



**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2015**



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**CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

*This report contains "forward-looking statements" which are subject to various risks and uncertainties that could cause actual results and future events to differ materially from those expressed or implied by such statements. Investors are cautioned that such statements are not guarantees of future performance and results. Risks and uncertainties about the Company's business are more fully discussed in the Company's disclosure documents filed from time to time with the Australian securities authorities.*

The Directors submit herewith the annual financial report on Stellar Resources Limited and its controlled entities for the year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

## **Directors**

The names of Directors of the Company in office at any time during or since the end of the period are:

<b>Director</b>	<b>Position held</b>
Phillip G Harman	Non-executive Chairman
Peter G Blight	Managing Director
Thomas H Whiting	Non-executive Director
Markus Elsasser	Non-executive Director
Miguel Lopez de Letona	Non-executive Director

The above named Directors held office during the whole of the financial year and since the end of the financial year.

## **Company Secretary**

The following person held the position of Company Secretary at the end of the financial year:

Christina R Kemp

## **Principal Activities**

The principal activity of the Consolidated Entity during the period was mineral exploration with the objective of identifying and developing economic reserves.

## **Operating Result**

The net loss of the Consolidated Entity for the financial period was (\$2,383,200) (2014: loss \$1,137,279).

The loss for the period was mainly attributable to \$2,039,640 (2014: \$953,163) of write downs in carrying values of the Consolidated Entity's exploration assets. Also, equity-settled share based payments of \$288,681 was recognised in relation to vested unlisted options issued to Directors.

The other notable impact was \$22,500 in the fair value decrement in Renascor Resources Limited shares which was recognised in the consolidated statement of profit and loss. A fair value decrement in Renascor Resources Limited of \$15,000 on options was also recognised in the consolidated statement of profit and loss.

## **Dividends Paid or Recommended**

No amounts have been paid or declared as dividends during the course of the financial period just concluded.

## **Review of Operations**

### **Strategy**

During the twelve months to 30 June 2015, Stellar Resources Limited successfully continued to improve the economics and progress its flagship Heemskirk Tin Project located in northwest Tasmania.

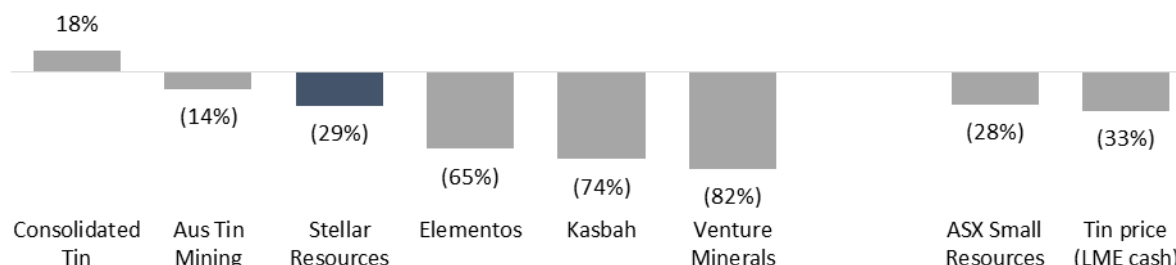
Heemskirk is the highest grade undeveloped tin deposit in Australia and has several natural advantages; being proximate to an established mining community, and access to excellent infrastructure. Stellar Resources Limited aims to leverage these advantages to progress the development of its Heemskirk Tin Project.

A key highlight of the year was the results of the WorleyParsons metallurgical optimisation program which improved concentrate grade, recovery and lowered project costs.

## Review of Operations (cont'd)

The declining tin price was a significant headwind for global tin projects during the year. Stellar Resources Limited addressed this challenge by reducing costs across all non-core areas of activity and by deferring secondary programs following completion of the various Heemskirk optimisation studies. The decline of spot LME tin prices was reflected in the share price performance across the ASX-listed tin developer peer group.

### **ASX-listed tin developer share price performance (last 12 months)**



Source: IRESS

Note:

1 Based on adjusted close price over for the period 15 July 2014 from 15 July 2015

Global tin demand is growing at a robust rate which is expected to drive tin prices higher toward long-term levels over time. This is expected to occur following absorption of the current surplus of alluvial tin production in the market.

## Finance

Cash on hand was \$2.2 million as at 30 June 2015. No new equity funding was raised during the preceding 12 months. However, the cash position was enhanced by the receipt of a research and development tax incentive claim of \$241,824 before costs.

Expenditure of \$2.1 million during the year was directed at optimisation test work and studies, progressing environmental permitting, drilling at the Golf Course prospect and general administrative expenses.

Stellar Resources Limited has implemented a salary reduction program of 30% across all employees and a 50% reduction in Board member fees. In addition, contract work was significantly reduced to manage expenditure throughout this period of depressed tin prices. The Board wishes to acknowledge the dedication to the Company's strategy by its small group of professional employees.

## Operational Overview

### **Metallurgical optimisation program**

During the year, Stellar Resources Limited completed a metallurgical optimisation program with WorleyParsons and ALS Burnie. The optimisation program utilised a representative sample of mineralisation from 8 diamond drill holes across the Severn deposit (representing 60% of the total Heemskirk project resource). The optimisation program resulted in a 7.4% increase in recovery from the Severn deposit ore, which increased average recovery across all three Heemskirk project deposits by 4.5% to 72.8%. The optimisation program also led to several important refinements to unit processes, a reduction in comminution energy per tonne of tin recovered and a simplification of the flow sheet.

### **Geological review**

Early in the year, Stellar Resources Limited engaged Teale and Associates to commence a forensic review of the Heemskirk geology. The review identified geological structure as an important contributor to the location of higher grade tin within the currently defined bodies. Future drilling programs will test this assessment and could improve overall deposit grade if results are in line with the findings of the review.

Stellar Resources Limited also engaged Polberro Consulting and WorleyParsons to complete a scoping study on the St Dizier satellite tin deposit during the year. The initial findings of the scoping study suggest that the mineralisation is more suitable for blending with the Heemskirk deposits rather than as a primary ore source.

## **Review of Operations (cont'd)**

### ***Other operational highlights***

Stellar Resources Limited acquired a Mining Lease (ML2M/2014) over the preferred tailings dam site during the year. An initial geotechnical review by Baynes Geologic confirmed that the site is suitable for a low cost, life of mine tailings dam.

Stellar Resources Limited also advanced the mine permitting process and received guidelines from the Environmental Protection Authority for the preparation of a Development Proposal and Environmental Management Plan, a precursor to applying to the West Coast Council for a Land Use Permit. The Company has also held initial discussions with the Tasmanian Government relating to mutual beneficial development scenarios for the Heemskirk Tin Project.

### **Exploration Activity**

In line with ongoing sector rationalisation, drilling activity was confined to a diamond drill hole at the Golf Course prospect, located 500m to the southwest of the Severn tin deposit. Tin mineralisation was intersected in the main target zone but was deemed sub-economic in the current market environment and no follow-up drilling was conducted.

The Company continued to rationalise its exploration portfolio with a clear focus on retaining only high priority tin exploration licences and relinquishment of those with a low priority or down-graded targets. In particular, two magnetite bearing exploration licences in South Australia were relinquished following the substantial decline in iron ore price and the diminished prospect of realising value for these properties.

Stonehenge (EL6/2014), a recently acquired licence with similar geology and located immediately to the south of the Heemskirk tin deposits was reviewed for its tin prospectivity. Inversion modelling of magnetics and historical drilling results show moderate potential.

Ramsay (EL1/2004) contains a 500m by 300m zone of elevated tin in soil over the greisenised margin of the Meredith Granite. Stellar Resources Limited is considering alternative funding arrangements to drill test this target.

### **Risk Management**

A risk registry is maintained by the Company with key risks reviewed by the Managing Director at each Board meeting.

Funding risk, which may be aggravated by a further decline in tin price, is considered the main risk for the Company. The Company is acting to reduce this risk by controlling expenditures through a Board-approved cost reduction program.

### **Financial Position**

The net assets of the Consolidated Entity as at 30 June 2015 were \$17,464,460 (30 June 2014: \$19,538,650) represented by:

- cash of \$2,217,131 (30 June 2014 - \$4,179,856)
- investments in Renascor Resources Limited and UraniumSA Limited valued at \$107,780 (30 June 2014 - \$124,950)
- exploration expenditure \$15,067,112 (30 June 2014 - \$15,282,431)
- trade and other payables \$159,317 (30 June 2014 - \$296,526)

The Consolidated Entity had no external borrowings as at 30 June 2015.

### **Significant Changes in the State of Affairs**

There were no significant changes in the state of the affairs of the Consolidated Entity during the financial period.

### **Subsequent Events**

Other than stated, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

## **Review of Operations (cont'd)**

### **Business Strategies**

The Consolidated Entity is committed to the corporate objective of:

“Enhancing shareholder wealth through mineral discovery”.

It seeks to meet this objective by:

- Utilising cutting edge exploration technology;
- Focusing on projects located within geological terrains hosting world-class ore bodies; and
- Utilising an experienced, focused and success driven management team.

Where joint ventures seem appropriate and beneficial to the risk/reward profile of Stellar Resources, the Board has chosen to enter such agreements. Joint ventures provide financing whilst maintaining meaningful involvement and equity in the project.

Stellar Resources Limited is also prepared to sponsor or co-sponsor new IPO's – including those where the Consolidated Entity's assets may be included. In such cases, shareholders may also be eligible and entitled to subscribe for shares in any new IPO.

The Consolidated Entity's prospects for future years depend very much on the rate of mineral discovery. The Consolidated Entity is an active minerals explorer and a good sized mineral discovery has the potential to add substantial value to Stellar. Against this, Company funds must be expended in this exploration/discovery endeavour and the Board may decide to raise new equity to replenish funds along the path.

### **Future Developments**

The Consolidated Entity's activities will continue to focus on the Heemskirk Tin Project in Tasmania. In the forthcoming year, the Consolidated Entity plans to attract funding partners to continue exploration around the known Mineral Resource ahead of in-fill drilling, metallurgical testing and various studies to support preparation of a Definitive Feasibility Study.

### **Environmental Issues**

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

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

### **Meetings of Directors**

The number of meetings of the Company's Board of Directors held during the period ended 30 June 2015, and the number attended by Directors were:

<b>Director</b>	<b>Number of meetings held</b>	<b>Number eligible to attend</b>	<b>Number of meetings attended</b>
P G Harman	10	10	10
P G Blight	10	10	10
T H Whiting	10	10	10
M Elsasser	10	10	10
M Lopez de Letona	10	10	10

**Remuneration Report**

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

Phillip G Harman	–	Non-executive Chairman
Peter G Blight	–	Managing Director
Thomas H Whiting	–	Non-executive Director
Markus Elsasser	–	Non-executive Director
Miguel Lopez de Letona	–	Non-executive Director
Christina R Kemp	–	Company Secretary

**(b) Directors' and Executives' Compensation**

*Remuneration Policy*

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

The three key elements of Director and executive remuneration are:

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

**(c) Relationship between the Remuneration Policy and Company Performance**

The tables below set out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the five years to June 2015. As the table indicates, earnings have varied significantly over the past five financial years, due to the nature of exploration activities. It has been the focus of the Board of Directors to attract and retain management personnel essential to continue exploration activities.

	<b>30 June 2015</b>	<b>30 June 2014</b>	<b>30 June 2013</b>	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	110,048	101,879	155,726	166,539	148,552
Net profit/(loss) before tax	(2,383,200)	(1,137,279)	273,633	(1,991,911)	(986,468)
Net profit/(loss) after tax	(2,383,200)	(1,137,279)	273,633	(1,991,911)	(986,468)

	<b>30 June 2015</b>	<b>30 June 2014</b>	<b>30 June 2013</b>	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Share price at start of year	\$0.04	\$0.05	\$0.07	\$0.14	\$0.05
Share price at end of year	\$0.03	\$0.04	\$0.05	\$0.07	\$0.14
Basic earnings per share (cents)	(0.8)	(0.4)	0.1	(1.3)	(1.0)
Diluted earnings per share	(0.8)	(0.4)	0.1	(1.3)	(1.0)



Remuneration Report (cont'd)

(d) Remuneration of Directors and Senior Management

2015	Short term employee benefits		Post-employment benefits		Share-based payment	Other benefits	Total
	Salary and fees \$	Other compensation \$	Super-annuation \$	Other \$	Options \$		
<b>Director</b>							
P G Harman	44,897	-	20,653	-	82,480	-	148,030
P G Blight	185,167	-	34,833	-	82,481	-	302,481
T H Whiting	29,932	-	2,843	-	41,240	-	74,015
M Elsasser	32,775	-	-	-	41,240	-	74,015
M Lopez de Letona	32,775	-	-	-	41,240	-	74,015
<b>Executive</b>							
C R Kemp	114,360	-	-	-	-	-	114,360
	439,906	-	58,329	-	288,681	-	786,916
<b>2014</b>							
2014	Short term employee benefits		Post-employment benefits		Share-based payment	Other benefits	Total
	Salary and fees \$	Other compensation \$	Super-annuation \$	Other \$	Options \$		
<b>Director</b>							
P G Harman	53,000	-	4,903	-	-	-	57,903
P G Blight	170,060	-	24,273	-	-	-	194,333
T H Whiting	30,000	6,364	2,775	-	-	-	39,139
M Elsasser	28,951	-	-	-	-	-	28,951
M Lopez de Letona	2,731	-	-	-	-	-	2,731
T J Burrowes	24,000	-	2,220	-	-	-	26,220
D J Isles	24,000	-	2,220	-	-	-	26,220
<b>Executive</b>							
C R Kemp	125,070	-	-	-	-	-	125,070
	457,812	6,364	36,391	-	-	-	500,567

All key management personnel compensation is paid by Stellar Resources Limited. Key management personnel receive no remuneration from group subsidiary companies. No Director or key management personnel appointed during the period received a payment as part of consideration for agreeing to hold the position.



