



STELAR METALS LIMITED

ACN 651 636 065

ANNUAL FINANCIAL REPORT

**for the year ended
30 June 2025**

Stelar Metals Limited
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Stelar Metals Limited
Corporate Information
For the year ended 30 June 2025

Directors

Stephen Biggins (Non-Executive Chairman)
Geoffrey Webster (Non-Executive Director)
William Dix (Non-Executive Director)

Chief Executive Officer

Colin Skidmore

Company Secretary

Nicholas Harding

Registered Office / Principal Place of Business

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Share Register

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Melbourne Vic 3000

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Auditor

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3, 170 Frome Street
Adelaide SA 5000

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Principal Bankers

Westpac Banking Corporation
275 Kent Street
Sydney NSW 2000

Stock Exchange Listing

Stelar Metals Limited shares are listed on the Australian Securities Exchange (ASX code: SLB)

Stelar Metals Limited
Directors' Report
For the year ended 30 June 2025

The Directors present their report, together with the consolidated financial report for Stelar Metals Limited ("Stelar Metals" or the "Company") and its controlled entities (the "Group") for the year ended 30 June 2025.

Directors

The names of Directors in office at any time during or since the end of the year ended 30 June 2025 were as follows:

Name	Position
Stephen Biggins	Non-Executive Chairman
Geoffrey Webster	Non-Executive Director
William Dix	Non-Executive Director

Principal Activities

The principal activities of the Group are the exploration and development of its critical lithium, copper and zinc projects located in South Australia and New South Wales and assessment of any other opportunities that are available that have a strategic fit for the Group with the intention of providing maximum value to Shareholders for their investment.

Review of Operations and results

The Group incurred a net loss after tax for the year ended 30 June 2025 of \$1,856,842 (2024: loss of \$1,684,036). At 30 June 2025, the Group had a net asset position of \$7,394,097 (2024: \$9,124,250) and held \$2,533,357 (2024: \$3,678,464) in cash and cash equivalents.

During the year, the Group predominantly conducted exploration activities at the Baratta Copper Project in South Australia in addition to pursuing business development opportunities with the aim of expanding its portfolio of projects in Tier 1 jurisdictions.

SA - Baratta Copper Project

The Baratta Copper Project ("Baratta") is located in South Australia, comprising of two licences that were granted to the Group in late 2022. The project is considered highly prospective for sediment-hosted copper mineralisation, akin to the Central African Copperbelt.

Geological mapping and surface sampling commenced at Baratta in June 2024. During the initial reconnaissance mapping, 1,182 soil samples, and 77 rock chip samples were collected along a 3.4 kilometre strike length between the main historic workings and North Bore from outcrops of weathered gossan, historic mine spoil, and minor excavations.

Rock chip samples were submitted for multi-element assay and returned high-grade copper assays up to 28.7% copper, which validated soil results measured in-house using a portable XRF. 21 of the 72 assayed rock chips samples returned over 10% copper distributed along the strike length of a series of stacked gossans mapped and sampled in June 2024 by Stelar.

In August 2024, the Group discovered primary copper sulphide mineralisation and new high-grade copper gossans at Baratta. Chalcopyrite, a copper-iron sulphide, was found in rock chip hand specimens of shallow mine waste rock at Baratta in haematite-chalcocite-copper oxide breccias.

Stelar's new copper discovery suggests Baratta is close to a source of a primary copper system and is considered highly prospective consistent for Sediment-hosted Stratabound Copper (SSC) mineralisation analogous to the Central African Copper Belt (CACB).

Additional laboratory assays of rock chips collected from new parallel gossan trends also showed high-grade copper assays up to 27.1% copper. Nine out of these 22 rock chip samples returned over 10% copper from a gossanous horizon located 400 metres north of the Baratta Mine gossan trend.

Results from Round 3 rock chip sampling at Baratta again returned exciting results, with 27% of the samples assaying over 10% copper and 69% assaying over 5% copper.

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In addition, a third parallel copper mineralised gossan was identified to the east of the Baratta Copper Project. Additionally, infill rock chips also emphasise the consistency of the high-grade copper grades along the strike of the stacked stratabound gossans.

The Baratta Copper Project has now been mapped and sampled for over 3.6 km along strike, which remains open in both directions.

During the December quarter, the Group announced results of its advanced geophysical reprocessing that has generated discrete targets for follow-up in the Bibliando Diapir to the south of its Baratta Copper Project in South Australia and commenced surface sampling and detailed geological mapping over the Bibliando Diapir.

Extending for 7.5 kilometres in the structurally complex Bibliando Thrust, the Bibliando Diapir has been interpreted by previous explorers as a crushed carbonatite with potential for rare earth minerals as well as being a contributor to the Baratta sediment-hosted copper mineralising system.

In addition, Stelar's consultant geophysicist applied advanced processing and 3D modelling techniques to generate a number of ranked targets for follow-up based on Panda Mining's historic datasets.

High-resolution airborne magnetic and 256-channel radiometric datasets over the Bibliando Dome were previously acquired in 2010. Gradient Array Induced Polarisation (GAIP) was acquired over the central section of the Bibliando Diapir in 2015.

Lone Pine Prospect

Lone Pine is located within the hinge-zone on the western flank of the Bibliando Dome. This elliptical east-west striking salt-cored, doubly-plunging anticline extends over 35 kilometres along its longitudinal axis. The western portion of the dome is cut by the Bibliando Thrust, a large regional north-south trending thrust fault. Lone Pine is located in the western down-thrust block, whereas the Baratta Mine area is in the eastern up-thrust block.

Results of the initial reconnaissance mapping and sampling at the Lone Pine Prospect located on the western limb of the Bibliando Dome some 7.5 kilometres west of the historic Baratta Mine workings were released in September.

Assay results from a small batch of rock chip samples returned copper assays up to 12.7% copper and 13 g/t silver. Seven of the eight samples collected along a 400m strike length of exposed gossans returned over 5% copper. There is little evidence of historic workings at Lone Pine aside from shallow cuts and scrapings associated with roadbuilding machinery circa 1950's.

All second-round rock chip samples from the Lone Pine Prospect returned assay results over 5% copper, with a maximum copper assay of 24.9% copper. This round of rock-chip assays also returned high-grade silver, with four samples running over 2 ounces and assays up to 211 g/t Ag.

Since Stelar Metals listed in March 2022, the Group has been limited to undertaking low-impact work only at both the Linda and Baratta Projects as SA DEM is unable to consider approving an Exploration Program for Environment Protection and Rehabilitation (E-PEPR), which is required for ground disturbing work including drilling. The E-PEPR process is blocked as the Adnyamathanha Traditional Lands Association (ATLA), who have registered Native Title over a large area in South Australia that includes the Linda and Baratta projects areas, have been placed in Special Administration since March 2020 and cannot negotiate a Native Title Management Agreement (NTMA). A registered NTMA is a prerequisite for an E-PEPR.

The ATLA Special Administration has already been extended nine times and is now currently listed to expire on 30 June 2026. Subsequently, the Group has received Retention Status for the affected tenure so it can retain without expenditure commitments until ATLA can continue to negotiate an NTMA and the Group can seek drilling approvals for both Linda and Baratta Projects.

SA - Linda Zinc Project

The Linda Zinc Project is considered prospective for high-grade carbonate-hosted zinc mineralisation.

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In 2022, Stelar Metals undertook extensive low-impact exploration work, principally at Linda, which has generated targets ready for drill testing.

