresources.com.au/corporate/corporate-governance/
Website	www.stellarresources.com.au

Review of Operations

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Key Achievements

Heemskirk Tin Project

- Phase 1 exploration drilling program (9 holes for 4,733m) completed between June 2021 and April 2022 including:
 - Three holes (ZS143, ZS143W & ZS140) which significantly extend tin mineralisation ~200m down dip of the current Mineral Resource interpretation at Severn, the largest of the Heemskirk Tin Project tin deposits⁹.
 - Hole ZS148 at northern Severn intersected 34.9m @ 1.01% Sn from 333.0m, the third-best intercept ever recorded at Severn on a grade * thickness (Sn%*m) basis^{10,12}.
 - Five exploration holes drilled below Montana No. 1, Oonah, Western Zeehan and Zeehan Queen No. 4 historic silver-lead-zinc mines which intersected either very high-grade silver-lead-zinc fissure veins or lower grade tin mineralisation below historic mine workings^{6,7,9,10}.
- Phase 2A drilling program at Severn (6 holes for 3,203) commenced in March 2022 and completed on 21 September 2021 including:
 - Five holes focused on infill drilling to increase the Severn Indicated Mineral Resource primarily in areas where thicker and higher-grade tin mineralisation are expected. These holes include:
 - ZS149 intersected 5.0m @ 0.73% Sn from 372.0m, extending tin mineralisation down dip at the southern margin of the currently defined Severn Mineral Resource¹⁰.
 - ZS150 intersected 36.6m @ 1.07% Sn and 0.19% Cu from 471.5m at northern Severn, the second-best significant intercept ever recorded at Severn on a grade * thickness (Sn%*m) basis¹².
 - ZS151 intersected 51.6m @ 0.44% Sn and 0.06% Cu from 381.3m at northern Severn, the second-widest significant intercept ever recorded at Severn¹².
 - ZS153¹² and ZS154 had to be abandoned due to poor ground conditions experienced in the upper parts of these holes, well above target depths. These holes will be re-drilled as part of the Phase 2B Program.
 - The final Phase 2A hole ZS152 tests a large magnetic and conductive target to the south of the Severn deposit identified by geophysical modelling completed in November 2021⁵. ZS152 was completed to a depth of 1,194m on 21 September 2022 with drilling continuing well beyond the target depth of 900m. Assay results are pending.
- Holes ZS148, ZS150 & ZS151 have all returned significantly thicker intersections than indicated by the current Mineral Resource interpretation and highlight a north-plunging, high tin grade * thickness (Sn%*m) zone in the northern part of Severn extending for ~200m down dip and ~50m along strike¹².
- Four Exploration Drilling Grant Initiative (EDGI) grants totalling \$173,353 were paid during the year by the Tasmanian Government co-funding Phase 1 drilling completed at Montana No. 1, Oonah, Zeehan Western and Zeehan Queen No. 4. A further EDGI grant of \$50,000 was awarded in August 2022 for Phase 2A drillhole ZS152 underway to the south of the Severn deposit¹³.

North East Tasmania Gold and Base Metals Exploration Project

- Twelve Exploration Licences covering an area of 2,559 km² in NE Tasmania prospective for gold, tin and base metals granted to Stellar during the year^{3,8}.
- Eleven of Stellar's EL's are prospective for Victorian style Orogenic Gold and for Intrusive Related Gold Systems^{3,8}.

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- One of Stellar's EL's (EL19/2020 (Scamander) is highly prospective for tin and base metals with significant historic exploration and drilling undertaken over the licence area⁸.
- There are ~77 recorded historic gold occurrences and ~68 tin and base metals occurrences over Stellar's Exploration Licences in NE Tasmania³.
- Stellar also holds first-in-time Exploration Licence application EL3/2022 (97km²) over the Mt Paris and Scamander North areas which are prospective for lithium, tin and other base metals⁸.
- Approximately 22 priority desktop exploration targets within Stellar's NE Tasmania EL's were identified in late 2021 following a comprehensive analysis of the historic exploration data. The majority of these priority targets are orogenic gold and IRGS gold targets, other than advanced tin and base metals targets on EL19/2020 and tin and a lithium target on EL application EL3/2022¹⁴.
- Encouraging results announced in July 2022 from Stellar's first major field exploration program in NE Tasmania, a soil sampling program completed at Back Creek and Leura on EL12/2020 completed during 2022 Q1¹¹ including:
 - Leura - 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 making this an 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.
- The second field exploration program in NE Tasmania, a stream sediment sampling program of ~400 samples at Nabowla on EL11/2020, was materially completed post year-end in July 2022. Analysis of results is pending.
- Magnetic inversion modelling of tin and base metals targets on EL19/2020 (Scamander) completed during the year with planning of follow up ground geophysical surveys (IP) to identify drill targets underway¹³.
- Field reconnaissance underway over priority targets on Stellar's other NE Tasmania EL's which will be used for further analysis and prioritisation of targets prior to re-commencement of high priority field work programs in 2022CY Q4.
- Two EDGI grants totalling \$83,750 were awarded by the Tasmanian Government in August 2022 for planned holes to test tin and base metal exploration targets at Scamander North and Pinnacles on EL19/2020¹³.

Corporate

- In September 2021, Stellar completed the sale of non-core Exploration Licence EL6350 in South Australia to Alligator Energy Limited for a total consideration of 7,105,263 AGE shares which were sold during the year for \$515,017.
- On 22 August 2022, Stellar completed a Placement raising \$1,888,425 via the issue of 33,333,333 fully paid ordinary shares at an issue price of 1.5 cents per share, a 9.6% discount to the 15-day VWAP.
- On 5 September 2022, Stellar opened a Share Purchase Plan (SPP) to raise \$500,000 from eligible shareholders at an issue price of 1.5 cents per share, with the Company having the ability to accept oversubscriptions up to a total of \$1,000,000 from the SPP, in consultation with the Lead Manager, Taylor Collison Limited. The SPP closes on 23 September 2022.
- Investors under the Placement and the SPP are being offered 1 free attaching unlisted option for every 2 new shares subscribed for, exercisable at 2.5 cents on or before an expiry date of two years from the date of issue. The free attaching options are subject to shareholder approval at an AGM in November 2022.

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Heemskirk Tin Project

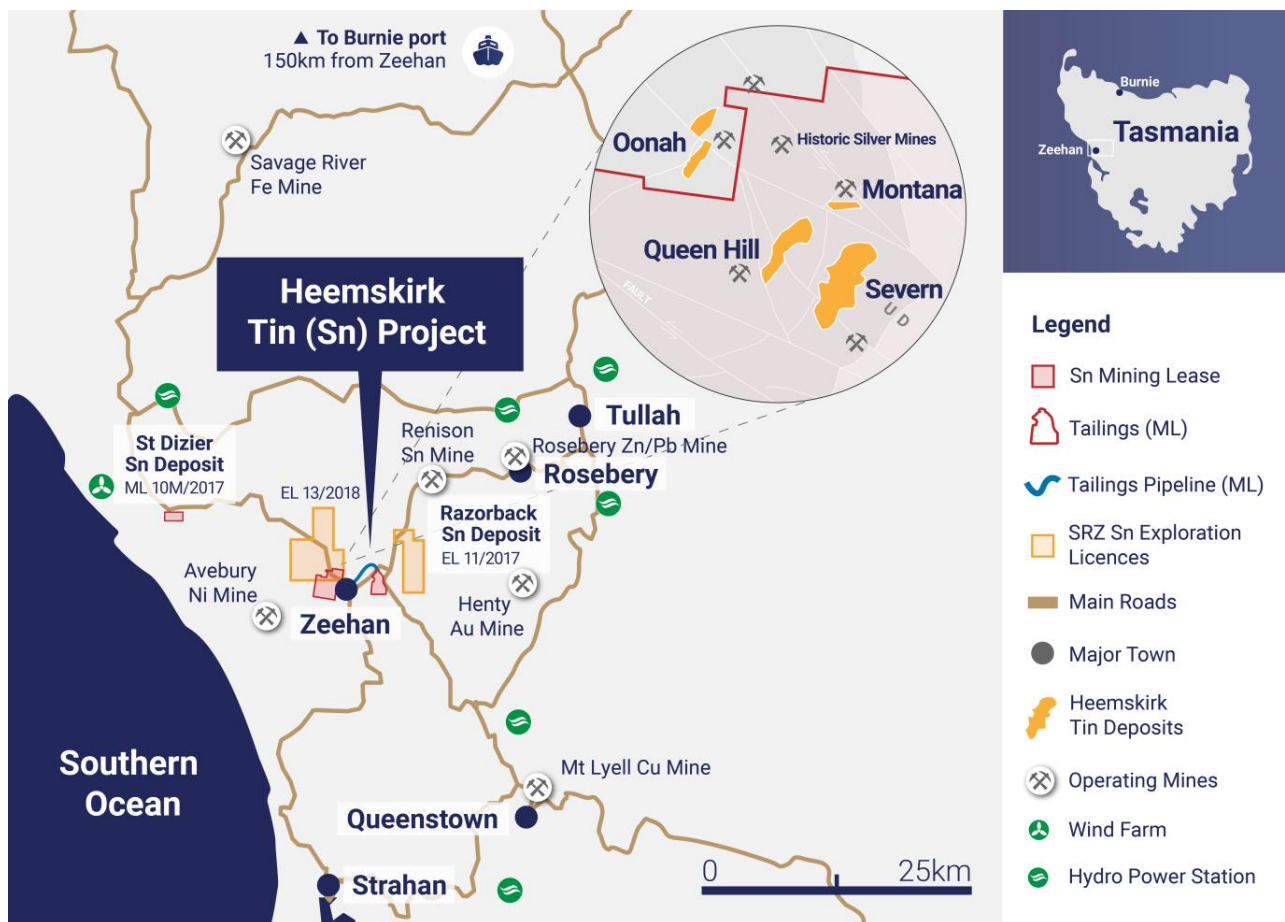
Overview

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 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 is comprised of 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

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Heemskirk Tin – A Sustainable Tin Supply

The Heemskirk Tin Project will be supplied by 100% Renewable Energy generation in Tasmania. There are seven hydro power stations and the Granville Harbour Wind Farm within 30km of the Heemskirk Tin Project

Strong ESG Credentials

The Heemskirk Tin Project will be an underground mine, with limited surface footprint and environmental impact. The mine portal and processing plant are planned to be located behind Queen Hill screening them from the town of Zeehan.

Tin is a critical mineral essential for de-carbonization and electrification of the planet.

No environmental impediments identified by Stage 1 surveying of mine, tailings transport and storage sites to date. The West Coast Council has inspected the project and provided positive feedback (WCC is responsible for final mining approval).

Favourable location at Zeehan

Zeehan is a mining community which is supportive of Heemskirk Tin project development with the potential for the project to provide local mining jobs. Zeehan is a historical mining town with extensive mining and processing in the surrounding area. Zeehan is also an established industrial and mining services base.

The Heemskirk Tin Project is located within significant mining region with the Renison, Henty, Rosebury, Mt Lyell and Avebury mines all within 30km.

Heemskirk Tin Resources

The Heemskirk Tin Project has a Total Mineral Resource of **6.6 Mt @ 1.1% Sn** at a 0.6% Sn cut-off grade, of which 2.12 Mt is in the Indicated Mineral Resource Category and 4.48Mt is in the Inferred Mineral Resource Category. All deposits have higher grade zones and are amenable to mining at higher cut-off grades. All deposits open at depth¹.

Heemskirk Tin Mineral Resource (JORC 2012), May 2019

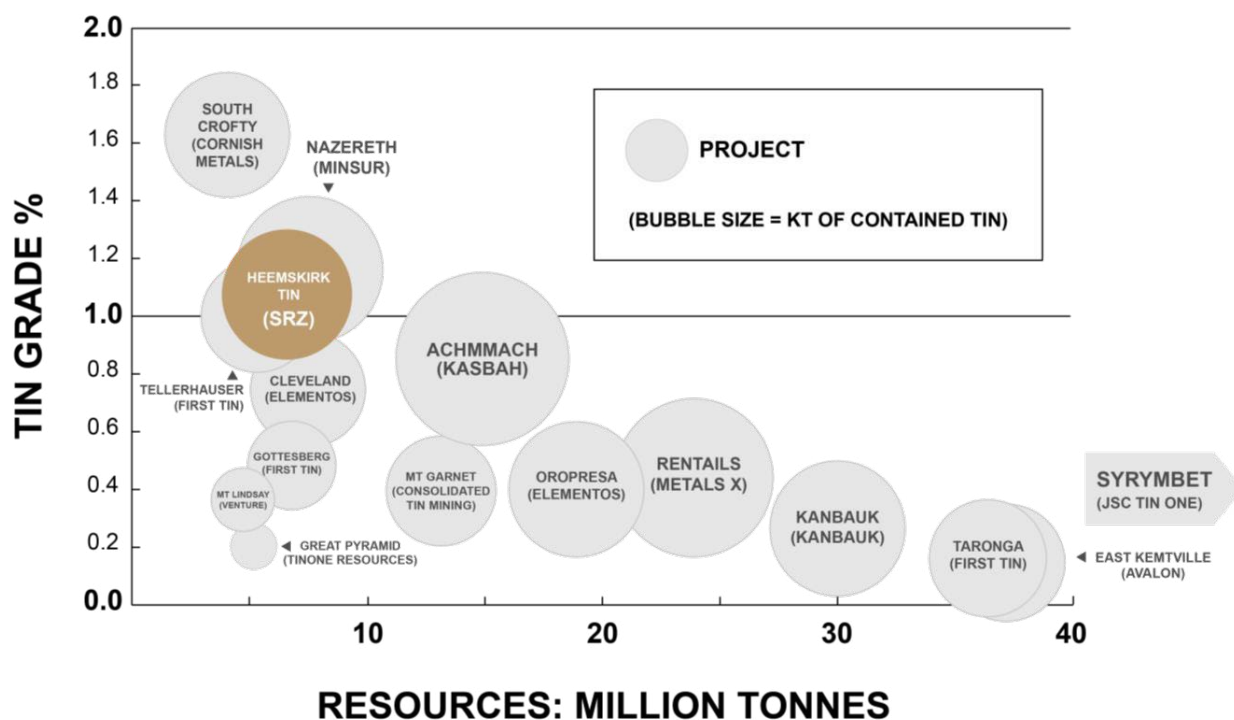
Classification	Deposit	Tonnes (mt)	Sn (%)	Contained Sn (t)	Cassiterite % of Total Sn (%)	Cu (%)	Pb (%)	Zn (%)
Indicated	Upper Queen Hill	0.32	1.0	3,230	87	0.2	2.1	1.0
	Lower Queen Hill	0.65	1.4	9,230	97	0.0	0.1	0.1
	Severn	1.15	1.0	11,500	99	0.1	0.0	0.1
Total Indicated		2.12	1.1	23,960	97	0.1	0.4	0.2
Inferred	Upper Queen Hill	0.11	1.6	1,760	94	0.2	1.9	0.7
	Lower Queen Hill	0.36	1.4	5,040	97	0.0	0.2	0.0
	Severn	2.74	0.9	24,660	99	0.0	0.0	0.0
	Montana	0.68	1.5	10,200	96	0.1	0.7	1.4
	Oonah	0.59	0.9	5,310	36	0.8	0.1	0.1
Total Inferred		4.48	1.0	46,970	90	0.1	0.2	0.3
Total Indicated + Inferred		6.60	1.1	70,930	92	0.1	0.3	0.3

Heemskirk is the highest-grade undeveloped tin resource in Australia and the third highest grade tin resource globally¹⁴.



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In addition, the St Dizier Tin deposit has a Total Mineral Resource 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 Category².

St Dizier Mineral Resource Statement (JORC 2012), March 2014

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

Heemskirk Tin Project Scoping Study

In October 2019, Stellar announced the results of its Heemskirk Tin Project Scoping Study² based on development of an underground mine, processing plant, tailings storage facility and surface infrastructure to mine ~ 350ktpa ore at a LOM head grade of ~ 0.95% tin from the Queen Hill and Severn tin deposits (2 of the 4 Heemskirk deposits) over a 10-year initial mine-life. The project also includes open-pit mining of the St Dizier satellite tin deposit and trucking of ore to the Heemskirk processing plant during year 11 of the mine plan.

The processing plant is expected to produce ~4,500tpa of concentrate containing ~2,200tpa of tin. Concentrate produced will be trucked 150km to the north via sealed road to the Port of Burnie for export to smelters in Asia.

The 2019 Scoping Study confirmed the Heemskirk Tin Project had attractive economics at a US\$20,000/t tin price².