Remuneration Report (cont'd)

(e) Compensation Options: Granted and Vested during the Year

The following grants of share-based payment compensation to Directors relate to the current financial year:

Option series	Grant date	Expiry date	Grant date fair value	Exercise price	Number under option	Vesting date
SRZAA	18/11/2014	20/11/2019	\$0.02c	\$0.06c to \$0.12c	17,500,000	Vests at date of grant

In accordance with shareholder approval given at the Company's Annual General Meeting held on 17 November 2014, Director options issued on the 20 November 2014 fully vested on issue date.

No options were issued to Directors or executives since the end of the financial year.

2014

There were no options issued to Directors or executives in the previous financial year.

(f) Details Concerning Share-based Remuneration of Directors and Executives

The Company's policy for determining the nature and amount of emoluments of Board members and executives of the Company is as follows:

The remuneration structure for executive officers, including Directors, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and Directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future. There are no termination benefits or incentives provided. Should the Company terminate the Managing Director's contract immediately, the Company shall pay an amount equal to the total remuneration for 12 months. Any options not exercised before or on the date of termination will lapse.

The objective of the share-based schemes is to both reinforce the short and long-term goals of the Company and to provide a common interest between management and shareholders.

The Board is responsible for the review and operation of the Stellar Option Plan including terms and conditions for all options issued. The number of options offered under the plan is limited to less than 5% of the total number of shares on issue at the time of the offer.

(g) Number of Options Held by Key Management Personnel

2015	Balance 1/07/14	Granted as compensation	Options exercise	Net change other	Balance 30/06/15	Total vested 30/06/15	Total exercisable 30/06/15	Total unexercisable 30/06/15
<b>Directors</b>								
P G Harman	-	5,000,000	-	-	5,000,000	5,000,000	5,000,000	-
P G Blight	-	5,000,000	-	-	5,000,000	5,000,000	5,000,000	-
T H Whiting	-	2,500,000	-	-	2,500,000	2,500,000	2,500,000	-
M Elsasser	-	2,500,000	-	-	2,500,000	2,500,000	2,500,000	-
M Lopez de Letona	-	2,500,000	-	-	2,500,000	2,500,000	2,500,000	-
<b>Executives</b>								
C R Kemp	-	-	-	-	-	-	-	-
	-	17,500,000	-	-	17,500,000	17,500,000	17,500,000	-

Remuneration Report (cont'd)

(g) Number of Options Held by Key Management Personnel (cont'd)

2014	Balance 1/07/13	Granted as compensation	Options exercised	Net change other	Balance 30/06/14	Total vested 30/06/14	Total exercisable 30/06/14	Total unexercisable 30/06/14
<b>Directors</b>								
P G Harman	1,000,000	-	-	(1,000,000)	-	-	-	-
P G Blight	1,000,000	-	-	(1,000,000)	-	-	-	-
T H Whiting	1,000,000	-	-	(1,000,000)	-	-	-	-
M Elsasser	-	-	-	-	-	-	-	-
M Lopez de Letona	-	-	-	-	-	-	-	-
T J Burrowes	1,000,000	-	-	(1,000,000)	-	-	-	-
D J Isles	1,000,000	-	-	(1,000,000)	-	-	-	-
<b>Executives</b>								
C R Kemp	250,000	-	-	(250,000)	-	-	-	-
	5,250,000	-	-	(5,250,000)	-	-	-	-

(h) Shares Issued on Exercise of Compensation Options

No shares were issued to Directors or executives on exercise of compensation options during the financial year.

(i) Loans to Key Management Personnel

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

(j) Number of Shares held by Key Management Personnel

2015	Balance 1/07/14	Received as compensation	Options exercised	Net change other	Balance 30/06/15
<b>Directors</b>					
P G Harman	1,279,704	-	-	-	1,279,704
P G Blight	2,044,675	-	-	-	2,044,675
T H Whiting	816,841	-	-	173,159	990,000
M Elsasser	5,717,666	-	-	-	5,717,666
M Lopez de Letona	-	-	-	-	-
<b>Executives</b>					
C R Kemp	81,161	-	-	-	81,161
	9,940,047	-	-	173,159	10,113,206

2014	Balance 1/07/13	Received as compensation	Options exercised	Net change other	Balance 30/06/14
<b>Directors</b>					
P G Harman	1,181,263	-	-	98,441	1,279,704
P G Blight	1,887,384	-	-	157,291	2,044,675
T H Whiting	554,007	-	-	262,834	816,841
M Elsasser	5,717,666	-	-	-	5,717,666
M Lopez de Letona	-	-	-	-	-
T J Burrowes	1,412,965	-	-	96,154	1,509,119
D J Isles	115,048	-	-	9,588	124,636
<b>Executives</b>					
C R Kemp	74,917	-	-	6,244	81,161
	10,943,250	-	-	630,552	11,573,802

## Share Options

### *Shares under options*

At the date of this report, the unissued ordinary shares of Stellar Resources Limited under option are as follows:

Option series	Grant date	Expiry date	Grant date fair value	Exercise price	Number under option	Vesting date
SRZAI (i)	26/02/2014	26/02/2017	\$0.02c	\$0.08 \$0.06c to	25,000,000	Vests at date of grant
SRZAA (ii)	18/11/2014	20/11/2019	\$0.02c	\$0.12c	17,500,000	Vests at date of grant

(i) Shares under option were issued in accordance with shareholder approval given on 26 February 2014 to Capetown S.A..

(ii) Shares under option were issued in accordance with shareholder approval given on 18 November 2014 to the Company's Directors.

The options hold no voting or dividend rights, and are not transferable, except with the prior written approval of the Board. The value of options granted during the financial year is calculated as at grant date using a binomial pricing model.

### *Shares issued on exercise on share options*

No shares were issued during or since the end of financial year as a result of exercise of a share option.

### *Options expired*

During the financial year, there were nil expired options (2014: 6,125,000 options expired).

### *Options cancelled*

During the financial year, there were nil cancelled options (2014: nil options cancelled).

## Information on Directors and Executives

The qualifications, experience and special responsibilities of each person who has been a Director of Stellar Resources Limited at any time during or since the end of the financial year are provided below, together with details of executives as at year end.

### Chairman

Phillip G Harman  
 BSc (Hons) MAusIMM  
 Appointed Non-executive  
 Director 7 June 2010  
 Appointed Chairman  
 7 February 2011

Mr Harman is a professional geophysicist who spent more than 30 years working for BHP Billiton in minerals exploration in a broad number of roles both technical and managerial, both in Australia and overseas. Mr Harman was material in bringing BHP Billiton's proprietary FALCON® airborne gravity gradiometer technology to Gravity Capital Limited which was the precursor to Gravity Diamonds Limited in 2001.

Shareholding: 1,279,704  
 Option holding: 5,000,000  
 Directorships of other listed companies since 1 July 2012:  
 Predictive Discovery Limited (February 2008 – November 2014)  
 Callabonna Resources Limited (Nov 2009 – Current)

### Managing Director

Peter G Blight  
 BSc (Hons) (Adelaide),  
 MSc (USA)  
 Appointed Chief Executive  
 Officer 5 February 2008  
 Appointed Managing Director  
 26 May 2014

Mr Blight has been involved in the exploration, mining and finance industries for over 30 years. Prior to joining Stellar Resources, he was Director of Research at Russian aluminium giant UC Rusal where he was responsible for market analysis and business development in China and India. He also had a 14 year career with investment bank, UBS, as Executive Director of commodity analysis in London and prior to that as a mining company analyst in Melbourne. Mr Blight's wide range of experience from exploration to business development places him in a strong position to guide the commercialisation of the Heemskirk Tin Project.

Shareholding: 2,044,675  
 Option holding: 5,000,000

Mr Blight did not hold any other listed company directorships in the preceding three years.

**Information on Directors and Executives (cont'd)**

**Director**

Thomas H Whiting  
BSc (Hons) PhD FINSIA  
Appointed 7 February 2011

Dr Whiting is currently a consultant, having retired from BHP Billiton in 2008, after a distinguished career covering 30 years. He is a widely respected explorer with profound insights on the need for innovation in the mineral exploration sector. Dr Whiting was Vice President of Minerals Exploration for BHP Billiton from 2000 to 2004. Earlier in his career, he led the use of innovative reconnaissance airborne geophysical techniques which led to the discovery of the Cannington lead-zinc-silver mine in North Queensland and the development and deployment of the FALCON® system, the world's first airborne gravity gradiometer.

Shareholding: 990,000  
Option holding: 2,500,000

Directorships of other listed companies since 1 July 2012:  
Mineral Deposits Limited (January 2012 – Current)

**Director**

Markus Elsasser  
BA (admin) PhD (Cologne, Germany)  
Appointed 14 June 2013

Dr Elsasser is a German financier and investor in the minerals resources industry. He is head of the Elsasser family office 'M. Elsasser & Cie AG 1971' in Dusseldorf, Germany. Dr Elsasser has previously been Director of Finance for Dow Chemical Company in Germany. He has extensive general management experience with former appointments as Managing Director in Australia and Singapore in the chemical and food industries.

Shareholding: 5,717,666  
Option holding: 2,500,000

Directorships of other listed companies since 1 July 2012:  
Impact Minerals Limited (August 2012 – Current)  
Kopy Goldfields AB (January 2012 – May 2015)  
Stellar Diamonds Plc\* (November 2012 – Current)

**Director**

Miguel Lopez de Letona  
BA (admin) (Brussels, Belgium)  
Appointed 21 May 2014

Mr Lopez de Letona is an experienced Belgium based investment advisor and private investor in the natural resources industry across mining, oil and gas, as well as other sectors. For more than a decade, he was responsible for sourcing, structuring, negotiating and managing private equity investments for international clients. Prior to his investment advisory activities in Europe and South America, Mr Lopez de Letona was a management consultant and banker with leading financial institutions.

Shareholding: nil  
Option holding: 2,500,000

Mr Lopez de Letona did not hold any other listed company directorships in the preceding three years.

## **Information on Directors and Executives (cont'd)**

Company Secretary  
Christina R Kemp  
Dip Acc, Dip AICD  
Appointed 17 October 2011

Ms Kemp has a wealth and depth of experience over 30 years with both public and private companies. Her extensive career began in manufacturing but has also included mineral exploration, mining, retail, travel, transport and utilities where she has held financial positions.

Shareholding: 81,161  
Option holding: nil

Ms Kemp did not hold any other listed company directorships in the preceding three years.

\* Stellar Diamonds Plc listed in United Kingdom is not related to the Company.

## **Indemnifying Officers**

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

## **Dealing in the Company's Securities**

The Company's share trading policy restricts Directors, executives, employees and contractors to only trade in the Company's securities during the 30 days (the "trade window") commencing immediately after each of the following occasions:

- the release by the Company of its quarterly report to the ASX;
- the release by the Company of its half-yearly results to the ASX;
- the release by the Company of its annual results to the ASX;

A Director, executives, employees or contractors may not trade in the Company's securities outside of the trading window unless approval is given in accordance with the share trading policy.

Prior to trading in (either buying or selling) the Company's securities, Directors, executives, employees and contractors must notify the appropriate person of their intention to trade and confirm that they are not in possession of any published price sensitive information. This requirement does not apply to the acquisition of securities through an incentive plan, nor to the exercise of any security that has vested in accordance with any incentive plan resulting in the holding of a listed security in the Company. However, the requirement does apply to the trading of the listed securities once they have been acquired.

