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Star Minerals Limited

ACN: 648 048 631

Financial Report

For the half-year ended **31 December 2023**

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Corporate Directory

Directors

Ian Stuart	Non-executive Chairman
Ashley Jones	Non-executive Director
Gemma Lee	Non-executive Director

Company Secretary

Chris Achurch

Registered and Principal Office

191B Carr Place
Leederville WA 6007

Share Registry

Automic Group
Perth Office:
Level 5, 191 St Georges Terrace
Perth WA 6000

Auditors

Elderton Audit Pty Ltd
Level 32, 152 St Georges Terrace
Perth WA 6000

Australian Securities Exchange

Star Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: SMS)

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Directors' Report

The directors submit the financial report of Star Minerals Limited and its subsidiaries (the Group) for the half-year ended 31 December 2023. This report should be read in conjunction with announcements to the Australian Securities Exchange (ASX). In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated:

- Ian Stuart - Non-executive Chair
- Ashely Jones - Non-executive Director
- Gemma Lee – Non-executive Director

REVIEW OF OPERATIONS

Corporate

The net loss for the half-year attributed to members of Star Minerals Limited was $482,493 (2022: loss of $508,617).

Projects

The Company is a gold and copper focused explorer with two projects.

The Tumblegum South Project is a gold resource approximately 40km south of Meekatharra, Western Australia.

Updated JORC 2012 Tumblegum South Mineral Resource Estimate delivers total Indicated and Inferred Mineral Resource of 616,000 tonnes @ 2.28 g/t Au for 45,000 Oz gold. • Includes Indicated Mineral Resource Estimate of 337,000 tonnes @ 2.52 g/t Au for 27,000 Oz gold.

The West Bryah Project is a gold and copper focused exploration project approximately 140km north of Meekatharra. (Figure 1).

Acquisition of two additional tenements to consolidate coverage of the gold-copper prospective West Bryah Project.

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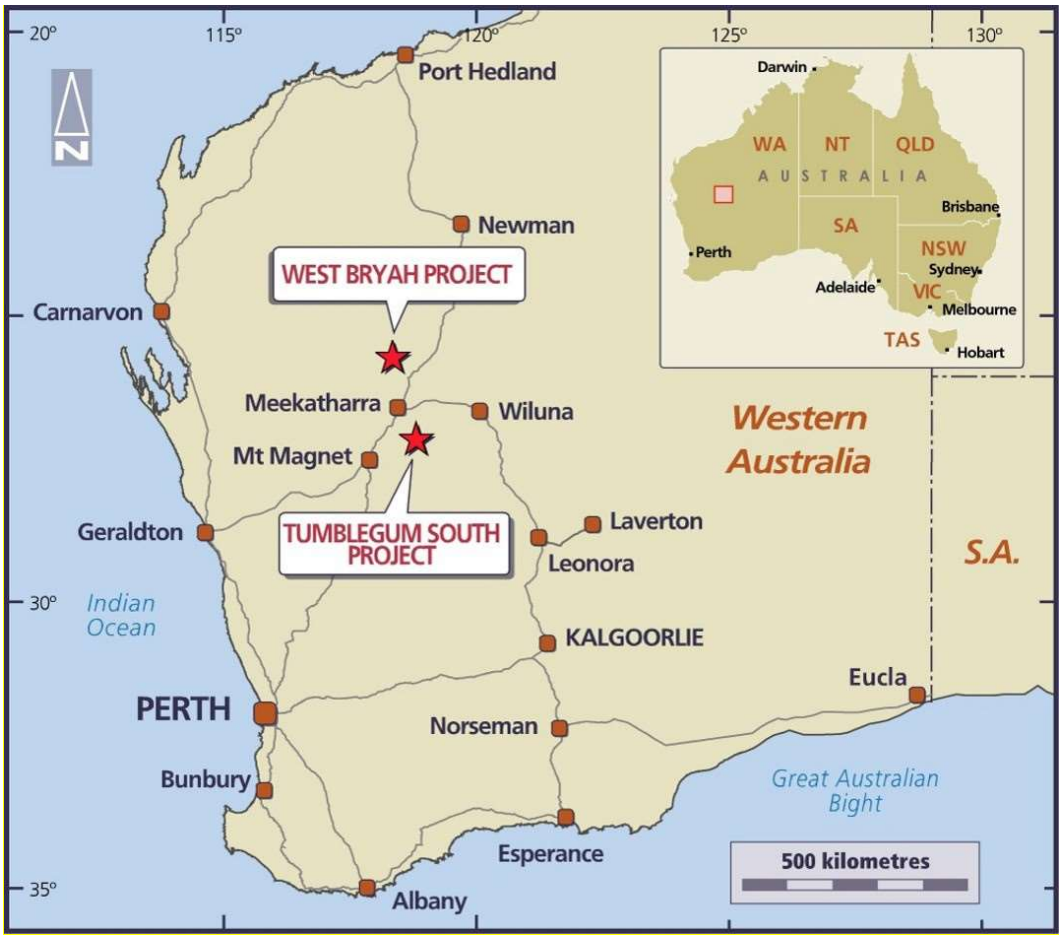