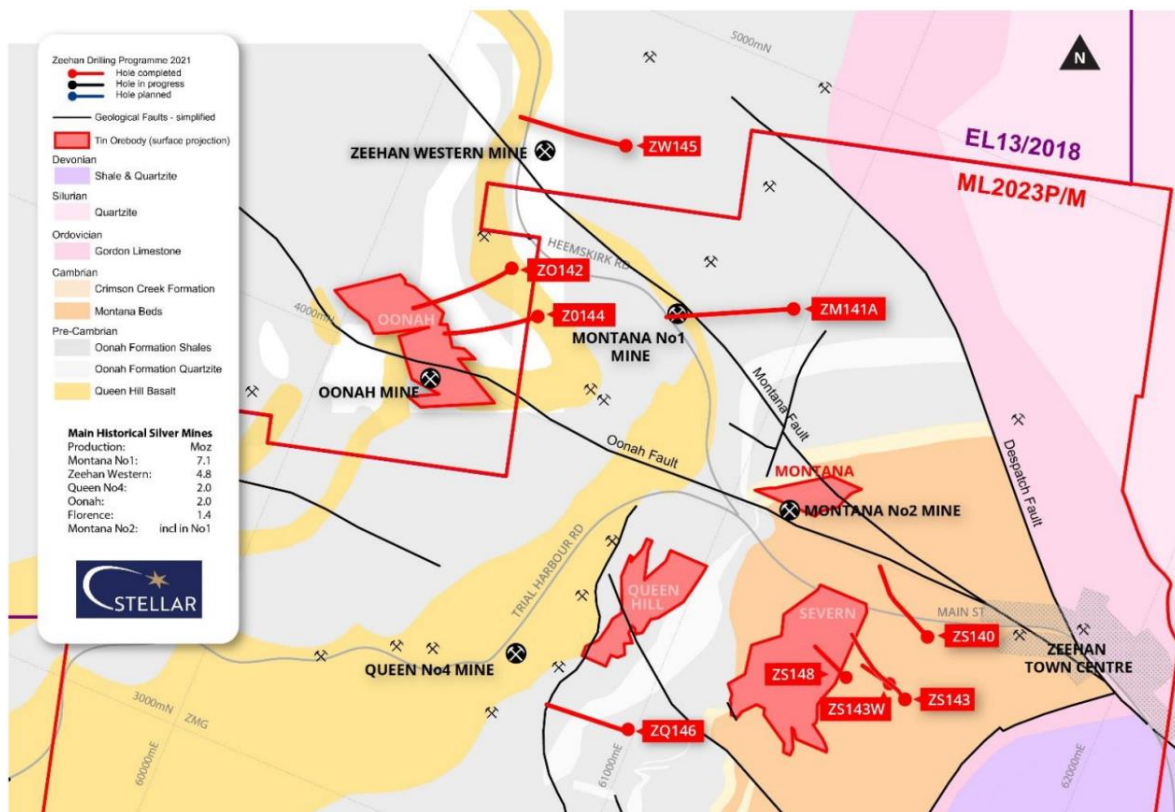
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Phase 1 Drilling Program

A 9-hole Phase 1 diamond drilling program (4,733m) commenced in June 2021 and was completed in mid-April 2022, including:

- Three holes (ZS143, ZS143W & ZS140) which significantly extend tin mineralisation ~200m down dip of the current Mineral Resource interpretation at Severn⁹, the largest of the Heemskirk Tin Project tin deposits.
- Hole ZS148 at northern Severn intersected 34.9m @ 1.01% Sn and 0.06% Cu from 333.0m, the third-best intercept ever recorded at Severn on a grade * thickness (Sn%*m) basis^{10,12}.
- Five exploration holes drilled below Montana No. 1, Oonah, Western Zeehan and Zeehan Queen No. 4 historic silver-lead-zinc mines all of which intersected either very high-grade silver-lead-zinc fissure veins (Montana No. 1 and Western Zeehan), or lower grade tin mineralisation (Oonah and Zeehan Queen No. 4) below historic mine workings^{6,7,9,10}.



Location Plan of Phase 1 Drillholes, Zeehan Mineral Field Surface Geology, Tin Deposits & Historic Ag-Pb-Zn Mines

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Severn Drilling (4 Holes)

ZS140

In November 2021, assay results received from the first Severn drillhole (ZS140) in the Phase 1 program confirmed multiple wide zones of tin (Sn) mineralisation with over 40 m of cumulative tin mineralisation intersected, approximately 240m down dip of the Severn Mineral Resource and 750m below surface, including the following significant intercepts:⁴

- 8.4m @ 0.23% Sn from 731.6m
- 14.2m @ 0.28% Sn from 747.0m
- 5.0m @ 0.76% Sn from 777.0m
- 3.0m @ 0.87% Sn from 797.0m (included within 10.0 m @ 0.43% Sn from 794.0m)
- 2.0m @ 0.62% Sn from 820.0m
- 1.1m @ 2.24% Sn from 855.4m

ZS143

In December 2021, assay results from the second Severn drillhole (ZS143) in the Phase 1 program confirmed wide zones of high-grade tin (Sn) mineralisation with 20m of tin mineralisation approximately 100m down dip of the Severn Inferred Resource and 620m below surface, including the following key intercepts:⁷

- 6.0m @ 0.51% Sn from 586.0m
- 5.0m @ 1.27% Sn from 601.0m
- 9.0m @ 0.78% Sn from 629.0m

ZS143W

In March 2022, assay results from Severn wedge hole ZS143W confirmed wide zones of high-grade tin (Sn) mineralisation with 20m of cumulative tin mineralisation intersected approximately 600m below surface, including the following key intercepts:⁹

- 3.8m @ 1.10% Sn from 585.0m
- 3.0m @ 1.31% Sn from 635.0m
- 8.4m @ 0.73% Sn from 650.7m

The ZS143W results demonstrate continuity of tin mineralisation between the bottom of the Severn Inferred Resource (~70m above) and the comparable tin intercepts in parent hole ZS143 (~30m below).

Results from Phase 1 holes ZS143W, ZS143 and ZS140 all successfully demonstrate continuation of the tin system at depth confirming potential to significantly expand the Severn resource which remains open at depth and along strike⁹.

ZS148

In June 2022, assay results from Severn hole ZS148 returned the third-best intercept ever recorded at Severn on a grade * thickness (Sn%*m) basis, of:¹⁰

- 34.9m @ 1.01% Sn from 333.0m, including:
 - 8.6m @ 1.66% Sn from 333.0m, and
 - 12.7m @ 1.19% Sn from 355.3m

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Drilling Targeting Depth Extensions of Key Historic Silver-Lead-Zinc Mines (5 Holes)

The Phase 1 drilling program included 5 exploration holes which targeted depth extensions below the Montana No.1, Zeehan Western, Oonah & Zeehan Queen No. 4 historic silver-lead-zinc mines in the Zeehan mineral field which are located on Stellar's licences and typically had:⁶

- Ore grades of 20 Oz/t Silver to 100 Oz/t Silver
- Mining widths up to 2.7m (fissure veins)
- Mining lengths up to 300m
- Mining depths of 70m to 300m

Silver-Lead lodes typically transition into tin (with pyrite) lodes at depth and the Phase 1 holes targeted depths where the interpreted transition of silver-lead-zinc mineralisation into cassiterite (tin) mineralisation was expected to occur.

Montana No. 1 Mine - Drillhole ZM141A

In November 2021, assay results from hole ZM141A, the first ever hole drilled beneath Zeehan's largest historic silver-lead mine, Montana No. 1, confirmed very high-grade silver-lead-zinc fissure vein intercepts approximately 90m below the deepest historic mine workings and 320m below surface. Significant intercepts included:⁶

- 1.2m @ 31.8 Oz/t Ag, 23.9% Pb, 0.4% Zn and 0.1% Cu from 423.0m
- 0.4m @ 15.4 Oz/t Ag, 12.2% Pb and 4.6% Zn from 411.0m
- 0.6m @ 3.8 Oz/t Ag, 3.6% Pb and 0.4% Zn from 239.0m

As most of the mineralisation intersected in this hole is present as silver-lead-zinc fissure veins, it is interpreted that the transition into zones of tin mineralisation may still occur at greater depths below those intersected in hole ZM141A.

Oonah Mine - Drillholes ZO142 and ZO144

Two drillholes (ZO142 and ZO144) were completed during 2021 targeting depth extensions of the silver-lead-zinc fissure lodes mined in the historically significant Oonah mine to a depth of ~120m from surface, and depth extensions of the Oonah Inferred Resource (0.59 Mt at 0.9% Sn, 0.8% Cu, 0.1% Pb, 0.1% Zn. Ag not included)¹ defined by previous drilling below the historic mine workings.

In November 2021, assay results from the first Oonah drillhole (ZO142)⁷ included multiple zones of lower grade tin mineralisation and confirmed the continuation of tin mineralisation ~70m below the Oonah Inferred Resource⁵.

In March 2022, assay results from the second Oonah drillhole ZO144⁹ confirmed multiple zones of lower grade tin mineralisation ~40m below the Oonah Inferred Resource, in line with the previous hole at Oonah (ZO142).

Zeehan Western Mine - Drillhole ZW145

In March 2022, assay results from Western Zeehan drillhole ZW145 confirmed narrow high-grade silver-lead-zinc fissure veins below the historic mine⁹.

Zeehan Queen No. 4 Mine – Drillhole ZQ146

Zeehan Queen No. 4 drillhole ZQ146 completed in February 2022 intersected several lower grade tin intercepts approximately 80m down dip of the historic Zeehan Queen No. 4 mine workings¹⁰.

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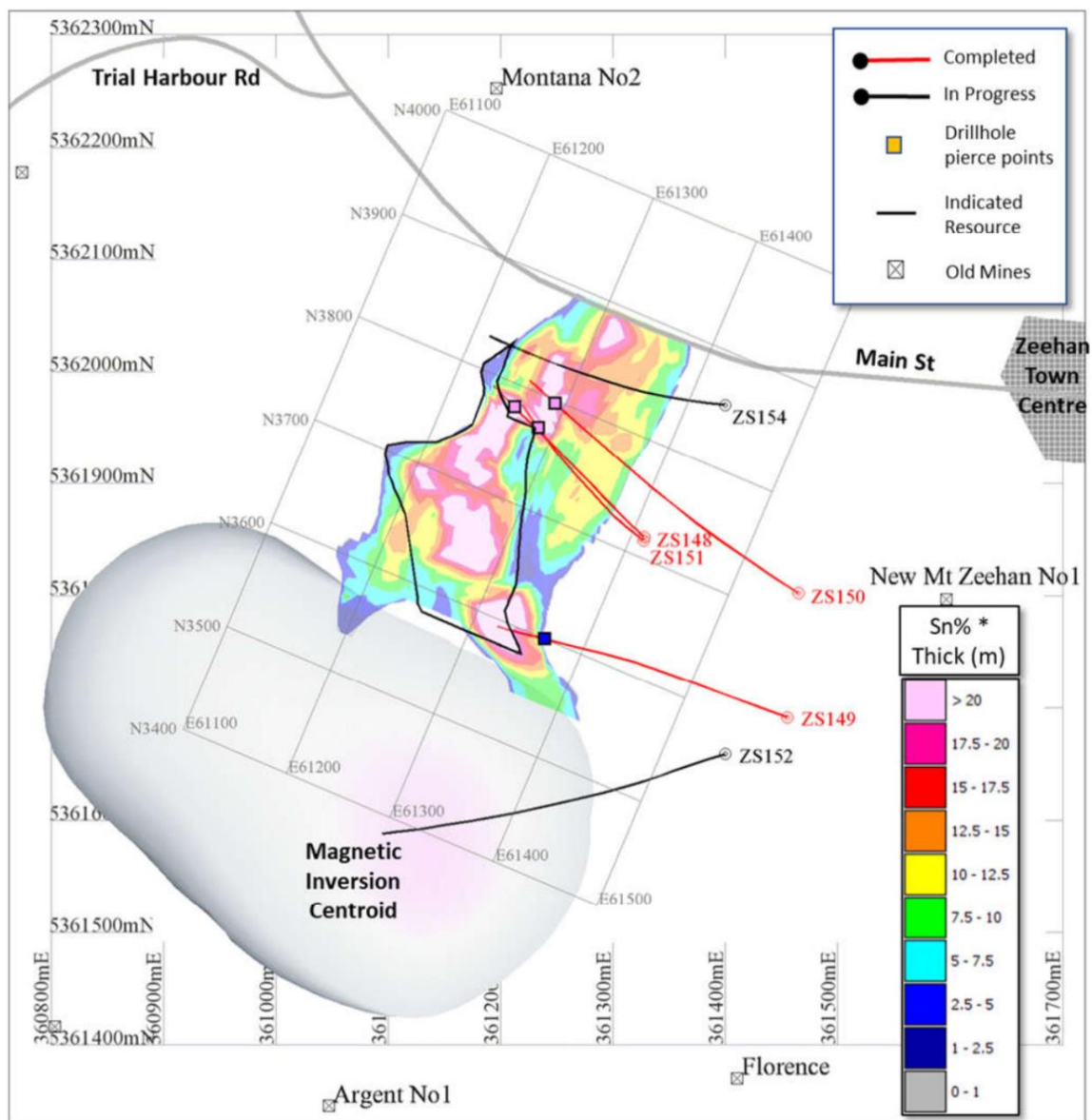
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Severn Phase 2A Drilling

In late-March 2022, Stellar commenced its Phase 2A drilling program (6 diamond holes for ~3,203m) at Severn, the largest of the Heemskirk Tin Project deposits. The program has been focused on infill drilling to increase the Severn Indicated Mineral Resource primarily in areas where thicker and higher-grade tin mineralisation are expected¹⁰. The Phase 2A program was completed on 21 September 2022.

Two of the holes (ZS153¹² and ZS154) had to be abandoned at 269m and 268m respectively due to poor ground conditions experienced in the upper parts of these holes, well above their target depths. These holes will be re-drilled as part of Phase 2B program with a number of measures being undertaken to increase chances of drilling success including; (a) use of the larger more powerful drill rig on site, (b) different collar positions and hole orientations to avoid the known poor ground areas, (c) oversize drill bits to increase clearance of drill rods in the hole, and (d) continuous drilling in the upper section of holes subject to agreement from adjacent landowners and Mineral Resources Tasmania.

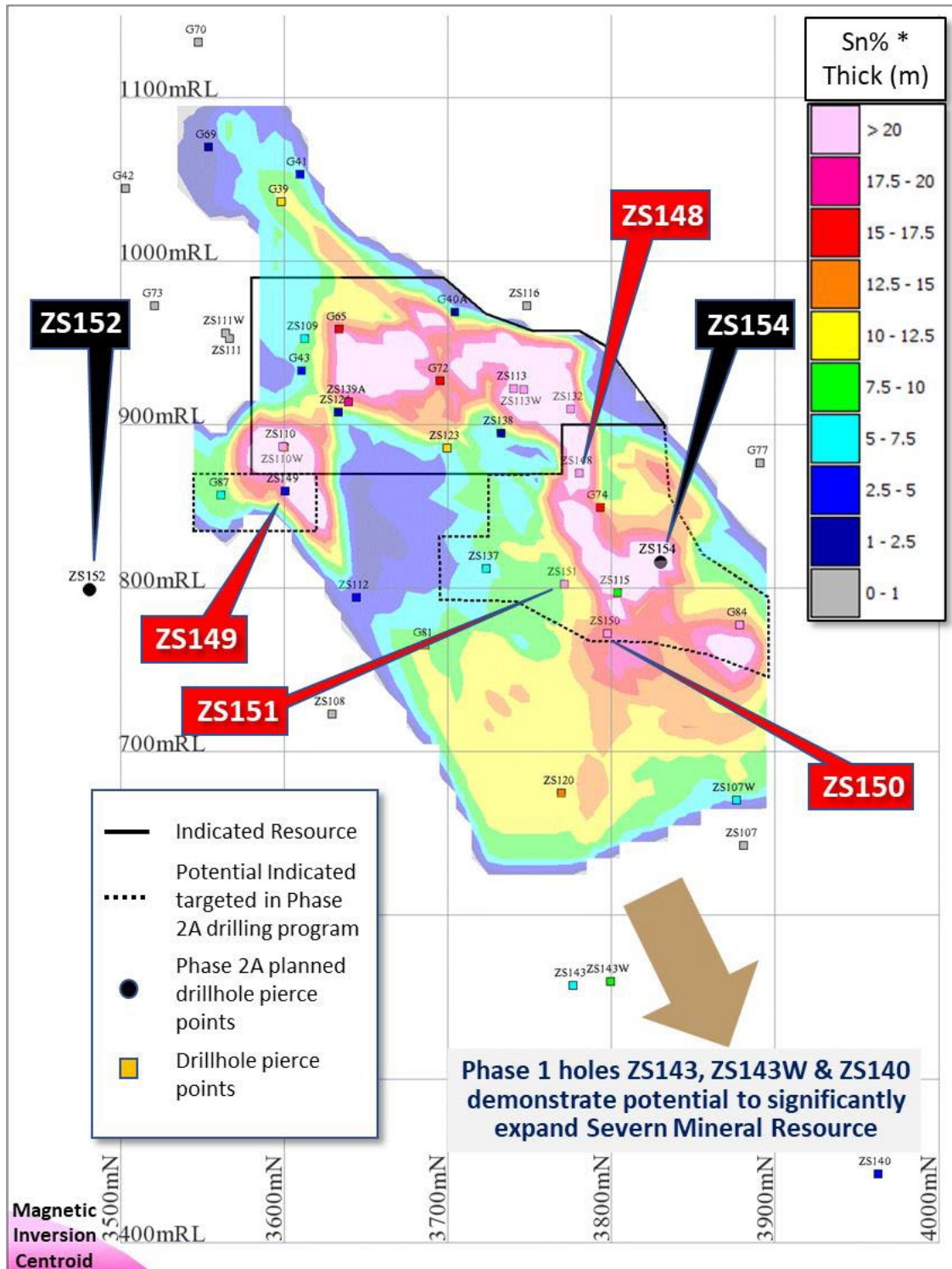


Location and Status of Phase 2A Drillholes, Severn Mineral Resource (main ore lens) and existing drillhole pierce points coloured by Sn%*m from the current Mineral Resource model, historic mines and Severn South magnetic inversion centroid. Note: hole ZS154 shown as In Progress was abandoned. (GDA 94 grid tick marks and Zeehan Mine Grid lines)¹²