The share trading policy requires the Company Secretary to maintain a register of all trades and holdings in Company securities by Directors, executives, employees and contractors. Directors, executives, employees and contractors must notify the Company Secretary of any trade in the Company's securities within 2 days of such trade occurring. The Company Secretary will comply with the ASX Listing Rule 3.19A requirement to notify the ASX of any change in a notifiable interest held by a Director.

## **Proceedings on Behalf of the Company**

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

**Non Audit Services**

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 19 to the financial statements.

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

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 51 of the Annual Report.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001 and dated this 27th day of August, 2015.

On behalf of the Directors



**P G Harman**  
Chairman  
Melbourne

## **Introduction**

This Corporate Governance Statement is current as at 27 August 2015 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company has, during the financial year ending 30 June 2015, followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (Recommendations). The Recommendations are not mandatory, however the Recommendations that have not been followed for any part of the reporting period have been identified and reasons provided for not following them along with what (if any) alternative governance practices were adopted in lieu of the recommendation during that period.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. The duties that would ordinarily be assigned to individual committees are currently carried out by the full Board.

## **Role of the Board, Chair, and Management**

The primary responsibility of the Board is to protect and advance the interests of shareholders. To fulfil this role, the Board has overall responsibility for the corporate governance of the Company including matters such as strategic direction, setting of management goals and monitoring management performance against the set goals.

The primary responsibilities of the Board include:

- Formulation, review and approval of the Company's strategic direction and operational policies;
- Establishing management goals and monitoring management performance;
- Review and approval of the Company's Business Plan (incorporating its annual budget);
- Monitoring the performance and reviewing remuneration of senior executives and other key staff;
- Approval of all significant business transactions including acquisitions, investments, divestments and corporate restructures;
- Monitoring business risk exposures and risk management systems;
- Review and approval of financial and other reporting, including continuous disclosure reporting; and
- Reporting to shareholders.

The Chair is responsible for leading, facilitating and encouraging Board and management.

The responsibilities of the Chair include:

- Taking the Chair at Board meetings;
- Ensuring the proper working of the Board;
- Sometimes acting as the leading representative of the Company in its dealings with the outside world, including financial markets, regulators, the press, governments, interest groups and the community;
- Maintaining shareholder relations, both formally through the Annual General Meeting and reporting procedures, and informally with all major shareholders;
- Initiating policy decisions with the Managing Director and the Board;
- Ensuring the existence of an effective strategic planning system and the appropriate consideration of future development possibilities;
- Ensuring the Board plays an active role in strategic review and that development proposals and planning issues are referred to the Board for discussion and approval;
- Establishing basic priorities, ethical standards, policies and attitudes for the Company;
- Ensuring that probity is maintained in accounting, reporting and all other respects;
- Monitoring the Managing Director's performance against established criteria/measures of financial and operating performance, in conjunction with the Board;
- Deciding, together with the Managing Director, what matters should be of concern of the Board, and which are purely management matters, to be left to executive management;
- Acting as counsellor, adviser and listener to the Managing Director and, where necessary, other members of the Board; and
- Ensuring a sound management structure through the appointment of the best management the Company can afford.



Mr Peter Blight continued in office as the Managing Director of the Company from the start of the reporting period to the end of the reporting period.

Mr Blight's specific responsibilities include:

- Contributing to the formulation of the Company's strategic direction for approval by the Board and thereafter managing its implementation;
- In conjunction with the Chief Financial Officer (or equivalent), designing and implementing the risk management and internal control system to manage the Company's material business risks and reporting to the Board on whether those risks are being managed effectively;
- Managing the day to day affairs of the Company within the guidelines set by the Board;
- Identifying and developing a range of potential partners for project development;
- Managing relationships with Government at all levels;
- Marketing the Company to existing and potential investors;
- Monitoring employee performance; and
- Managing costs at the direction of the Board.

Each of Mr Phillip Harman, Dr Tom Whiting, Dr Markus Elsasser and Mr Miguel Lopez de Letona were non-executive Directors of the Company during the whole of the reporting period.

### **Board Composition and Performance**

From the start of the reporting period, the Board had four non-executive Directors (Mr P Harman, Dr T Whiting, Dr M Elsasser and Mr M Lopez de Letona) and one executive Director (Mr P Blight). Of the four non-executive Directors in office as at the end of the reporting period four are considered to be independent (Mr P Harman, Dr T Whiting, Dr M Elsasser and Mr M Lopez de Letona).

Directors are initially appointed by the Board but must then stand for re-election by the shareholders at the next Annual General Meeting. No Director may hold office for more than three years following his or her last election by the shareholders and one third of the Directors must retire by rotation at each Annual General Meeting to ensure that this requirement is satisfied. A retiring Director may stand for re-election at the Annual General Meeting at which he or she retires.

The Company has guidelines for the appointment and selection of the Board. The Board ensures appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director.

The Company ensures that all material information relevant to a decision on whether or not to elect or re-elect a Director is provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect that Director.

The Board ensures that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. The Company has had written agreements in place with each of its Directors and senior executives for the past financial year.

The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.

The Board has adopted processes to measure its own performance and that of individual Directors. The annual performance evaluation reviews the performance of the Board against its responsibilities. It also reviews the contribution of each member of the Board. The annual performance evaluation also sets forth the goals and objectives of the Board for the following year. The Chairman conducts confidential discussions with each Director in relation to matters such as work programmes and perceived strengths and weaknesses of the Board. Ms C Kemp, the Company Secretary, is accountable to the Board, through the Chairman, on all governance and compliance matters and for liaison with ASX. After discussion between the Chairman and Ms C Kemp, any significant performance related issues identified, or changes recommended, are referred to the Board for action in its ongoing development programme.

A performance evaluation of the Board and each Director, in accordance with the process disclosed, was completed before the end of the reporting period.

## **Skills Experience and Expertise of Directors**

The skills, experience and expertise relevant to the position of Director held by each of them as at 30 June 2015, and the period of office held by each Director, are as follows:

### *Phillip G Harman – Non-Executive Chairman*

Mr Harman is a graduate of Sydney University where he majored in Geology and Geophysics. He worked for BHP for over 30 years in the field of mineral exploration occupying a variety of technical and managerial positions in Australia and elsewhere in the world. In these positions, he gained broad experience in exploration management and was associated with a number of discoveries.

In 2001, he joined Grenfell Resources Limited for the specific purpose of introducing the FALCON® Airborne Gravity Gradiometer System, developed by BHP, to the Australian exploration scene. Grenfell subsequently evolved into Gravity Capital Limited which was later split into Gravity Diamonds Limited and Stellar Resources Limited, the latter retaining ownership of the non-diamond projects. Mr Harman remained as Managing Director of Gravity Diamonds which carried out diamond exploration in Australia and Democratic Republic of Congo, then subsequently merged with Mwana Africa in 2008.

Currently, Mr Harman is non-executive Chairman of ASX listed Callabonna Resources Ltd as well as a non-executive Director of the Deep Exploration Technologies Cooperative Research Centre.

He is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors as well as a number of other professional societies.

Period of office: 5 years.

### *Peter G Blight – Managing Director*

Mr Blight has been involved in the exploration, mining and finance industries for over 30 years. Prior to joining Stellar Resources, he was Director of Research at Russian aluminium producer UC Rusal where he was responsible for market analysis and business development in China and India. He has also had a 14 year career with investment bank UBS as Executive Director of Commodity Analysis in London and prior to that as a mining company analyst in Melbourne.

He is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

Period of office: 1 year.

### *Thomas H Whiting – Non-Executive Director*

Dr Whiting is a geophysicist by profession and has over 30 years' experience in the minerals exploration sector. From 2000 to 2004, he led BHP Billiton's global minerals exploration group as Vice President of Minerals Exploration. During his career with BHP Billiton he was associated with a number of discoveries and was at the forefront of promoting the development and application of new exploration technologies related to the search for ore deposits under cover. He is currently a consultant to a number of other mineral exploration companies.

Dr Whiting is a non-executive Director of ASX listed Mineral Deposits Limited and non-executive Chairman of the Deep Exploration Technologies Cooperative Research Centre.

He is a member of the Society of Exploration Geophysicists and the Australian Institute of Company Directors.

Period of office: 4 years.

### *Markus Elsasser – Non-Executive Director*

Dr Elsasser has a degree and PhD in Business Administration from Cologne University, Germany. Dr Elsasser is a German financier and investor in the minerals resources industry. He is head of the Elsasser family office 'M. Elsasser & Cie AG 1971' in Dusseldorf, Germany. Dr Elsasser has previously been Director of Finance for Dow Chemical Company in Germany. He has extensive general management experience with former appointments as Managing Director in Australia and Singapore in the chemical and food industries.

Currently, Dr Elsasser is a non-executive Director of ASX listed Impact Minerals Limited.. He is also a non-executive Director of Stellar Diamonds Plc listed in United Kingdom. (Stellar Diamonds Plc is not related to the Company).

Period of office: 2 year.

Miguel Lopez de Letona – Non-Executive Director

Mr Lopez de Letona is a Belgian based investment advisor and investor who has sourced, structured, negotiated and managed private equity investments in the natural resource industry for the past decade. Prior to his involvement in private equity, Mr Lopez de Letona was a management consultant and banker with leading financial institutions.

Period of office: 1 year.

**Ethical and Responsible Decision-making**

It is the policy of the Company for Directors, officers and employees to observe high standards of conduct and ethical behaviour in all of the Company's activities. This includes dealings with suppliers, business partners, public servants and the general communities in which it operates.

The Company adopted a formal Code of Ethics with effect from 29 August 2008. The Code is available on the Company's website [www.stellarresources.com.au](http://www.stellarresources.com.au).

**Securities Trading Policy**

The Company updated its Securities Trading Policy in March 2015.

A copy of the Company's Securities Trading Policy is available on the Company's website [www.stellarresources.com.au](http://www.stellarresources.com.au).

**Communications with Shareholders**

The Board seeks to empower shareholders through effective communication by providing balanced and understandable information and encouraging participation at General Meetings. It is the policy of the Company to communicate with shareholders in an open, regular and timely manner so that the market has sufficient information on the operations and results of the Company to make informed investment decisions.

Mechanisms used to communicate with shareholders include:

- the statutory financial report is distributed to all shareholders who have chosen to receive it and otherwise made available in accordance with the *Corporations Act 2001*. The Board also ensures that the statutory financial report is provided to any shareholder requesting it at the Annual General Meeting;
- the half-yearly report as at 31 December contains condensed financial information and a review of the Consolidated Entity during the period. This financial report is sent to any shareholder requesting it;
- the quarterly report summarising activities on the Company's projects on a quarterly basis. This report is sent to any shareholder requesting it;
- preparation and circulation of regular Business Reviews;
- Boardroom Radio broadcasts by the Managing Director;
- regular investor presentations by the Managing Director;
- facilitating effective two way communication between itself and investors via email communications; and
- maintaining a comprehensive website ([www.stellarresources.com.au](http://www.stellarresources.com.au)) which is user friendly and regularly updated.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Company's strategy and goals. Generally, every meeting of shareholders is followed by a presentation by the Managing Director and/or Directors.

All announcements made to the market and related information (for example, information provided to analysts during briefings), are placed on the Company's website after they have been released to ASX. These announcements include the full text of notices of meeting and explanatory material. The Company's website also contains Brokers' Reports on the Company and financial data for the last three years.

**Integrity of Financial Reporting**

It is a requirement of the *Corporations Act 2001* that the Managing Director (or equivalent) and Chief Financial Officer (or equivalent) declare in writing to the Board (in accordance with section 295A of the *Corporations Act 2001*) that, in their opinion, the financial records have been properly maintained and the consolidated financial statements of the Company and its controlled entities for each half and full financial year present a true and fair view of the Consolidated Entity's financial position and performance and are in accordance with relevant accounting standards.

Both the Managing Director and Chief Financial Officer (or equivalent) of the Company have given declarations for each reporting period declaring that the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### **Continuous Disclosure to ASX**

The Board is responsible for monitoring compliance with ASX Listing Rule disclosure requirements and approval of any proposed ASX announcement prior to release. The Board has appointed the Company Secretary as the designated contact person with ASX.

A copy of the Company's Continuous Disclosure Policy and Procedures is available on the Company's website [www.stellarresources.com.au](http://www.stellarresources.com.au).