Linda is currently under Retention Status.

SA - Evelyn Dam Project

Stelar completed its inaugural diamond hole (EVE002) to test a large gravity anomaly that was considered prospective as an Olympic Dam styled IOCG target. EVE002 was collared on 12 July 2022 and was terminated at 1,578.9 metres depth on 7 August 2022. The hole successfully tested the target gravity anomaly as planned and encountered interesting geology, including volcanic breccias with variable haematite-silica, sericite-chlorite, and carbonate-fluorite alteration assemblages through the target zone typical of IOCG alteration.

Stelar's review of the geology, geophysical modelling and the geochemical assay results from the sampled sections of core have determined that the high-level apotheosis to the gravity anomaly can be adequately accounted for by the unmineralised mafic dyke. The assay results, which included low-tenor anomalous rare earth elements, are only consistent with more distal IOCG alteration and no copper-gold mineralisation was intersected.

It remains plausible that the main gravity anomaly which is modelled at ~5 kilometres depth is still prospective as an IOCG target but is considered too deep for Stelar to drill on its own. Consequently, Stelar has impaired \$853,776 of the carrying value of the Evelyn Dam Project relating to the direct exploration expenditure incurred since listing, leaving \$583,696 representing a share of the acquisition costs allocated to the Project when the project portfolio was acquired from Resource Holdings Pty Ltd. Stelar will continue to seek alternative funding for the project to take it forward.

SA - Gunson Copper Project

Two exploration licences (EL's 6812 and 6824) were granted in August 2022 over the Gunson Copper Project covering a combined 172km². The project is considered prospective for both sediment-hosted copper and Olympic Dam style IOCG mineralisation types.

EL6812 is located 2km from the Mt Gunson Copper Mine. The Pernatty Culmination has recently been the focus for explorers such as Coda Minerals and DGO Gold which have reported several significant sediment-hosted copper and IOCG discoveries and JORC resources such as Emmie Bluff, Emmie Bluff Deeps, MG14, Windabout, and Elaine.

The Group has engaged with stakeholders, including the South Australian Department for Environment and Water (SADEW) and the Kokatha Aboriginal Corporation (KAC), as it initially plans to collect high-resolution gravity data to define future drill targets.

NSW - Trident Lithium Project

The Trident Project extends over a 20km strike length of the Euriowie Tin Pegmatite Field, which is prospective for hard-rock lithium mineralisation. Mapped LCT-type pegmatites vary in size but can be up to 100 metres wide and extend in outcrop for over 1 kilometre in length. Trident was one of Australia's first lithium mining provinces, with pegmatites that have historically been mined for lithium and tin, highlighting both the fertility and large scale of the lithium-rich pegmatite system at Trident.

The inaugural reverse-circulation drill program was completed in early December 2023 with a total of 2,630 metres drilled. Drilling was undertaken at Trident, Sceptre, Lady Don, Triumph, Gloria and Stag, with 29 drill holes completed at 18 approved drill sites. Zoned LCT-pegmatites were intersected at all drilled prospects, with over 1,000 samples of pegmatite intersections sent to Intertek Laboratory in Adelaide for analysis.

Assay results returned intersections of high-grade lithium mineralisation. The best drill intercept from the program was 8m @ 1.16% Li₂O from 8m, including 4m @ 1.85% Li₂O in TRD001. Additionally, drilling intersected a range of broad intercepts of anomalous lithium values of 0.1-0.3% Li₂O within the pegmatites. Thick variably mineralised pegmatite intersections, including 32m @ 0.13% Li₂O in TRD010 (28 - 57m depth) and 34m @ 0.20% Li₂O in TRD012 (10 - 44m depth), alluded to the mineralised potential of this open northern extension at Trident.

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Continued mapping and extensive surface sampling programs through the first part of 2024 identified multiple new large LCT-type pegmatites on the Trident Lithium Project with rock-chip assay results up to 2.8% Li₂O at Caloola located 7 kilometres north of Trident.

Given the current subdued lithium commodity price, the Group has decided to focus on its other projects in the short term while awaiting improvements in investor sentiment for lithium before returning to the Trident Lithium Project in New South Wales.

NSW - Midas Copper-Cobalt and Perseus Copper-Gold Projects

The NSW Midas and Perseus Projects were also included in the joint venture with Everest and are considered prospective for copper cobalt and copper gold, respectively. No work was undertaken on these projects during the reporting period.

During the year, the Group entered into a Sale Agreement with Red Hill Minerals Limited (ASX:RHI) for the sale of the Perseus Project in NSW for net proceeds of \$230,000.

Project Generation

The Group has been actively seeking new critical mineral and gold projects in prospective Tier 1 jurisdictions in Australia including NT, WA and QLD. The Group is currently in negotiation with several third parties.

Significant Changes in State of Affairs

Other than the events described in the Review of Operations above, there have been no other significant changes in the state of affairs of the Group during the year.

Events Subsequent to Reporting Period

There has been no matter or circumstance that has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

The Group will continue to advance exploration activities across its portfolio of exploration projects, with a key focus on the Baratta Copper Project, while evaluating other new project opportunities.

Directors' Details

Name	Stephen Biggins
Title	Non-Executive Chairman
Experience	Mr Biggins has over 25 years' experience as a geologist and as an executive in both the mining industry in Australia and internationally. He has applied his Honours Degree in Geology and MBA as the founding Managing Director of several ASX-listed companies. Mr Biggins has built prospective portfolios of lithium, gold, uranium and base metal exploration projects in Australia, Asia and Africa. Until his resignation in October 2022, Mr Biggins was the Managing Director of Core Lithium (ASX: CXO). He led that Company to the acquisition, discovery and definition of the first lithium resources in the Northern Territory, which is considered one of the highest-grade lithium resources in Australia, and officially opened as an operating mine in October 2022. Mr Biggins previously served as founding director of Southern Gold (ASX: SAU) from 2005 to 2010 and led the acquisition and discovery of the Cannon Gold Mine in Western Australia. He was also a founding director

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of Investigator Resources Ltd (ASX: IVR) which discovered the high-grade Paris Silver resource in South Australia.

Interest in Shares & Options

11,455,001 fully paid ordinary shares
500,000 options exercisable at \$0.50 expiring 22 December 2025

Other Listed Entity Directorships

Current – Non-Executive Chairman of Winsome Resources Limited (ASX: WR1)
Current – Non-Executive Director of Sipa Resources Limited (ASX: SRI)

Former Listed Entity Directorships

Core Lithium Limited (ASX: CXO) – resigned 17 October 2022

Name

Geoffrey Webster

Title

Non-Executive Director

Experience

Mr Webster is a Chartered Professional Engineer, graduating with honours from the University of Adelaide, and is the director of a specialist engineering consultancy firm located in South Australia. He is a member of the Australian Institute of Company Directors and has been awarded an MBA through Latrobe University.

With nearly 20 years' experience in the engineering sectors, Mr Webster has previously worked as the General Manager for an ASX 200 listed company in a national capacity, as well as working as the project manager for a Hong Kong-based investment company. Mr Webster is currently the deputy chair of a not-for-profit entity and has been appointed National President of a peak body for all stakeholders in the resource recovery industry.

