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STELAR METALS LIMITED

ACN 651 636 065

FINANCIAL REPORT

**For the Half Year Ended
31 December 2023**

Stelar Metals Limited
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For the Half Year ended 31 December 2023

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Stelar Metals Limited
Director's Report
For the Half Year ended 31 December 2023

The Directors of Stelar Metals Limited ("the **Group**" or "the **Group**") present their report for the half year ended 31 December 2023.

Directors

The following persons were directors of Stelar Metals Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

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 mineral 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 six months ending 31 December 2023 of \$868,048 (December 2022: loss of \$436,692). At 31 December 2023 the Group had a net asset position of \$9,692,699 (June 2023: \$7,038,128) and held \$4,619,278 in cash, term deposits and cash equivalents (June 2023: \$3,433,519).

The Group continued exploration activities principally at the NSW Trident Lithium Project over the half-year ended 31 December 2023.

NSW - Trident Lithium Project

In 2023 Stelar Metals has acquired a 90% equity in the Trident Lithium Project (Trident) near Broken Hill, NSW in a joint venture with Everest Metals Corporation Limited (Everest). The Group on 27 October 2023 issued 2,374,169 new shares to Everest Metals Corporation Limited (Everest) as the final milestone payment under the binding agreement. The Trident Project extends over a 20km strike length of the Euriovie 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.

Trident has become the Group's flagship project, and most of the exploration work undertaken during the reporting period has focused on this project.

Extensive geological and structural mapping of pegmatites has been undertaken in conjunction with consultants from PGN Geoscience, along with soil and rock-chip surface sampling. Mapping characterised large, zoned pegmatites that are structurally deformed. Rock-chip samples from a number of pegmatites, including *Trident*, *Sceptre*, *Lady Don* and *Triumph*, returned high-grade lithium minerals assays up to 8.72% Li₂O. Reconnaissance mapping identified multiple large, zoned pegmatites not recorded in the regional government geological maps, such as *Stag*, *Gloria*, *Typhoon* and *Carnival*.

Environmental and Cultural Heritage Assessments were completed over broad areas, and drilling approvals were sought to evaluate the orientation, morphology and fertility of several large-zoned LCT pegmatites.

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 first-round analysis with assay results anticipated in early 2024.

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.

SA - Linda Zinc and Baratta Copper Projects

The Linda Zinc Project is considered prospective for high-grade carbonate-hosted zinc mineralisation and the Baratta Copper Project is considered prospective for sediment-hosted copper and Rare Earth Element (REE) mineralisation.

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

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 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 these 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 eight times, and unless additional extensions are granted, it is currently listed to expire on 30 June 2024. Subsequently, the Group is seeking Retention Status for the affected tenure so it can retain without expenditure commitments until ATLA can negotiate an NTMA and the Group can seek drilling approvals for both Linda and Baratta Projects.

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 a 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. Stelar will continue to seek a JV partner for further potential exploratory activities.

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.

SA - Torrens IOCG Project

The Torrens Project (EL 6264 & EL 6572) is located approximately 40km east of BHP's Olympic Dam Mine. It is an ex WMC project with multiple large-scale geophysical anomalies but hosts only four historic drill holes, with only one hole (BLD 3) reaching basement at 872m depth.

Stelar's primary target at Torrens is IOCG at depth related to coincident magnetic and gravity anomalies, while overlying Adelaidean and Cambrian Limestones are considered prospective for sediment-hosted copper and zinc mineralisation. The Torrens Project extends over the northern portion of Lake Torrens, an extensive 5,745km² salt lake system in South Australia, and the Group has identified potential IOCG geophysical targets located under the salt lake.

Stelar Metals Limited
Director's Report
For the Half Year ended 31 December 2023

In March 2022, when the Group was admitted to the ASX, it was encouraged that Argonaut Resources had been granted drilling approvals in December 2020 and had successfully collared a hole on Lake Torrens at their Murdie Project, targeting IOCG mineralisation to the south of Stelar's tenure. However, in August 2022, the South Australian Supreme Court overturned the decision by the then Premier and Minister for Aboriginal Affairs to allow exploration work, including drilling on Lake Torrens. The Supreme Court's ruling has been listed for appeal, but until this matter is resolved, exploration work cannot be undertaken on the lake surface, and Stelar's targets cannot be tested.