Figure 1 - Location of Projects

Tumblegum South Project

The Company's Tumblegum South Project consists of 2 areas of interest: the Tumblegum South mining lease and the Star of the East project.

The Tumblegum South mining lease consists of tenement M51/888. The mining lease, M51/888 is located approximately 40km south of Meekathara and hosts a gold Mineral Resource of 616,000 tonnes @ 2.28g/t Au for a total of 45,000 ounces of contained gold and includes an Indicated Mineral Resource of 337,000 tonnes @ 2.52 g/t Au for 27,000 Oz gold.

Tenement M51/888 has been a focus of activities with a Scoping Study completed in December 2023.

Star of the East

During July 2023, the Group decided not to exercise the Star of the East Option due to the prioritisation of the West Bryah exploration plan, and scoping study work on the Tumblegum South project[1].

[1] See Star Minerals Limited (ASX: SMS) ASX announcement Quarterly Activities Report June 30 2023.

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Tumblegum South Gold Project – Scoping Study[2]

Various options utilising third-party processing plants operating under a toll treatment agreement were considered. There are currently two active processing plants within a radius of 50km to 150km from Tumblegum South. A range of outcomes were defined based on gold price, and processing cost including trucking costs.

- At gold prices from AUD$2,250 to AUD$3,000/oz, the Production Target for the Project ranges from approximately:
    - 116kt at 2.25g/t producing 7.6koz gold, to
    - 286kt at 2.00g/t producing 16.6koz gold.
- The Production Target generates an undiscounted accumulated cash surplus after payment of all working capital costs, but excluding pre-mining capital requirements, of approximately **$7.2M to $16.3M**.
- Mining is contemplated as a single campaign over approximately **18-months.**
- Pre-mining capital and start-up costs are estimated to be approximately **$0.7M to $1.5M.**
- Sensitivity of the Base Case scenario to gold price was assessed. Results suggest that **project economics are robust** for a broad range of gold prices.