Interest in Shares & Options

200,000 fully paid ordinary shares
500,000 options exercisable at \$0.50 expiring 22 December 2025

Other Listed Entity Directorships

None

Name

William Dix

Title

Non-Executive Director

Experience

Mr Dix is a geologist with 24 years' experience in base metal, gold and uranium exploration and mining. Earlier in his career, he spent seven years with the highly successful international nickel producer LionOre Mining International in a variety of exploration, mining and management roles.

Mr Dix has a proven track record of successful project and team management and also has extensive experience in commercial activities including capital raisings, mergers, acquisitions and divestments. He holds a Bachelor of Science and Master of Science (Geology) from Monash University and is a member of AusIMM.

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Interest in Shares & Options 350,000 fully paid ordinary shares
500,000 options exercisable at \$0.50 expiring 22 December 2025

Other Listed Entity Directorships Current - Managing Director of Trinex Minerals Limited (ASX: TR3)
Current – Non-Executive Director of Breakthrough Minerals Limited (ASX: BTM)

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

Chief Executive Officer

Colin Skidmore is an exploration geologist and project manager with a BSc honours degree from Adelaide University and a Masters of Applied Science in Exploration and Mining degree from James Cook University. Mr Skidmore is a member of the Australian Institute of Geoscientists and is a Qualified Person under JORC for a broad range of commodities and mineralisation styles.

Mr Skidmore has over 25 years' experience taking grass root projects and conceptual ideas through rigorous exploration to resource definition and transition to development. He has extensive experience in South Australia but also managing international projects in North and South America, Central Asia and Europe.

Mr Skidmore does not hold any shares in Stelar Metals Limited.

Company Secretary

Nick Harding is a qualified accountant, company secretary and finance professional with over 35 years' experience working in the resources industry. After previously holding senior finance roles with WMC Resources, Normandy Mining and Newmont Australia, Mr Harding has for the past 16 years provided consulting finance and Company Secretarial services to a number of ASX listed junior explorers and developers, the most recent being Andromeda Metals Limited (ASX: ADN).

Meetings of Directors

The number of meetings of the Group's Board of Directors ('the Board') and of each Board committee held during the period ended 30 June 2025 and the number of meetings attended by each director were:

	Board Meeting	
	Eligible to Attend	Attended
Stephen Biggins	11	10
Geoffrey Webster	11	11
William Dix	11	11

- * There are no separate committees. Audit and Risk Management / Remuneration and Nomination matters are conducted by the Board as a whole as part of board meetings.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and the Corporation Regulations 2001. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors.

The key management personnel of Stelar Metals Limited for the financial year consists of:

- Stephen Biggins (Non-Executive Chairman)
- Geoffrey Webster (Non-Executive Director)
- William Dix (Non-Executive Director)
- Colin Skidmore (Chief Executive Officer)

Principles used to Determine the Nature and Amount of Remuneration

The Board reviews and approves the remuneration policy to enable the Group to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a group of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Fixed remuneration consists of base remuneration, as well as employer contributions to superannuation funds where applicable.

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Group of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

In addition, a Director may be paid fees or other amounts for example, and subject to any necessary Shareholder approval, non-cash performance incentives (such as Options and Performance Rights) as the Directors determine, where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. The Group has adopted an employee incentive scheme titled "Employee Securities Incentive Plan" (Plan).

Where agreed by the Board, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Group did not engage any remuneration consultants during the financial period.

Voting of shareholders at last year's annual general meeting

Stelar Metals Limited received 99.8% of "yes" votes on its remuneration report for the 2024 financial year. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Service Agreements

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

Colin Skidmore
Chief Executive Officer

Commenced employment: 1 December 2021 (agreement executed 2 December 2021) and extended on 17 August 2023.
Term: Two years to 30 November 2025 unless terminated with 3-months' notice by Employer or Executive.

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Remuneration: A base annual remuneration of \$250,000 excluding statutory superannuation, a short-term performance based incentive of up to \$50,000 in cash bonuses and a long-term incentive comprising the issue of 100,000 Class A performance rights which vest and covert to shares on a 1 for 1 basis when the 20 day VWAP exceeds \$0.40 and an additional 200,000 Class B performance rights which vest and covert to shares on a 1 for 1 basis when the 20 day VWAP exceeds \$0.50, both before 30 June 2025. These performance rights lapsed on 30 June 2025 as the conditions were not met.

Non executive directors

All non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

Remuneration: The Chair receives \$70,000 plus statutory superannuation per annum and other non-executive directors \$45,000 plus statutory superannuation per annum.

Performance on shareholder wealth

	30 June 2025	30 June 2024	30 June 2023	30 June 2022¹
	\$	\$	\$	\$
Earnings per share (cents)	(2.92)	(2.78)	(1.88)	(4.39)
Dividends	-	-	-	-
Net loss after tax	(1,856,842)	(1,684,036)	(949,872)	(759,248)
Share price	0.052	0.066	0.29	0.189

¹ The Group listed on the ASX on the 18 March 2022.

In accordance with the Group's performance evaluation policy, an annual review of the role of the Board will assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively. This review includes the evaluation of the remuneration of the Group's senior executives. This evaluation must be based on specific criteria, including the business performance of the Group, whether strategic objectives are being achieved and the development of management and personnel.

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Details of Remuneration

Details of the remuneration of key management personnel of the Group are set out in the following table.

	Short-term benefits			Post-employment benefits Super-	Share-based payments		Total
	Salary and fees	Cash bonus	Non-monetary	annuation	Equity-settled Performance Rights	Equity-settled Options	
	\$	\$	\$	\$	\$	\$	\$
2025							
<i>Directors</i>							
Stephen Biggins	74,250	-	-	7,849	-	-	82,099
Geoffrey Webster	43,875	-	-	5,046	-	-	48,921
William Dix	43,875	-	-	5,046	-	-	48,921
<i>Key Management Personnel</i>							
Colin Skidmore	250,000	20,000 ¹	-	31,150	48,711	-	349,861
	412,000	20,000	-	49,091	48,711	-	529,802
2024							
<i>Directors</i>							
Stephen Biggins	80,000	-	-	7,700	-	62,000	149,700
Geoffrey Webster	45,000	-	-	4,950	-	62,000	111,950
William Dix	45,000	-	-	4,950	-	62,000	111,950
<i>Key Management Personnel</i>							
Colin Skidmore	242,752	20,000 ¹	-	29,003	28,560	62,000	382,315
	412,752	20,000	-	46,603	28,560	248,000	755,915

¹ Mr Skidmore was paid a cash bonus following the achievement of certain Short Term Incentive milestones agreed with the Board

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

	Fixed remuneration	At Risk – STI	At Risk – LTI
2025			
<i>Directors</i>			
Stephen Biggins	100%	-	-
Geoffrey Webster	100%	-	-
William Dix	100%	-	-
<i>Key Management Personnel</i>			
Colin Skidmore	80.00%	5.7%	13.9%
2024			
<i>Directors</i>			
Stephen Biggins	58.6%	-	41.4%
Geoffrey Webster	44.6%	-	55.4%
William Dix	44.6%	-	55.4%
<i>Key Management Personnel</i>			
Colin Skidmore	71.1%	5.2%	23.7%

Share-based Compensation

Options Issued as Remuneration

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial period are as follows:

There were no new share-based compensation payments made during the year ended 30 June 2025.