Issuance of Options and Performance Rights

During the half year ended 31 December 2023 the Group issued the following share options:

	Number	Exercise price	Vesting date	Expiry date
Unlisted share options	500,000	\$0.50	29 November 2023	1 August 2025
Unlisted share options	1,500,000	\$0.50	29 November 2023	19 December 2025
Unlisted share options	500,000	\$0.50	29 November 2023	22 December 2025
Unlisted share options	500,000	\$0.50	29 November 2023	22 December 2025
Unlisted share options	500,000	\$0.50	29 November 2023	22 December 2025
Unlisted share options	500,000	\$0.50	29 November 2023	22 December 2025
Unlisted share options	500,000	\$0.50	29 November 2023	22 December 2025
Unlisted share options	100,000	\$0.50	6 February 2024	22 December 2025
Unlisted share options	100,000	\$0.50	6 May 2024	22 December 2025

The share options were granted to key management personnel and directors, brokers, and RK Equity advisors. All share options have been valued at the grant date using a Black-Scholes Model. At grant date, the share options were valued to a total of \$0.575 million. All share options were granted on 29 November 2023, vesting immediately, with the exception of the share options vesting on 6 February and 6 May 2024 being granted by the Group on 1 December 2023.

During the half year ended 31 December 2023 the Group issued the following performance rights:

	Number	Vesting condition	Expiry date
Performance rights	100,000	When a 20-day Volume Weighted Average Price (VWAP) of Stelar Metals Limited (ASX: SLB) shares exceeds AUD\$0.40	30 June 2025
Performance rights	200,000	When a 20-day Volume Weighted Average Price (VWAP) of Stelar Metals Limited (ASX: SLB) shares exceeds AUD\$0.50	30 June 2025
Performance rights	500,000	When a 20-day Volume Weighted Average Price (VWAP) of Stelar Metals Limited (ASX: SLB) shares exceeds AUD\$0.75	1 August 2026
Performance rights	500,000	When a 20-day Volume Weighted Average Price (VWAP) of Stelar Metals Limited (ASX: SLB) shares exceeds AUD\$1.00	1 August 2026

All performance rights above were granted by the Group on 29 November 2023 to the CEO and RK Equity advisors for no cash consideration. At grant date, the performance rights were valued to a total of \$0.311 million, which vest in the tranches 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.

Capital Raising and Issuance of Shares

Stelar Metals Limited
Director's Report
For the Half Year ended 31 December 2023

During the half year ended 31 December 2023 the Group had successfully raised \$2,864,000 via a placement of fully paid ordinary shares at \$0.30 per share, with the funds earmarked to advance exploration efforts at the Trident Lithium Project. The placement, comprising 9,546,670 shares, includes 500,000 shares allocated to Non-Executive Chairman Mr. Stephen Biggins.

The Group on 27 October 2023 issued 2,374,169 new shares to Everest Metals Corporation Limited (ASX: EMC) as the final milestone payment, valued at \$500,000, under the binding agreement to acquire a 90% interest in 4 NSW tenements, to complete the acquisition of Trident Lithium Project.

Significant Changes in the State of Affairs

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

Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 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.

Dividends

There were no dividends paid, recommended or declared during the period.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' Report.

Signed in accordance with a resolution of the Directors



Stephen Biggins
Non-Executive Chairman

12 March 2024

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

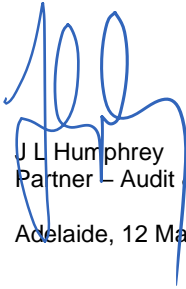
To the Directors of Stelar Metals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Stelar Metals Limited for the half-year ended 31 December 2023. 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 12 March 2024

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Stelar Metals Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half Year ended 31 December 2023

	Note	Half-Year Ended 31/12/23 \$	Half-Year Ended 31/12/22 \$
Other income			
Interest		59,556	9,903
Expenses			
Exploration and evaluation expenses	4	-	(2,730)
Project generation expenses		(19,103)	(32,475)
Salaries and wages		(87,397)	(86,185)
Director fees		(80,111)	(80,276)
Corporate and administration costs		(336,133)	(230,359)
Depreciation		(21,054)	(14,570)
Share-based payment expense		(383,806)	-
Loss before income tax		(868,048)	(436,692)
Income tax expense		-	-
Loss after income tax for the period attributable to the owners		(868,048)	(436,692)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to the owners		(868,048)	(436,692)
Basic loss per share (cents)	8	(1.51)	(0.87)
Diluted loss per share (cents)	8	(1.51)	(0.87)