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Severn Indicated Resource Expansion Holes



Severn Long Section looking west showing Phase 2A holes, Severn Resource (main ore lens), drillhole pierce points coloured by Sn% * Thickness and potential Indicated Resource targeted by Phase 2A. Note: hole ZS154 shown as In Progress was abandoned. (Zeehan Mine Grid)¹²

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ZS149

Severn infill hole, ZS149, was the first of the Phase 2A holes completed. The results received in June 2022¹⁰ show extension of tin mineralisation down dip of the currently defined Mineral Resource interpretation near the southern margin of the deposit where thinner intersections are expected. The ZS149 significant intercepts include:

- 4.1m @ 0.19% Sn from 319.9m
- 5m @ 0.73% Sn from 372.0m
- 2.1m @ 1.80% from 391.1m

ZS150

Subsequent to the reporting period, outstanding assay results were received from ZS150¹², the third infill hole completed this year targeting an expansion of the Severn Indicated Mineral Resource, surpassing recently announced hole ZS148 as the second-best significant intercept ever recorded at Severn on a grade * thickness basis (Sn%*m). Significant intercepts include:

- 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

ZS151

Subsequent to the reporting period, assay results from ZS151¹², the fourth infill hole completed this year targeting an expansion of the Severn Indicated Mineral Resource, returned the second-widest significant intercept ever recorded at Severn. The significant intercepts include:

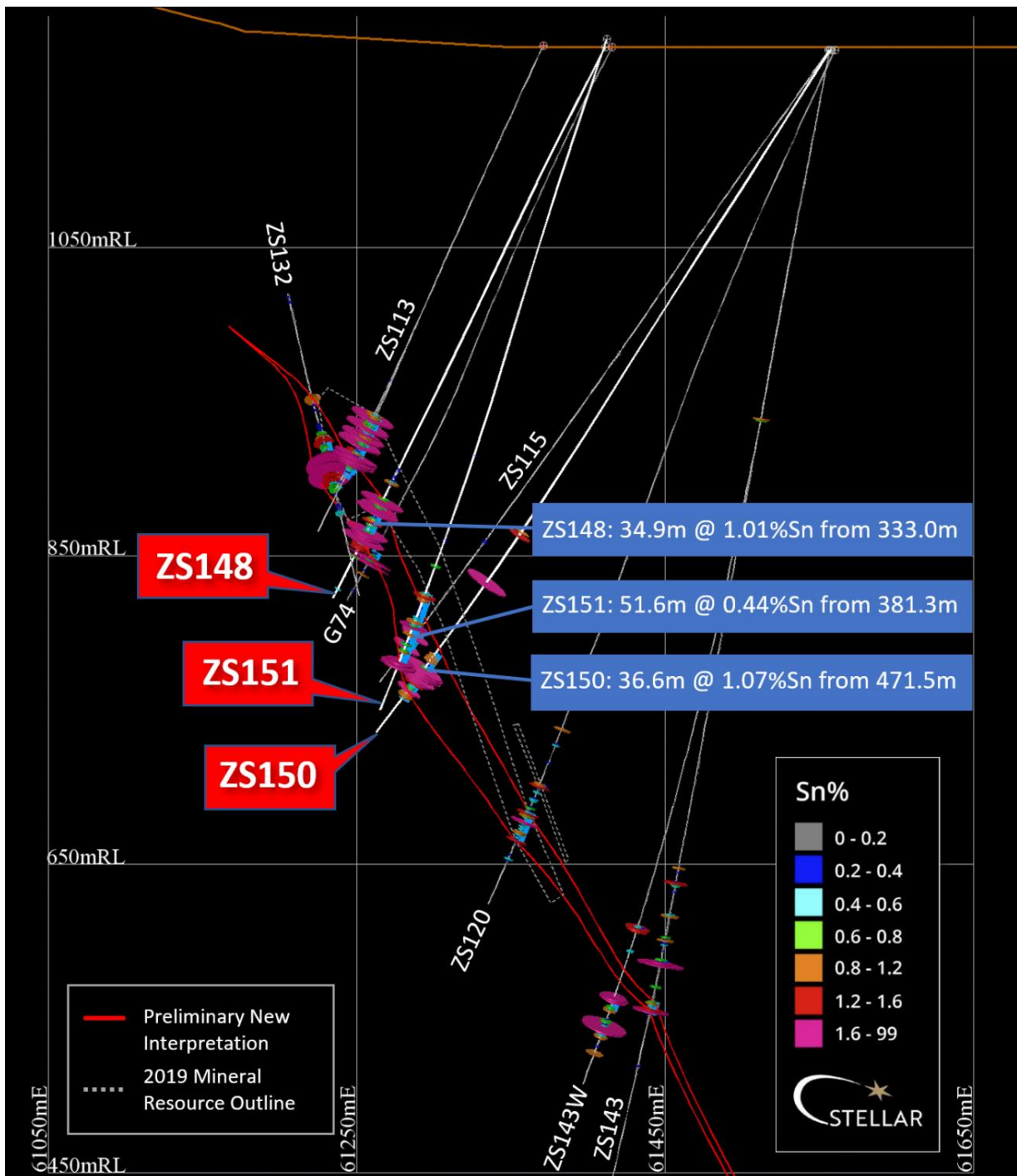
- 51.6m @ 0.44% Sn and 0.06% Cu from 381.3m, including:
 - 5.7m @ 0.71% Sn and 0.04% Cu from 381.3m, and
 - 3.2m @ 1.91% Sn and 0.09% Cu from 429.8m

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Northern Severn High Grade-Thickness Zone

The ZS148, ZS150 and ZS151 Phase 1 and 2A drilling intercepts are amongst the best on record at Severn and are significantly thicker than the current Mineral Resource interpretation defining a northerly plunging high tin grade*thickness (Sn%*m) zone in the northern part of Severn extending for ~200m down dip and extending along strike for ~50m¹².



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 Resource¹²

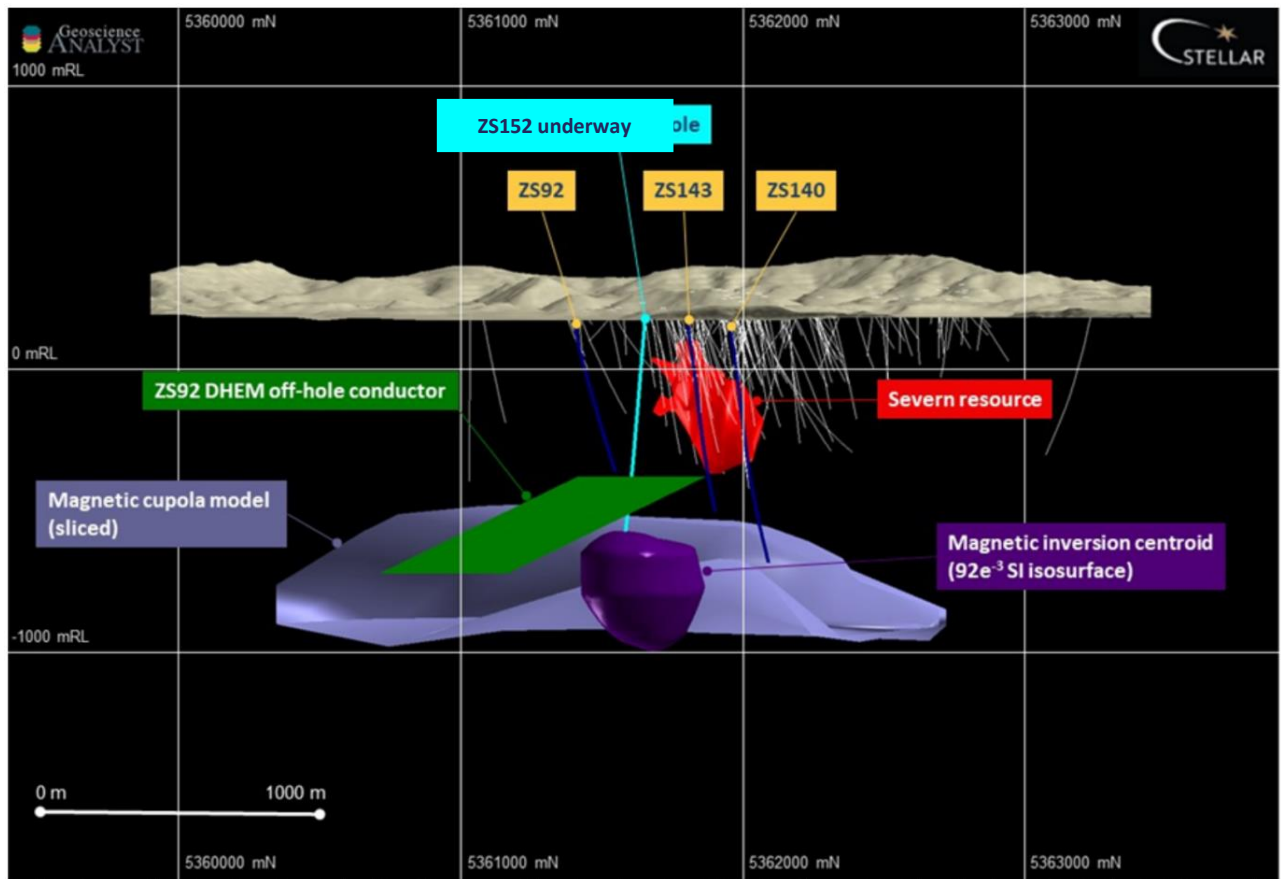


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South Severn Magnetic and Conductivity Target Hole (ZS152)

The final Phase 2A hole, ZS152 tests a large magnetic and approximately coincident conductive target to the south of the Severn deposit identified by geophysical modelling completed by the Company's consultants Mira Geoscience⁵ in November 2021. ZS152 was completed to a depth of 1,194m on 21 September 2022 with drilling continuing well beyond the target depth of 900m. Assay results are pending. This hole also passes through the projected position of the Severn deposit ~100m south of the defined Mineral Resource¹².



Drillhole ZS152 testing Severn South magnetic & conductive target; view looking W (GDA94 Grid)¹²

Advancing Heemskirk Tin Project Towards Development

The following activities are planned to be completed in 2022 CYH2 to advance the Heemskirk Tin Project towards development.

- Phase 2 drilling to further extend the Indicated Resource at Severn and Queen Hill was recently commenced utilising the larger drilling rig on site.
- Severn Mineral Resource Update to be undertaken in October 2022.
- Heemskirk Tin Project capital and operating cost estimates, mining study, and Scoping Study Update are planned with timing to be based on market conditions.
- Following the completion of Phase 2B infill drilling, the Heemskirk Tin Project PFS is planned to be completed during CY2023.

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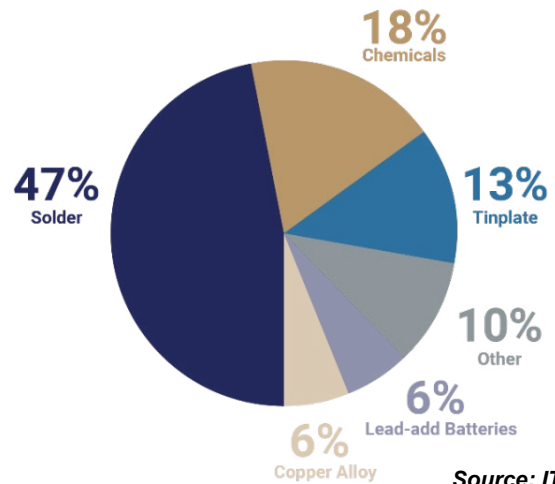
Tin Market Outlook

Tin Demand

Tin demand has been growing strongly as a result 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.

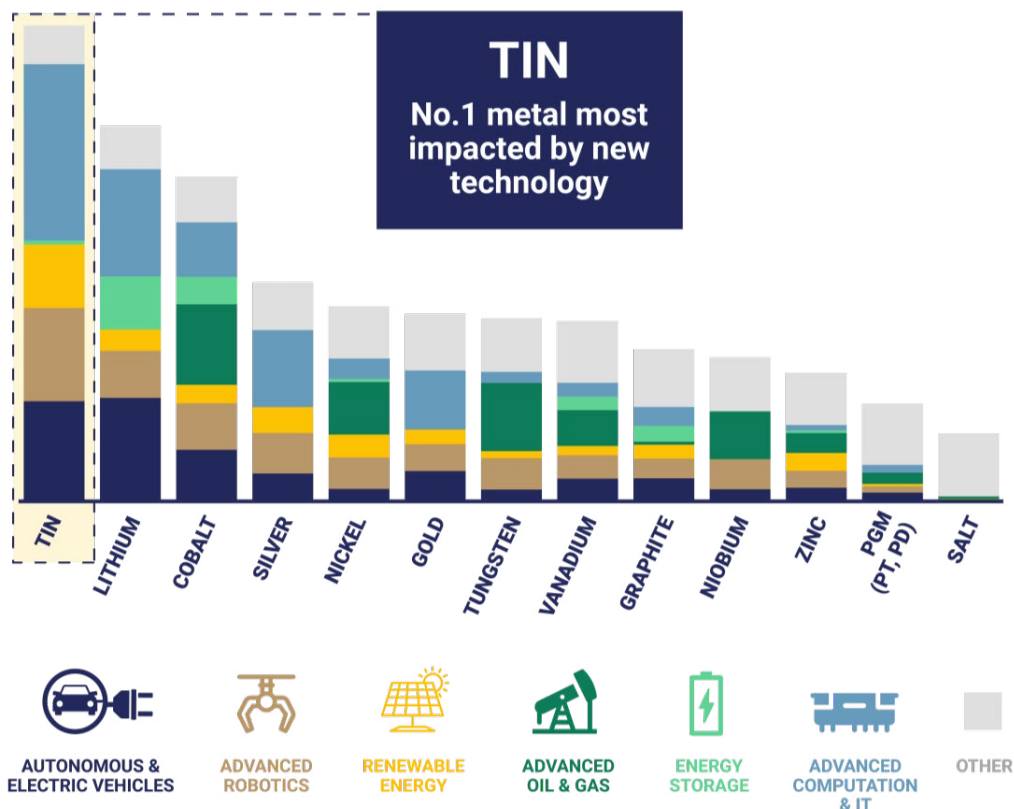
Global Tin Use by Applications



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.



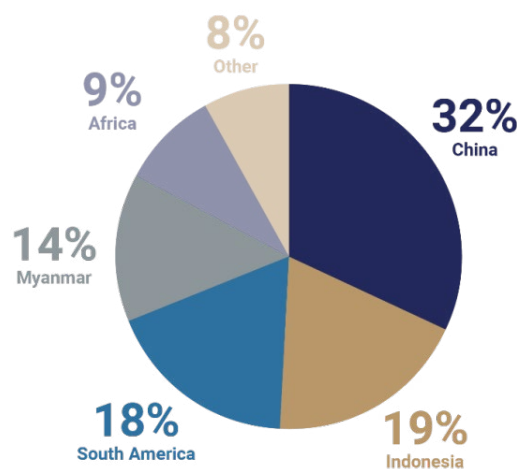
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Tin Supply

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 throughout 2021 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 from non Tier One, non OECD countries.