### **Risk Management**

The Board is responsible for the oversight of the Consolidated Entity's risk management and control framework. Management is required to design and implement the risk management and internal control system to manage the Company's material business risks and report to the Board on whether those risks are being managed effectively. The effectiveness of the risk management and internal control system is reviewed periodically (generally twice per year at Board Meetings) by the Board. The Managing Director and the Chief Financial Officer (or equivalent in each case) has ultimate responsibility to the Board for the risk management and control framework.

A report on safety (OHS&E) is an agenda item included in the Managing Director's report which is tabled for consideration at each board meeting.

Senior executives have reported to the Board as to the effectiveness of the Company's management of its material business risks and the Board has received assurance from the Managing Director (or equivalent) and Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the *Corporations Act 2001* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company adopted a Risk Policy in July 2013. The policy is set out below and is available on the Company's website [www.stellarresources.com.au](http://www.stellarresources.com.au).

#### Risk Policy

The Company recognises that there are many inherent risks involved in its activities that can impact on many aspects of its business. Some of these are beyond its direct control and require risk mitigation while others are directly within the Company's control and require operational and management procedures to address them. The major areas of risk have been identified as follows:

- **Operational:** could impact on the technical execution of a project and personal safety;
- **Community:** including environmental and community impacts caused by operations which could affect the Company's licence to operate;
- **Metal price and exchange rate variations:** could impact on the economic viability of Company's operations;
- **Market and financing:** could impact on the Company's ability to raise capital and debt to finance its development and mining activities; and
- **Governance risks:** relate to the effective, transparent and legal management of the Company's affairs.

The Company acknowledges the scope of its activities will change when it moves from exploration to mining and marketing and the potential risks will change in nature and severity.

#### Stellar's Policy

Stellar recognises that it is impossible to identify every risk that may impact on its business. Nevertheless, it is the Company's policy to maintain an awareness of risk and be proactive in its mitigation. Stellar seeks to meet these objectives by:

- potential risks be identified and classified for potential impact on the business;
- identified risks be held in a Risk Register that is the responsibility of the Board;
- the Managing Director, in consultation with the Board, will develop remedial and operational plans and actions for the management of each identified risk;
- the Risk Register will be reviewed at least twice per year and where required be modified by the Board; and

- the Board and management be constantly aware of the changing environment and the changing scope of the Company's activities and respond accordingly.

#### **Auditor**

The Company continues to engage its current external auditor. External auditors are selected on the basis of professional skills, reputation, service levels and fees. The current policy of the external auditor is to rotate the audit engagement partner every 5 years.

The Board does its best to ensure that the Company's external auditor attends its Annual General Meeting and is available to answer questions from security holders relevant to the audit.

The Company's external auditor attended the Company's last Annual General Meeting during the past financial year.

#### **Performance of Senior Executives**

The Board is responsible for regularly reviewing the performance of senior executives against appropriate measures including the implementation of the Company's Business Plan. The annual performance evaluation covers the Managing Director and any other key executives of the Company. The Chairman is primarily responsible for arranging such reviews and canvasses the views of each of the other Directors before a formal decision of the Board is made.

A performance evaluation of senior executives, in accordance with the disclosed process, will be completed before this statement is published.

#### **Remuneration of Directors and Senior Executives**

It is the policy of the Company that, except in special circumstances, non-executive Directors normally be remunerated by way of fixed fees, should not receive bonus and should not be provided with retirement benefits other than statutory superannuation.

The Board, within the limit pre-approved by shareholders, determines fees payable to individual non-executive Directors. The remuneration level of any executive Director or other senior executive (such as the Managing Director) is determined by the Board after taking into consideration levels that apply to similar positions in comparable companies in Australia and taking account of the individual's possible participation in any equity-based remuneration scheme. The Board may use industry-wide data gathered by independent remuneration experts annually as its point of reference. Options or shares issued to any Director pursuant to any equity-based remuneration scheme require approval by shareholders prior to their issue. Options or shares granted to senior executives who are not Directors are issued by resolution of the Board.

It is the policy of the Company that persons to whom options have been issued should not enter into any transaction in any associated product which is designed to limit the economic risk of participating in unvested entitlements under an equity-based remuneration scheme.

There are no schemes for retirement benefits, other than the payment of the statutory superannuation contribution, for non-executive Directors.

The Company's policies and details of Director and executive remuneration are set out in more detail in the Remuneration Report, which forms part of the Directors' Report.

#### **Interests of Stakeholders**

The Company's core objective is the effective management of its resources with a view to identifying and developing profitable and environmentally sound mineral projects on its own or in conjunction with joint venture partners that are beneficial for all stakeholders.

#### **Diversity**

The Company adopted a Diversity Policy on 15 June 2012. The policy is set out below and is available on the Company's website [www.stellarresources.com.au](http://www.stellarresources.com.au).

#### Vision

The Company recognises the benefits arising from employee and Board diversity including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. The Company values diversity in all aspects of its business and is committed to creating an environment where the contribution of all its personnel is received fairly and equitably.

#### Objectives

The Company has a number of objectives in place to continually work towards its Vision including:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity.

#### Strategy

The Company seeks to achieve its Objectives by:

- recruiting and managing on the basis of competence and performance regardless of age, ethnicity, gender or cultural background;
- providing equal opportunities based on merit;
- fostering a culture that empowers people to act in accordance with this policy;
- fostering an inclusive, supportive and respectful culture to enable all personnel to reach their full potential;
- respecting the unique attributes that each individual brings to the workforce; and
- establishing and reviewing measurable objectives, particularly on gender diversity.

#### Application

The Board and Managing Director of the Company are responsible for monitoring and ensuring this policy is implemented. In addition, the Board and Managing Director will review progress against the Objectives as a key performance indicator in its annual performance assessment. The Board will include in its Annual Report each year measurable objectives, if any, set by the Board and progress against the objectives.

The Board has not yet set measurable objectives for achieving gender diversity.

As at 30 June 2015, the Company had the following employee workforce profile:

	<b>Female</b>	<b>Female %</b>	<b>Male</b>	<b>Male %</b>
<b>Board of Directors</b>	0	0	4	100
<b>Executive Management</b>	1	50	1	50
<b>Other</b>	1	25	3	75

#### **Compliance with the Australian Securities Exchange Corporate Governance Principles and Recommendations**

The ASX listing rules require listed entities to include in their Annual Report a statement disclosing the extent to which the entity has followed the ASX Corporate Governance Principles and Recommendations during the reporting period, identifying the recommendations that have not been followed and providing reasons for any variance. If a recommendation has been followed for only part of the year, the entity must state the period during which it has been followed.

During the reporting period, the Company complied with each of ASX Corporate Governance best practice recommendations, other than in relation to the matters below:

#### **Recommendation 1.5(c)**

##### **Measurable objectives in relation to diversity policy**

The Board did not set measurable gender diversity objectives for the past financial year, because:

- the Board did not anticipate there would be a need to appoint any new Directors or senior executives due to limited nature of the Company's existing and proposed activities and the Board's view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans; and



- if it became necessary to appoint any new Directors or senior executives, the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit.

**Recommendation 2.1**

**The Board should establish a nomination committee**

The Company did not have a Nomination Committee for the past financial year as the Board did not consider the Company would benefit from its establishment. The Board carries out the duties that would ordinarily be carried out by a Nomination Committee, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:

- devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and
- all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.

**Recommendation 2.2**

**The Board should have and disclose a Board skill matrix**

The Board has not prepared a skills matrix, which is a departure from Recommendation 2.2. The Board considers that, given its current size, it is able to identify and address any gaps in skills without such a matrix.

**Recommendations 4.1 and 7.1**

**The Board should establish an audit and risk committee**

The Company did not have an Audit and Risk Committee for the past financial year as the Board did not consider the Company would benefit from its establishment, and does not currently have one. The Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under a Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:

- the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors;
- the Board devotes time at quarterly Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures; and
- all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.

**Recommendation 8.1**

**The Board should establish a remuneration committee**

The Company did not have a Remuneration Committee for the past financial year as the Board did not consider the Company would benefit from its establishment, and does not currently have one. The Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under a Remuneration Committee Charter. Please refer to this Corporate Governance Statement at "Remuneration of Directors and Senior Executives" for further details.



	<b>Note</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	2	110,048	101,879
Other income	3	240,274	841,112
Administration expenditure		(632,685)	(1,068,063)
Depreciation and amortisation expenses	3	(6,364)	(16,273)
Impairment of available-for-sale investments	3	(22,500)	(42,771)
Fair value loss on financial assets	3	(15,000)	-
Loss on disposal exploration tenement	3, 11	(17,333)	-
Exploration expenditure and other costs written off	3, 11	(2,039,640)	(953,163)
Profit/(loss) before tax		(2,383,200)	(1,137,279)
Income tax expense	5	-	-
<b>Profit/(loss) for the year</b>		<b>(2,383,200)</b>	<b>(1,137,279)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net gain on available-for-sale financial assets taken to equity		20,330	3,000
<b>Other comprehensive income for the year, net of income tax</b>		<b>20,330</b>	<b>3,000</b>
<b>Total comprehensive income for the year</b>		<b>(2,362,870)</b>	<b>(1,134,279)</b>
<b>Earnings per share</b>			
Basic (cents per share)	17	(0.8)	(0.4)
Diluted (cents per share)	17	(0.8)	(0.4)

*Notes to the financial statements are included on pages 25 to 49.*

	Note	30 June 2015 \$	30 June 2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	2,217,131	4,179,856
Trade and other receivables	7	122,156	133,608
Other	8	32,852	38,293
Other financial assets	9	107,780	124,950
<b>Total current assets</b>		<b>2,479,919</b>	<b>4,476,707</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	130,010	133,443
Exploration expenditure	11	15,067,112	15,282,431
<b>Total non-current assets</b>		<b>15,197,122</b>	<b>15,415,874</b>
<b>Total assets</b>		<b>17,677,041</b>	<b>19,892,581</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	159,317	296,526
Provisions	13	14,324	23,726
<b>Total current liabilities</b>		<b>173,641</b>	<b>320,252</b>
<b>Non-current liabilities</b>			
Provisions	13	38,939	33,679
<b>Total non-current liabilities</b>		<b>38,939</b>	<b>33,679</b>
<b>Total liabilities</b>		<b>212,580</b>	<b>353,931</b>
<b>Net assets</b>		<b>17,464,461</b>	<b>19,538,650</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Issued Capital	14	34,372,833	34,372,833
Reserves	15	2,146,683	1,837,672
Accumulated losses	16	(19,055,055)	(16,671,855)
<b>Total equity</b>		<b>17,464,461</b>	<b>19,538,650</b>

Notes to the financial statements are included on pages 25 to 49.

	Note	Issued capital \$	Employee equity- settled benefits reserve \$	Option valuation reserve \$	Investments revaluation reserve \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2013</b>		30,603,135	1,337,246	-	-	(15,534,576)	16,405,805
Gain on available-for-sale financial assets		-	-	-	3,000	-	3,000
<b>Other comprehensive income for the year, net of income tax</b>		-	-	-	3,000	-	3,000
Loss for the year	16	-	-	-	-	(1,137,279)	(1,137,279)
<b>Total comprehensive income for the year</b>		-	-	-	3,000	(1,137,279)	(1,134,279)
Vesting of options under share purchase agreement		-	-	497,426	-	-	497,426
Issue of share capital		3,797,943	-	-	-	-	3,797,943
Cost of share issues		(28,245)	-	-	-	-	(28,245)
<b>Balance at 30 June 2014</b>		34,372,833	1,337,246	497,426	3,000	(16,671,855)	19,538,650
<b>Balance at 1 July 2014</b>		34,372,833	1,337,246	497,426	3,000	(16,671,855)	19,538,650
Gain on available-for-sale financial assets		-	-	-	20,330	-	20,330
<b>Other comprehensive income for the year, net of income tax</b>		-	-	-	20,330	-	20,330
Loss for the year	16	-	-	-	-	(2,383,200)	(2,383,200)
<b>Total comprehensive income for the year</b>		-	-	-	23,330	(2,383,200)	(2,362,870)
Vesting of options under share option plan		-	288,681	-	-	-	288,681
<b>Balance at 30 June 2015</b>		34,372,833	1,625,927	497,426	23,330	(19,055,055)	17,464,461

Notes to the financial statements are included on pages 25 to 49.