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 31 December 2023

	Note	31 Dec 2023 \$	30 Jun 2023 \$
<u>Assets</u>			
Current Assets			
Cash and cash equivalents	2	2,619,278	3,433,519
Short term bank deposits		2,000,000	-
Trade and other receivables	3	176,551	47,860
Total Current Assets		4,795,829	3,481,379
Non-Current Assets			
Property, plant & equipment		160,643	86,737
Exploration and evaluation assets	4	5,092,437	3,708,541
Total Non-Current Assets		5,253,080	3,795,278
Total Assets		10,048,909	7,276,657
<u>Liabilities</u>			
Current Liabilities			
Trade and other payables	5	292,271	202,063
Employee benefits		63,939	36,466
Total Current Liabilities		356,210	238,529
Total Liabilities		356,210	238,529
Net Assets		9,692,699	7,038,128
<u>Equity</u>			
Issued capital	6	11,295,043	8,339,230
Share-based payment reserve	7	974,824	408,018
Accumulated losses		(2,577,168)	(1,709,120)
Total Equity		9,692,699	7,038,128

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 Half Year ended 31 December 2023

	Note	Issued Capital \$	Share based payment reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2022		8,089,230	408,018	(1,195,940)	7,301,308
Loss after income tax expense for the period		-	-	(436,692)	(436,692)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(436,692)	(436,692)
Balance at 31 December 2022		8,089,230	408,018	(1,632,632)	6,864,616
Balance at 1 July 2023		8,339,230	408,018	(1,709,120)	7,038,128
Loss after income tax expense for the period		-	-	(868,048)	(868,048)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(868,048)	(868,048)
Issue of shares through a placement at 30.0 cents per share	6	2,714,001	-	-	2,714,001
Issue of shares to Everest Metals as milestone payment under NSW tenement acquisition	6	500,000	-	-	500,000
Issue of shares to director at 30.0 cents per share	6	150,000	-	-	150,000
Fair value of broker options		-	183,000	-	183,000
Fair value of options issued to Directors and employees		-	319,200	-	319,200
Fair value of options issued to RK Equity		-	53,500	-	53,500
Fair value of performance rights issued to RK Equity		-	6,835	-	6,835
Fair value of performance rights issued to CEO		-	4,271	-	4,271
Share issue costs		(408,188)	-	-	(408,188)
Balance at 31 December 2023		11,295,043	974,824	(2,577,168)	9,692,699

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 Half Year ended 31 December 2023

	Half-Year Ended 31/12/23 \$	Half-Year Ended 31/12/22 \$
Cash flows from operating activities		
Interest received	48,227	-
Payments to suppliers and employees	(478,950)	(393,548)
Net cash (used in) operating activities	(430,723)	(393,548)
Cash flows from investing activities		
Payments for exploration expenditure	(927,371)	(1,109,586)
Payments for plant and equipment	(94,960)	(30,534)
Cash transferred (to) / from term deposits	(2,000,000)	
Proceeds from sale of plant and equipment	-	7,000
Net cash (used in) investing activities	(3,022,331)	(1,133,120)
Cash flows from financing activities		
Proceeds from issue of shares	2,864,001	-
Payments for capital raising costs	(225,188)	-
Net cash provided by financing activities	2,638,813	-
Net increase (decrease) in cash and cash equivalents	(814,241)	(1,526,668)
Cash and cash equivalents at the beginning of the period	3,433,519	5,930,966
Cash and cash equivalents at the end of the period	2,619,278	4,404,298

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

Stelar Metals Limited
Notes to the Consolidated Financial Statements
For the Half Year ended 31 December 2023

Note 1: Significant Accounting Policies

General Information and Basis of Preparation

These interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the 2023 annual financial report and any public announcements made by the Group during the interim reporting period. The principal accounting policies adopted are consistent with those of the previously reported financial period, except for the policies stated below.

The interim financial report has been approved and authorised for issue by the Board of Directors on 12 March 2024.