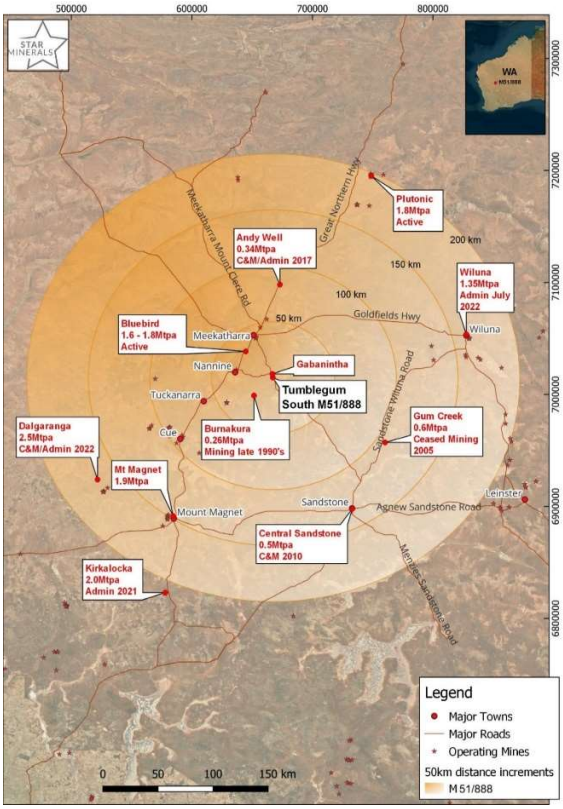

Figure 1: Location map and relevant infrastructure in the area

[2] See Star Minerals Limited (ASX: SMS) ASX Announcement dated 08 December 2023 titled: Positive Scoping Study for Tumblegum South.

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Key Study Outcomes and Assumptions

The study is based on the Tumblegum South mineral resource estimate described in Star's announcement to the ASX on 29 May 2023[3]. The resource model was prepared by Entech, an independent competent person in accordance with the JORC Code (2012) and includes estimates classified as Indicated and Inferred. Orelogy's study included generating an optimal pit geometry utilising Whittle optimisation software.

Based upon the resource estimate model, slope parameters and the cost structure applied, the Production Target at gold prices AUD$2,250 to AUD$3,000/oz, ranges from approximately:

- 116kt at 2.25g/t producing 7.6koz gold recovered and an undiscounted accumulated cash surplus of $7.2M to

- 286kt at 2.00g/t producing 16.6koz gold recovered and an undiscounted accumulated cash surplus of $16.3M.

Project sensitivities were examined for a range of gold prices demonstrating that Project economics are robust with positive outcomes returned for gold prices ranging from AUD$1,750 to AUD$3,250 per ounce.

A Base Case at AUD$2,600 per ounce gold price was used to assess the components of Inferred and Indicated Mineral Resources. The Production Target at the Base Case is approximately:

- 192kt at 2.22g/t producing 12.3koz gold recovered and an undiscounted accumulated cash surplus of $10.8M.

Approximately 70% of the total Production Target resulting from the Scoping Study is based on Indicated Mineral Resources, and approximately 30% is based on Inferred Mineral Resources. There is a low level of geological confidence in Inferred Mineral Resources and there is no certainty that further drilling will result in the determination of Measured or Indicated Mineral Resources or that the Production Target will be realised. Although some of the Inferred Mineral Resources occur at shallow depths, there is sufficient, easily mined and readily accessible Indicated Mineral Resources within the optimum shell to enable stockpiling of at least half of the Inferred Mineral Resources to be deferred to the latter processing (starting month 13) of the Project. This will mitigate the risk to the project as it can be grade controlled and resampled prior to processing.

No allowance was made for capital or start-up costs in the optimisation analysis stated above. The capital and start-up costs are comprised of the costs associated with, but not limited to mobilisation, site establishment, pre-mining earthworks, access and haulage road and demobilisation. These costs have been estimated for the purposes of the Scoping Study at approximately:

- $1.1M and can be represented as a range from $0.7M to $1.5M to reflect the accuracy of cost parameters used in the study which is considered to be +/- 35%.

To estimate working capital requirements, an approach was taken to produce a mine schedule for the Base Case schedule at AUD$2,600 per ounce gold price, which was evaluated using the same cost and revenue assumptions, with the maximum cash drawdown allocated as working capital.

The Base Case pit is estimated to have a mine life of less than 20 months with maximum cash drawdown occurring in month 6.

[3] See Star Minerals Limited (SMS) ASX announcement dated 29 May 2023 'Tumblegum South Mineral Resource Update'

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Based upon this approach the total working capital requirements were estimated to be approximately $2.3M and can be represented by a range from $1.5M to $3.1M to reflect the limited accuracy of cost parameters used in the study.