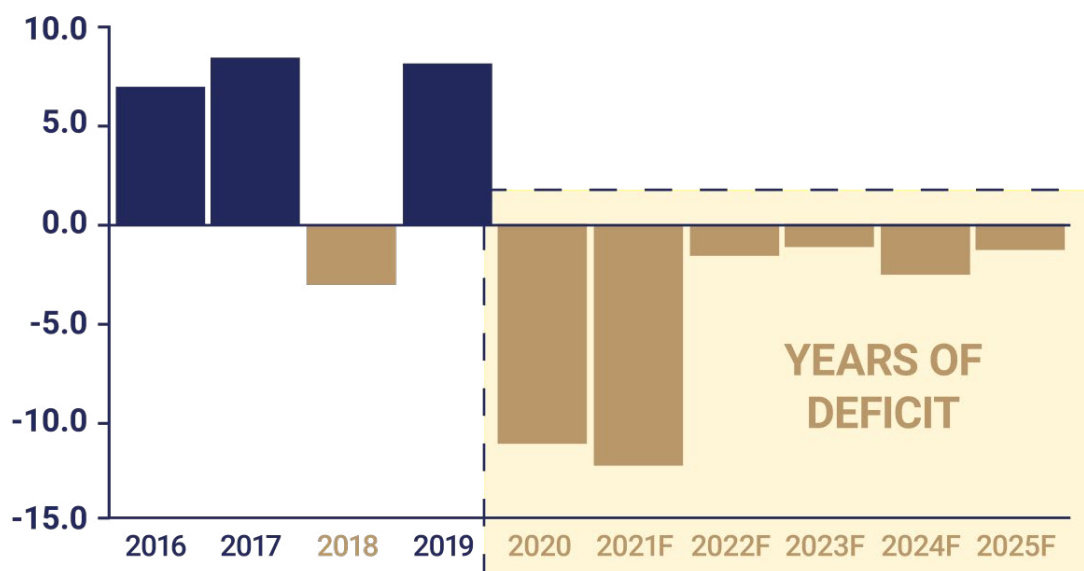


Source: ITA

Tin market in Deficit

Significant global tin supply deficit in 2020 and 2021 and forecast to continue.

- Whilst global tin stockpiles have risen slightly from recent decade lows of ~3,000-4,000t, they remain at very low levels¹⁵.
- 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)

Review of Operations

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Northeast Tasmania Exploration Project

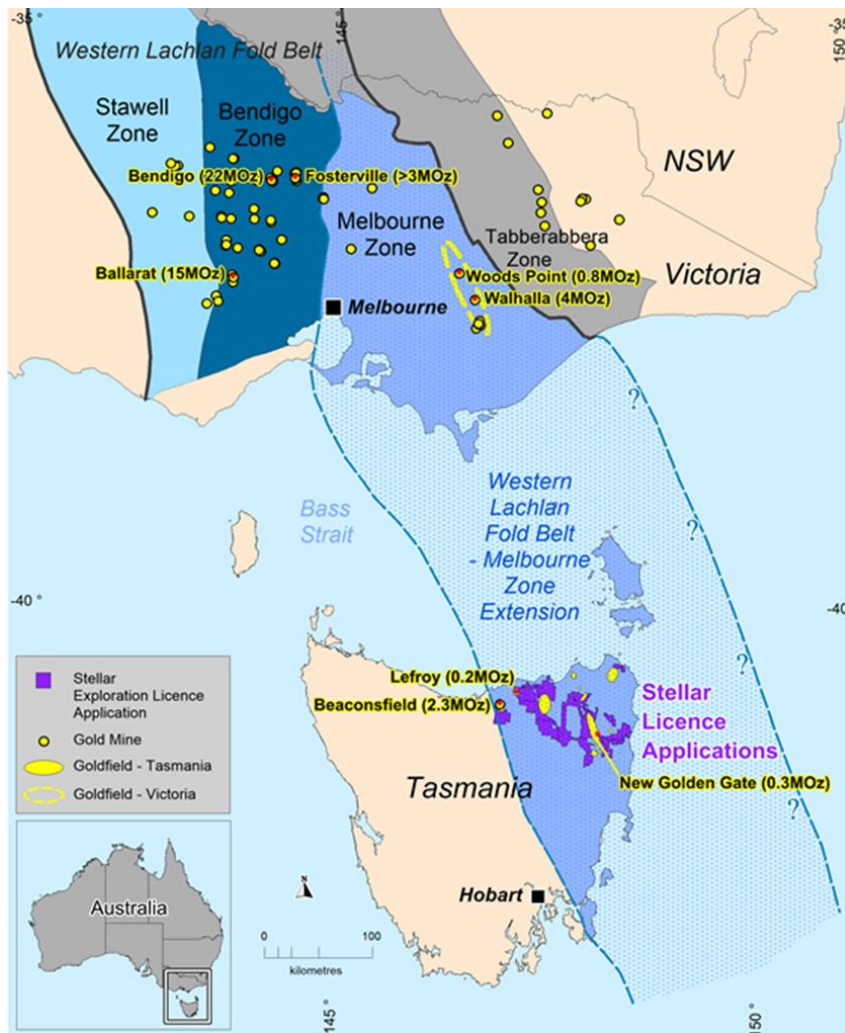
NE Tasmania – A Continuation of Victorian Western Lachlan Fold Belt

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 undertaken³.



Continuation of Western Lachlan Fold Belt from Victoria into NE Tasmania³

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Review of Operations

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Stellar NE Tasmania Exploration Licences

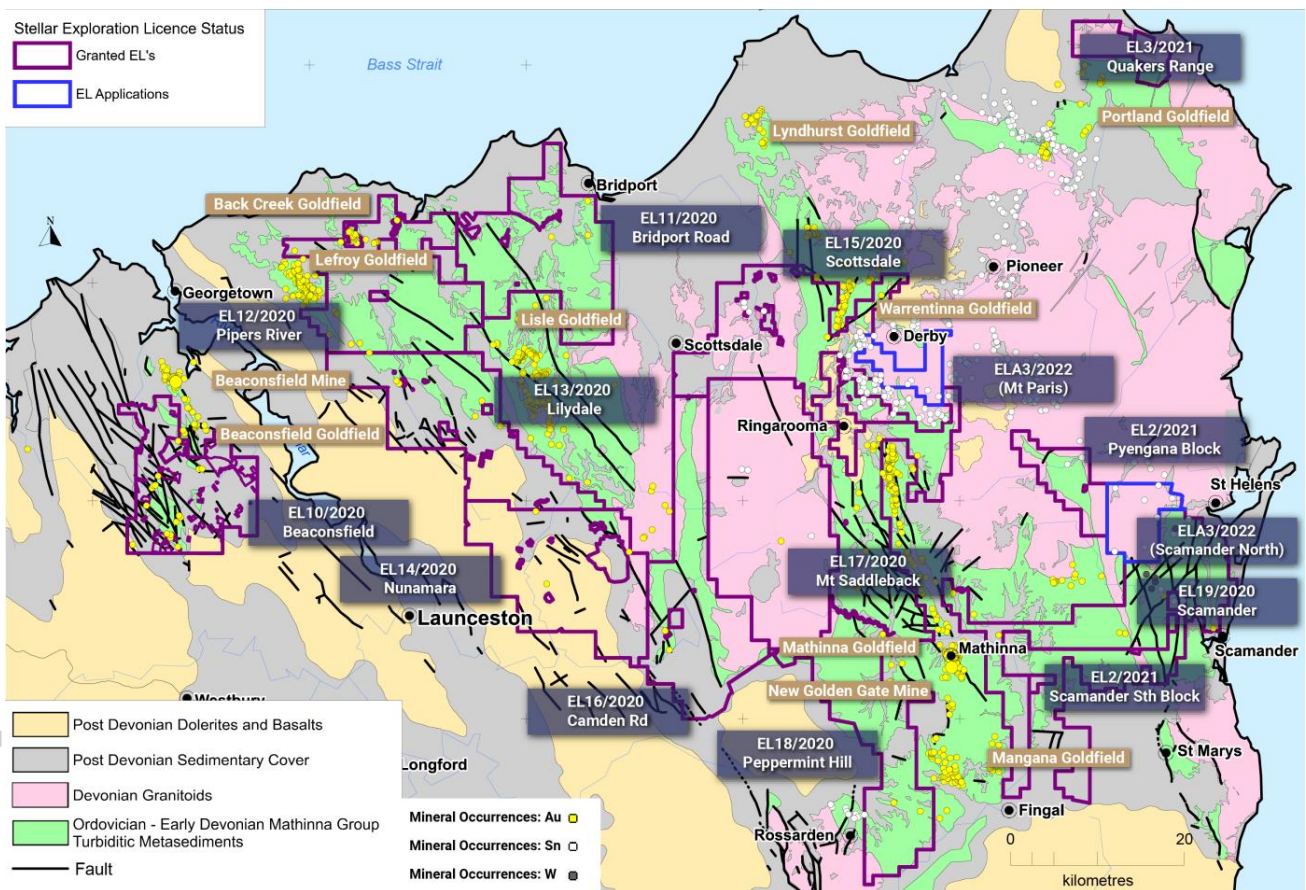
Twelve Exploration Licences covering a combined area of 2,559 km² in NE Tasmania which is prospective for gold, tin and base metals were granted to Stellar's wholly owned subsidiary, Tarcoola Iron Pty Ltd, during the year^{3,8}.

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)^{3,8}.

EL19/2020 (Scamander) is highly prospective for tin and base metals with significant historic exploration and drilling undertaken over the licence area⁸.

There are ~77 recorded historic gold occurrences and ~68 tin and base metals occurrences over Stellar's Exploration Licences in NE Tasmania³.

Stellar's wholly owned subsidiary, Tarcoola Iron Pty Ltd, also holds first-in-time Exploration Licence application EL3/2022 covering an area of 97km² over the Mt Paris and Scamander North areas which is prospective for lithium, tin and other base metals⁸.



NE Tasmania - Stellar EL's, EL Applications, Geology and Mineral Occurrences¹⁴

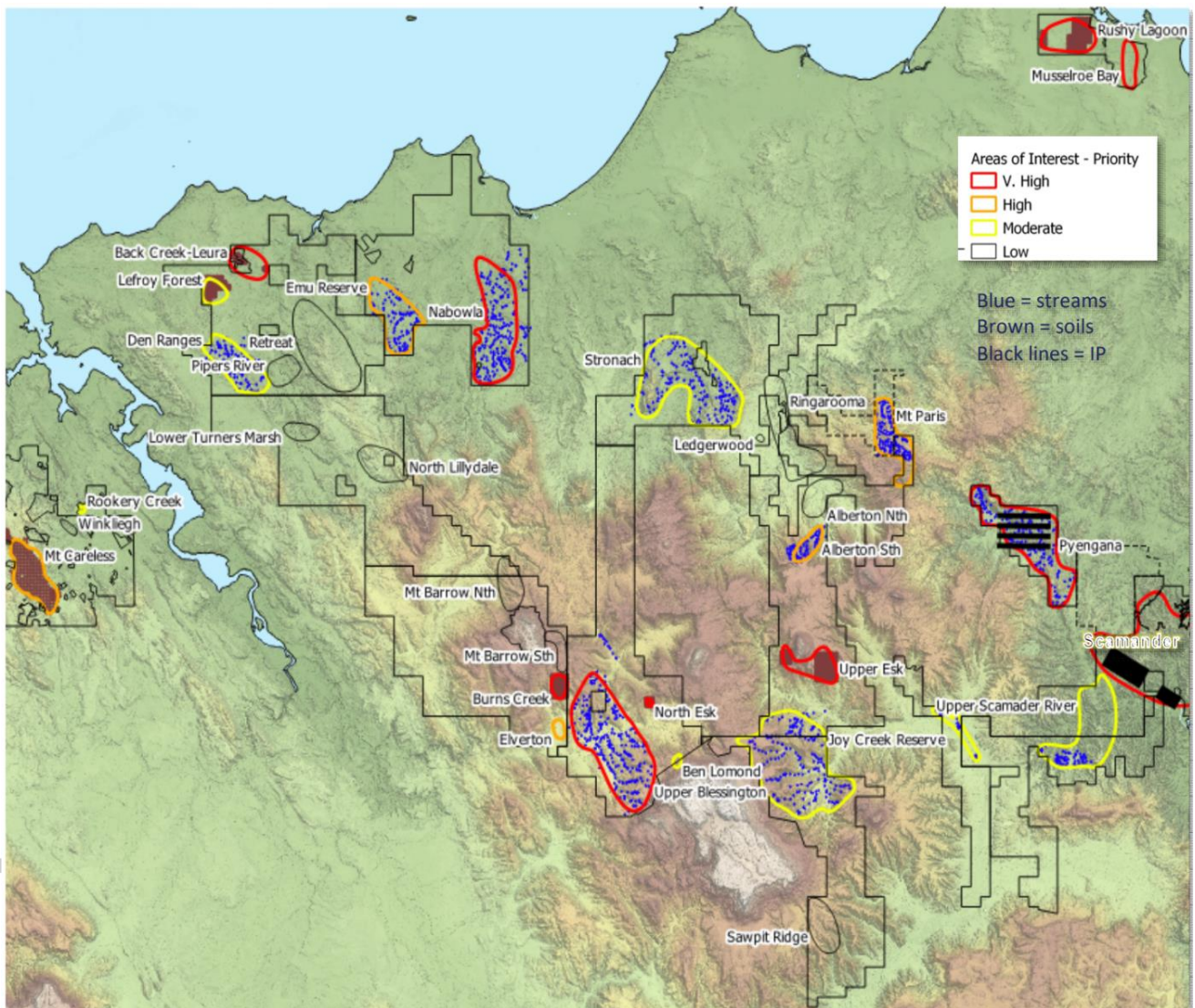
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Northeast Tasmania Priority Exploration Targets

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 target on ELA3/2022¹⁴.

Field reconnaissance is underway over priority targets on Stellar's NE Tasmania EL's which will be used for further analysis and prioritisation of targets prior to re-commencement of high priority field work programs in 2022CY Q4.



Priority Exploration Targets and Planned Work Programs within Stellar's Northeast Tasmania EL's¹⁴

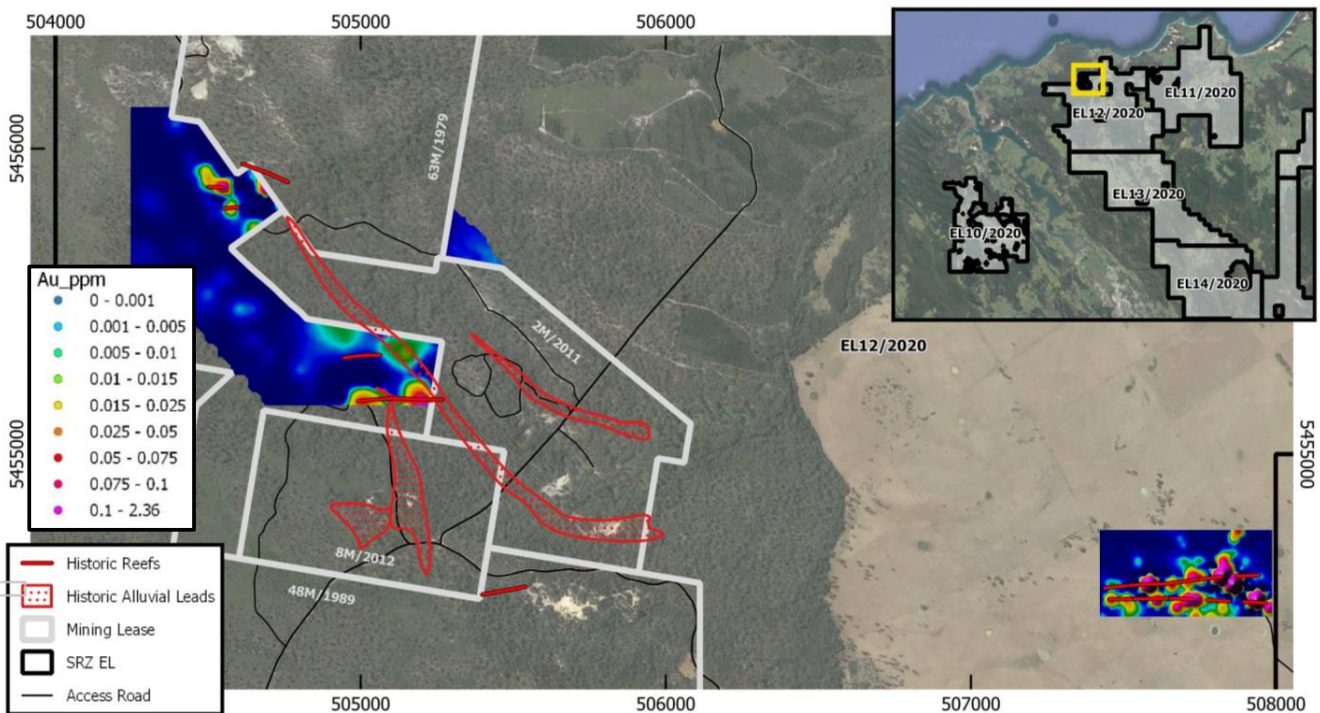
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Leura and Back Creek Soil Geochemistry Results (EL12/2020)

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: ¹¹

- **Leura** – very encouraging anomalous gold soil results ranging from 0.1 to 2.4 g/t Au over a 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 results¹¹

Nabowla Stream Sediment Sampling Program (EL11/2020)

The second major field exploration program in NE Tasmania, a stream sediment sampling program of ~400 samples at Nabowla on EL11/2020, was materially completed post year-end in July 2022. Analysis of results is pending.

