Stellar Resources plc

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

Interim Results for the six months ended 30 June 2012

Stellar Resources plc announces its interim results for the six months ended 30 June 2012.

Period under review

During the period under review, the Company, which changed its name from CSS Stellar Resources plc to Stellar Resources plc on 20 April 2012, has continued to make good progress following the implementation of its new investment strategy in December 2011 with the acquisition of 49% of Gold Mines of Wales Limited ("GMOW").

The Exclusive Option Agreement (the "License") granted to GMOW was renewed for 12 months from 10 February 2012.

The License was originally granted by The Crown Estates Commissioners, acting in exercise of the powers of the Crown Estate Act 1961 on behalf of her Majesty the Queen, to explore and sample gold and silver over about 120 square kilometres covering the majority of the Dolgellau gold belt in the County of Gwynedd in Wales. The exploration area covers the two largest gold mines in the region, the Clogau St David's and Gwynfynydd mines. Prior to the granting of the Licence to GMOW, no one company had the rights to systematically explore the entire gold belt with modern exploration techniques. The area is known to host several different minerals apart from gold and silver, including copper, lead and zinc. GMOW is in the process of securing base mineral rights over the entire area.

The licence renewal allows GMOW to prepare for the area's first concerted regional exploration programme covering the Dolgellau greenstone belt. STR also plans to work with GMOW and the local authorities to assess the economic viability of re-opening meaningful gold mining operations.

As announced on 17 April 2012, the Company has received a very positive assessment from Snowden, a leading provider of consulting services to the mining sector, on the Welsh project. This report considered that the global exploration target for the entire gold belt is between 500,000 t to 2 million t at 3 grams per tonne to 15 grams per tonne for 130,000 ounces of gold to 500,000 ounces of gold.

GMOW is also currently undertaking further work programmes on the Licence and the Company will keep the market informed of progress as events materialise in due course. The current work programme has enabled the management team to access the underground workings, and an extensive sampling programme is underway.

In April 2012, the Company executed a capital raise of £500,000, in order to provide its share of the costs to undertake the next phase of the exploration programme.

The Group continues to look to dispose of its investment in Hambric Sports Management LLC, with negotiations at an advanced stage. The proceeds from this transaction are likely to further fund the Group's Investing Policy going forward.

Financial Results

During the period, the Group made a loss before taxation of £61,000 (6 months ended 30 June 2011: loss £51,000, 12 months ended 31 December 2011: loss £547,000). There was a weighted loss per share of 0.08p (30 June 2011: loss per share 0.18p, 31 December 2011: loss per share 1.64p).

Cash and cash equivalents at 30 June 2012 amounted to £380,000.

Outlook

Your Board is confident that the investment made by the Company since it adopted its investment strategy is both encouraging and potentially very rewarding. We will look to realise this potential over the future years in addition to continuing to review further investment opportunities.

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

David Lenigas
Director

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Consolidated interim statement of comprehensive income

	Notes	6 months to 30 June 2012 Unaudited £'000	6 months to 30 June 2011 Unaudited £'000	Year to 31 December 2011 Audited £'000
Continuing operations				
Revenue		-	27	57
Cost of sales		-	-	-
Gross profit		**-**	**27**	**57**
Other administrative costs		(61)	(108)	(401)
Total administrative costs		**(61)**	**(108)**	**(401)**
Operating loss		-	(81)	(344)
Finance expense		-	-	-
Share of loss of associate		-	-	(3)
Loss before tax		**-**	**(81)**	**(347)**
Taxation		-	-	-
Net result from continuing operations		(61)	(81)	(347)
Net result from discontinued operations		-	30	(200)
Loss for the period		**(61)**	**(51)**	**(547)**
Exchange differences on translation of foreign operations		-	-	-
Reclassification of translation reserve due to disposal		-	-	121
Total Comprehensive Income for the year attributable to the owners of the parent company		**(61)**	**(51)**	**(426)**
<u>**Loss per share:**</u>				
Continuing operations:				
Basic and diluted loss per share		(0.08)	(0.28)	(1.04)
Discontinued operations:				
Basic and diluted (loss)/profit per share		-	0.10	(0.60)
Total:				
Basic and diluted loss per share		**(0.08)**	**(0.18)**	**(1.64)**

Consolidated interim statement of financial position

	Notes	30 June 2012 Unaudited £'000	30 June 2011 Unaudited £'000	31 December 2011 Audited £'000
ASSETS				
Non-current assets				
Property, plant and equipment		-	-	-
Available for sale assets		152	152	152
Investment in Associate		633	-	633
		785	**152**	**785**
Current assets				
Trade and other receivables		28	108	80
Cash and cash equivalents		380	71	113
		408	**179**	**193**
Disposal group classified as held for sale		-	61	-
Total assets		**1,193**	**392**	**978**
EQUITY				
Equity attributable to equity holders of the parent				
Share capital	5	15,121	14,488	14,899
Share premium account		28,840	28,158	28,578
Other reserve		152	31	152
Profit and loss account		(43,141)	(42,584)	(43,080)
Total equity		**972**	**93**	**549**
LIABILITIES				
Current liabilities				
Trade and other payables		163	295	290
Current tax payable		58	-	100
		221	**295**	**390**
Disposal group classified as held for sale		-	4	39
Total liabilities		**221**	**299**	**429**
Total equity and liabilities		**1,193**	**392**	**978**