	Number of Options Granted	Grant Date	Vesting Date	Expiry Date	Exercise Price (\$)	Fair Value per Option (\$)
2024						
<i>Directors</i>						
Stephen Biggins	500,000	29-Nov-23	29-Nov-23	22-Dec-25	0.50	0.124
Geoffrey Webster	500,000	29-Nov-23	29-Nov-23	22-Dec-25	0.50	0.124
William Dix	500,000	29-Nov-23	29-Nov-23	22-Dec-25	0.50	0.124
<i>Key Management Personnel</i>						
Colin Skidmore	500,000	29-Nov-23	29-Nov-23	22-Dec-25	0.50	0.124

The share options disclosed in the table above represent 500,000 share options that were issued to each director and the Chief Executive Officer of the Group. The options are exercisable at \$0.50 per option by 22 December 2025. All share options were valued at the grant date using a Black-Scholes Model. All share options were granted on 29 November 2023, vesting immediately. The options were granted under the Group's Employee Incentive Securities Plan with the options issued to directors approved by shareholders at the 2023 AGM held on 29 November 2023.

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Options granted carry no dividend or voting rights. All options were granted over unissued fully paid ordinary shares in the Group. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation are set out below:

	Value of options granted/vested during the period \$	Value of options exercised during the period \$	Remuneration consisting of options for the period %
2025			
<i>Directors</i>			
Stephen Biggins	-	-	-
Geoffrey Webster	-	-	-
William Dix	-	-	-
<i>Key Management Personnel</i>			
Colin Skidmore	-	-	-
2024			
<i>Directors</i>			
Stephen Biggins	62,000	-	41.4
Geoffrey Webster	62,000	-	55.4
William Dix	62,000	-	55.4
<i>Key Management Personnel</i>			
Colin Skidmore	62,000	-	23.6

Option holdings

The number of options over ordinary shares in the Group held during the financial year ended 30 June 2025 by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the period ¹	Granted	Other	Lapsed / Forfeited / Exercised ²	Balance at the end of the period
<i>Directors</i>					
Stephen Biggins	3,500,000	-	-	(3,000,000)	500,000
Geoffrey Webster	1,500,000	-	-	(1,000,000)	500,000
William Dix	1,500,000	-	-	(1,000,000)	500,000
<i>Key Management Personnel</i>					
Colin Skidmore	500,000	-	-	-	500,000
	7,000,000	-	-	(5,000,000)	2,000,000

¹ all options have vested on issue

² During the period 2021-22, the Company issued a series of options in connection with its admission to the ASX. These comprised:

- 3,000,000 options granted to directors on 16 November 2021, exercisable at \$0.30 and expiring on 18 March 2025. These options vested immediately on grant and had a grant date fair value of

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\$0.02558 per option, resulting in a total fair value of \$76,740 recognised as a share-based payment expense.

- 2,000,000 free-attaching options issued on 24 September 2021 to a seed shareholder. These were issued for nil consideration, consistent with their attaching nature, and accordingly no share-based payment expense was recognised.

All options were exercisable at \$0.30 per share and had a common expiry date of 18 March 2025.

On 18 March 2025, all 5,000,000 options on issue expired unexercised. No options were exercised during the life of the instruments.

Performance Rights Issued as Remuneration

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial period are as follows:

There were no new share-based compensation payments made during the year ended 30 June 2025.

	Number of Rights Granted	Grant Date	Vesting Date	Expiry Date	Fair Value per right (\$)
2025					
<i>Directors</i>					
Stephen Biggins	-	-	-	-	-
Geoffrey Webster	-	-	-	-	-
William Dix	-	-	-	-	-
<i>Key Management Personnel</i>					
Colin Skidmore	-	-	-	-	-
2024					
<i>Directors</i>					
Stephen Biggins	-	-	-	-	-
Geoffrey Webster	-	-	-	-	-
William Dix	-	-	-	-	-
<i>Key Management Personnel</i>					
Colin Skidmore	100,000	29-Nov-23	29-Nov-23	30-Jun-25	0.2775
	200,000	29-Nov-23	29-Nov-23	30-Jun-25	0.2476

The performance rights disclosed in the table above represent 100,000 rights granted under tranche 1 and 200,000 rights granted under tranche 2 to the Chief Executive Officer of the Group. Tranche 1 rights have a vesting condition of a 20-day Volume Weighted Average Price (VWAP) of Stelar Metals Limited (ASX: SLB) shares exceeding AUD\$0.40. Tranche 2 rights have a vesting condition of a 20-day Volume Weighted Average Price (VWAP) of Stelar Metals Limited (ASX: SLB) shares exceeding AUD\$0.50. All performance rights have been valued using a Monte-Carlo valuation model. At grant date, the performance rights were valued to a total of \$0.077 million, which vest in the tranches outlined above with the expense recognised in profit or loss over the estimated period to achieve each vesting condition. The vesting conditions are subject to an expiry date as stated above and require continued services.

Performance rights holdings

The number of performance rights over ordinary shares in the Group held during the financial year ended 30 June 2025 by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Stelar Metals Limited
Directors' Report
For the year ended 30 June 2025

	Balance at the start of the period	Granted	Other	Lapsed / Forfeited / Exercised	Balance at the end of the period
<i>Directors</i>					
Stephen Biggins	-	-	-	-	-
Geoffrey Webster	-	-	-	-	-
William Dix	-	-	-	-	-
<i>Key Management Personnel</i>					
Colin Skidmore	300,000	-	-	(300,000) ¹	-
	300,000	-	-	(300,000)	-

¹ The Group granted performance rights to the Chief Executive Officer during the year ended 30 June 2023 as part of his long-term incentive arrangements. The terms of the performance rights were as follows:

- 100,000 Class A Performance Rights, each convertible into one fully paid ordinary share upon the Company's 20-day volume weighted average price (VWAP) exceeding \$0.40. The fair value at grant date was \$0.27750 per right.
- 200,000 Class B Performance Rights, each convertible into one fully paid ordinary share upon the Company's 20-day VWAP exceeding \$0.50. The fair value at grant date was \$0.24760 per right.

Both tranches of rights were subject to the achievement of the relevant VWAP hurdles and had an expiry date of 30 June 2025.

As the relevant performance conditions were not satisfied by 30 June 2025, none of the rights vested. Accordingly, all 300,000 performance rights lapsed on 30 June 2025, and no ordinary shares were issued pursuant to these instruments.

Additional Disclosures Relating to Key Management Personnel

Shareholdings

The number of shares in the Group held during the financial period ended 30 June 2025 by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the period	Additions	Other	Balance at the end of the period
<i>Directors</i>				
Stephen Biggins	10,700,001	755,000	-	11,455,001
Geoffrey Webster	200,000	-	-	200,000
William Dix	350,000	-	-	350,000
<i>Key Management Personnel</i>				
Colin Skidmore	-	-	-	-
	11,250,001	755,000	-	12,005,001

Other Equity-related Key Management Personnel Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to shareholdings and options.

Other Transactions with Key Management Personnel and/or their Related Parties

Included in Other Income is a service fee charged to Sipa Resources Limited (ASX: SRI) totalling \$24,520. Stelar entered into an agreement with Sipa Resources to provide field exploration services for a three month period during the financial year for a fee while the Group was focussed on assessing new project opportunities. Stelar's Chair Stephen Biggins joined the Board of Sipa Resources in February 2025 as a Non-executive Director and as such is considered a related party.