	Note	30 June 2015 \$	30 June 2014 \$
<b>Cash flows from operating activities</b>			
GST receipts from ATO		145,211	184,856
Payments to suppliers and employees		(596,503)	(868,155)
<b>Net cash used in operating activities</b>	23	(451,292)	(683,299)
<b>Cash flows from investing activities</b>			
Interest received		101,547	84,276
Research & development concessional tax refund from ATO		240,274	833,612
Payments for exploration expenditure		(1,848,384)	(2,010,352)
Proceeds from sale of exploration tenement		1	-
Payments for property, plant and equipment		(2,931)	(4,599)
Proceeds from sale property, plant and equipment		8,500	-
Security and bond deposit payments		(10,440)	(4,000)
Proceeds from security deposit		-	10,000
<b>Net cash used in investing activities</b>		(1,511,433)	(1,091,063)
<b>Cash flows from financing activities</b>			
Proceeds from share issues		-	3,797,943
Payment of share issue costs		-	(28,245)
<b>Net cash generated by financing activities</b>		-	3,769,698
Net increase/(decrease) in cash and cash equivalents		(1,962,725)	1,995,336
Cash and cash equivalents at beginning of financial year		4,179,856	2,184,520
<b>Cash and cash equivalents at the end of the financial year</b>	6	2,217,131	4,179,856

Notes to the financial statements are included on pages 25 to 49.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### *General information*

Stellar Resources Limited (the Company) is a public company listed on the Australian Stock Exchange, (SRZ), incorporated in Australia, operating in Australia and comprises the Company and its subsidiaries (together referred to as the Group).

### *Statement of compliance*

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial report comprises the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ("A-IFRS"). Compliance with A-IFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issue by the Directors on 27 August 2015.

### *Basis of preparation*

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

### *Going Concern*

Stellar Resources Limited's financial statements are prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business. During the year ended 30 June 2015, the Group incurred a net loss of \$2,383,200, had net cash outflows from operating activities of \$451,292, payments for exploration activities of \$1,848,384 and had an accumulated loss of \$19,055,055 as at 30 June 2015. The continuation of the Group as a going concern is dependent upon its ability to generate sufficient cash from operating and financing activities and manage the level of exploration and other expenditure within available cash resources. The Directors consider that the going concern basis of accounting is appropriate for the following reasons:

As at 30 June 2015, the Group had cash assets of \$2,217,131, net working capital of \$2,198,497, as well as investments in UraniumSA Limited of \$77,765 and Renascor Resources Limited of \$30,015 which could be sold if required. The Group also has 750,000 unlisted options in Renascor Resources Limited exercisable at \$0.054c each expire on 30 April 2016.

The most recently prepared cash flow forecast prepared by management and reviewed by the Directors indicates that the Group will hold sufficient cash reserves to meet their operating requirements beyond the end of the financial year 2016. This cash flow forecast takes into account the Group's implementation of cost reviews which includes exploration activity and overhead expenditure, as well as raising new equity capital in order for the Consolidated Entity to meet its planned exploration expenditure.

The Group's 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.

### *Critical accounting judgements and key sources of estimation uncertainty*

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The critical accounting judgement areas primarily relate to the carrying values in respect of exploration costs. Refer note 1(h) for details. In addition, estimation and judgement is applied in the fair value estimation of share options. Refer note 14(c) for details.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

### *Application of new and revised Accounting Standards*

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

The adoption of these new and revised Standards and Interpretations has not resulted in changes to the Group's accounting policies and has not affected the amounts reported or disclosure and presentation for the current or prior periods.

### *Standards and Interpretations in issue not yet adopted*

At the date of authorisation of the financial statements, the Standards and Interpretation listed below were in issue but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint operations'	1 January 2016
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016

The potential effect of the revised Standards/Interpretations on the Group's financial statements has not yet been determined. The group does not intend to adopt any of these pronouncements before their effective dates.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

### **(a) Income Tax**

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or used tax losses and tax offsets can be utilised.

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

### **(b) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

All revenue is stated net of the amount of goods and services tax ("GST").

### **(c) Government Grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government assistance which does not have conditions attached specifically relating to the operating activities of the entity is recognised in accordance with the accounting policies above.

### **(d) Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (e) Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

### (f) Impairment of Tangible and Intangible Assets other than Goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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 the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

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 for which the estimates of future cash flows have not been adjusted.

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Impairment/extinguishment of loan balances between entities within the Group are recognised within the profit or loss in the individual entities.

### (g) Property, Plant and Equipment

Land and building are recognised at cost. Plant and equipment, leasehold improvements and building are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful life, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Class of Fixed Asset	Depreciation Period
Office furniture and equipment	2 to 5 years
Software	2.5 years
Buildings	40 years

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

### **(h) Exploration and Evaluation Expenditure**

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

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

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

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

External consultants are engaged to ascertain fair value assessments, in relation to areas of interest that may be subject to sale. Proceeds on sale or farm-out of an area within an exploration area of interest are offset against the carrying value of the particular area involved. Where the total carrying value of an area has been recouped in this manner, the balance of the proceeds is brought to account in profit or loss.

### **(i) Goodwill**

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill is not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not reversed in subsequent periods.

### **(j) Payables**

Liabilities for trade payables and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

### **(k) Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

### **(l) Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) (referred to as the "Group" in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(m) Goods and Services Tax (GST)**

Revenues, expenses and assets (except receivables) are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(n) Financial Assets**

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose term require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

*Impairment of financial assets*

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that carrying amount to the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Other financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets, and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. At balance date, the entity held the following available-for-sale financial assets:

*Available-for-sale financial assets*

Certain shares held by the Group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described. Gains and losses arising from changes in fair value are recognised directly in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (n) Financial Assets (cont'd)

#### *Financial assets at fair value through profit or loss*

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- has been acquired principally for the purpose of selling in the near future;
- is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

### (o) Share-based Payments

The Company provides benefits to employees (including Directors) of the entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). These benefits are currently provided under the Employee Option Plan.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Stellar Resources Limited ("market conditions").

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity reserve, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### (p) Investments in Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

### (q) Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

	30 June 2015 \$	30 June 2014 \$
<b>2. REVENUE</b>		
Operating activities		
Interest received – bank deposits	101,547	91,879
Other revenue	8,501	10,000
Total revenue	110,048	101,879

### 3. LOSS FOR THE YEAR

Loss for the year includes the following items:-

Research and development concessional tax refunds (i)	240,274	833,612
Fair value gain on financial asset – options	-	7,500
Loss on disposal of exploration tenement	(17,333)	-
Depreciation – buildings, plant and equipment	(6,364)	(16,273)
Exploration expenditure and other costs written off	(2,039,640)	(953,163)
Equity-settled share based payments	(288,681)	(497,426)
Impairment of available-for-sale investments – shares	(22,500)	(42,771)
Fair value loss on financial assets – options	(15,000)	-

(i) Research and development concessional tax refund received for the financial period 2014 \$240,274

### 4. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of resources held.

The following is an analysis of the Group's revenue and results from operations by reportable segment.

2015	Corporate \$	Iron Ore \$	Tin/Nickel \$	Uranium \$	Copper/Gold \$	Total \$
<b>Revenue</b>						
Interest income	101,547	-	-	-	-	101,547
Research and development concessional tax refund	240,274	-	-	-	-	240,274
Other income	8,500	1	-	-	-	8,501
<b>Expenses</b>						
Other expenses	(632,685)	-	-	-	-	(632,685)
Depreciation and amortisation	(5,114)	-	(1,250)	-	-	(6,364)
Exploration expenditure and other costs recouped/ (written off)	-	(9,169)	(1,595,233)	(26,453)	(408,785)	(2,039,640)
Loss on disposal exploration tenement	-	(17,333)	-	-	-	(17,333)
Fair value loss on financial assets	(15,000)	-	-	-	-	(15,000)
Impairment of available-for-sale investments	(22,500)	-	-	-	-	(22,500)
Loss before tax	(324,978)	(26,501)	(1,596,483)	(26,453)	(408,785)	(2,383,200)
Current assets	2,479,918	-	-	-	-	2,479,918
Exploration expenditure	-	-	15,067,112	-	-	15,067,112
Property, plant and equipment	3,037	-	124,042	-	-	127,079
Additions to property, plant and equipment	2,931	-	-	-	-	2,931
	5,968	-	124,042	-	-	130,010
Current and non-current liabilities	(212,580)	-	-	-	-	(212,580)
Net assets	2,273,306		15,191,154	-	-	17,464,460

**4. SEGMENT INFORMATION (cont'd)**

<b>2014</b>	<b>Corporate \$</b>	<b>Iron Ore \$</b>	<b>Tin/Nickel \$</b>	<b>Uranium \$</b>	<b>Copper/Gold \$</b>	<b>Total \$</b>
<b>Revenue</b>						
Interest income	91,879	-	-	-	-	91,879
Research and development						
concessional tax refund	833,612	-	-	-	-	833,612
Other income	7,500	-	-	-	10,000	17,500
<b>Expenses</b>						
Other expenses	(1,068,063)	-	-	-	-	(1,068,063)
Depreciation and amortisation	(15,023)	-	(1,250)	-	-	(16,273)
Exploration expenditure and other costs						
recouped/ (written off)	-	(700,274)	(154,449)	(30,123)	(68,317)	(953,163)
Impairment of available-for-sale investments	(42,771)	-	-	-	-	(42,771)
<b>Loss before tax</b>	<b>(192,866)</b>	<b>(700,274)</b>	<b>(155,699)</b>	<b>(30,123)</b>	<b>(58,317)</b>	<b>(1,137,279)</b>
<b>Current assets</b>	<b>4,476,707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,476,707</b>
Exploration expenditure	-	-	14,912,308	-	370,123	15,282,431
Property, plant and equipment	3,552	-	125,292	-	-	128,844
Additions to property, plant and equipment	4,599	-	-	-	-	4,599
<b>Current and non-current liabilities</b>	<b>(353,931)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(353,931)</b>
<b>Net assets</b>	<b>4,130,927</b>	<b>-</b>	<b>15,037,600</b>	<b>-</b>	<b>370,123</b>	<b>19,538,650</b>

The Group operates in the Australian mineral exploration sector where it is actively pursuing opportunities for a number of mineral targets through various tenements all of which are currently at exploration stage and require further funding to proceed to revenue generation stages. As such the Group is required to prioritise its funding allocation and does so based on the assessment of the market sentiment and the potential of finding a viable mineral resource. Each exploration licence may be identified as a separate business activity that has revenue earning potential. However, licences of the same mineral exploration targets have been aggregated into the same segment based on similar economic characteristics. Various corporate and investing activities have been allocated to a corporate operating segment of the Group.

<b>30 June 2015 \$</b>	<b>30 June 2014 \$</b>
----------------------------	----------------------------

**5. INCOME TAX**

**(a) Income Tax Recognised in the Statement of Profit or Loss**

Tax expense/(income) comprises:

Current tax expense/(benefit)	-	-
Deferred tax expense relating to origination and reversal of temporary differences	-	-
<b>Total tax expense/(benefit)</b>	<b>-</b>	<b>-</b>

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Profit/(loss) from operations	(2,383,200)	(1,137,279)
Income tax expense/(benefit) calculated at 30%	(714,960)	(341,184)



	30 June 2015 \$	30 June 2014 \$
<b>5. INCOME TAX (cont'd)</b>		
Non-deductible expenses	795,242	149,745
Under provision in previous year	(56,567)	554,499
Effect of income that is exempt from taxation	(74,632)	(250,084)
Effect of deductible items not expensed in determining profit	(603,966)	(269,360)
Tax losses and tax offsets not recognised as deferred tax assets	654,883	156,384
Total tax expense/(benefit)	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

**(b) Unrecognised Deferred Tax Balances**

The following deferred tax assets have not been brought to account as assets:

Tax losses – revenue	6,577,226	5,922,343
Tax losses – capital	803,835	794,123
Capitalised exploration costs	(4,520,134)	(4,584,729)
Total tax benefit	2,860,927	2,131,737

**Tax Consolidation**

*Relevance of tax consolidation to the consolidation entity*

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

*Nature of tax sharing agreements*

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

**6. CASH AND CASH EQUIVALENTS**

Cash at bank	107,131	139,856
Term deposits	2,110,000	4,040,000
	2,217,131	4,179,856

**Reconciliation of cash**

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:

Cash and cash equivalents	2,217,131	4,179,856
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**7. TRADE AND OTHER RECEIVABLES**

Interest receivable	13,836	20,310
Other debtors	-	2,464
GST receivable	8,880	24,286
Tenement security deposit	99,440	86,548
	122,156	133,608

The average credit period for other debtors is 45 days. No interest is charged on outstanding amounts.