To achieve the range of outcomes indicated in the Scoping Study, funding in the order of $3.4M ($2.2M to $4.6M) will likely be required for capital, start-up costs and working capital requirements.

Table 1: 2023 Tumblegum South Mineral Resource at a 0.5 g/t Au cut-off by weathering status

Project Area	Resource Category	Weathering	Tonnes (kt)	Grade (g/t Au)	Gold ounces (koz)
Tumblegum South	**Indicated**	Transitional	25	2.99	2
		Fresh	312	2.48	25
		Subtotal	337	2.52	27
	Inferred	Transitional	40	1.76	2
		Fresh	239	2.03	16
		Subtotal	279	1.99	18
Total			**616**	**2.28**	**45**

Tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding.

This Mineral Resource estimate includes Inferred Mineral Resources, which are unable to have economic considerations applied to them, and there is no certainty that further sampling will enable them to be converted to Measured or Indicated Mineral Resources.

The existing mining lease ML51/888 is directly along strike from the Tumblegum Pit which was mined by Dominion during the 1987–1992 Gabanintha Gold Mine Joint Venture.

West Bryah Project

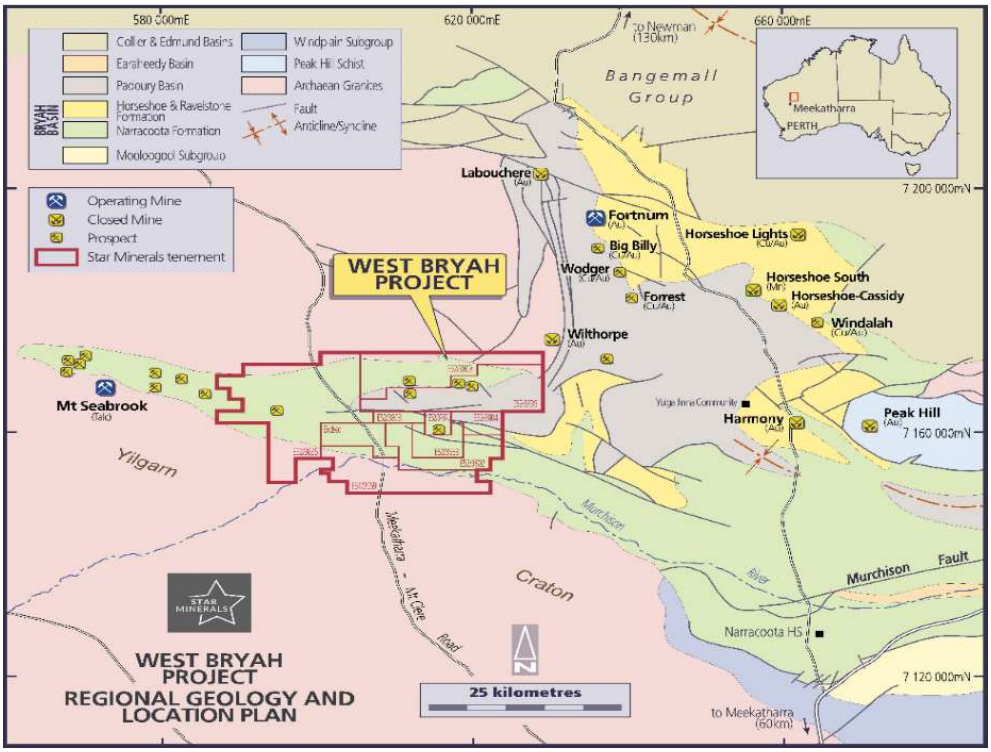

Figure 2 Tenement map West Bryah Project

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Regional Setting

Including the recent tenement acquisitions, the West Bryah exploration licences cover an area of 664km^2 over 9 tenements. The tenements cover the large regional East-West trending Padbury Synform, which feature lithological units of the Robinson Range, Wilthorpe formation and Labouchere formation within the centre and the renowned Narracoota formation on the Northern and Southern limbs.