There were no other transactions conducted between the Group and Key Management Personnel or their related parties, apart from those disclosed above, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

End of Remuneration Report (Audited)

Share Options

At the date of this report, the unissued ordinary shares of the Group under option and rights are as follows:

Number of Options Granted	Grant Date	Expiry Date	Exercise Price (\$)
1,500,000	29 November 2023	29 November 2025	0.50
2,500,000	29 November 2023	22 December 2025	0.50
200,000	1 December 2023	22 December 2025	0.50

Environmental regulation

The Group is aware of its responsibility to impact as little as possible on the environment, and where there is any disturbance, to rehabilitate sites. During the year under review, the majority of work carried out was in South Australia and the Group followed procedures and pursued objectives in line with guidelines published by the relevant State Governments. These guidelines are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. The Group supports this approach and is confident that it properly monitors and adheres to these objectives, and any local conditions applicable wherever it explores.

The Group is in compliance with the state and/or Commonwealth environmental laws for the jurisdictions in which it operates.

Non-Audit Services

During the year Grant Thornton Audit Pty Ltd, the Group's auditor and its related practices, has performed certain other services in addition to their statutory duties.

The Board, in the absence of any established committees, has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Stelar Metals Limited
Directors' Report
For the year ended 30 June 2025

Details of the amounts paid or accrued to the auditor of the Group, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out below.

	2025	2024
	\$	\$
Tax services	12,663	11,900

Dividends Paid or Recommended

No dividends were paid or recommended during the year end 30 June 2025.

Indemnity and Insurance of Directors and Officers

The Group has indemnified the Directors and Executives of the Group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial period, the Group paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and Insurance of Auditor

To the extent permitted by law, the Group has agreed to indemnify its auditors, Grant Thornton Audit Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Grant Thornton Audit Pty Ltd during or since the financial period.

Proceedings of Behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

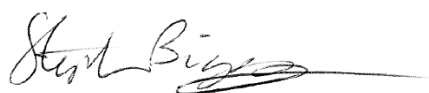
Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 has been received and immediately follows the Directors' Report.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support and have adhered to principles of sound corporate governance. The Group continued to follow best practice recommendations as set out by the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Where the Group has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement which is available on the Group's website.

Signed in accordance with a resolution of the Directors.



Stephen Biggins
 Non-Executive Chairman
 29 September 2025

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Stelar Metals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Stelar Metals Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 29 September 2025

www.grantthornton.com.au
ACN-130 913 594

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Stelar Metals Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2025

		Year Ended 30 June 2025	Year Ended 30 June 2024
	Note	\$	\$
Income			
Interest		122,360	139,611
Profit on sale of tenement	7	175,095	-
Other income		24,520	-
Expenses			
Impairment of exploration and evaluation assets	7	(965,799)	(260,908)
Project generation expenses		(257,219)	(47,567)
Salaries and wages	2	(175,405)	(159,529)
Director remuneration	2	(173,941)	(177,600)
Corporate and administration costs	3	(413,127)	(657,211)
Depreciation		(66,637)	(54,254)
Share based payment expense	12	(126,689)	(466,578)
Loss before income tax		(1,856,842)	(1,684,036)
Income tax expense		-	-
Loss after income tax for the year attributable to the owners		(1,856,842)	(1,684,036)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners		(1,856,842)	(1,684,036)
Basic and diluted loss per share (cents)	14	(2.92)	(2.78)

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

Stelar Metals Limited
Consolidated Statement of Financial Position
As at 30 June 2025

	Note	30 Jun 2025 \$	30 Jun 2024 \$
Assets			
Current Assets			
Cash and cash equivalents	5	2,533,357	3,678,464
Other receivables	6	80,789	74,501
Total Current Assets		2,614,146	3,752,965
Non-Current Assets			
Property, plant & equipment		116,797	182,134
Exploration and evaluation assets	7	4,927,689	5,573,073
Total Non-Current Assets		5,044,486	5,755,207
Total Assets		7,658,632	9,508,172
Liabilities			
Current Liabilities			
Trade and other payables	9	159,034	294,480
Employee Benefits	10	84,014	89,442
Total Current Liabilities		243,048	383,922
Non-Current Liabilities			
Employee Benefits	10	21,487	-
Total Non-Current Liabilities		21,487	-
Total Liabilities		264,535	383,922
Net Assets		7,394,097	9,124,250
Equity			
Issued capital	11	11,459,810	11,459,810
Share-based payment reserve	12	698,996	1,057,596
Accumulated losses		(4,764,709)	(3,393,156)
Total Equity		7,394,097	9,124,250

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

Stelar Metals Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2025

	Note	Issued Capital \$	Share based payment reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 30 July 2023		8,339,230	408,018	(1,709,120)	7,038,128
Loss after income tax expense for the period		-	-	(1,684,036)	(1,684,036)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(1,684,036)	(1,684,036)
Issue of shares through a placement at 30.0 cents per share	11	2,714,001	-	-	2,714,001
Issue of shares to Everest Metals as milestone payment under NSW tenement acquisition	7	664,767	-	-	664,767
Issue of shares to director at 30.0 cents per share	11	150,000	-	-	150,000
Fair value of broker options		-	183,000	-	183,000
Fair value of options issued to Directors and employees		-	338,800	-	338,800
Fair value of options issued to RK Equity		-	53,500	-	53,500
Expense of performance rights issued to RK Equity		-	45,718	-	45,718
Expense of performance rights issued to CEO		-	28,560	-	28,560
Share issue costs		(408,188)	-	-	(408,188)
Balance at 30 June 2024		11,459,810	1,057,596	(3,393,156)	9,124,250
Loss after income tax expense for the period		-	-	(1,856,842)	(1,856,842)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(1,856,842)	(1,856,842)
Expense of performance rights issued to RK Equity		-	77,979	-	77,979
Expense of performance rights issued to CEO		-	48,710	-	48,710
Transfer of lapsed performance rights to accumulated losses		-	(77,269)	77,269	-
Transfer of lapsed options to accumulated losses		-	(408,020)	408,020	-
Balance at 30 June 2025		11,459,810	698,996	(4,764,709)	7,394,097

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

Stelar Metals Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2025

	Note	Year Ended 30 June 2025 \$	Year Ended 30 June 2024 \$
Cash flows from operating activities			
Interest received		129,667	132,205
Payments to suppliers and employees		(1,074,529)	(918,239)
Net cash (used in) operating activities	19	(944,862)	(786,124)
Cash flows from investing activities			
Payments for exploration expenditure		(428,945)	(1,458,093)
Payments for plant and equipment		(1,300)	(149,651)
Proceeds from sale of tenement		230,000	-
Net cash (used in) investing activities		(200,245)	(1,607,744)
Cash flows from financing activities			
Issue of shares		-	2,864,001
Share issue costs		-	(225,188)
Net cash provided by financing activities		-	2,638,813
Net increase/(decrease) in cash and cash equivalents		(1,145,107)	244,945
Cash and cash equivalents at the beginning of the period		3,678,464	3,433,519
Cash and cash equivalents at the end of the period	5	2,533,357	3,678,464

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

Note 1. Material Accounting Policies

General

These consolidated financial statements present the financial information for Stelar Metals Limited (the "Company") and its controlled entities (the "Group") for the financial year ended 30 June 2025. Stelar Metals Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are located at 22 Greenhill Road Wayville SA 5034.

The financial report was authorised for issue by the Board on 29 September 2025.

Basis of Preparation

The consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. Stelar Metals Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with the Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Except for cash flow information, the consolidated financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group is engaged in mineral exploration and does not currently generate revenue from operations. Notwithstanding this, the Directors are satisfied that the Group has sufficient financial resources to meet its obligations and continue its planned exploration activities for at least the next twelve months from the date of this report. This assessment is based on the Group's current cash position, budgeted expenditure, and the availability of potential funding if required.