**8. OTHER ASSETS**

	30 June 2015 \$	30 June 2014 \$
Prepaid insurance premium	20,737	22,641
Other	12,115	15,652
	<u>32,852</u>	<u>38,293</u>

**9. OTHER FINANCIAL ASSETS**

Shares and options in listed investments	3,328,883	3,328,883
Accumulated impairment	(3,221,103)	(3,203,933)
	<u>107,780</u>	<u>124,950</u>

Available-for-sale investments carried at fair value:  
Shares in listed companies

	<u>107,765</u>	<u>109,935</u>
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Financial assets carried at fair value through profit or loss (FVTPL):  
Options in listed companies

	<u>15</u>	<u>15,015</u>
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2015		2014	
Value \$	Number	Value \$	Number

Other financial assets comprise of the following:

UraniumSA Limited – shares	77,765	3,888,238	54,435	3,888,238
Renascor Resources Limited – shares	30,000	1,500,000	55,500	1,500,000
Renascor Resources Limited – options (i)	15	750,000	15,015	1,500,000
	<u>107,780</u>	<u>6,138,238</u>	<u>124,950</u>	<u>6,888,238</u>

(i) On 17 February 2015, 750,000 Renascor Resources Limited options expired, unexercised.

Shares in UraniumSA Limited are held by Hiltaba Gold Pty Ltd (a wholly owned subsidiary of Stellar). At 30 June 2015, the investments in UraniumSA were restated to fair value. A revaluation increment of \$23,330 in relation to available-for-sale shares in UraniumSA was recognised in the statement of comprehensive income in the current reporting period.

At 30 June 2015, the investments in Renascor Resources were restated to fair value. Shares and options in Renascor Resources Limited are also held by Hiltaba Gold Pty Ltd. A revaluation decrement of \$3,000 in relation to available-for-sale shares in Renascor Resources was recognised in the statement of comprehensive income and a revaluation decrement of \$22,500 was recognised in the consolidated statement of profit or loss in the current reporting period. The fair value of options held in Renascor Resources decreased by \$15,000. The fair value decrement on options was recognised in the consolidated statement of profit or loss.

## 10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings \$	Motor vehicles \$	Office furniture & equipment \$	Computer equipment \$	Total \$
<b>Gross carrying amount</b>					
Balance at 1 July 2013	176,669	57,056	16,166	38,443	288,334
Additions	-	-	-	4,599	4,599
Disposals	-	-	(4,311)	(15,756)	(20,067)
Balance at 1 July 2014	176,669	57,056	11,855	27,286	272,866
Additions	-	-	228	2,703	2,931
Disposals	(43,669)	-	(590)	(4,160)	(48,419)
Balance at 30 June 2015	133,000	57,056	11,493	25,829	227,378
<b>Accumulated depreciation</b>					
Balance at 1 July 2013	(40,343)	(57,056)	(13,507)	(32,311)	(143,217)
Depreciation expense	(11,034)	-	(1,724)	(3,515)	(16,273)
Disposals	-	-	4,311	15,756	20,067
Balance at 1 July 2014	(51,377)	(57,056)	(10,920)	(20,070)	(139,423)
Depreciation expense	(1,250)	-	(581)	(4,533)	(6,364)
Disposals	43,669	-	590	4,160	48,419
Balance at 30 June 2015	(8,958)	(57,056)	(10,911)	(20,443)	(97,368)
<b>Net book value</b>					
As at 30 June 2014	125,292	-	935	7,216	133,443
As at 30 June 2015	124,042	-	582	5,386	130,010

30 June 2015 \$	30 June 2014 \$
--------------------	--------------------

## 11. EXPLORATION EXPENDITURE

### (a) Carrying Values

Balance at the beginning of the period	15,282,431	14,245,910
Expenditure incurred during the period	1,842,494	2,009,486
Expenditure and other costs written off during the period	(2,039,640)	(953,163)
Proceeds received for disposal of tenement	(1)	-
Cost of exploration expenditure associated with tenements disposed	(17,333)	-
Expenditure recoupment during the period	(839)	(19,802)
Exploration expenditure at the end of the period	15,067,112	15,282,431

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

### (b) Joint Venture Interest

A wholly owned subsidiary, Hiltaba Gold Pty Ltd, has the following exploration joint venture interests:  
– Pirie Basin Project – Uranium exploration farm-out

The Group's share of assets employed in the joint ventures are:

#### Non-current Assets

Exploration expenditure	-	-
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	30 June 2015 \$	30 June 2014 \$
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## 12. TRADE AND OTHER PAYABLES

Other creditors and accruals	159,317	296,526
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The average credit period on purchases is 30 days. No interest is charged on trade payables.

## 13. PROVISIONS

Employee benefits – annual leave	14,324	23,726
Employee benefits – long service leave	38,939	33,679
	<u>53,263</u>	<u>57,405</u>
Current	14,324	23,726
Non-current	38,939	33,679
	<u>53,263</u>	<u>57,405</u>

	Annual leave	Long service leave
Balance at 1 July 2014	23,726	33,679
Additional provisions recognised	49,768	5,260
Payments made	(59,170)	-
Provision at 30 June 2015	<u>14,324</u>	<u>38,939</u>

	30 June 2015 \$	30 June 2014 \$
– Aggregate employee benefits liability	53,263	57,405

## 14. ISSUED CAPITAL

### (a) Issued Capital

300,227,775 fully paid ordinary shares (2014: 300,227,775)	34,372,833	34,372,833
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	2015 No.	2015 \$	2014 No.	2014 \$
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### (b) Movements in Shares on Issue

At the beginning of the reporting period	300,227,775	34,372,833	223,447,547	30,603,135
Issue of shares:				
– placement to Capetown S.A.	-	-	50,000,000	2,600,000
– placement to Citicorp Nominees Pty Ltd	-	-	3,742,933	-
– 1 for 12 non-renounceable rights offer	-	-	23,037,295	1,197,943
Share issue costs	-	-	-	(28,245)
At the end of the reporting period	<u>300,227,775</u>	<u>34,372,833</u>	<u>300,227,775</u>	<u>34,372,833</u>

#### 14. ISSUED CAPITAL (cont'd)

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

##### (c) Share-based Payments

The Company has in place an Employee Option Plan under which employees of the Company, including non-executive Directors can be offered both short term and long term incentives. Under the plan each option is to subscribe for one share and, when issued, these shares rank equally with other shares. Options issued under the Employee Option Plan are not transferable.

At 30 June 2015, the Company had on issue the following options to acquire shares in the Company:

Nos.	Class
25,000,000	Unlisted Vested Placement Options expiring 26 February 2017
17,500,000 (i)	Unlisted Vested Director/employee Options expiring 20 November 2019

The following share-based payment arrangements were in existence during the current and prior reporting periods:

Option series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
SRZAI	25,000,000	26/02/2014	26/02/2017	8 cents	\$497,426
SRZAA (series 1)	1,750,000	18/11/2014	20/11/2019	6 cents	\$31,899
SRZAA (series 2)	3,500,000	18/11/2014	20/11/2019	8 cents	\$60,314
SRZAA (series 3)	5,250,000	18/11/2014	20/11/2019	10 cents	\$86,235
SRZAA (series 4)	7,000,000	18/11/2014	20/11/2019	12 cents	\$110,233

(i) In accordance with shareholder approval given on 17 November 2014 to Directors, the Company issued unlisted options, each option entitles each Director to subscribe for 1 (one) ordinary share upon exercise of the option.

##### *Fair Value of Share Options Granted in the Year*

The weighted average fair value of the share options granted during the financial year is \$0.02c per share option (2014: \$0.02c). Options were priced using a binomial option pricing model. Expected volatility is based on the historical share price volatility over the past 3 years.

Inputs into the model	Option Series			
	Series 1	Series 2	Series 3	Series 4
Grant date share price	3 cents	3 cents	3 cents	3 cents
Exercise price	6 cents	8 cents	10 cents	12 cents
Standard volatility	110.61%	110.61%	110.61%	110.61%
Option life	5 years	5 years	5 years	5 years
Dividend yield	nil	nil	nil	nil
Risk-free interest rate	2.83%	2.83%	2.83%	2.83%

**14. ISSUED CAPITAL (cont'd)**

The following reconciles the outstanding options at the beginning and end of the financial year.

	<b>2015</b>		<b>2014</b>	
	<b>Number of options</b>	<b>Weighted average exercise prices</b>	<b>Number of options</b>	<b>Weighted average exercise prices</b>
Balance at the beginning of the financial year	25,000,000	8 cents	6,125,000	20 cents
Granted during the financial year	17,500,000	4 cents	25,000,000	8 cents
Forfeited during the financial year	-	-	-	-
Exercised during the financial year (i)	-	-	-	-
Expired during the financial year	-	-	(6,125,000)	-
Balance at end of the financial year (ii)	42,500,000	9 cents	25,000,000	8 cents
Exercisable at the end of the financial year	42,500,000	9 cents	25,000,000	8 cents

- (i) Exercised during the financial year  
No share options issued under the Employee Option Plan were exercised during the year.
- (ii) Balance at end of the financial year  
The share options outstanding at the end of the financial year had an exercise price of 9 cents and a weighted average remaining contractual life of 1018 days (2014: 972 days).

**15. RESERVES**

**(a) Employee Equity-settled Benefits Reserve**

	<b>30 June 2015</b>	<b>30 June 2014</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the financial year	1,337,246	1,337,246
Share-based payment	288,681	-
Transfer to share capital	-	-
Balance at the end of the financial year	1,625,927	1,337,246

The employee equity-settled benefits reserve arises on the grant of share options to Directors and employees under the Company's Employee Option Plan. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share-based payments to employees is made in Note 14 to the financial statements.

**(b) Investments Revaluation Reserve**

Balance at the beginning of the financial year	3,000	-
Net gain arising on revaluation of available-for-sale financial assets	20,330	3,000
Balance at the end of the financial year	23,330	3,000

The investments revaluation reserve represents accumulated gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

**(c) Option Valuation Reserve**

Balance at the beginning of the financial year	497,426	-
Movement(s)	-	497,426
Balance at the end of the financial year	497,426	497,426

The option valuation reserve arises on the grant of share options to Capetown S.A.. Amounts are transferred out of the reserve and into issued capital when the options are exercised.

	30 June 2015 \$	30 June 2014 \$
<b>16. ACCUMULATED LOSSES</b>		
Accumulated losses at the beginning of the year	(16,671,855)	(15,534,576)
Profit/(loss) for the year	(2,383,200)	(1,137,279)
Accumulated losses at the end of the financial year	(19,055,055)	(16,671,855)

	30 June 2015 cents per share	30 June 2014 cents per share
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**17. EARNINGS PER SHARE**

Basic earnings per share	(0.8)	(0.4)
Diluted earnings per share	(0.8)	(0.4)

	30 June 2015 \$	30 June 2014 \$
(a) Reconciliation of earnings to net profit/(loss):-		
Net profit/(loss)	(2,383,200)	(1,137,279)
Earnings used in the calculation of basic and diluted EPS	(2,383,200)	(1,137,279)
(b) Weighted average number of ordinary shares outstanding during the period used in calculation of basic and diluted EPS	300,227,775	253,120,632

The options on issue throughout 2014 and 2015 are not dilutive in effect.

**18. KEY MANAGEMENT PERSONNEL COMPENSATION**

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

Phillip G Harman	–	Non-executive Chairman
Peter G Blight	–	Managing Director
Thomas H Whiting	–	Non-executive Director
Markus Elsasser	–	Non-executive Director
Miguel Lopez de Letona	–	Non-executive Director
Christina R Kemp	–	Company Secretary

**(b) Directors' and Executives' Compensation**

The aggregate compensation made to key management personnel of the Group is set out below:

Short-term employees benefits	439,906	464,176
Post-employment benefits	58,329	36,391
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	288,681	-
	786,916	500,567

The Company has taken advantage of the relief provided under AASB 2008-4 Amendments to Australian Accounting Standards – KMP disclosures by disclosing entities and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in the remuneration report on pages 5 to 8.



30 June 2015	30 June 2014
\$	\$

## 19. REMUNERATION OF AUDITORS

Remuneration for audit or review of the financial reports of the Company	36,967	39,330
Preparation of tax return and other non-audit services	14,963	14,963
	<u>51,930</u>	<u>54,293</u>

The auditor of the Group is Deloitte Touche Tohmatsu.

30 June 2015	30 June 2014
\$	\$

## 20. COMMITMENTS FOR EXPENDITURE

<b>Exploration Commitments</b>	2,524,161	2,485,259
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In order to maintain current rights of tenure to exploration tenements, the Group has minimum exploration expenditure requirements up until the expiry of leases. These obligations, which are subject to renegotiation upon expiry of leases, are not provided for in the financial statements and are payable:

Not later than one year	1,027,685	2,485,259
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Exploration commitments later than one year are dependent on management assessment of prospectivity and desirability of retaining the current suite of exploration projects.

## 21. RELATED PARTIES

### Remuneration Benefits

Information on remuneration benefits of Directors and executives is disclosed in the Directors' Report and Note 18 to the Financial Statements.