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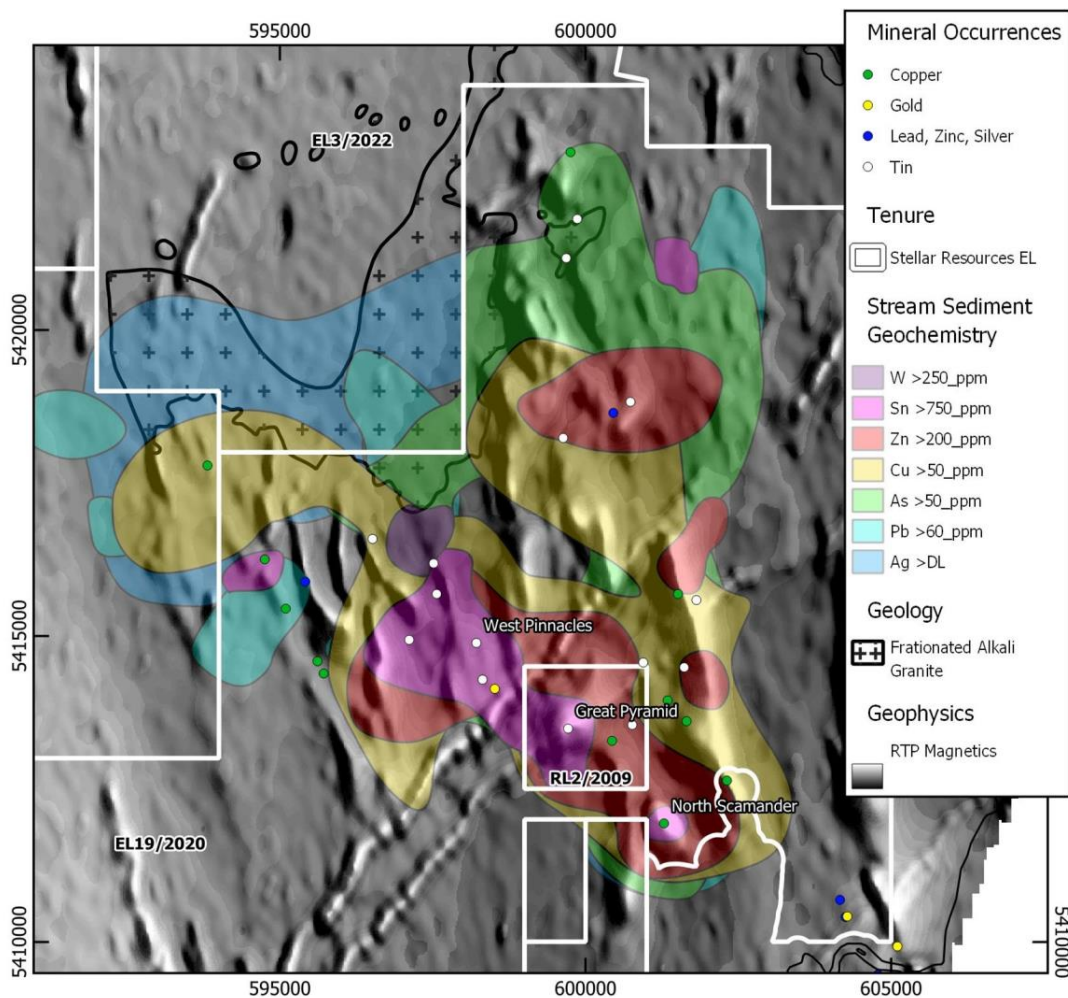
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Scamander Tin-Base Metals Exploration Targets (EL19/2020)

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 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

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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)

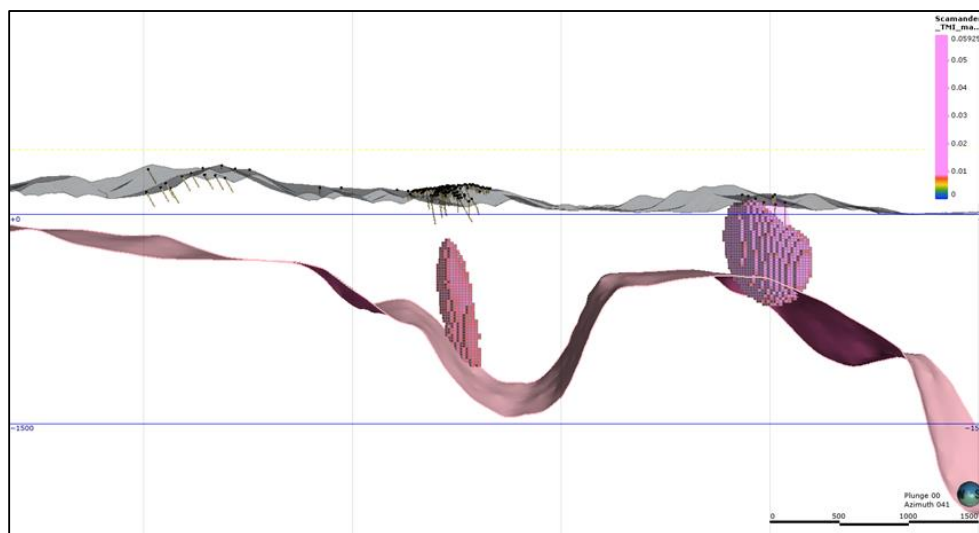
Pinnacles Sn-Base Metals Target (EL19/2020)

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.¹³

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 2023.¹³

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Footnotes / Live Links

¹ SRZ Announcement, 16 May 2019, "Updated Heemskirk Resource Increases Indicated Category and Confidence in the Project"

² SRZ Announcement, 1 October 2019, "Heemskirk Tin Scoping Study Confirms Attractive Economics"

³ SRZ Announcement, 23 August 2021, "NE Tasmania Exploration Licences Granted"

⁴ SRZ Announcement, 5 November 2021, "ZS140 Results and Heemskirk Drilling Update"

⁵ SRZ Announcement, 11 November 2021, "Large Magnetic and Conductive Target Modelled at South Severn"

⁶ SRZ Announcement, 22 November 2021, "Exceptional Silver-Lead Grades in First Montana No. 1 Hole"

⁷ SRZ Announcement, 20 December 2021, "High-Grade Tin Intersected in Second Severn Hole"

⁸ SRZ Announcement, 28 February 2022, "Stellar Pegs Prospective Lithium and Tin Ground in NE Tasmania"

⁹ SRZ Announcement, 23 March 2022, "High-Grade Tin Intersected in Severn Hole ZS143W"

¹⁰ SRZ Announcement, 15 June 2022, "Outstanding Tin Results from Severn Infill Holes"

¹¹ SRZ Announcement, 14 July 2022, "High Grade Gold Soil Geochemistry Anomalies Defined at Leura and Back Creek"

¹² SRZ Announcement, 27 July 2022, "More Outstanding Tin Intersections from Severn Infill Holes"

¹³ SRZ Announcement, 3 August 2022, "Stellar Awarded 3 Tasmanian Government Grants (\$133,750) for South Severn and Scamander Exploration Drilling"

¹⁴ SRZ Announcement, 18 August 2022, "Investor Presentation"

¹⁵ <https://www.westmetall.com/>

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.

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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	EL 11/2017	100
Exploration Licence - Montana Flats, Zeehan, 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 - Nunamara, NE Tasmania	EL14/2020	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

Review of Operations

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Post period end in August 2022, the Company submitted applications for partial area surrender of non-prospective areas within 6 of its NE Tasmania Exploration licences to reduce holding costs. Much of the area being surrendered is covered by Tertiary basalt flows prohibiting the use of surface exploration methods such as soil and stream sediment sampling and also obscuring magnetic response as the basalts are magnetic. The partial surrender areas are shown in the table below:

EL	Original EL Area (SqKm)	Surrender Application Area (SqKm)	Remaining Area After Surrender (Sqkm)	% of Original Area
12_2020	248	52	196	21
13_2020	242	134	108	55
14_2020	247	191	56	77
15_2020	244	17	227	7
17_2020	241	16	225	7
18_2020	195	21	174	11
Total	1,901	431	1,470	23

An application to consolidate the remaining areas of EL13/2020 and EL14/2020 into one EL has also been submitted.

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DIRECTORS' REPORT



Directors' Report

30TH JUNE 2022

The Directors of Stellar Resources Limited ("the company") and its controlled entities ("the consolidated entity") submit herewith the financial report for the year ended 30 June 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 period are:

Director	Position held
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 the whole of the financial year and since the end of the financial 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.

Operational performance and financial position

Financial performance

The net loss after tax of the Consolidated Entity for the year ended 30 June 2022 was \$732,186 (2021: \$720,479).

The loss for the financial period was comprised largely of administration expenditure of \$527,776 (2021: \$397,472) and employee costs of \$190,234 (2021: \$143,642). Business development, licensing and other exploration costs decreased by \$163,051 to \$9,204 in 2022 (2021: \$172,255).

During the period, Consolidated Entity sold tenement EL 6350 for AGE shares, and sold the shares subsequently, resulting in other comprehensive income of \$501,595.

Financial position

The Consolidated Entity had cash balances of \$2,469,036 at 30 June 2022, a decrease of \$2,940,155 from \$5,409,191 at 30 June 2021. The decrease was primarily as a result of \$2,769,012 invested in exploration and evaluation activities during the year and net cash operating outflows of \$614,533.

The Consolidated Entity's net assets decreased by \$193,091 to \$16,665,464 as at 30 June 2022 (2021: \$16,858,555). The increase was primarily due to the \$501,505 gain on realisation of investments in shares and \$40,000 in proceeds from the exercise of options over fully paid ordinary shares, offset by the \$732,186 loss after tax for the year ended 30 June 2022.

The value of the Company's Exploration and Evaluation assets increased by \$2,847,739 during the year ending 30 June 2022 to \$13,921,706 (2021: \$11,256,239).

Working capital, being current assets less current liabilities, decreased by \$2,962,386 to \$2,284,780 (2021: \$5,247,166). The Consolidated Entity had net cash outflows from operating activities for the year ended 30 June 2022 of \$614,533 (2021: \$643,291).

The review of operations preceding this report outlines the exploration activities and corporate matters for the year.

Risks and uncertainties

The Company is subject to general risks as well as risks that are specific to the Company and the Company's business activities.

Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Directors' Report

30TH JUNE 2022

Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Ukraine Conflict

The current evolving conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict.

The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

Future funding risks

The Company is involved in exploration for minerals in Tasmania and is yet to generate revenues. The Company has a cash and cash equivalents balance of \$2.47 million and net assets of \$16.69 million at 30 June 2022. Additional funding will be required in future for the costs of the Company's exploration programs to effectively implement its business and operations plans, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

In addition, should the Company consider that its exploration results justify commencement of production on any of its Projects, additional funding will be required to implement the Company's development plans, the quantum of which remain unknown at the date of this report.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

Directors' Report

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Impact of Coronavirus (COVID-19)

The outbreak of the COVID-19 is impacting global economic markets. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects and may cause delays or cost increases. The effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

Commodity price volatility and exchange rate risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Government Policy Changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in the Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

Exploration and Operating

The Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that future exploration of any of the Projects, will result in the discovery of an economic resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company being able to maintain title to the mineral tenements comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes at any Project prove to be unsuccessful this could lead to a diminution in the value of that Project, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral tenements comprising that Project.

Directors' Report

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Mineral Resources, Ore Reserves and Exploration Targets

A JORC Code compliant mineral resource has been estimated for the Heemskirk Tin Project and for the smaller satellite St Dizier Tin Project. While the Company intends to undertake additional exploratory and development work with the aim of improving confidence in the mineral resource estimates and expanding the mineral resources and assessing potential development scenarios, no assurance can be provided that said mineral resources can be economically extracted or that additional resources can be identified. The Company has also identified a number of exploration targets based on geological interpretations and geophysical data, geochemical sampling and historical drilling. However, insufficient data exists to provide certainty over the extent of such mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining additional mineral resources, no assurances can be given that additional exploration will result in the determination additional mineral resources on any of the exploration targets identified. Even if adequately large mineral resources are identified, no assurance can be provided that they will be commercially viable.

Mineral Resource and Ore Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when initially calculated, may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

Mine Development

Possible future development of mining operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of any of the Projects.

The risks associated with the development of a mine will be considered in full should any of the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.

Litigation

The Company is not currently involved in any litigation. However, the Company may in the ordinary course of business become involved in litigation and disputes, for example with its contractors or clients over a broad range of matters including its products. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, clients or other stakeholders. Any such outcomes may have an adverse impact on the Company's business, market reputation and financial condition and financial performance.

Local Community

The Company's Projects are situated throughout Tasmania. While the Company will do all in its power to maintain good working relationships with the local community and will pursue a mining plan designed to minimize any community impact, there is a risk that this will not be sufficient to satisfy community expectations. In that event, the activities of the Company could potentially be disrupted and/or delayed.

Environmental

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

Directors' Report

30TH JUNE 2022

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

Native Title

Whilst the areas of the Company's project is not considered to include any such rights, the Company has interests in other tenements which include areas over which legitimate Native Title rights of indigenous Australians may exist. Tenements which the Company may acquire in the future may also include areas where Native Title rights exist. Where Native Title rights exist, the Company's ability to gain access to the land or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. As at the date of this report, the Company is not aware of any Native Title rights which it expects to materially adversely affect its operations. Nevertheless, no guarantee can be given that Native Title rights will not affect the Company.

Regulatory Compliance

The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.

Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the mining claims comprised in a Project.

Climate Risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

(i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

(ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Dividends paid or recommended

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

Significant changes in the state of affairs

On 27 July 2021, Non-Executive Director (NED) Share Rights vested over a total of 5,161,190 fully paid ordinary shares and accordingly 5,161,190 fully paid ordinary shares were issued to Directors for nil consideration. The NED Rights were issued as settlement of Directors fees in lieu of cash remuneration.

Directors' Report

30TH JUNE 2022

On 16 August 2021, 8 Exploration Licences (ELs) (EL11/2020 to EL18/2020) were granted to the company's wholly owned subsidiary, Tarcoola Iron Pty Ltd, over a combined area of 1,899 km² in North-East Tasmania, which is prospective for Victorian-style Orogenic Gold, Intrusive Related Gold Systems (IRGS) and additionally contains historical tin occurrences.

On 22 September 2021, the consolidated entity completed the sale of EL6350 to Alligator Energy Limited (ASX: AGE, or "Alligator") for total consideration of 7,105,263 AGE shares. The shares were subsequently sold for \$515,017.

On 5 February 2022, NED Share Rights vested over a total of 3,323,104 fully paid ordinary shares and accordingly the Consolidated Entity issued 3,323,104 fully paid ordinary shares as consideration for the settlement of Directors fees in lieu of cash remuneration.

On 1 March 2022, Exploration Licences EL19/2020 and EL2/2021 were granted the company's wholly owned subsidiary, Tarcoola Iron Pty Ltd, over a combined area of 437 km² in North-East Tasmania. EL19/2020 is highly prospective for tin and base metals with significant historic exploration having been undertaken over the licence area. EL2/2021 is prospective for Victorian-style Orogenic Gold and Intrusive Related Gold Systems (IRGS).

On 26 April 2022, EL10/2020 was granted to Tarcoola Iron to the company's wholly owned subsidiary, Tarcoola Iron Pty Ltd, over an area of 182 km² in North-East Tasmania, which is prospective for Victorian-style Orogenic Gold and Intrusive Related Gold Systems (IRGS).

On 10 May 2022, the Consolidated Entity issued 2,000,000 fully paid ordinary shares upon exercise of unlisted options at an exercise price of \$0.02 (2 cents) per share.

On 26 May 2022, EL3/2021 was granted to the company's wholly owned subsidiary, Tarcoola Iron Pty Ltd, over an area of 44 km² in North-East Tasmania, which is prospective for Victorian-style Orogenic Gold and Intrusive Related Gold Systems (IRGS).

On 24 June 2022, a 5-year Extension of Term was granted over RL5/1997 to the company's wholly owned subsidiary, Columbus Metals Limited. RL5/1997 covers the parts of the main Heemskirk Tin Project Mining Lease ML2023P/M which are not Crown Land.

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

Subsequent Events

On 3 August 2022, the Consolidated Entity announced that in accordance with the terms of the Seventh Round of the Exploration Drilling Grant Initiative (EDGI) program, the Tasmanian Government has awarded the Company three Exploration Drilling Co-Funding grants totalling \$133,750 for exploration drilling of the South Severn geophysical target and the North Scamander and Pinnacles tin-base metals projects.

On 4 August 2022, the Consolidated Entity entered into a contract to sell approximately 803m of land to be sub-divided from its property at 124 Main Street, Zeehan, Tasmania for \$65,000. Settlement is subject to the Recorder of Titles issuing a separate title for the sub-divided land, expected to take up to 15 months.