The consolidated financial statements have been presented in Australian dollars (AUD), which is the functional currency of the Group.

New or Amended Accounting Standards and Interpretations Adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

New Accounting Standards and Interpretations Not Yet Mandatory

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Principles of consolidation

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment

Stelar Metals Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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 Group 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 Group 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.

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.

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

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. 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.

Tax consolidation legislation

Stelar Metals Limited and its wholly owned Australian resident subsidiaries have formed a tax-consolidated group. Consequently, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. Stelar Metals Limited recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- Such costs are expected to be recouped through successful development and exploitation or from sale of the area: or

Stelar Metals Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

- Exploration and evaluation activities in the area have not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Costs incurred, excluding acquisition costs, prior to the Group having rights to tenure are expensed as incurred.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made. 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.

Current and Non-Current Classification

Assets and liabilities are presented in the consolidated 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 Group'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.

A liability is classified as current when: it is either expected to be settled in the Group'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.

Cash and cash equivalents

Cash and cash equivalents includes 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.

Property, Plant and Equipment

Property, plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation

The depreciable amount of all fixed assets is depreciated over its useful life commencing from the time the asset is held ready for use. Depreciation is computed using the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

- | | |
|-------------------|---------|
| • Field Equipment | 4 years |
| • IT Equipment | 4 years |
| • Motor vehicles | 4 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date and where adjusted, shall be accounted for as a change in accounting estimate. Where depreciation rates or method are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

Stelar Metals Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

There are no FVPL and FVOCI instruments for the Group.

Impairment of Financial assets

AASB 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the requirements included trade and other receivables.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include trade payables and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The Group does not hold any financial liabilities classified as fair value through profit or loss measurement category.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Other payables

These amounts represent liabilities for goods and services provided to the Group 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.

Employee Benefits

Short-Term Benefits

Short-term employee benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Other Employee Entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. Accruals is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Share-Based Payments

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

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Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using appropriate valuation techniques including the Black-Scholes option pricing model or the Monte Carlo pricing model that takes into account the exercise price if applicable, the term of the instrument, 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 instrument, together with non-vesting conditions that do not determine whether the Group 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.

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 Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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.

Issued Capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Basic loss per share is determined by dividing the operating profit / (loss) after income tax attributable to members of the Group by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share adjusts the amounts used in the determination of basic loss per share by taking into account unpaid amounts on ordinary shares and any reduction in loss per share that will probably arise from the exercise of options outstanding during the financial year.

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.

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Impairment

At the end of each reporting period, the Group evaluates specific conditions and events that may indicate potential impairment triggers. The recoverable amounts of relevant assets are reassessed using fair value less cost of disposal calculations, incorporating various key assumptions. For the year ended 30 June 2025, an impairment expense of \$965,799 was recognised which comprises all direct exploration costs incurred on Evelyn Dam other than costs attributed to the acquisition of the project, direct exploration costs charged to Gunson West and 50% of acquisition costs attributed to the Gunson Project, application costs in relation to the Wynbring tenement, application costs charged to the Woodforde and Poolamacca tenements that have been withdrawn, and minor legacy costs relating to the relinquished Lake Torrens Project.

Exploration and evaluation expenditure

The Group capitalises expenditure related to exploration and evaluation when it is likely to be recoverable or when activities have not yet reached a stage that allows for a reasonable assessment of the existence of reserves. Although there are areas of interest where no reserves have been extracted, the directors maintain that such expenditure should not be written off, as feasibility studies in these areas are still ongoing.

Share-Based Payments

The Group 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 appropriate valuation techniques. 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.

Note 2. Salary and Wages including Director Remuneration

	30 Jun 2025	30 Jun 2024
	\$	\$
Employee Salaries and Wages	92,299	31,696
Director Fees	156,000	160,000
Employee Superannuation	67,048	74,857
Director Superannuation	17,941	17,600
Annual Leave Expense	16,058	52,976
Total Salary and Wages including Director Remuneration	349,346	337,129

Note 3. Corporate and Administration Costs

	30 Jun 2025	30 June 2024
	\$	\$
ASIC Fees	12,523	4,410
ASX & Listing Fees	23,014	44,915
Audit Fees	58,870	62,005
Corporate Consulting	207,918	316,472
Legal Fees	2,823	28,217
Share Registry	15,582	10,787
Insurance	29,152	27,140
Investor Relations	19,391	108,869
Fees, Permits & Subscriptions	11,012	3,711
IT and Website	5,562	7,830
Other Corporate and Administration Costs	27,280	42,855
Total Corporate and Administration Costs	413,127	657,211

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Note 4. Income Tax

	30 Jun 2025 \$	30 Jun 2024 \$
The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of 25% (2024: 30%) and the reported tax expense in profit or loss are as follows:		
(a) Tax expense comprises:		
Current tax	-	-
Deferred income tax relating to origination and reversal of temporary differences	1,089	451,736
Deferred income tax relating to origination and reversal of tax losses	(433,627)	(816,973)
Non-recognition of deferred tax assets	432,539	365,237
Tax expense	-	-
(b) Accounting profit / (loss) before tax		
	(1,856,842)	(1,684,036)
Tax at statutory of 25% (2024: 30%)	(464,211)	(505,211)
Under / over from prior years	-	-
Non-deductible share-based payments	31,672	139,973
Non-deductible expenses	-	-
Deferred Tax Assets not brought to account	432,538	365,237
	-	-
(c) Deferred tax assets and liabilities		
Trade and other receivables	(6,889)	(10,528)
Exploration and evaluation assets	(853,220)	(1,075,597)
Trade and other payables	16,220	19,005
Short-term provisions	21,003	26,833
Long-term provisions	5,372	-
Business related costs - P&L	72,186	146,224
Revenue Losses	2,132,480	2,039,601
Unrecognised deferred tax assets and liabilities	1,387,152	1,145,537

The Group has tax losses of \$8,529,920 (2024: \$6,798,668) that are available indefinitely to be offset against the future taxable profits of the Group. The potential deferred tax assets, arising from tax losses (as disclosed above) are not brought to account as management is of the view that there is uncertainty in the realisation of the related tax benefits through future taxable profits. The amount of these benefits is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

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Note 5. Cash and Cash Equivalents

	30 Jun 2025	30 Jun 2024
	\$	\$
Cash in bank	533,357	678,464
Short term deposits (less than 3 months)	2,000,000	3,000,000
	2,533,357	3,678,464

Short term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition.

Note 6. Other Receivables

	30 Jun 2025	30 Jun 2024
	\$	\$
GST receivable	-	39,406
Interest receivable	12,778	20,085
Other receivables (a)	68,011	15,010
	80,789	74,501

(a) Included within other receivables at 30 June 2025, is \$40,156 receivable from Director related entity SIPA Resources in relation to service charges for the use of Stelar Metals employees. Further details are outlined in Note 16.

Note 7. Exploration and Evaluation Expenditure

	30 Jun 2025	30 Jun 2024
	\$	\$
Exploration and Evaluation Expenditure	4,927,689	5,573,073
Balance at the beginning of the period	5,573,073	3,708,541
Acquisition of tenements	-	664,767
Expenditure capitalised during the period	375,320	1,460,673
	5,948,393	5,833,981
Impairment of exploration assets	(965,799)	(260,908)
Sale of tenement ¹	(54,905)	-
Balance at the end of the period	4,927,689	5,573,073

¹The Group entered into a Sale Agreement with Red Hill Minerals Limited (ASX: RHI) for the disposal of its Perseus Project tenement (EL 8778) in New South Wales. The transfer was approved by NSW Resources in January 2025, with settlement completed in February 2025 for \$230,000.