### Transactions with Directors, Executives and their Related Entities Concerning Shares or Share Options

Directors, executives and their related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in the Group:

30 June 2015	30 June 2014
No.	No.

Ordinary shares	10,113,206	11,573,802
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Information on Directors and executives shares and option holdings is disclosed in the Directors' Report. The relevant information can be found in the remuneration report on pages 5 to 8. No options were held by their related entities as at the reporting date.

### Other Transactions with Directors, Executives and their Related Entities

During the financial year ended 30 June 2015, technical assistance, office accommodation / facilities and administrative support were provided to the Group at commercial rates by Mineral Deposits Limited of which Dr Thomas Whiting was both a Director and shareholder. Total charged was \$59,876 (2014: \$64,155) in relation to these services to 30 June 2015.

## 22. SUBSIDIARIES

	Country of incorporation	Percent owned (%)	
		2015	2014
<b>Company:</b>			
Stellar Resources Limited	Australia	-	-
<b>Subsidiaries of Stellar Resources Limited:</b>			
Balrone Holdings Pty Ltd	Australia	100%	100%
Hiltaba Gold Pty Ltd	Australia	100%	100%
Rubicon Min Tech Ventures Pty Ltd	Australia	100%	100%
Columbus Metals Limited (i)	Australia	100%	100%
Tarcoola Iron Pty Ltd	Australia	100%	100%

- (i) Columbus Metals Limited a wholly-owned subsidiary was incorporated on 14 September 2007, entered into a deed of cross guarantee with Stellar Resources Limited pursuant to ASIC Class Order 98/1418 dated 19 June 2008 and is relieved from the requirement to prepare and lodge an audited financial report.

30 June 2015	30 June 2014
\$	\$

The consolidated income statement and consolidated statement of financial position of the entities party to the deed of cross guarantee are:

### Statement of Comprehensive Income

<b>Revenue</b>	110,047	91,879
Other income	240,274	833,612
Administration expenditure	(625,012)	(1,678,810)
Depreciation and amortisation expenses	(6,364)	(16,273)
Exploration expenditure recouped	28,861	24,480
(Impairment)/reversal of loans to subsidiaries	(450,467)	(342,259)
Profit/(loss) before tax	(702,661)	(1,087,371)
Income tax expense	-	-
<b>Total comprehensive income for the year</b>	<b>(702,661)</b>	<b>(1,087,371)</b>

	30 June 2015 \$	30 June 2014 \$
<b>22. SUBSIDIARIES (cont'd)</b>		
<b>Statement of Financial Position</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,217,131	4,179,856
Trade and other receivables	122,156	131,608
Other	32,851	38,293
<b>Total current assets</b>	<b>2,372,138</b>	<b>4,349,757</b>
<b>Non-current assets</b>		
Property, plant and equipment	130,010	133,443
Exploration expenditure	13,816,162	12,390,441
<b>Total non-current assets</b>	<b>13,946,172</b>	<b>12,523,884</b>
<b>Total assets</b>	<b>16,318,310</b>	<b>16,873,641</b>
<b>Current liabilities</b>		
Trade and other payables	159,317	296,526
Provisions	14,324	23,726
<b>Total current liabilities</b>	<b>173,641</b>	<b>320,252</b>
<b>Non-current liabilities</b>		
Provisions	38,939	33,679
<b>Total non-current liabilities</b>	<b>38,939</b>	<b>33,679</b>
<b>Total liabilities</b>	<b>212,580</b>	<b>353,931</b>
<b>Net assets</b>	<b>16,105,730</b>	<b>16,519,710</b>
<b>Equity</b>		
Issued Capital	34,372,833	34,372,833
Reserves	2,123,353	1,834,672
Accumulated losses	(20,390,456)	(19,687,795)
<b>Total equity</b>	<b>16,105,730</b>	<b>16,519,710</b>
<b>Accumulated Losses</b>		
Accumulated losses as at beginning of the financial year	(19,687,795)	(18,600,424)
Net profit/(loss)	(702,661)	(1,087,371)
Accumulated losses as at end of the financial year	(20,390,456)	(19,687,795)

**(a) Joint Venture Interest Acquired**

No joint venture interests were acquired during the period.

**(b) Subsidiaries Acquired**

No subsidiaries were acquired during the period.

**(c) Subsidiaries Disposed**

No subsidiaries were disposed during the period.

30 June 2015	30 June 2014
\$	\$

## 23. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit/(loss) after income tax:-

Loss for the year:	(2,383,200)	(1,137,279)
Depreciation of property, plant and equipment	6,364	16,273
Interest income received	(101,547)	(91,879)
Research & development concessional tax refund	(240,274)	(833,612)
Other income	(8,501)	(10,000)
Exploration expenditure and other costs written off	2,039,640	953,163
Loss on disposal of exploration tenement	17,333	-
Fair value loss on available-for-sale financial assets and impairment	37,500	42,771
Fair value gain on financial assets at FVTPL	-	(7,500)
Expense recognised in respect of equity-settled share-based payments	288,681	497,426
Movements in working capital:		
Decrease in receivables	11,452	3,910
(Increase)/decrease in other assets	5,441	(5,929)
Decrease in other financial assets	17,170	32,271
Decrease in payables	(137,209)	(168,446)
Increase/(decrease) in employee entitlements	(4,142)	25,532
Net cash from operating activities	(451,292)	(683,299)

## 24. FINANCIAL INSTRUMENTS

### (a) Off-balance Sheet Derivative Instruments

The Group does not utilise any off-balance sheet derivative instruments.

### (b) Commodity Contracts

As at 30 June 2015, the Group does not have in place any commodity contracts.

### (c) Credit Risk Exposure

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

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

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

30 June 2015	30 June 2014
\$	\$

## **24. FINANCIAL INSTRUMENTS (cont'd)**

### **(d) Categories of Financial Instruments**

Financial assets:

Fair value through profit or loss (FVTPL):

Derivative instruments (i)	15	15,015
Other receivables	122,156	133,608
Cash and cash equivalents	2,217,131	4,179,856
Available-for-sale financial assets (ii)	107,765	109,935

Financial liabilities:

Other payables and accruals	159,317	296,526
-----------------------------	---------	---------

(i) Derivative instruments include unlisted options in Renascor Resources Limited.

(ii) Available-for-sale financial assets include shares in UraniumSA Limited and Renascor Resources Limited.

### **(e) Capital Risk Management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern.

The capital structure of the Group consists of cash and cash equivalents and equity holders of the parent, comprising issued capital, reserves and accumulated losses disclosed in notes 14, 15 and 16.

None of the Group's entities are subject to externally imposed capital requirements.

### **(f) Market Risk**

The Group's activities expose it primarily to the financial risks of changes in interest rates and price risk on listed shares and unlisted options (refer note (d)).

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

### **(g) Interest Rate Risk Management**

The Group is exposed to interest rate risk on cash and cash equivalents.

The Group's exposure to interest rates on financial assets are detailed in the liquidity risk management section of this note.

### **(h) Interest Rate Sensitivity Analysis**

The Group's sensitivity to interest rates has decreased during the current period mainly due to a decrease in the level of cash and cash equivalents at balance date.

### **(i) Other Price Risks**

The Group is exposed to equity price risks arising from equity investments.

### **(j) Equity Price Sensitivity**

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

At reporting date, if the equity prices had been 5% p.a. higher or 5% p.a. lower:

- net loss for the year ended 30 June 2015 would have been affected as the equity instruments classified as available-for-sale would have increased/decreased further by \$1,500 (2014: net loss for the year would have increased/decreased by \$2,722).

## 24. FINANCIAL INSTRUMENTS (cont'd)

### (j) Equity Price Sensitivity (cont'd)

- Investment revaluation reserve would have increased/decreased by \$3,888 at 30 June 2015 (2014: investment revaluation reserve would have increased/decreased by \$2,775).

The Group's sensitivity to equity prices has changed significantly from the prior year.

### (k) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on receivables is limited because the Group has no trade receivables as the Group is still exploring for minerals rather than producing.

### (l) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining sufficient cash balances.

### (m) Liquidity and Interest Rate Risk Exposure

The following table details the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The table has been drawn up based on the earliest date on which the Group can be required to pay and receive.

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5+ years \$
<b>2015</b>						
Financial assets						
Non-interest bearing		28,156	-	-	-	-
Interest bearing	0.1	-	-	94,000	-	-
Financial liabilities						
Non-interest bearing	-	159,317	-	-	-	-
<b>2014</b>						
Financial assets						
Non-interest bearing	-	54,060	-	-	-	-
Interest bearing	0.6	-	-	79,548	-	-
Financial liabilities						
Non-interest bearing	-	296,526	-	-	-	-

## 24. FINANCIAL INSTRUMENTS (cont'd)

### (o) Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- the fair values of derivative instruments are calculated using quoted prices and option pricing models.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3
Shares in listed companies	107,765	-	-
Derivative financial assets	-	15	-
Total	107,765	15	-

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

30 June 2015	30 June 2014
\$	\$

## 25. PARENT ENTITY DISCLOSURES

### (a) Financial Position

#### Assets

Current assets	2,355,024	4,334,826
Non-current assets	25,001	8,151
<b>Total assets</b>	<b>2,380,025</b>	<b>4,342,977</b>

#### Liabilities

Current liabilities	173,641	320,252
Non-current liabilities	38,939	33,679
<b>Total liabilities</b>	<b>212,580</b>	<b>353,931</b>

#### Equity

Issued capital	34,372,833	34,372,833
Accumulated losses	(34,328,741)	(32,218,459)
Reserves		
- Equity settled employee benefits	1,625,927	1,337,246
- Equity settled option valuation	497,426	497,426
<b>Total equity</b>	<b>2,123,353</b>	<b>3,989,046</b>

### (b) Financial Performance

Loss for the year	(2,110,282)	(2,137,198)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(2,110,282)</b>	<b>(2,137,198)</b>



30 June 2015	30 June 2014
\$	\$

## 25. PARENT ENTITY DISCLOSURES (cont'd)

### (c) Guarantees Entered into by the Parent Entity in Relation to the Debts of its Subsidiaries

Guarantee provided under the deed of cross guarantee	14,428,376	12,984,201
--	------------	------------

The Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each Company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

### (d) Commitments for the Acquisition of Property, Plant and Equipment by the Parent Entity

#### Plant and equipment

Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	-	-

## 26. EVENTS AFTER THE REPORTING DATE

Other than stated, in the opinion of the Directors of the Company, there has not arisen in the interval between the end of the financial year-end and the date of this report any other item, transaction or event of a material and unusual nature likely to substantially affect the results of the Group.

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
  - a) complying with International Financial Reporting Standards and the Corporations Act 2001 as stated in note 1 to the financial statements;
  - b) giving a true and fair view of the financial position as at 30 June 2015 and of the performance for the financial period ended on that date of the Consolidated Entity;
  - c) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
  - d) The Directors have been given the declarations required by s.295A of the Corporations Act 2001.
2. At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each Company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.
3. In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note 22 to the financial statements will, as a Group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

This declaration is made in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001 and dated this 27th day of August, 2015.

On behalf of the Directors



**P G Harman**  
Chairman  
Melbourne

The Board of Directors  
Stellar Resources Limited  
Level 17, 530 Collins Street  
Melbourne VIC 3000

27 August 2015

Dear Board Members

## **Stellar Resources Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Stellar Resources Limited.

As lead audit partner for the audit of the financial statements of Stellar Resources Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU



Ryan Hansen  
Partner  
Chartered Accountants

## **Independent Auditor's Report to the members of Stellar Resources Limited**

### **Report on the Financial Report**

We have audited the accompanying financial report of Stellar Resources, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 21 to 50.

#### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

## *Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Stellar Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

## *Opinion*

In our opinion, the financial report of Stellar Resources Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

## **Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the year ended 30 June 2015. 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.

## *Opinion*

In our opinion the Remuneration Report of Stellar Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Ryan Hansen  
Partner  
Chartered Accountants  
Melbourne, 27 August 2015



The following additional information is required by Australian Stock Exchange Limited in respect of listed public companies.

## 1. Shareholding

The issued capital of the Company was 300,227,775 ordinary shares fully paid as at 21 August 2015 of which all are listed on the Australian Stock Exchange. In addition, the Company has on issue 25,000,000 unlisted options to acquire shares at an exercise of 8 cents per share at any time up to 26 February 2017 and 17,500,000 unlisted options to acquire shares at an exercise of various cents per share at any time up to 20 November 2019.