On 22 August 2022, the Consolidated Entity announced a Placement to raise \$1,888,425 ("Placement") and the launch of a Share Purchase Plan ("SPP") intended to raise an additional \$500,000. The issue price for both the Placement and the SPP is \$0.015 (1.5 cents) per fully paid ordinary share, a 9.60% discount to the 15-day VWAP. Investors under the Placement and eligible shareholders under the SPP are to be offered one (1) free attaching unlisted option over fully paid ordinary shares for every two (2) fully paid ordinary shares subscribed for (New Shares), exercisable at \$0.025 (2.5 cents) per fully paid ordinary share on or before an expiry date, two years from the date of issue, subject to shareholder approval.

On 29 August 2022, in accordance with the terms of the Placement, the Consolidated Entity issued 125,895,000 fully paid ordinary shares at \$0.015 (1.5 cents) per fully paid ordinary share.

No other matter or circumstance has arisen since 30 June 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.

Future developments

The Consolidated Entity will continue to pursue its objective of maximising value of its investments held in exploration assets through continued exploration of areas of interest and sale of interests in permits held.

Directors' Report

30TH JUNE 2022

The Consolidated Entity's focus for the coming periods will be on advancing its exploration projects, in particular advancing the Company's flagship Heemskirk Tin Project and tin exploration projects on the West Coast of Tasmania along with the Northeast Tasmania Gold and Base Metals Exploration Project.

Environmental Issues

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 breaches of mining and environmental regulations and legislation during the financial year.

Information on Directors

Name: Simon O'Loughlin
Title: Non-Executive Chairman
Qualifications: BA(Acc), Law Society Certificate in Law
Experience and expertise: Mr O'Loughlin is the founder of O'Loughlins Lawyers, an Adelaide based, specialist commercial law firm. He has extensive experience in the corporate and commercial law fields while practising in Sydney and Adelaide, and also holds accounting qualifications. Mr O'Loughlin has extensive experience and involvement with companies in the small industrial and resources sectors. He has also been involved in the listing and backdoor listing of numerous companies on the ASX. He is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division). He has extensive knowledge of and experience in the equity capital markets and the ASX and ASIC rules and regulations. He has held many non-executive directorships on ASX listed companies over the last 20 years.

Other current directorships: Petratherm Limited (ASX: PTR)
Chesser Resources Limited (ASX: CHZ)

Former directorships (last 3 years): Oklo Resources Limited (ASX: OKU) (Resigned November 2019)
Bod Australia Limited (ASX:BDA) (Resigned 4 April 2022)

Interests in shares: 8,716,194 fully paid ordinary shares
Interests in options: 1,350,000 unlisted options expiring 24 December 2022
Interests in rights: Nil

Name: Thomas H Whiting
Title: Non-Executive Director
Qualifications: B.Sc (Hons) PhD, Grad Dip Fin, MASEG, MAICDs
Experience and expertise: Dr Whiting has spent more than 40 years in the minerals exploration industry both as a geophysicist and an exploration manager. From 2000 to 2004 he was Vice President of Minerals Exploration for BHP Billiton. During his career with BHP Billiton he was associated with a number of discoveries, in particular the Cannington Pb/Zn/Ag mine in Queensland. He has been a non-executive director of a number of ASX listed and unlisted companies in the mining exploration industry and has played a major role in the mining exploration research space via non-executive roles in CRC's (Co-operative Research Centres).

Other current directorships: Nil
Former directorships (last 3 years): Nil
Interests in shares: 7,612,469 fully paid ordinary shares
Interests in options: Nil
Interests in rights: Nil

Directors' Report

30TH JUNE 2022

Name: Gary Fietz
Title: Executive Director
Experience and expertise: Mr Fietz was a former Managing Director and NED of ASX and foreign listed exploration and resource development companies. He has previously worked in tin, iron ore, coking coal and gold exploration and development in Australia, the UK, North and South America, Africa and India. Gary has over 30 years of technical and commercial experience including exploration management, mineral resource estimation, study management (Scoping, Pre-Feasibility, and Feasibility Studies), project generation and assessment, governance, corporate finance, mergers and acquisitions and strategic planning. Gary is currently a consultant providing project and corporate support to the mining industry.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Interests in shares: 4,574,453 fully paid ordinary shares
Interests in options: Nil
Interests in rights: Nil

Name: Simon Taylor
Title: Non-Executive Director
Qualifications: B.Sc, MAIG, Gcert AppFin
Experience and expertise: Mr Taylor is a resource executive with over 25 years' experience in geology, management at CEO and Board levels and in the finance sector. He has had a diversified career as a resources professional providing services to resource companies and financial corporations at both a technical and corporate level. His experience spans a range of commodities including gold, fertilisers (phosphate and potash), base metals, nickel, uranium and coal. Whilst his experience includes Australia, a majority of his projects have been in international countries including Brazil, Mali, Turkey, Uganda, Tanzania, China, UK and North America. He also advises companies at the corporate level on capital management, acquisitions, promotion and opportunities to add shareholder value. He is the Managing Director of Oklo Resources. Simon is a Member of the Australian Institute of Geoscientists and a graduate of Sydney University.

Other current directorships: Oklo Resources Limited (ASX: OKU)
Chesser Resources Limited (ASX: CHZ)
Black Canyon Resources (ASX: BCA)
Former directorships (last 3 years): Bod Australia Limited (ASX: BDA) (Resigned November 2019)
Interests in shares: 9,889,103 fully paid ordinary shares
Interests in options: 2,000,000 unlisted options expiring 24 December 2022
Interests in rights: Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mr Mathew Watkins

Mr Watkins is a Chartered Accountant who has extensive ASX experience within several industry sectors including Biotechnology, Bioscience, Resources and Information Technology. He specialises in ASX statutory reporting, ASX compliance, Corporate Governance and board and secretarial support. Mr Watkins is appointed Company Secretary on a number of ASX listed Companies. Mr Watkins is employed at Vistra Australia Pty Ltd (Vistra), a professional Company Secretarial and Accounting firm.

Vistra is a prominent provider of specialised consulting and administrative services to clients in the Fund, Corporate, Capital Markets, and Private Wealth sectors. Vistra have vast experience working with listed entities and brings a strong background of working with growing companies within the resources sector.

Directors' Report

30TH JUNE 2022

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board Attended	Held
Simon O'Loughlin	7	7
Thomas Whiting	7	7
Gary Fietz	7	7
Simon Taylor	7	7

Held: represents the number of meetings held during the time the director held office.

Remuneration report

Names and Positions Held of Key Management Personnel in Office at any time during the Financial Period were:

Director	Position held
Simon O'Loughlin	Non-Executive Chairman
Thomas H Whiting	Non-Executive Director
Gary Fietz	Executive Director
Simon Taylor	Non-Executive Director

Directors' and Executives' Compensation

Remuneration Policy

The Board is responsible for determining and reviewing the remuneration of the Directors including the Managing Director and executive officers of the Company, where applicable. This process requires consideration of the levels and form of remuneration appropriate to securing, motivating and retaining executives with the skills to manage the Company's operations. In order to retain and attract executives of sufficient calibre to facilitate the efficient and effective management of the Company's operations, the Board seeks where necessary the advice of external advisers in connection with the structure of remuneration packages. The Board also recommends the levels and form of remuneration for non-executive Directors with reference to performance, relevant comparative remuneration and independent expert advice. The total sum of remuneration payable to non-executive Directors shall not exceed the sum fixed by members of the Company in a general meeting. Shareholders fixed the maximum aggregate remuneration for non-executive Directors at \$500,000.

The Company has implemented a Non-Executive Director Share Rights Plan (**NEDSP**). Under the plan the Directors may sacrifice certain amounts of their Directors fees and receive Share Rights in the Company which will vest into fully paid ordinary shares 12 months from the grant date.

The key element of the NEDSP for current NEDs is that it provides the opportunity for NEDs to sacrifice part or all of their cash fees in favour of equity rights under this plan to build their shareholding in the Company.

The introduction of the NEDSP is also intended to remunerate individual NEDs for any material additional efforts that individual NEDs are required to deliver in progressing the Company's goals.

The NEDSP does not attach any performance measures to vesting. This is in line with best practice governance standards which recommend that non-executive directors generally should not receive equity with performance hurdles attached as it may lead to bias in decision-making and compromise their objectivity and in turn their independence.

The three key elements of Director and executive remuneration are:

- base salary and fees, which are determined by reference to the market rate based on payments by similar size companies in the industry;
- superannuation contributions; and
- equity-based payments, the value of which are dependent on the Company's share price and other factors.

Directors' Report

30TH JUNE 2022

Voting and comments made at the company's 16 November 2021 Annual General Meeting ('AGM')

The company received 98.64% of 'for' votes in relation to its remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Relationship between the Remuneration Policy and Company Performance

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to June 2022. As the table indicates, earnings have varied significantly over the past five financial years, due to the nature of exploration activities. It has been the focus of the Board of Directors to attract and retain management personnel essential to continue exploration activities.

	30 June 2022 \$	30 June 2021 \$	30 June 2020 \$	30 June 2019 \$	30 June 2018 \$
Other income	183,893	4,726	3,295	17,775	37,853
Net profit/(loss) before tax	(732,186)	(734,411)	(496,004)	(7,170,591)	(690,492)
Net profit/(loss) after tax	(732,186)	(734,411)	(496,004)	(7,170,591)	(690,492)
	2022	2021	2020	2019	2018
Share price at end of year (\$)	0.02	0.02	0.01	0.01	0.02
Basic and diluted earnings per share (cents per share)	(0.06)	(0.12)	(0.12)	(1.89)	(0.18)

Remuneration of Directors and Senior Management

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits Cash salary and fees \$	Other compensation \$	Post- employment benefits Super- annuation \$	Share-based payments Equity- settled \$	Total \$
2022					
<i>Non-Executive Directors:</i>					
Simon O'Loughlin	45,748	-	4,575	-	50,323
Thomas Whiting (a)	64,450	-	3,895	-	68,345
Gary Fietz (b)	340,106	-	3,895	-	344,001
Simon Taylor	38,950	-	3,895	-	42,845
	<u>489,254</u>	<u>-</u>	<u>16,260</u>	<u>-</u>	<u>505,514</u>

(a) Included in the \$68,345 are \$25,500 for additional exploration related services provided by Mr Whiting to the Company.

(b) Included in the \$344,001 are \$301,106 of consulting services in relation to additional exploration and corporate services undertaken. The key terms of the service agreement are outlined within this Directors' Report.

	Short-term benefits Cash salary and fees \$	Other compensation \$	Post- employment benefits Super- annuation \$	Share-based payments Equity- settled \$	Total \$
2021					
<i>Non-Executive Directors:</i>					
Simon O'Loughlin (a)	31,964	-	3,036	7,199	42,199
Thomas Whiting (b)	50,398	-	2,603	34,039	87,040
Gary Fietz (c)	261,995	-	2,603	5,301	269,899
Simon Taylor (d)	27,398	-	2,603	5,301	35,302
	<u>371,755</u>	<u>-</u>	<u>10,845</u>	<u>51,840</u>	<u>434,440</u>

Directors' Report

30TH JUNE 2022

- (a) On 5 February 2021, 461,465 NED Share Rights, vesting 12 months from grant date, were issued to Simon O'Loughlin in lieu of salary sacrificed for the period 1 July 2020 to 30 September 2020.
- (b) Included in the \$87,040 are \$46,000 for additional exploration related services provided by Mr Whiting to the Company. On 5 February 2021, 2,181,987 NED Share Rights, vesting 12 months from grant date, were issued to Thomas H Whiting in lieu of salary sacrificed for the period 1 July 2020 to 30 September 2020, plus \$23,000 in exploration related services fees.
- (c) Included in the \$269,899 are \$234,597 of consulting services in relation to additional exploration and corporate services undertaken (subsequent to the resignation of Peter Blight and prior to Mr Fietz taking on this role, the Company had not retained executive management). On 5 February 2021, 339,826 NED Share Rights, vesting 12 months from grant date, were issued to Gary Fietz in lieu of salary sacrificed for the period 1 July 2020 to 30 September 2020.
- (d) On 5 February 2021, 339,826 NED Share Rights, vesting 12 months from grant date, were issued to Simon Taylor in lieu of salary sacrificed for the period 1 July 2020 to 30 September 2020.

All key management personnel compensation is paid by Stellar Resources Limited. Key management personnel receive no remuneration from group subsidiary companies.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2022	2021	2022	2021	2022	2021
<i>Non-Executive Directors:</i>						
Simon O'Loughlin	100%	100%	-	-	-	-
Thomas Whiting	100%	100%	-	-	-	-
Gary Fietz	100%	100%	-	-	-	-
Simon Taylor	100%	100%	-	-	-	-

Details Concerning Share-based Remuneration of Directors

The Company's policy for determining the nature and amount of emoluments of Board members the Company is as follows: The remuneration structure for Directors is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and Directors are on a continuing basis the terms of which are not expected to change in the immediate future. There are no termination benefits or incentives provided for in Directors' remuneration.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Gary Fietz
Title:	Executive Director
Agreement commenced:	13 August 2021
Term of agreement:	31 July 2022, extendable upon mutual agreement of the parties
Details:	Remuneration for the contract period consists of \$1,400 per day worked with an estimate of an average of 3 days per week required to be worked over the contract period. Payment is made based on the actual number of days worked each month based on approved timesheets. Either party may terminate the agreement by giving two months written notice to the other party at any time, for any reason. The Company may also elect to terminate this Agreement with immediate effect by making 2 months' payment in lieu of notice with the notice payment calculated based on the average monthly invoiced amount over the prior 6 month period at the time of such notice being given.

Compensation Options: Granted and Vested during the Year

No compensation options were issued to Directors or executives during or since the year ended 30 June 2022.

Directors' Report

30TH JUNE 2022

Number of Shares held by Key Management Personnel

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration (a)	Additions (b)	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Simon O'Loughlin	8,254,729	461,465	-	-	8,716,194
Thomas Whiting	5,430,482	2,181,987	-	-	7,612,469
Gary Fietz	2,234,627	339,826	2,000,000	-	4,574,453
Simon Taylor	9,549,277	339,826	-	-	9,889,103
	<u>25,469,115</u>	<u>3,323,104</u>	<u>2,000,000</u>	<u>-</u>	<u>30,792,219</u>

(a) Vesting of NED Share Rights into Fully Paid Ordinary Shares

(b) Exercise of 2,000,000 options over fully paid ordinary shares with an exercise price of \$0.02 (2 cents) per fully paid ordinary share.

Option holding

The number of options over ordinary shares in the company held during the financial year and to the date of this report by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions/ other	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Simon O'Loughlin	1,350,000	-	-	-	1,350,000
Simon Taylor	2,000,000	-	-	-	2,000,000
Gary Fietz	2,000,000	-	(2,000,000)	-	-
	<u>5,350,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>	<u>3,350,000</u>

Non-Executive Director Share Rights

The number of rights over ordinary shares in the company held during the year and to the date of this report by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below. All rights shown below have been issued in lieu of cash settlement for Director remuneration:

	Balance at 30 June 2021	Exercised	Balance at date of previous report	Additions/ other	Exercised	Expired/ forfeited/ other	Balance at date of this report
Simon O'Loughlin	2,216,602	(1,755,137)	461,465	-	(461,465)	-	-
Thomas Whiting	3,354,851	(1,172,864)	2,181,987	-	(2,181,987)	-	-
Gary Fietz	1,343,330	(1,003,504)	339,826	-	(339,826)	-	-
Simon Taylor	1,569,511	(1,229,685)	339,826	-	(339,826)	-	-
	<u>8,484,294</u>	<u>(3,323,104)</u>	<u>3,323,104</u>	<u>-</u>	<u>(3,323,104)</u>	<u>-</u>	<u>-</u>

Shares Issued on Exercise of Options and Performance Rights

The following ordinary shares of Stellar Resources were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price per fully paid ordinary share	Number of fully paid ordinary shares issued
10 May 2019	\$0.0200	2,000,000

Directors' Report

30TH JUNE 2022

The following ordinary shares of Stellar Resources were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of performance rights granted:

Date Non-Executive Director Share rights granted	Deemed value per share issued	Number of fully paid ordinary shares issued
27 July 2020	\$0.0086	5,161,190
5 February 2021	\$0.0156	1,141,117
5 February 2021	\$0.0154	2,181,987

Loans to Key Management Personnel

There were no loans to key management personnel at any time during the current or prior financial year.

This concludes the remuneration report, which has been audited.

Share under option

Unissued ordinary shares of Stellar Resources under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
24/12/2019	24/12/2022	\$0.0150	27,800,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on exercise on share options

On 10 May 2022, the Consolidated Entity issued 2,000,000 fully paid ordinary shares upon exercise of unlisted options Director options granted to then Non-Executive Director Gary Fietz on joining the Board in 2019. These options were exercised at their exercise price of \$0.02 (2.0 cents) per fully paid ordinary share, raising \$40,000.

