

**Stellar Resources plc**

**("STR", the "Company" or the "Group")**

**Interim Results for the six months ended 30 June 2013**

Stellar Resources plc announces its interim results for the six months ended 30 June 2013.

**Investment in Gold Mines of Wales**

The Company currently holds 49% of the issued share capital of Gold Mines of Wales Limited ("GMOW") which, through a wholly-owned subsidiary, holds a licence to explore and sample gold and silver over about 120 square kilometres covering the Dolgellau gold belt in the County of Gwynedd in Wales.

The Dolgellau Gold Belt has been subject to multiple phases of deformation and mineralisation and contains 61 known occurrences of gold mineralisation. The Clogau Mine contains approximately 20 miles of drives and shafts, although exploration is currently focussed on the Tyn n Cornel level and 900 metres of the lower Llechfraith adit level.

GMOW holds agreements with The Crown Estates Commissioners, acting in exercise of the powers on the Crown Estate Act 1961 on behalf of her Majesty the Queen, covering the two largest mines in the region, the Clogau St David's and Gwynfynydd mines.

During the period, GMOW has been undertaking further work programmes on its licence interest in the Dolgellau Gold belt and the management of GMOW has provided the Company with the following operational update.

- Recent works by GMOW have included a further sampling program; make safe works and pre-planning visits from Flintshire county council. GMOW continues to work closely with the local community and authorities in order to potentially re-open the Clogau Mine to commercial gold extraction.
- During the summer field season, GMOW has employed 5 geologists to undertake the first systematic mapping and sampling of the gold outcrops along a 27km strike length underlying its licence interest. Working relationships between GMOW and Cardiff University Earth Science Department and SRK Cardiff are underway. SRK Cardiff is sponsoring a Graduate Geologist to complete his MSC thesis on GMOW's exploration ground.
- Sampling has been undertaken on both surface of all the historical workings and the underground workings of the large Clogau gold mine.
- These samples have been assayed at Stewart Group's Omac Laboratories in Ireland.
- Underground mapping and correlation with the historical information has indicated the existence of a significant extension of the high grade John Hughes stope, which extends from the Tyn n cornel level to the Llechfraith level in the Clogau Formation.
- Re-opening of the Clogau Gold Mine in Wales continues to access further unmined areas and provide excellent gold grades.
- Assay results were from underground grab samples taken from a wider area (400m) on the upper level from the Clogau Formation. Thirty-one samples were taken from both partly mined and unmined sections of the Clogau Gold Mine. The target areas include 'the Main Load ("ML"), Ned Pughes ("NP"), 'Old Chutes ("OS") and The John Hughes ("JH") sections of the Tyn Y Cornel section the Clogau Mine.
- Assay grades as high as 749 grams/tonnes ("g/t gold") or 24 ounces/tonne ("oz/t Au") have been recorded from unmined areas.
- 16 out of 31 samples assayed better than 31.1 g/t Au.
- 15 samples assayed better than 62.2 g/t Au.

· 10 samples assayed better than 93.3 g/t Au

### **Financial Results**

During the period, the Group made a loss before taxation of £92,000 (6 months ended 30 June 2012: loss £61,000, 12 months ended 31 December 2012: loss £95,000). There was a weighted loss per share of 0.10p (30 June 2012: loss per share 0.08p, 31 December 2012: loss per share 0.11p).

Cash and cash equivalents at 30 June 2013 amounted to £5,000 (30 June 2012: £380,000; 31 December 2012:£51,000).

### **Outlook**

Your Board is confident that the investment made by the Company is both encouraging and potentially rewarding. We will look to realise this potential over the future years in addition to continuing to review other investment opportunities.

The Board would like to take this opportunity to thank our shareholders, staff and consultants for their continued support.