### (a) Distribution of Shareholder Numbers

Size of holding	Number of shareholders	Units	%	Number of optionholders	Units	%
1 – 1,000	227	76,831	0.03	-	-	-
1,001 – 5,000	400	1,133,336	0.38	-	-	-
5,001 – 10,000	200	1,573,048	0.52	-	-	-
10,001 – 100,000	652	24,046,906	8.01	-	-	-
100,001 and over	235	273,397,654	91.06	6	42,500,000	100.00
	1,714	300,227,775	100.00	6	42,500,000	100.00

There were 942 shareholders who held less than a marketable parcel (4,269,804 shares).

### (b) Substantial Shareholder as at 21 August 2015

Name	Number of Shares Held	%
1 J P Morgan Nominees Australia Limited	78,013,670	25.99
2 Capetown S A	62,382,221	20.78
3 Merrill Lynch (Australia) Nominees Pty Limited	36,117,425	12.04
	176,513,316	58.81

### (c) 20 Largest Shareholders – Ordinary Shares

Name	Number of Shares Held	%
1 J P Morgan Nominees Australia Limited	78,013,670	25.99
2 Capetown S A	62,382,221	20.78
3 Merrill Lynch (Australia) Nominees Pty Limited	36,117,425	12.03
4 BNP Paribas Nominees Pty Ltd <DRP>	4,820,000	1.61
5 HSBC Custody Nominees (Australia) Limited	4,191,449	1.40
6 Mr Angus W Johnson & Mrs Lindy Johnson <The Dena Super Fund A/C>	3,129,167	1.04
7 Ms Kate Thomson	2,742,500	0.91
8 Fountain Oaks Pty Ltd <Limbs Family Super Fund A/C>	2,245,000	0.75
9 Mr Michael A Whiting & Mrs Tracey A Whiting <Whiting Family S/F A/C>	2,138,009	0.71
10 UBS Wealth Management Australia Nominees Pty Ltd	2,074,675	0.69
11 Octifil Pty Ltd	2,021,716	0.67
12 Mrs Susan Maree Whiting	2,000,000	0.66
13 Mrs Xiaoqiong Chen	1,792,033	0.60
14 Foresight Pty Ltd	1,620,000	0.54
15 Mr S J Monaghan & Mrs A S Monaghan <Monaghan Super Fund>	1,400,000	0.46
16 Mr Stephen Cansdell Hirst	1,390,000	0.46
17 Providence Gold and Minerals Pty Ltd	1,262,821	0.42
18 Mr Richard De Burgh Fell & Mrs Karen Patricia Fell	1,100,000	0.37
19 Bond Street Custodians Limited <GRIPIC – PH0240 A/C>	1,086,518	0.36
20 Mr Leonard Charles MacKenzie	1,072,542	0.36
	212,599,746	70.81

**(d) Largest Optionholders**

<b>Name</b>	<b>Number of Options Held</b>	<b>%</b>
Capetown S.A.	25,000,000	58.82
Mr P G Harman	5,000,000	11.77
Mr P G Blight	5,000,000	11.77
Dr T H Whiting	2,500,000	5.88
Dr M Elsasser	2,500,000	5.88
Mr M Lopez de Letona	2,500,000	5.88
	<b>42,500,000</b>	<b>100.00</b>

**(e) Voting Rights**

Voting rights of members are governed by the Company's Constitution. In summary, on the show of hands, every member present in person or by proxy shall have one vote and, upon a poll, every such attending member shall be entitled to one vote for every share held.

**(f) Unquoted and Restricted Securities**

Options over un-issued shares

- 25,000,000 options are on issue to Capetown S.A.. These options are exercisable up to 26 February 2017 at an exercisable price of 8 cents each.
- 17,500,000 options are on issue to Directors. These options are exercisable up to 20 November 2019 at various exercise prices each.



Area	Stellar interest held (%)	Registered title holder	Grant Date/ Application Date	Expiry Date/ Relinquished Date	Notes
<b>Retention Licence RL5/1997 – Zeehan, Tasmania</b>					
6 km <sup>2</sup>	100	Columbus Metals Limited	20/06/1998	19/06/2017	
<b>Mining Lease 2M/2014 – Tailings Dam, Zeehan, Tasmania</b>					
278 ha	100	Columbus Metals Limited	24/03/2015	07/01/2017	
<b>Exploration Licence EL6/2014 – Stonehenge Creek, Tasmania</b>					
7 km <sup>2</sup>	100	Columbus Metals Limited	15/09/2014	14/09/2019	
<b>Exploration Licence EL32/2014 – McLean Creek, Tasmania</b>					
1 km <sup>2</sup>	100	Columbus Metals Limited	06/05/2015	05/05/2019	
<b>Exploration Licence EL46/2003 – Heemskirk, Tasmania</b>					
142 km <sup>2</sup>	100	Rubicon Min Tech Ventures Pty Ltd	03/02/2005	10/02/2016	
<b>Exploration Licence EL1/2004 – Ramsay River, Tasmania</b>					
42 km <sup>2</sup>	100	Rubicon Min Tech Ventures Pty Ltd	03/02/2005	10/02/2016	
<b>Exploration Licence EL40/2010 – Heazlewood Hill, Tasmania</b>					
20 km <sup>2</sup>	0	Rubicon Min Tech Ventures Pty Ltd	02/06/2011	01/06/2015	Licence relinquished
<b>Exploration Licence EL5125 – Cleanskin Swamp, South Australia</b>					
216 km <sup>2</sup>	100	Hiltaba Gold Pty Ltd	19/04/2012	18/04/2016	
<b>Exploration Licence EL5126 – Long Creek, South Australia</b>					
233 km <sup>2</sup>	100	Hiltaba Gold Pty Ltd	19/04/2012	18/04/2016	
<b>Exploration Licence EL5307 – Cowell, South Australia</b>					
616 km <sup>2</sup>	100	Hiltaba Gold Pty Ltd	07/11/2007	06/11/2016	
<b>Exploration Licence EL4242 – Midgee, South Australia (JV with UraniumSA Limited earning 73% in uranium interest)</b>					
134 km <sup>2</sup>	100	Hiltaba Gold Pty Ltd	24/03/2009	23/06/2016	
<b>Exploration Licence EL4882 – Kingoonya, South Australia</b>					
73 km <sup>2</sup>	0	Hiltaba Gold Pty Ltd	27/11/2011	26/11/2014	Licence lapsed at expiry
<b>Exploration Licence EL4573 – Stony Top Hill, South Australia</b>					
149 km <sup>2</sup>	0	Hiltaba Gold Pty Ltd	07/10/2010	06/10/2014	Licence lapsed at expiry
<b>Exploration Licence EL4389 – Hicks Hill, South Australia</b>					
29 km <sup>2</sup>	0	Tarcoola Iron Pty Ltd	09/12/2009	08/12/2014	Licence lapsed at expiry
<b>Exploration Licence EL5355 – Tarcoola, South Australia (sold to WPG Resources Ltd on June 2015)</b>					
1,183 km <sup>2</sup>	0	Tarcoola Iron Pty Ltd	30/07/2013	29/07/2015	Transfer of licence in progress

**DIRECTORS**

Phillip G Harman (Non-executive Chairman)  
Peter G Blight (Managing Director)  
Thomas H Whiting (Non-executive)  
Markus Elsasser (Non-executive)  
Miguel Lopez de Letona (Non-executive)

**COMPANY SECRETARY**

Christina R Kemp

**REGISTERED OFFICE**

Level 17  
530 Collins Street  
Melbourne VIC 3000

Telephone: (03) 9618 2540  
Facsimile: (03) 9649 7200  
E-Mail: [srzinfo@stellarresources.com.au](mailto:srzinfo@stellarresources.com.au)  
Website: [www.stellarresources.com.au](http://www.stellarresources.com.au)

*Register of unlisted options held at this address*

**LEGAL ADVISORS**

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

Komesaroff Legal  
Level 40, 140 William Street  
Melbourne VIC 3000

**AUDITOR**

Deloitte Touche Tohmatsu  
550 Bourke Street  
Melbourne VIC 3000

**TAX AGENTS AND ADVISORS**

Deloitte Private Pty Ltd  
550 Bourke Street  
Melbourne VIC 3000

**BANKERS**

National Australia Bank Limited  
Level 2, 330 Collins Street  
Melbourne VIC 3000

Bank West  
Level 6, Bourke Place  
600 Bourke Street  
Melbourne VIC 3000

**HOME STOCK EXCHANGE**

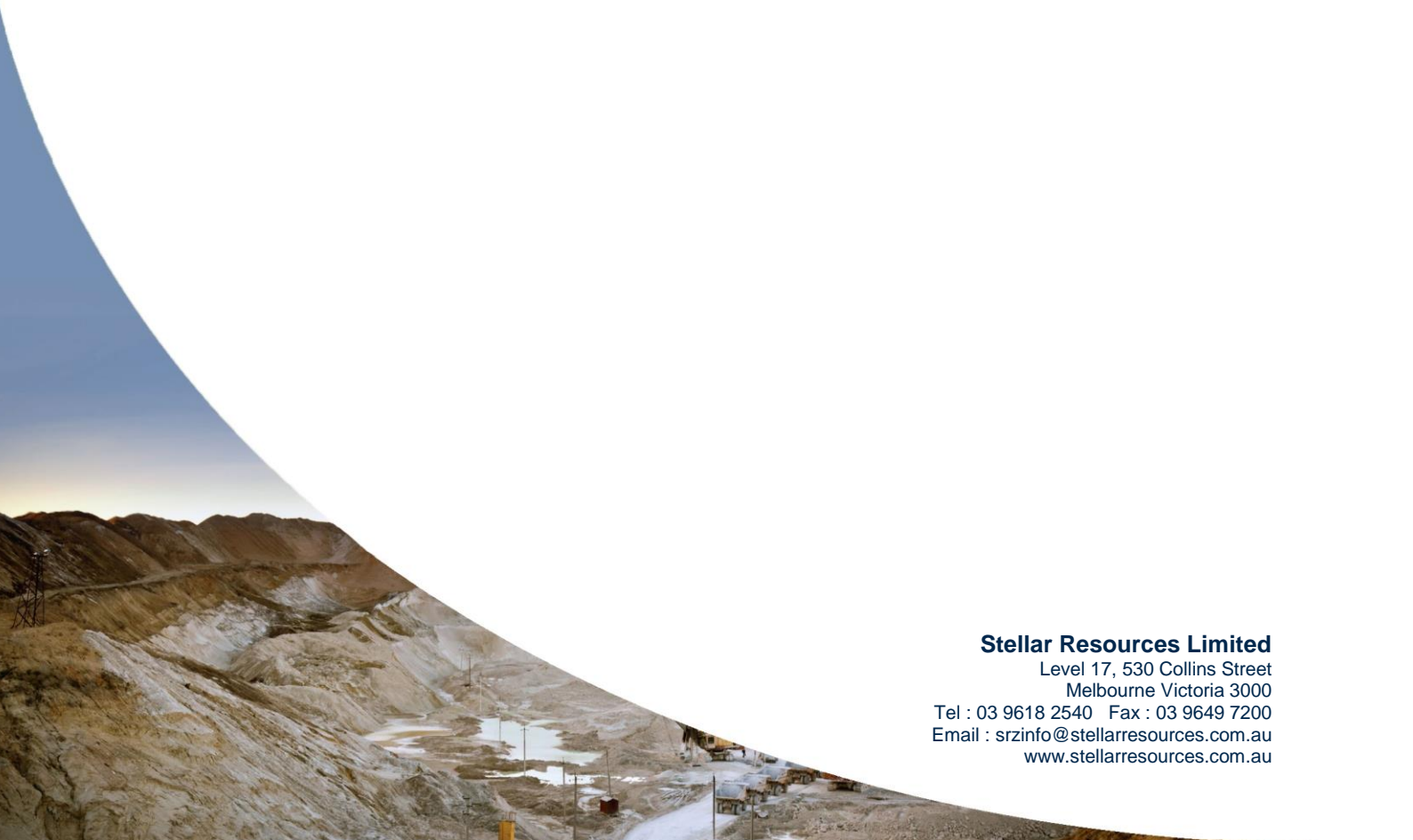
Australian Securities Exchange  
Level 4, North Tower, Rialto  
525 Collins Street  
Melbourne VIC 3000

ASX code for shares: SRZ

**SHARE REGISTRY**

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000

*Register of listed ordinary shares held at this address*



**Stellar Resources Limited**

Level 17, 530 Collins Street  
Melbourne Victoria 3000  
Tel : 03 9618 2540 Fax : 03 9649 7200  
Email : [srzinfo@stellarresources.com.au](mailto:srzinfo@stellarresources.com.au)  
[www.stellarresources.com.au](http://www.stellarresources.com.au)