Expired options

During the financial year, nil options expired (2021: nil).

Shares under rights

There were no unissued ordinary shares of Stellar Resources under performance rights outstanding at the date of this report.

Shares issued on the exercise of share rights

For details of ordinary shares of Stellar Resources issued in lieu of cash settlement for Director remuneration during the year ended 30 June 2022 and up to the date of this report on the exercise of performance rights granted, refer to "Shares Issued on Exercise of Options and Performance Rights" above in the Remuneration Report".

Indemnity and insurance of officers

The Company has paid premiums to insure each of the Directors, Company Secretary and executive officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director/officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The terms and conditions of the insurance are confidential and cannot be disclosed.

Proceedings on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

Non audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 18 to the financial statements.

Directors' Report

30TH JUNE 2022

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 18 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

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.

Auditor

William Buck Audit (Vic) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors



Simon O'Loughlin
Non-Executive Chairman

27 September 2022
Melbourne

Auditor's Independence Declaration

30TH JUNE 2022



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 year ended 30 June 2022 there have been:

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

A handwritten signature in blue ink that reads 'William Buck'.

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

A handwritten signature in blue ink that reads 'J. C. Luckins'.

J. C. Luckins
Director
Melbourne, 27th September 2022

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Consolidated Statement of Profit or Loss & Other Comprehensive Income

30TH JUNE 2022

	Note	Consolidated 2022 \$	2021 \$
Revenue			
Other income	5	183,893	4,726
Expenses			
Administration expenditure		(527,776)	(397,472)
Employee costs		(190,234)	(143,642)
Depreciation and amortisation expenses		(6,262)	(11,455)
Business development, licencing and other exploration related costs		(9,204)	(172,255)
Impairment of exploration expenditure capitalised	11	(182,272)	-
Finance costs		(331)	(381)
Loss before income tax expense		(732,186)	(720,479)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Stellar Resources		(732,186)	(720,479)
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	397,205
Other comprehensive income for the year, net of tax		501,595	397,205
Total comprehensive income for the year attributable to the owners of Stellar Resources		<u>(230,591)</u>	<u>(323,274)</u>
		Cents	Cents
Basic earnings per share	27	(0.09)	(0.11)
Diluted earnings per share	27	(0.09)	(0.11)

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

Consolidated Statement of Financial Position

30TH JUNE 2022

	Note	Consolidated 2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	7	2,469,036	5,409,191
Trade and other receivables		84,171	24,809
Prepayments		52,071	31,378
		<u>2,605,278</u>	<u>5,465,378</u>
Non-core tenement held for sale	8	-	11,990
Total current assets		<u>2,605,278</u>	<u>5,477,368</u>
Non-current assets			
Tenement security deposits		262,700	231,500
Property, plant and equipment	9	182,335	118,659
Right-of-use assets	10	44,006	6,769
Exploration and evaluation assets	11	13,921,706	11,256,239
Total non-current assets		<u>14,410,747</u>	<u>11,613,167</u>
Total assets		<u>17,016,025</u>	<u>17,090,535</u>
Liabilities			
Current liabilities			
Trade and other payables	12	295,940	226,100
Provisions		10,615	-
Lease liabilities		13,943	4,102
Total current liabilities		<u>320,498</u>	<u>230,202</u>
Non-current liabilities			
Lease liabilities		30,063	1,778
Total non-current liabilities		<u>30,063</u>	<u>1,778</u>
Total liabilities		<u>350,561</u>	<u>231,980</u>
Net assets		<u>16,665,464</u>	<u>16,858,555</u>
Equity			
Issued capital	13	43,018,120	42,884,830
Reserves	14	41,090	136,880
Accumulated losses		(26,393,746)	(26,163,155)
Total equity		<u>16,665,464</u>	<u>16,858,555</u>

Consolidated Statement of Changes in Equity

30TH JUNE 2022

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	37,383,884	81,754	(25,880,545)	11,585,093
Loss after income tax expense for the year	-	-	(720,479)	(720,479)
Other comprehensive income for the year, net of tax	-	397,205	-	397,205
Total comprehensive income/(loss) for the year	-	397,205	(720,479)	(323,274)
Disposal of investments	-	(437,869)	437,869	-
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 13)	5,500,946	-	-	5,500,946
Share-based payments (note 28)	-	95,790	-	95,790
Balance at 30 June 2021	<u>42,884,830</u>	<u>136,880</u>	<u>(26,163,155)</u>	<u>16,858,555</u>

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 year	-	-	(732,186)	(732,186)
Other comprehensive income for the year, net of tax	-	501,595	-	501,595
Total comprehensive income/(loss) for the year	-	501,595	(732,186)	(230,591)
<i>Transactions with owners in their capacity as owners:</i>				
Proceeds from exercise of options, net of costs (note 13)	37,500	-	-	37,500
Exercise of share based payments (note 28)	95,790	(95,790)	-	-
Disposal of investment	-	(501,595)	501,595	-
Balance at 30 June 2022	<u>43,018,120</u>	<u>41,090</u>	<u>(26,393,746)</u>	<u>16,665,464</u>

Consolidated Statement of Cash Flows

30TH JUNE 2022

	Note	Consolidated 2022 \$	2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(806,738)	(474,658)
Interest received		10,380	4,003
Proceeds from government grants		191,360	-
Interest and other finance costs paid		(331)	(381)
Business development, licencing and other exploration related costs		(9,204)	(172,255)
Net cash used in operating activities	26	(614,533)	(643,291)
Cash flows from investing activities			
Payments for property, plant and equipment	9	(72,047)	(2,153)
Payments for exploration and evaluation costs		(2,769,012)	(249,432)
Security and bond deposits (placed)/refunded		(31,200)	(129,451)
Proceeds from disposal of investments		515,017	418,979
Net cash from/(used in) investing activities		(2,357,242)	37,943
Cash flows from financing activities			
Proceeds from issue of shares		40,000	5,887,952
Payments of share issue costs		(2,500)	(387,006)
Payments for lease liabilities		(5,880)	(11,203)
Net cash from financing activities		31,620	5,489,743
Net increase/(decrease) in cash and cash equivalents		(2,940,155)	4,884,395
Cash and cash equivalents at the beginning of the financial year		5,409,191	524,796
Cash and cash equivalents at the end of the financial year	7	<u>2,469,036</u>	<u>5,409,191</u>

Notes to the Consolidated Financial Statements

30TH JUNE 2022

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 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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 September 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current year.

All new accounting standards required which are mandatory for current accounting period were adopted.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 22.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Stellar Resources ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Stellar Resources and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants and assistance

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Note 2. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current and are offset if legally enforceable right however they are unrecognised within the consolidated entity's financial statements .

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

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 tin exploration within Australia.

All assets and liabilities and operations are based in Australia.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Other income

	Consolidated 2022 \$	2021 \$
Government grants	173,533	-
Interest income	9,886	4,726
Other income	474	-
	<u>183,893</u>	<u>4,726</u>

During the year ended 30 June 2022, the Consolidated Entity was awarded and received \$173,533 in Exploration Drilling Grant Initiative (EDGI) grants from the Tasmanian State Government.

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Note 6. Income tax

	Consolidated 2022 \$	Consolidated 2021 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(732,186)	(720,479)
Tax at the statutory tax rate of 25% (2021: 26%)	(183,047)	(187,325)
Tax losses and tax offsets not recognised as deferred tax assets	183,047	187,325
Income tax expense	-	-
	Consolidated 2022 \$	Consolidated 2021 \$
<i>The following deferred tax assets have not been brought to account as assets:</i>		
Tax losses - revenue	7,241,363	7,058,316
Tax losses - capital	645,504	801,739
Capitalised exploration costs	(3,477,886)	(2,926,117)
Other	73,046	75,968
Total tax benefit	4,482,027	5,009,906

The above potential tax benefit for deductible temporary differences and carried forward tax losses have not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The Company and all its wholly-owned Australian resident entities have formed a tax-consolidated group under Australian taxation law. Stellar Resources Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within group" approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax-consolidated group). Under the tax sharing arrangements, amounts will be recognised as payable or receivable between group companies in relation to their contribution to the tax benefits and amounts of tax paid or payable. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing arrangement is considered remote.

Tax Consolidation

Relevance of tax consolidation to the consolidation entity

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 October 2004 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Stellar Resources Limited.

Nature of tax sharing agreements

Entities within the tax-consolidated group have entered into a tax sharing agreement with the head entity. The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Note 6. Income tax (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	2022	2021
	\$	\$
Cash at bank	1,669,036	2,909,191
Cash on deposit	800,000	2,500,000
	<u>2,469,036</u>	<u>5,409,191</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8. Current assets - non-core tenement held for sale

	Consolidated	
	2022	2021
	\$	\$
Interests in tenement held for sale	-	11,990

On 18 May 2021, the Company's 100% owned subsidiary, Hiltaba Gold Pty Ltd (Hiltaba) signed a binding term sheet, in accordance with which Hiltaba agreed to sell its non-core exploration licence EL6350 to Alligator Energy Ltd's (ASX: AGE) 100% owned subsidiary, S Uranium Pty Ltd (SUPL) for consideration of 7,105,263 AGE shares.

On 26 August 2021 the South Australian Department for Energy and Mining (DEM) approved the transfer to SUPL and on 22 September 2021 the transaction was completed, subsequent to which the company sold the AGE shares on 29 September 2021 for \$515,017. The restatement to fair value of the investment in AGE prior to their sale is reflected in other comprehensive income.

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Note 9. Non-current assets - property, plant and equipment

	Consolidated 2022 \$	2021 \$
Freehold land and buildings – at cost	133,000	133,000
Freehold land and buildings – accumulated depreciation	(17,699)	(16,451)
Freehold land and buildings – written down value	115,301	116,549
Motor vehicles – at cost	54,521	-
Motor vehicles – accumulated depreciation	(1,514)	-
Motor vehicles – written down value	53,007	-
Office equipment – at cost	17,616	2,153
Office equipment – accumulated depreciation	(3,589)	(43)
Office equipment – written down value	14,027	2,110
Property plant and equipment	182,335	118,659

Reconciliations

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

Consolidated	Freehold land and buildings \$	Office equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2020	117,797	-	-	117,797
Additions	-	2,153	-	2,153
Depreciation expense	(1,248)	(43)	-	(1,291)
Balance at 30 June 2021	116,549	2,110	-	118,659
Additions	-	17,526	54,521	72,047
Disposals	-	(2,020)	-	(2,020)
Depreciation expense	(1,248)	(3,589)	(1,514)	(6,351)
Balance at 30 June 2022	115,301	14,027	53,007	182,335

Accounting policy for property, plant and equipment

Land and buildings are shown at the lower of cost and fair value, less subsequent depreciation and impairment for buildings. As at 30 June 2022, all land and buildings are shown at cost less depreciation, fair value being in excess of the cost.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Land and buildings	40 years
Office equipment	2 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 10. Non-current assets - right-of-use assets

	Consolidated	
	2022	2021
	\$	\$
Land and buildings - right-of-use	74,050	30,044
Less: Accumulated depreciation	(30,044)	(23,275)
	<u>44,006</u>	<u>6,769</u>

Reconciliations

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

Consolidated	Land and buildings \$
Balance at 1 July 2020	16,933
Depreciation expense	<u>(10,164)</u>
Balance at 30 June 2021	6,769
Additions	44,006
Depreciation expense	<u>(6,769)</u>
Balance at 30 June 2022	<u>44,006</u>

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Note 11. Non-current assets - exploration and evaluation assets

	Consolidated 2022 \$	2021 \$
Exploration expenditure	13,921,706	11,256,239

Reconciliations

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

Consolidated	Tin tenements \$	Gold tenements \$	Total \$
Balance at 1 July 2020	10,912,539	-	10,912,539
Expenditure during the year	271,019	84,671	355,690
Classified as held for sale (note 8)	(11,990)	-	(11,990)
Balance at 30 June 2021	11,171,568	84,671	11,256,239
Additions	2,476,840	370,899	2,847,739
Impairment of exploration expenditure capitalised	(182,272)	-	(182,272)
Balance at 30 June 2022	13,466,136	455,570	13,921,706

Ultimate recovery of capitalised exploration expenditure is dependent upon success in exploration and development or sale or farm-in/farm-out of the exploration interests.

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward on the statement of financial position where rights to tenure are current and to the extent that costs are expected to be recouped through either the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant exploration activity in, or in relation to, the area is continuing. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest and are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; or
- other facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The application of this policy requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of ore reserves.

Accumulated costs in relation to an abandoned area are written down in full in profit or loss during the period in which the decision to abandon the area is made.

Proceeds on sale or farm-out of an area within an exploration area of interest are offset against the carrying value of the particular area involved. Where the total carrying value of an area has been recouped in this manner, the balance of the proceeds is brought to account in profit or loss.

Notes to the Consolidated Financial Statements

30TH JUNE 2022

During the year ended 30 June 2022, the Consolidated Entity performed an assessment for indicators of an impairment of exploration and evaluation expenditure.

In their assessment for indicators of impairment, management concluded that, based on the early stages of development, existing tin prices at 30 June 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 30 June 2022, with the exception of the Mount Razorback tenement (EL11/2017), in respect of which management have not currently budgeted any activities in respect of over the next 12 month period. Accordingly, \$182,272 of costs incurred and previously capitalised in respect of Mount Razorback exploration and evaluation costs were written off during the year ended 30 June 2022.

Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Note 12. Current liabilities - trade and other payables

	Consolidated	
	2022	2021
	\$	\$
Trade payables	181,506	192,526
Other payables	114,434	33,574
	<u>295,940</u>	<u>226,100</u>

Refer to note 16 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 13. Equity - issued capital

	2022	Consolidated	
	2021	2022	2021
	Shares	Shares	\$
Ordinary shares - fully paid	839,302,626	828,818,332	43,018,120
	<u>839,302,626</u>	<u>828,818,332</u>	<u>42,884,830</u>

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Note 13. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	442,714,441		37,383,884
Share issued to sophisticated investors	15 September 2020	27,272,727	\$0.0110	300,000
Share issued to existing shareholders for two new fully paid ordinary shares for every five existing fully paid ordinary shares	13 October 2020	187,994,800	\$0.0170	1,879,948
Share issued upon exercise of unlisted options	19 March 2021	7,200,000	\$0.0150	108,000
Share issued to raise capital	24 March 2021	90,909,090	\$0.0220	2,000,000
Share issued to raise capital	11 May 2021	72,727,274	\$0.0220	1,600,000
Less capital raising costs				(387,002)
Balance	30 June 2021	828,818,332		42,884,830
Shares issued in settlement of directors' fees	27 July 2021	5,161,190	\$0.0086	44,386
Shares issued in settlement of directors' fees	5 February 2022	3,323,104	\$0.0154	51,404
Share issued upon exercise of unlisted options	10 May 2022	2,000,000	\$0.0200	40,000
Less capital raising costs				(2,500)
Balance	30 June 2022	<u>839,302,626</u>		<u>43,018,120</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment.

The entity does not have a defined share buy-back plan.

There is no current intention to incur debt funding on behalf of the Company as on-going exploration expenditure will be funded via equity or joint ventures with other companies. The consolidated entity is not subject to any externally imposed capital requirements.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

Management reviews management accounts on a monthly basis and reviews actual expenditure against budget on a quarterly basis.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Note 13. Equity - issued capital (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 14. Equity - reserves

	Consolidated 2022 \$	2021 \$
Equity settled share based payments reserve	41,090	136,880

Investment revaluation reserve

The investment revaluation reserve represents accumulated gains and losses arising on the revaluation of financial assets that have been recognised in other comprehensive income, net of amounts will not be reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Equity-settled share based payments reserve

The equity-settled share based payments reserve arises on the grant of securities for the performance of services.

Options

The fair value of options granted has been determined on the basis of the Black Scholes valuation methodology. Amounts are transferred out of the reserve and into issued capital when the options are exercised. No options expired during the period. The balance at the end of the period represents options granted on 10 May 2019 to Directors and 5,000,000 options issued to Taylor Collison for capital raising services performed.

Share rights

On 27 July 2021, Non-Executive Director (NED) Share Rights vested over a total of 5,161,190 fully paid ordinary shares and accordingly 5,161,190 fully paid ordinary shares were issued to Directors for nil consideration. The NED Rights were issued as settlement of Directors fees in lieu of cash remuneration.