David Lenigas

**Director**

**For further information please contact:**

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## Consolidated interim statement of comprehensive income

	6 months to 30 June 2013	6 months to 30 June 2012	Year to 31 December 2012
	Unaudited	Unaudited	Audited
Notes	£'000	£'000	£'000
<b>Continuing operations</b>			
Revenue	-	-	-
Cost of sales	-	-	-
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<b>Gross profit</b>	-	-	-
Share based payments	-	-	(46)
Other administrative costs	(92)	(61)	(243)
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<b>Total administrative costs</b>	(92)	(61)	(289)
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Operating loss	(92)	(61)	(289)
Gain on sale of available for sale investment	-	-	218
Finance expense	-	-	-
Share of loss of associate	-	-	(24)
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<b>Loss before tax</b>	(92)	(61)	(95)
Taxation	-	-	-
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<b>Loss for the period</b>	(92)	(61)	(95)
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Transfer to income statement of available for sale reserve	-	-	(152)
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<b>Total Comprehensive Income for the year attributable to the owners of the parent company</b>	(92)	(61)	(247)
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<b><u>Loss per share:</u></b>			
<b>Basic and diluted loss per share</b>	(0.10)	(0.08)	(0.11)

## Consolidated interim statement of financial position

		30 June 2013	30 June 2012	31 December 2012
	Notes	Unaudited £'000	Unaudited £'000	Audited £'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Available for sale assets		-	152	-
Investment in Associate		609	633	609
		<b>609</b>	<b>785</b>	<b>609</b>
<b>Current assets</b>				
Trade and other receivables		205	28	264
Cash and cash equivalents		5	380	51
		<b>210</b>	<b>408</b>	<b>315</b>
<b>Total assets</b>		<b>819</b>	<b>1,193</b>	<b>924</b>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	5	15,121	15,121	15,121
Share premium account		28,837	28,840	28,837
Share based payment reserve		46	-	46
Other reserve		-	152	-
Profit and loss account		(43,267)	(43,141)	(43,175)
<b>Total equity</b>		<b>737</b>	<b>972</b>	<b>829</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		82	163	95
Current tax payable		-	58	-
<b>Total liabilities</b>		<b>82</b>	<b>221</b>	<b>95</b>
<b>Total equity and liabilities</b>		<b>819</b>	<b>1,193</b>	<b>924</b>

Consolidated interim statement of changes in equity

	Share capital	Share premium	Share based payment reserve	Other Reserves	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2012</b>	<b>14,899</b>	<b>28,578</b>	-	<b>152</b>	<b>(43,080)</b>	<b>549</b>
Loss for the year	-	-	-	-	(95)	(228)
<i>Other comprehensive income:</i>						
Transfer to income statement	-	-	-	(152)	-	(152)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(152)</b>	<b>(95)</b>	<b>(247)</b>
Proceeds from share issue	222	259	-	-	-	481
Share based payments	-	-	46	-	-	46
Transactions with owners of the Company	222	259	46	-	-	527
<b>Balance at 31 December 2012</b>	<b>15,121</b>	<b>28,837</b>	<b>46</b>	-	<b>(43,175)</b>	<b>829</b>
Loss for the period	-	-	-	-	(92)	(92)
Currency translation differences	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>(92)</b>	<b>(92)</b>
Proceeds from share issue	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-
<b>Total contribution by and distribution to owners of the Company</b>	-	-	-	-	-	-
<b>Balance at 30 June 2013</b>	<b>15,121</b>	<b>28,837</b>	<b>46</b>	-	<b>(43,267)</b>	<b>737</b>

## Consolidated interim statement of cash flows

	6 months to 30 June 2013	6 months to 30 June 2012	Year to 31 December 2012
	Unaudited £'000	Unaudited £'000	Audited £'000
Cash flows from operating activities			
Loss after taxation	(92)	(61)	(289)
Adjustments for:			
Decrease / (increase) in trade and other receivables	2	52	(73)
Increase/(decrease) in trade and other payables	44	(166)	(234)
Share based payment charge	-	-	46
Taxation (paid)	-	-	(100)
Results of associate	-	-	-
Corporate Tax	-	(42)	-
<b>Net cash used in operating activities</b>	<b>(46)</b>	<b>(217)</b>	<b>(650)</b>
Cash flows from investing activities			
Purchase of property, plant and equipment	-	-	107
<b>Net cash from/(used in) investing activities</b>	<b>-</b>	<b>-</b>	<b>107</b>
Cash flows from financing activities			
Net proceeds from share issue	-	484	481
interest received	-	-	-
Interest paid	-	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>484</b>	<b>481</b>
<b>Net change in cash and cash equivalents</b>	<b>(46)</b>	<b>267</b>	<b>(62)</b>
Cash and cash equivalents at beginning of period	51	113	113
Exchange loss/(gain) on cash and cash equivalents	-	-	-
<b>Cash and cash equivalents at end of period</b>	<b>5</b>	<b>380</b>	<b>51</b>

## Notes to the consolidated interim financial statements

### 1. Publications of non-statutory accounts

The financial information set out in this interim report does not constitute statutory accounts. The figures from the year ended 31 December 2012 have been extracted from the statutory financial statements which have been filed with the Registrar of Companies. The auditors' report was unqualified and did not contain statements under either Section 498(2) or Section 498(3) of the Companies Act 2006.