Exploration and evaluation expenditure has been carried forward to the extent that they are expected to be recouped through 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 recovered reserves. Management assessment of carried forward expenditure resulted in impairment of \$965,799 for the year ended 30 June 2025 (2024: \$260,908).

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Note 8. Property, Plant and Equipment

	30 Jun 2025	30 Jun 2024
	\$	\$
<u>Gross carrying amount</u>		
Balance at the beginning of the period	265,663	116,012
Additions	1,300	149,651
Balance at the end of the period	<u>266,963</u>	<u>265,663</u>
<u>Accumulated depreciation</u>		
Balance at the beginning of the period	(83,529)	(29,275)
Depreciation	(66,637)	(54,254)
Balance at the end of the period	<u>(150,166)</u>	<u>(83,529)</u>
Net book value at the beginning of the year	182,134	86,737
Net book value at the end of the year	<u>116,797</u>	<u>182,134</u>

Note 9. Trade and Other Payables

	30 Jun 2025	30 Jun 2024
	\$	\$
Trade Payables	63,450	80,360
Other payables and accruals	95,584	214,120
Total Trade and Other Payables	<u>159,034</u>	<u>294,480</u>

Trade payables are due to third parties, unsecured, interest-free and repayable according to credit terms of 15-30 days. The carrying amounts of trade payables approximate their fair value.

Note 10. Employee Benefits

	30 Jun 2025	30 Jun 2024
	\$	\$
<u>Current</u>		
Annual Leave Provision	84,014	89,442
<u>Non-Current</u>		
Long Service Leave Provision	21,487	-
Total Employee Benefits	<u>105,501</u>	<u>89,442</u>

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Note 11. Issued Capital

	2025		2024	
	No. of Shares	\$	No. of Shares	\$
Fully paid ordinary shares	63,557,925	11,459,810	63,557,925	11,459,810

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.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure accordingly. Management maintains a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital is shown as issued capital in the statement of financial position.

Movements in ordinary share capital

	Date	No. of Shares	Issue price (\$)
Balance at 30 June 2023		51,637,086	8,339,230
Placement ¹	22-Sep-23	9,046,670	2,714,001
Second tranche issue to Everest Metals for NSW tenement acquisition ²	27-Oct-23	2,374,169	664,767
Placement – director contribution ³	18-Dec-23	500,000	150,000
Costs associated with the issue of shares			(408,188)
Balance at 30 June 2024		63,557,925	11,459,810
Balance at 30 June 2025		63,557,925	11,459,810

¹ On 22 September 2023, 9,046,670 shares were issued under a placement undertaken at \$0.30 per share to institutional and sophisticated investors

² On 27 October 2023, 2,374,169 shares were issued to Everest Metals as a final milestone payment, equivalent to \$664,767 priced at \$0.28 per share, under an agreement to acquire 4 NSW tenements

³ On 18 December 2023, 500,000 shares were issued to Non-Executive Director Stephen Biggins as a participant of the September placement following approval provided by shareholders at the 2023 AGM

Note 12. Reserves

	30 Jun 2025	30 Jun 2024
	\$	\$
Share based payment reserve	698,996	1,057,596

Share Based Payment Reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

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	No. of Options	\$
Balance at 1 July 2023	10,500,000	408,018
Expense of options issued to RK Equity advisors	500,000	53,500
Issued to lead broker to placement	1,500,000	183,000
Issued to directors, key management personnel and employees	2,700,000	338,800
Balance at 30 June 2024	15,200,000	983,318
Options lapsed - unexercised	(10,500,000)	(408,020)
Balance at 30 June 2025	4,700,000	575,298

	No. of Performance Rights	\$
Balance at 1 July 2023	-	-
Expense of performance rights issued to RK Equity advisors	1,000,000	45,719
Expense of performance rights issued to CEO	300,000	28,559
Balance at 30 June 2024	1,300,000	74,278
Vesting of performance rights issued to RK Equity advisors	-	77,978
Vesting of performance rights issued to CEO	-	48,711
Performance rights lapsed unvested	(300,000)	(77,270)
Balance at 30 June 2025	1,000,000	123,697

Note 13. Share Based Payments

During the year ended 30 June 2025:

Options granted during the period 2021–2022 had lapsed. The Group granted a series of options in connection with its admission to the ASX. These comprised:

- 3,000,000 options granted to directors on 16 November 2021, exercisable at \$0.30 and expiring on 18 March 2025. These options vested immediately on grant and had a grant date fair value of \$0.02558 per option, resulting in a total fair value of \$76,740 recognised as a share-based payment expense.
- 4,000,000 options granted to the lead manager on 9 March 2022, exercisable at \$0.30 and expiring on 18 March 2025. These options also vested immediately on grant and had a grant date fair value of \$0.08282 per option, with a total fair value of \$331,280 recognised as a share-based payment expense.
- 2,000,000 free-attaching options issued on 24 September 2021 to a seed shareholder, and a further 1,500,000 free-attaching options issued on 25 October 2021 to seed investors. These were issued for nil consideration, consistent with their attaching nature, and accordingly no share-based payment expense was recognised.

All options were exercisable at \$0.30 per share and had a common expiry date of 18 March 2025. On 18 March 2025, all 10,500,000 options on issue expired unexercised.

The Group granted performance rights to the Chief Executive Officer during the year ended 30 June 2023 as part of his long term incentive arrangements. The terms of the performance rights were as follows:

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- 100,000 Class A Performance Rights, each convertible into one fully paid ordinary share upon the Company's 20-day volume weighted average price (VWAP) exceeding \$0.40. The fair value at grant date was \$0.27750 per right.
- 200,000 Class B Performance Rights, each convertible into one fully paid ordinary share upon the Company's 20-day VWAP exceeding \$0.50. The fair value at grant date was \$0.24760 per right.

Both tranches of rights were subject to the achievement of the relevant VWAP hurdles and had an expiry date of 30 June 2025.

As the relevant performance conditions were not satisfied by 30 June 2025, none of the rights vested. Accordingly, all 300,000 performance rights lapsed on 30 June 2025.

During the half year ended 31 December 2023, the Group granted 1,000,000 performance rights to RK Equity Advisors. These performance rights remain unvested and on issue as at 30 June 2025. The key terms are as follows:

Class of Performance Right	Number on Issue	Vesting Condition	Expiry Date
Tranche 1	500,000	Vest upon the Company's 20-day Volume Weighted Average Price (VWAP) of shares on ASX exceeding AUD\$0.75	1 August 2026
Tranche 2	500,000	Vest upon the Company's 20-day Volume Weighted Average Price (VWAP) of shares on ASX exceeding AUD\$1.00	1 August 2026

There were no new share-based payments/compensation made during the year ended 30 June 2025.

Note 14. Loss per Share

The following reflects the loss and data used in the calculations of basic and diluted loss per share:

	30 Jun 2025 No. of Shares
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	63,557,925
Loss for the year used in calculating operating basic and diluted loss per share	\$ (1,856,842)
Basic and diluted loss per share (cents)	(2.92)

As the Group incurred a loss for the period, the options on issue have an anti-dilutive effect, therefore the diluted EPS is equal to the basic EPS.