New, Revised or Amended Accounting Standards and Interpretations

During the period ended 31 December 2023, the Directors have reviewed all of the requirements of new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the period reporting periods beginning on or after 1 July 2023. Accounting pronouncements which have become effective from 1 July 2023 that have been adopted do not have a significant impact on the Group's financial results or position.

Going concern

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Critical Accounting Judgements, Estimates and Assumptions

When preparing the Interim Financial Report, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Report, including the key sources of estimation uncertainty, were the same as those applied in the Group's last financial statements for the year ended 30 June 2023.

Note 2. Cash and Cash Equivalents

	As at 31/12/23	As at 30/06/23
	\$	\$
Cash in bank	1,119,278	1,433,519
Short term deposits (less than 3 months)	1,500,000	2,000,000
	2,619,278	3,433,519

As at 31 December 2023 there was a further \$2 million held with Westpac in the form of term deposits with a maturity date of greater than 3 months.

Note 3. Trade and Other Receivables

	As at 31/12/23	As at 30/06/23
	\$	\$
GST receivable	141,365	19,794
Interest receivable	24,008	12,680
Other receivables	11,178	15,386
	176,551	47,860

Note 4. Exploration and Evaluation assets

	Half Year Ended 31/12/23 \$	Full Year Ended 30/06/23 \$
Opening balance at beginning of period	3,708,541	2,035,650
Acquisition of tenements ^{1,2}	500,000	500,000
Expenditure capitalised during the period	902,999	1,284,955
	<u>5,111,540</u>	<u>3,820,605</u>
Project generation expenses written off	(19,103)	(95,704)
Expenditure written off	-	(16,360)
	<u>5,092,437</u>	<u>3,708,541</u>

¹On 15 February 2023, the Group acquired a 90% interest of Everest's New South Wales exploration licences which includes the Trident, Midas and Perseus Projects located in the Broken Hill Block, NSW. The consideration paid under the first tranche of the transaction was the payment to Everest of \$250,000 in cash and the issue of 1,187,085 shares which had a fair value of \$250,000 at the time of the signing of the agreement with Everest.

²On 27 October 2023, the Group issued 2,374,169 shares to Everest Metals as a final milestone payment under the agreement to acquire 90% interest in the exploration licences comprising the Trident, Midas and Perseus Projects located in the Broken Hill Block, NSW. The fair value of shares issued was \$500,000 at the time of the signing of the agreement with Everest.

Expenditure impaired or written off relates to exploration and evaluation expenditure associated with tenements or parts of tenements that have been, or are likely to be, surrendered.

The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Note 5. Trade and Other Payables

	As at 31/12/23 \$	As at 30/06/23 \$
Trade payables	56,474	86,310
Other payables	235,797	115,753
	<u>292,271</u>	<u>202,063</u>

Stelar Metals Limited
Notes to the Consolidated Financial Statements
For the Half Year ended 31 December 2023

Note 6. Issued Capital

	As at 31/12/23	As at 30/06/23
	\$	\$
Fully paid ordinary shares	11,295,043	8,339,230

Movement in issued shares for the half year:

	Half-Year Ended 31/12/23 No.	Half-Year Ended 31/12/23 \$	Full Year Ended 30/06/23 No.	Full Year Ended 30/06/23 \$
<i>Fully paid ordinary shares</i>				
Balance at beginning of period	51,637,086	8,339,230	50,450,001	8,089,230
First tranche issue to Everest Metals for NSW tenement acquisition	-	-	1,187,085	250,000
Placement	9,046,670	2,714,001	-	-
Second tranche issue to Everest Metals for NSW tenement acquisition	2,374,169	500,000	-	-
Placement – director contribution	500,000	150,000	-	-
Costs associated with the issue of shares	-	(408,188)	-	-
Balance at end of period	63,557,925	11,295,043	51,637,086	8,339,230

Note 7. Share Based Payment Reserve

	As at 31/12/23	As at 30/06/23
	\$	\$
Share based payment reserve	974,824	408,018

Movement associated with options and performance rights during the period

	Number of Options	31 Dec 2023 \$
Opening balance	10,500,000	408,018
Options issued to RK Equity	500,000	53,500
Options issued to brokers	1,500,000	183,000
Options issued to directors and employees	2,700,000	319,200
Closing balance	15,200,000	963,718