Consolidated interim statement of changes in equity

	Share capital £'000	Share premium £'000	Other Reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2011	**14,488**	**28,158**	**31**	**(42,533)**	**144**
Loss for the period	-	-	-	(51)	**(51)**
Reclassification of translation reserve due to disposal	-	-	-	-	**-**
Total comprehensive income for the period	-	-	-	(51)	**(51)**
Proceeds from share issue	-	-	-	-	**-**
Shares issued to acquire associate	-	-	-	-	**-**
Total contribution by and distribution to owners of the company	**-**	**-**	**-**	**-**	**51**
Balance at 30 June 2011	**14,488**	**28,158**	**31**	**(42,584)**	**93**
Loss for the period	-	-	-	(496)	**(496)**
Reclassification of translation reserve due to disposal	-	-	121	-	**121**
Total comprehensive income for the period	-	-	121	(496)	**(375)**
Proceeds from share issue	236	59	-	-	**295**
Shares issued to acquire associate	175	361	-	-	**536**
Total contribution by and distribution to owners of the company	411	420	-	-	**831**
Balance at 31 December 2011	**14,899**	**28,578**	**152**	**(43,080)**	**549**
Loss for the period	-	-	-	(61)	**(61)**
Currency translation differences	-	-	-	-	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**(61)**	**(61)**
Proceeds from share issue	222	278	-	-	**500**
Cost of share issue	**-**	(16)	**-**	**-**	**(16)**
Total contribution by and distribution to owners of the company	**222**	**262**	**-**	**(61)**	**423**
Balance at 30 June 2012	**15,121**	**28,840**	**152**	**(43,141)**	**972**

Consolidated interim statement of cash flows

	6 months to 30 June 2012	6 months to 30 June 2011	Year to 31 December 2011
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Cash flows from operating activities			
Loss after taxation	(61)	(51)	(547)
Adjustments for:			
Decrease in trade and other receivables	52	445	534
(Decrease) in trade and other payables	(166)	(333)	(143)
Depreciation	-	-	4
Results of associate	-	-	3
Net interest expense	-	-	-
Loss on disposal of fixed assets	-	4	-
Foreign exchange reserve realised on disposal	-	-	121
Corporate Tax	(42)	-	(60)
Net cash used in operating activities	**(217)**	**65**	**(88)**
Cash flows from investing activities			
Purchase of associate	-	-	(100)
Purchase of property, plant and equipment	-	-	-
Net cash from/(used in) investing activities	**-**	**-**	**(100)**
Cash flows from financing activities			
Net proceeds from share issue	484	-	295
interest received	-	-	-
Interest paid	-	-	-
Net cash used in financing activities	**484**	**-**	**295**
Net change in cash and cash equivalents	**267**	**65**	**107**
Cash and cash equivalents at beginning of period	113	6	6
Exchange loss/(gain) on cash and cash equivalents	-	-	-
Cash and cash equivalents at end of period	**380**	**71**	**113**

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 2011 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 2012. 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 2011.

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 2011.

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 (2011 – nil). The non-current assets of the segment is £633,000 (2011 - £633,000).

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 2012 (Unaudited)	**Six months to 30 June 2011 (Unaudited)**	**Year ended 31 December 2011 (Audited)**
Net loss from continuing operations (£'000)	(61)	(81)	(347)
Net loss from discontinued operations (£'000)	-	30	(200)
Net loss attributable to owners of parent company (£'000)	(61)	(51)	(547)
Weighted average number of shares	75,747,469	28,976,581	33,448,267
Continuing Operations - Basic and diluted loss per share (pence)	(0.08)	(0.28)	(1.04)
Discontinued Operations - Basic and diluted loss per share (pence)	-	0.10	(0.60)
Total - Basic and diluted loss per share (pence)	(0.08)	(0.18)	(1.64)

Notes to the consolidated interim financial statements (continued)

5. Share capital

Authorised	**Six months to 30 June 2012 (Unaudited)** £'000	**Six months to 30 June 2011 (Unaudited)** £'000	**Year ended 31 December 2011 (Audited)** £'000
339,210,771 ordinary 1p shares (As at 30 June 2011– 339,210,771 and as at 31 December 2011– 339,210,771)	3,392	3,392	3,392
28,976,581 deferred 45p shares (As at 30 June 2011 – 28,976,581 and as at 31 December 2011– 28,976,581)	13,039	13,039	13,039
339,210,771 A deferred 4p shares (As at 30 June 2011- 339,210,771 and as at 31 December 2011– 339,210,771)	13,569	13,569	13,569
	30,000	**30,000**	**30,000**
Allotted, issued and fully paid			
92,230,985 ordinary shares of 1p each (As at 30 June 2011– 28,976,581 and as at 31 December 2011– 70,008,763)	922	289	700
28,976,581 deferred shares of 45p each (As at 30 June 2011– 28,976,581 and as at 31 December 2011– 28,976,581)	13,039	13,039	13,039
28,976,581 A deferred shares of 4p each (As at 30 June 2011– 28,976,581 and as at 31 December 2011– 28,976,581)	1,160	1,160	1,160
	15,121	**14,488**	**14,899**

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

On the 15 March 2011, at the Annual General Meeting the shareholders approved the sub-division of the existing ordinary shares of 5p each into new ordinary shares of 1p each and deferred shares of 4p 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.

On 15 November 2011, 23,600,000 ordinary shares of 1p each were issued fully paid for cash consideration at 1.25 pence per share to raise £295,000.

On 02 December 2011, 17,432,182 ordinary shares of 1p were issued in consideration for the acquisition of 49% of the issued share capital of Gold Mines of Wales Limited. This is in addition to £100,000 cash.

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.

The Company holds 232 ordinary shares as treasury shares.

6. Events after the reporting date.

On the 26th July 2012 Mr Wood and Mr Moore both resigned from the Board.

On the 19th September 2012 Mr Strang was appointed to the Board as Finance Director.