On 5 February 2022, NED Share Rights vested over a total of 3,323,104 fully paid ordinary shares and accordingly the Consolidated Entity issued 3,323,104 fully paid ordinary shares as consideration for the settlement of Directors fees in lieu of cash remuneration.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Equity settled share based payments reserve \$	Investment revaluation reserve \$	Total \$
Balance at 1 July 2020	41,090	40,664	81,754
Gain on financial assets at fair value through other comprehensive income	-	397,205	397,205
Share based payments	95,790	-	95,790
Sale of financial assets	-	(437,869)	(437,869)
Balance at 30 June 2021	136,880	-	136,880
Gain on financial assets at fair value through other comprehensive income	-	501,595	501,595
Issue of shares in lieu of directors' fees	(95,790)	-	(95,790)
Sale of financial assets	-	(501,595)	(501,595)
Balance at 30 June 2022	41,090	-	41,090

Notes to the Consolidated Financial Statements

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Note 14. Equity - reserves (continued)

Movements in options over ordinary shares during the current year are set out below:

Options over ordinary shares	Balance at the start of the year	Granted	Expired	Exercised	Balance at the end of the year
Options Expiring 10 May 2022 (\$0.020)	2,000,000	-	-	(2,000,000)	-
Options Expiring 24 December 2022 (\$0.015)*	27,800,000	-	-	-	27,800,000
	<u>29,800,000</u>	<u>-</u>	<u>-</u>	<u>(2,000,000)</u>	<u>27,800,000</u>

*Comprises 22,800,000 free attaching unlisted options issued to shareholders who participated in the capital raising in December 2019 and 5,000,000 unlisted options issued to Taylor Collision in satisfaction of capital raising services performed.

Note 15. Equity - dividends

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

Note 16. Financial instruments

Investments in shares

On 22 September 2021, the consolidated entity completed the sale of EL6350 to Alligator Energy Limited (ASX: AGE, or "Alligator") for total consideration of 7,105,263 AGE shares. The shares were subsequently sold, as a result of which \$501,515 was recognised in other comprehensive income.

Financial risk management objectives

The consolidated entities activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the finance team ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance reports to the Board on a monthly basis.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The consolidated entity's exposure to credit risks are continuously monitored and controlled by counterparty limits that are reviewed and approved by management on a regular basis.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represent the consolidated entity's maximum exposure to credit risk.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Notes to the Consolidated Financial Statements

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Note 16. Financial instruments (continued)

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

	Consolidated	
	2022	2021
	\$	\$
Categories of financial instruments		
Financial assets and liabilities:		
Trade and other receivables	84,171	24,809
Cash and cash equivalents	2,469,036	5,409,191
Lease liabilities	(44,006)	(5,880)
Trade and other payables	(295,940)	(226,100)
Net financial instruments	<u>2,213,261</u>	<u>5,202,020</u>

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

All material remaining financial instrument liabilities at 30 June 2022 and 30 June 2021 mature within twelve months of the date of the report.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 17. Key management personnel disclosures

Directors

The following persons were directors of Stellar Resources during the financial year:

Simon O'Loughlin	Non-Executive Chairman
Thomas Whiting	Non-Executive Director
Gary Fietz	Executive Director
Simon Taylor	Non-Executive Director

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2022	2021
	\$	\$
Short-term employee benefits	489,254	371,755
Post-employment benefits	16,260	10,845
Share-based payments	-	51,840
	<u>505,514</u>	<u>434,440</u>

Notes to the Consolidated Financial Statements

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Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck Audit (Vic) Pty Ltd, the auditor of the company, and its network firms:

	Consolidated 2022 \$	2021 \$
<i>Audit and other assurance services provided by William Buck Audit (Vic) Pty Ltd</i>		
Audit or review of the financial statements	26,550	26,500
<i>Other services provided by a related entity of William Buck Audit (Vic) Pty Ltd</i>		
Tax compliance services	-	600

Note 19. Contingent Liabilities

The consolidated entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 20. Commitments

	Consolidated 2022 \$	2021 \$
Exploration Commitments		
Within one year	664,003	348,818
One to five years	4,800,247	14,731
	5,464,250	363,549

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 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 as such are until that time. Mineral Resources publishes recommended minimum expenditure per square km for Years 1,2,3,4 and 5 of Exploration Licences which have been used to estimate the Year 3,4 and 5 expenditure commitments for the company's Exploration Licences, where this has not yet been set by Mineral Resources Tasmania.

Note 21. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 23.

There were no transactions with related parties during the current and previous financial year, other than those disclosed in note 17

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Notes to the Consolidated Financial Statements

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Note 22. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2022 \$	Parent 2021 \$
Loss after income tax	(2,775,274)	(1,420,335)
Total comprehensive income	(2,775,274)	(1,420,335)

Statement of financial position

	2022 \$	Parent 2021 \$
Total current assets	2,423,369	5,356,820
Total assets	2,603,264	5,469,141
Total current liabilities	306,555	230,201
Total liabilities	306,555	231,979
Equity		
Issued capital	43,018,120	42,884,830
Employee equity-settled benefits reserve	41,090	136,880
Accumulated losses	(40,762,501)	(37,784,548)
Total equity	2,296,709	5,237,162

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Notes to the Consolidated Financial Statements

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Note 23. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
Hiltaba Gold Pty Ltd	Australia	100%	100%
Rubicon Min Tech Ventures Pty Ltd	Australia	100%	100%
Columbus Metals Limited	Australia	100%	100%
Tarcoola Iron Pty Ltd	Australia	100%	100%

Note 24. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Stellar Resources Limited
Columbus Metals Limited

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Stellar Resources, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

	2022 \$	2021 \$
Statement of profit or loss and other comprehensive income		
Revenue	174,007	4,726
Administration expenditure	(714,862)	(541,103)
Depreciation and amortisation expenses	(6,262)	(11,455)
Business development, licencing and other exploration related costs	(9,204)	(172,255)
Impairment of exploration expenditure capitalised	(182,272)	-
Finance costs	(331)	(381)
Impairment of loans to subsidiaries	(404,408)	(79,827)
Loss before income tax expense	(1,143,332)	(800,295)
Income tax expense	-	-
Loss after income tax expense	(1,143,332)	(800,295)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(1,143,332)</u>	<u>(800,295)</u>
Equity - accumulated losses		
Accumulated losses at the beginning of the financial year	(26,664,861)	(25,864,566)
Loss after income tax expense	(1,143,332)	(800,295)
Accumulated losses at the end of the financial year	<u>(27,808,193)</u>	<u>(26,664,861)</u>

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Note 24. Deed of cross guarantee (continued)

Statement of financial position	2022 \$	2021 \$
Current assets		
Cash and cash equivalents	2,469,036	5,409,191
Trade and other receivables	84,172	24,808
Prepayments	52,073	31,378
	<u>2,605,281</u>	<u>5,465,377</u>
Non-current assets		
Tenement security deposits	102,700	101,500
Property, plant and equipment	182,335	118,659
Right-of-use assets	44,006	6,769
Exploration and evaluation assets	13,479,576	11,185,501
	<u>13,808,617</u>	<u>11,412,429</u>
Total assets	<u>16,413,898</u>	<u>16,877,806</u>
Current liabilities		
Trade and other payables	295,940	226,098
Lease liabilities	13,943	4,102
Provisions	10,615	-
Intercompany loans	779,233	288,979
	<u>1,099,731</u>	<u>519,179</u>
Non-current liabilities		
Lease liabilities	30,063	1,778
	<u>30,063</u>	<u>1,778</u>
Total liabilities	<u>1,129,794</u>	<u>520,957</u>
Net assets	<u>15,284,104</u>	<u>16,356,849</u>
Equity		
Issued capital	43,051,207	42,884,830
Reserves	41,090	136,880
Accumulated losses	(27,808,193)	(26,664,861)
Total equity	<u>15,284,104</u>	<u>16,356,849</u>

Note 25. Events after the reporting period

On 3 August 2022, the Consolidated Entity announced that in accordance with the terms of the Seventh Round of the Exploration Drilling Grant Initiative (EDGI) program, the Tasmanian Government has awarded the Company three Exploration Drilling Co-Funding grants totalling \$133,750 for exploration drilling of the South Severn geophysical target and the North Scamander and Pinnacles tin-base metals projects.

On 4 August 2022, the Consolidated Entity entered into a contract to sell approximately 803m of land to be sub-divided from its property at 124 Main Street, Zeehan, Tasmania for \$65,000. Settlement is subject to the Recorder of Titles issuing a separate title for the sub-divided land, expected to take up to 15 months.

On 22 August 2022, the Consolidated Entity announced a Placement to raise \$1,888,425 ("Placement") and the launch of a Share Purchase Plan ("SPP") intended to raise an additional \$500,000. The issue price for both the Placement and the SPP is \$0.015 (1.5 cents) per fully paid ordinary share, a 9.60% discount to the 15-day VWAP. Investors under the Placement and eligible shareholders under the SPP are to be offered one (1) free attaching unlisted option over fully paid ordinary shares for every two (2) fully paid ordinary shares subscribed for (New Shares), exercisable at \$0.025 (2.5 cents) per fully paid ordinary share on or before an expiry date, two years from the date of issue, subject to shareholder approval.

Notes to the Consolidated Financial Statements

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Note 25. Events after the reporting period (continued)

On 29 August 2022, in accordance with the terms of the Placement, the Consolidated Entity issued 125,895,000 fully paid ordinary shares at \$0.015 (1.5 cents) per fully paid ordinary share.

No other matter or circumstance has arisen since 30 June 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 26. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2022 \$	2021 \$
Loss after income tax expense for the year	(732,186)	(720,479)
Adjustments for:		
Depreciation and amortisation	6,262	11,455
Net loss on disposal of non-current assets	2,020	-
Share-based payments	-	95,790
Exploration expenditure and other costs written off	182,272	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(59,362)	(19,651)
Increase in prepayments	(20,693)	(14,473)
Increase/(decrease) in trade and other payables	(3,461)	4,067
Increase in other provisions	10,615	-
Net cash used in operating activities	<u>(614,533)</u>	<u>(643,291)</u>

Note 27. Loss per share

	Consolidated 2022 \$	2021 \$
Loss after income tax attributable to the owners of Stellar Resources	<u>(732,186)</u>	<u>(720,479)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	840,321,263	634,953,427
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>840,321,263</u>	<u>634,953,427</u>
	Cents	Cents
Basic earnings per share	(0.09)	(0.11)
Diluted earnings per share	(0.09)	(0.11)

The options held by option holders and share rights issued to Directors as part of the NED Share Rights Plan have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted loss per share as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The options are non-dilutive as the consolidated entity has generated a loss for the year.

Notes to the Consolidated Financial Statements

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Note 27. Loss per share (continued)

Accounting policy for loss per share

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of Stellar Resources, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 28. Share-based payments

Set out below are summaries of options granted and currently on issue:

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
10/05/2019	10/05/2022	\$0.0000	2,000,000	-	(2,000,000)	-	-
24/12/2019	24/12/2022	\$0.0000	5,000,000	-	-	-	5,000,000
			7,000,000	-	(2,000,000)	-	5,000,000

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
10/05/2019	10/05/2022	\$0.0200	2,000,000	-	-	-	2,000,000
24/12/2019	24/12/2022	\$0.0150	5,000,000	-	-	-	5,000,000
			7,000,000	-	-	-	7,000,000

Weighted average exercise price	\$0.0164	\$0.0000	\$0.0164	\$0.0000	\$0.0164
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The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.48 years (2021: 1.45 years).

There is also 22.8 million free attaching unlisted options on issue at 30 June 2022, these options have an exercise price of \$0.015 (1.5 cents) per fully paid ordinary share and expire on 24 December 2022. The options were issued as part of a placement completed in December 2019.

Share rights

On 27 July 2021, Non-Executive Director (NED) Share Rights vested over a total of 5,161,190 fully paid ordinary shares and accordingly 5,161,190 fully paid ordinary shares were issued to Directors for nil consideration. The NED Rights were issued as settlement of Directors fees in lieu of cash remuneration.

On 5 February 2022, NED Share Rights vested over a total of 3,323,104 fully paid ordinary shares and accordingly the Consolidated Entity issued 3,323,104 fully paid ordinary shares as consideration for the settlement of Directors fees in lieu of cash remuneration.

Notes to the Consolidated Financial Statements

30TH JUNE 2022

Note 28. Share-based payments (continued)

	Total share rights
Share rights over ordinary shares	-
Opening balance at 1 July 2021	8,484,294
Share rights vested and issued fully paid ordinary shares on 27 July 2021	(5,161,190)
Share rights vested and issued fully paid ordinary shares on 5 February 2022	(3,323,104)
Balance of share rights at 30 June 2022	<u>-</u>

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Directors' Declaration

30TH JUNE 2022

The Directors of the Company declare that:

- in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board and Australian Accounting Standards as issued by the Australian Accounting Standards Board, as described in note 2 to the financial statements;
- in the Directors' opinion, the financial statements and notes hereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Entity.
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 24 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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



Simon O'Loughlin
Non-Executive Chairman

27 September 2022
Melbourne

Independent Auditor's Report

30TH JUNE 2022

WilliamBuck

ACCOUNTANTS & ADVISORS

Stellar Resources Limited Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Stellar Resources Limited (the Company) and the entities it controlled from time to time throughout the financial year (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the annual financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditor's Report

30TH JUNE 2022

WilliamBuck
ACCOUNTANTS & ADVISORS

CARRYING VALUE OF EXPLORATION AND EVALUATION ASSETS	
Area of focus Refer also to notes 2 and 10	How our audit addressed it
The Group has incurred exploration costs for their Australian mining projects over a number of years. There is a risk that the accounting criteria associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate. Due to the nature of the mining industry, indicators of impairment could include: — Changes to exploration plans; — Loss of rights to tenements; — Changes to reserve estimates; or — Costs of extraction and production. Based on management's assessment the Australian exploration area continues to meet the requirements for capitalisation at 30 June 2022.	Our audit procedures included: — A review of the directors' assessment of the criteria for the capitalisation of exploration expenditure and their impairment assessment; — Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the requirement to renew that tenement at its expiry; and — Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest. We also assessed the adequacy of the Group's disclosures in respect of exploration costs in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or they have no realistic alternative but to do so.

Independent Auditor's Report

30TH JUNE 2022

WilliamBuck

ACCOUNTANTS & ADVISORS

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Stellar Resources Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.


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



J. C. Luckins
Director
Melbourne, 27th September 2022

Shareholder Information

30TH JUNE 2022

The shareholder information set out below was applicable as at 16 September 2022.

Distribution of equitable securities

Analysis of number of equitable securities holders by size of holding:

Holdings Ranges	Number of holders of ordinary shares	Total Units Held	% Held	Number of holders of unlisted options	Total Units Held	% Held
1-1,000	236	76,706	0.01%	-	-	-
1,001-5,000	350	973,120	0.10%	-	-	-
5,001-10,000	159	1,266,716	0.13%	-	-	-
10,001-100,000	870	39,302,718	4.07%	-	-	-
100,001 and over	731	923,578,366	95.69%	15	27,800,000	100.00%
	<u>2,346</u>	<u>965,197,626</u>		<u>15</u>	<u>27,800,000</u>	

Holding less than a marketable parcel: 1,171 holders of ordinary shares, holding 11,930,199 ordinary shares.

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Name	Ordinary shares Number held	% of total shares issued
BNP PARIBAS NOMS PTY LTD <DRP>	77,358,052	8.015%
CAPETOWN S A	62,382,221	6.463%
WGS PTY LTD	35,688,888	3.698%
ELLIOTT SERVICES PTY LTD <THE ELLIOTT FAMILY A/C>	29,000,000	3.005%
MR MICHAEL ANDREW WHITING & MRS TRACEY ANNE WHITING <WHITING FAMILY S/F A/C>	27,809,575	2.881%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	17,000,000	1.761%
CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	14,995,402	1.554%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	14,840,300	1.538%
GP SECURITIES PTY LTD	14,750,000	1.528%
BNP PARIBAS NOMINEES PTY LTD <ACF CLEARSTREAM>	13,534,921	1.402%
ROBERT NAIRN PTY LTD	13,340,000	1.382%
BRAZIL FARMING PTY LTD	11,000,000	1.140%
NURRAGI INVESTMENTS PTY LTD	10,000,000	1.036%
CLARKSON'S BOATHOUSE PTY LTD <CLARKSON SUPER FUND A/C>	9,483,222	0.983%
PETERSVIEW PTY LTD	9,000,000	0.932%
LONGRIDGE PARTNERS PTY LTD	8,888,330	0.921%
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	8,338,001	0.864%
JIMZBAL PTY LTD <JIMZBAL SUPER A/C>	8,319,592	0.862%
AV&RV PTY LTD <VEDIG SUPER A/C>	8,000,000	0.829%
MR STEPHEN CANSDELL HIRST	7,400,000	0.767%
	<u>401,128,504</u>	<u>41.559%</u>

Shareholder Information

30TH JUNE 2022

Unlisted Option Holders

	Number on issue	Number of holders
Options over ordinary shares issued	27,800,000	15

There are no persons holding 20% or more of unquoted equity securities.

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares Number held	% of total shares issued
BNP PARIBAS NOMS PTY LTD <DRP>	77,358,052	9.22
CAPETOWN S A	62,382,221	7.43

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unlisted options

The unlisted options on issue do not carry any voting rights.

There are no other classes of equity securities.

Buy-back

The Company is not currently conducting an on-market buy-back.

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