### 2. Basis of preparation

These unaudited condensed consolidated interim financial statements ('the interim financial statements') are for the six months ended 30 June 2013. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2012.

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", and accounting policies under the historical cost convention, except for revaluation of certain properties and financial instruments. They are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU).

The principal accounting policies have remained unchanged from those set out in the consolidated financial statements of the Group for the year ended 31 December 2012.

### 3. Revenue and segmental information

Following the disposals and cessation of the Group's major trading businesses in 2010 and 2011, the Group is now operating as a single UK based segment, represented as continuing operations in the income statement. The single reporting entity's primary activity is to invest in businesses so as to generate a return for shareholders. The revenue from this segment, generated in the UK, was nil (2012 – nil). The non-current assets of the segment is £609,000 (2012 - £609,000).

Subject to further acquisitions the Group expects to further review its segmental information during the forthcoming financial year.

### 4. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the earnings and weighted average number of shares used are set out below.

	Six months to 30 June 2013 (Unaudited)	Six months to 30 June 2012 (Unaudited)	Year ended 31 December 2012 (Audited)
Net loss from continuing operations (£'000)	(92)	(61)	(95)
Net loss attributable to owners of parent company (£'000)	(92)	(61)	(95)
Weighted average number of shares	92,230,985	75,747,469	85,127,160
Continuing Operations - Basic and diluted loss per share (pence)	(0.10)	(0.08)	(0.11)
Total - Basic and diluted loss per share (pence)	(0.10)	(0.08)	(0.11)

## Notes to the consolidated interim financial statements (continued)

### 5. Share capital

	Six months to 30 June 2013 (Unaudited) £'000	Six months to 30 June 2012 (Unaudited) £'000	Year ended 31 December 2012 (Audited) £'000
<b>Authorised</b>			
339,210,771 ordinary 0.01p shares (As at 30 June 2012– 339,210,771 of 1p each and as at 31 December 2012– 339,210,771 of 1 p each)	34	3,392	3,392
28,976,581 deferred 45p shares (As at 30 June 2012 – 28,976,581 and as at 31 December 2012– 28,976,581)	13,039	13,039	13,039
339,210,771 A deferred 4p shares (As at 30 June 2012– 339,210,771 and as at 31 December 2012– 339,210,771)	13,569	13,569	13,569
339,210,771 B deferred 0.99p shares (As at 30 June 2012– nil and as at 31 December 2012– nil)	3,358	-	-
	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
<b>Allotted, issued and fully paid</b>			
92,230,985 ordinary shares of 0.01p each (As at 30 June 2012– 92,230,985 of 1 p each and as at 31 December 2012– 92,230,985 of 1 p each)	9	922	922
28,976,581 deferred shares of 45p each (As at 30 June 2012– 28,976,581 and as at 31 December 2012– 28,976,581)	13,039	13,039	13,040
28,976,581 A deferred shares of 4p each (As at 30 June 2012– 28,976,581 and as at 31 December 2012– 28,976,581)	1,160	1,160	1,159
92,230,985 B deferred shares of 0.99p each (As at 30 June 2012– nil and as at 31 December 2012– nil)	913	-	-
	<b>15,121</b>	<b>15,121</b>	<b>15,121</b>

The deferred shares and A deferred shares do not carry voting rights.

On 14 May 2012, 22,222,222 ordinary shares of 1p each were issued fully paid for cash consideration at 2.25 pence per share to raise £500,000.

On 27 June 2013, at the Annual General Meeting, the shareholders approved the sub-division of each existing ordinary share of 1p each into one new ordinary share of 0.01p each and one B deferred share of 0.99p each. The rights attached to the new ordinary shares are in all material aspects the same as the rights attaching to the existing ordinary shares.

The Company holds 232 new ordinary shares as treasury shares.

### 6. Events after the reporting date.

There are no events after the reporting date.