	Number of Performance Rights	31 Dec 2023 \$
Opening balance	-	-
Performance rights issued to CEO	300,000	4,270
Performance rights issued to RK Equity	1,000,000	6,836
Closing balance	1,300,000	11,106

Stelar Metals Limited
Notes to the Consolidated Financial Statements
For the Half Year ended 31 December 2023

During the half year ended 31 December 2023 the Group issued the following share options:

	Number	Exercise price	Vesting date	Expiry date
Unlisted share options	500,000	\$0.50	29 November 2023	1 August 2025
Unlisted share options	1,500,000	\$0.50	29 November 2023	19 December 2025
Unlisted share options	500,000	\$0.50	29 November 2023	22 December 2025
Unlisted share options	500,000	\$0.50	29 November 2023	22 December 2025
Unlisted share options	500,000	\$0.50	29 November 2023	22 December 2025
Unlisted share options	500,000	\$0.50	29 November 2023	22 December 2025
Unlisted share options	500,000	\$0.50	1 December 2023	22 December 2025
Unlisted share options	100,000	\$0.50	6 February 2024	22 December 2025
Unlisted share options	100,000	\$0.50	6 May 2024	22 December 2025

The share options were granted to key management personnel and directors, brokers, and RK Equity advisors. All share options have been valued at the grant date using a Black-Scholes Model. At grant date, the share options were valued to a total of \$0.575 million. All share options were granted on 29 November 2023, vesting immediately, with the exception of the share options vesting on 6 February and 6 May 2024 being granted by the Group on 1 December 2023.

During the half year ended 31 December 2023 the Group issued the following performance rights:

	Number	Vesting condition	Expiry date
Performance rights	100,000	When a 20-day Volume Weighted Average Price (VWAP) of Stelar Metals Limited (ASX: SLB) shares exceeds AUD\$0.40	30 June 2025
Performance rights	200,000	When a 20-day Volume Weighted Average Price (VWAP) of Stelar Metals Limited (ASX: SLB) shares exceeds AUD\$0.50	30 June 2025
Performance rights	500,000	When a 20-day Volume Weighted Average Price (VWAP) of Stelar Metals Limited (ASX: SLB) shares exceeds AUD\$0.75	1 August 2026
Performance rights	500,000	When a 20-day Volume Weighted Average Price (VWAP) of Stelar Metals Limited (ASX: SLB) shares exceeds AUD\$1.00	1 August 2026

All performance rights above were granted by the Group on 29 November 2023 to the CEO and RK Equity advisors for no cash consideration. At grant date, the performance rights were valued to a total of \$0.311 million, which vest in the tranches 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.

Note 8. Earnings Per Share

The weighted average number of shares for the purpose of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Half Year Ended 31/12/23	Half Year Ended 31/12/22
Weighted average number of shares used in basic and diluted earnings per share	57,427,782	50,450,001
Loss per share – basic and diluted (cents)	(1.51)	(0.87)

Stelar Metals Limited
Notes to the Consolidated Financial Statements
For the Half Year ended 31 December 2023

Note 8. Earnings Per Share (Continued)

There were 15,200,000 options (2022: 10,500,000) and 1,300,000 performance rights (2022: Nil) on issue at the end of the period that have not been taken into account in calculating diluted EPS due to their effect being anti-dilutive.

Note 9. Segment Reporting

The Group is considered to be one operating segment based on the 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 financial statements approximates the information of the operating segment.

Note 10. Contingent Assets and Liabilities

There were no contingent liabilities or contingent assets as at 31 December 2023.

Note 11. Subsequent events

No matter or circumstance has arisen since 31 December 2023 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.

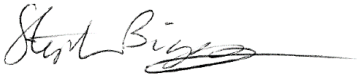
Stelar Metals Limited
Directors' Declaration
For the Half Year ended 31 December 2023

In the opinion of the Directors of Stelar Metals Limited:

1. The consolidated financial statements and notes, as set out within this financial report:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the period then ended.
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the directors



Stephen Biggins
Non-Executive Chairman

12 March 2024

Independent Auditor's Review Report

To the Members of Stelar Metals Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Stelar Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Stelar Metals Limited does not comply with the *Corporations Act 2001* including:

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

Basis for Conclusion

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

Directors' responsibility for the half-year financial report

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


Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 12 March 2024