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Note 15. Auditors' Remuneration

	30 Jun 2025	30 Jun 2024
	\$	\$
<i>Audit services – Grant Thornton Audit Pty Ltd</i>		
Audit and review service	58,870	60,705
<i>Other services</i>		
Compliance Tax Services	12,663	11,900
Total auditor's remuneration	71,533	72,605

Note 16. Related Parties

	30 Jun 2025	30 Jun 2024
	\$	\$
Key Management Personnel		
Short term employee benefits	432,000	432,752
Post-employment benefits	49,091	46,603
Share based payment benefits	48,711	276,560
	529,802	755,915

Directors remuneration disclosures are provided in the remuneration report contained in the directors report.

Transactions with related parties

Included in Other Income is a service fee charged to Sipa Resources Limited (ASX: SRI) totalling \$24,520. Stelar entered into an agreement with Sipa Resources to provide field exploration services for a three month period during the financial year for a fee while the Group was focussed on assessing new project opportunities. Stelar's Chair Stephen Biggins joined the Board of Sipa Resources in February 2025 as a Non-executive Director and as such is considered a related party.

There were no other transactions conducted between the Group and Key Management Personnel or their related parties, apart from those disclosed above, that were conducted other than in accordance with normal employee, customer or supplier relationships.

Note 17. Operating Segments

The Group is considered to be one operating segment based on geographical location of operations. The Board has identified its operating segments based on the internal reports that are used by the Board in assessing performance and in determining the allocation of resources. The information presented in the consolidated financial statements approximates the information of the operating segment.

Note 18. Financial Instruments

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group'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 Group.

Market risk

Foreign currency risk

The Group is not exposed to any significant foreign exchange risk.

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Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any material credit risk exposure to any single receivable or category of receivables under financial instruments entered into by the Group.

Liquidity risk

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

The following table details the Group's contractual maturity for its financial assets and liabilities:

	Carrying amount \$	Contractual cash flows \$	Less than 1 year \$
2025			
<i>Financial assets</i>			
<i>Cash and cash equivalents</i>	2,533,357	2,533,357	2,533,357
	2,533,357	2,533,357	2,533,357
<i>Financial liabilities</i>			
Trade and other payables	156,359	156,359	156,359
	156,359	156,359	156,359
2024			
<i>Financial assets</i>			
<i>Cash and cash equivalents</i>	3,678,464	3,678,464	3,678,464
	3,678,464	3,678,464	3,678,464
<i>Financial liabilities</i>			
Trade and other payables	294,480	294,480	294,480
	294,480	294,480	294,480

Fair value

Due to their short-term nature, the carrying amount of the financial assets and financial liabilities is assumed to approximate their fair value.

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Note 19. Reconciliation of cash flow from operations with net loss for the year

	30 Jun 2025	30 Jun 2024
	\$	\$
Loss for the year	(1,856,842)	(1,684,036)
Adjustments		
Depreciation	66,637	54,254
Profit on sale of tenement	(175,095)	-
Share based payments	126,689	466,578
Exploration expenditure impairment	965,799	260,908
<i>Movements in Assets/Liabilities</i>		
Increase in trade and other receivables	47,337	(26,641)
Increase in trade and other payables	(135,446)	89,837
Increase in employee benefits	16,059	52,976
Cash flows (used in) operations	(944,862)	(786,124)

Note 20. Contingent Assets and Liabilities

The Group did not have any contingent assets as at 30 June 2025 (2024: nil).

Note 21. Commitments

	30 Jun 2025	30 Jun 2024
	\$	\$
Capital commitments committed at the reporting date but not recognised as liabilities, payable: Exploration and Evaluation ¹	618,833	183,750

¹In order to maintain rights of tenure to exploration permits, the Group has certain obligations to perform minimum exploration work and expend minimum amounts of money. The Group's exploration commitments are related to the South Australian Critical Minerals Projects. NSW tenements do not have expenditure commitments.

There were no other commitments noted as at 30 June 2025.

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Note 22. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 1. Details of the parent's subsidiaries at the end of the reporting period are as follows:

Name	Principal place of business / Country of incorporation	2025 %	2024 %
Stelar Metals Exploration Pty Ltd	Australia	100%	100%
Resource Holdings No.1 Pty Ltd	Australia	100%	100%
BR2 Pty Ltd	Australia	100%	100%
TR4 Pty Ltd	Australia	100%	100%

Note 23 Parent Entity Disclosures

	30 Jun 2025	30 Jun 2024
<i>Financial Position</i>	\$	\$
Total current assets	2,614,146	3,752,965
Total non-current assets	6,512,948	6,175,747
Total assets	9,127,094	9,928,712
Total current liabilities	(243,048)	(383,923)
Total non-current liabilities	(21,487)	-
Total liabilities	(264,535)	(383,923)
Net assets	8,862,559	9,544,789
Issued capital	11,459,810	11,459,810
Share based payment reserve	698,996	1,057,596
Accumulated losses	(3,296,247)	(2,972,617)
Total equity	8,862,559	9,544,789
<i>Financial Performance</i>		
Loss for the period	(808,919)	(1,375,561)
Other comprehensive income	-	-
Total comprehensive loss	(808,919)	(1,375,561)

The Parent Entity has no capital or other commitments and has not entered into a deed of cross guarantee nor are there any contingent liabilities at the period end.

Note 24. Events Subsequent to Reporting Period

There has been no matter or circumstance that has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Stelar Metals Limited
Directors' Declaration
For the year ended 30 June 2025**

**Stelar Metals Limited
ACN 651 636 065
Consolidated Entity Disclosure Statement
For the Year Ended 30 June 2025**

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10).

Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Entity Name	Type of Entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Stelar Metals Limited (Parent Entity)	Body Corporate	n/a		Australia	Australian	n/a
Stelar Metals Exploration Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a
Resource Holdings No.1 Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a
BR2 Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a
TR4 Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a

Stelar Metals Limited
Directors' Declaration
For the year ended 30 June 2025

In accordance with a resolution of the directors of Stelar Metals Limited, I state that:

1. In the opinion of the directors:

(a) the financial statements and notes of Stelar Metals Limited for the financial year ended 30 June 2025 are 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 2025 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and;

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

(c) the information disclosed in the consolidated entity disclosure statement is true and correct as at 30 June 2025.

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

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the board



Stephen Biggins
Non-Executive Chairman
29 September 2025

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Independent Auditor's Report

To the Members of Stelar Metals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Stelar Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- b 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.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets – Note 7	
At 30 June 2025 the carrying value of exploration and evaluation assets was \$4,927,689.	Our procedures included, amongst others:
In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> , the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.	• obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • reviewing management’s area of interest considerations against AASB 6; • conducting a detailed review of management’s assessment of trigger events prepared in accordance with AASB 6 including: – tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; – enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management’s budgeted expenditure; – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; • evaluating the competence, capabilities and objectivity of management’s experts in the evaluation of potential impairment triggers; and • assessing the appropriateness of the related financial statement disclosures.
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.	
This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	

Information other than the financial report and auditor’s report thereon

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 2025, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and 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:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability 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 Group or to cease operations, or have no realistic alternative but to do so.

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 the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our 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 2025.

In our opinion, the Remuneration Report of Stelar Metals Limited, for the year ended 30 June 2025 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.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 29 September 2025