The West Bryah Project is located east of, and partially within the same geological sequence as the Livingstone Gold Project, currently operated by Metal Bank Limited (ASX:MBK). The MBK Homestead project shows an Indicated and Inferred Mineral Resource of **40,300 oz Au @ 1.42g/t gold,**[4] while the nearby MBK Kingsley deposit hosts an Inferred Resource of **30,500oz Au @ 1.42 g/t**[5] as an open resource with potential to carry through into the tenements currently owned by Star Minerals.

Other major areas of interest within the Company's tenements features the Yarlarweelor Gneiss Complex for potential pegmatite exploration and the Despair Granite which hosts the local Wilthorpe Mine (Au Mine).

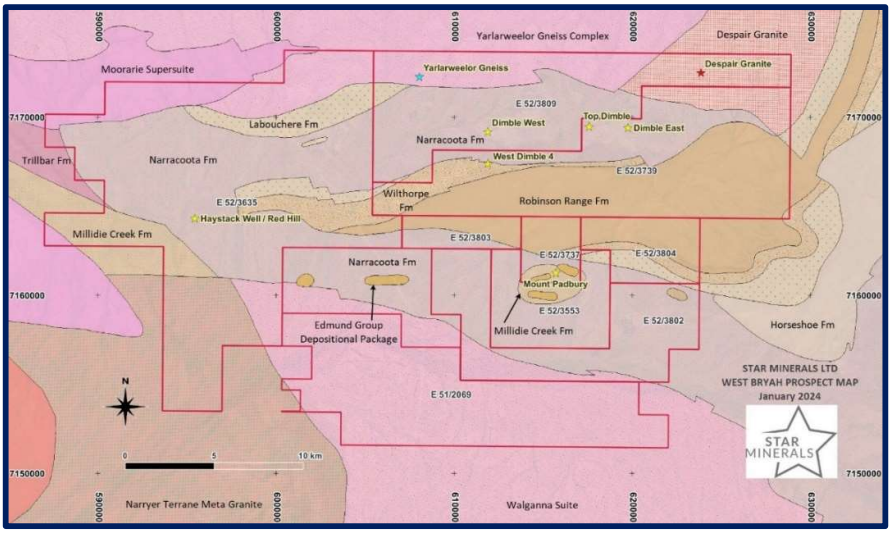

Figure 3: Map of Key Areas of Interest in the West Bryah region.

A desktop review and modern data capture of all historical information, plus digitisation of field mapping from a reconnaissance field trip to the West Bryah Project continued during the latter part of the December half year. The aim of current data collation and ground truthing is to evaluate areas that can be tested with auger sampling to generate targets for drill testing.

Outcomes from this work is anticipated to be released to the market in the upcoming quarter.

[4] MBK ASX Release 21 February 2023 "Livingstone delivers updated shallow Mineral Resource at Homestead"
[5] MBK ASX Release 18 January 2022 "Kingsley Deposit Maiden Mineral Resource Estimate and updated Exploration Target"

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Future Activities Planned

- The Scoping Study provides justification the Tumblegum South Gold Project is commercially viable (based on assumptions provided), and accordingly, the Board of Star Minerals has approved progression of further work to progress environmental permitting and such regulatory permissions which may allow a mining operation to commence at this project.
- The Company is now able to assess the various options in order to monetise this asset, and more accurately assess various strategies to achieve this, including sale, partial sale or joint venture of the Project.
- The Company will advance any negotiations with third parties wishing to evaluate the Project as potential ore feed for existing processing operations, as they arise and will update the market accordingly should any commercial agreement be reached.
- Completion of digital data compilation for West Bryah Historical Work.

Corporate Activities

Tenement Acquisition West Bryah Project

On 25 July 2023 the Group entered into a binding agreement with Pinny Pty Ltd to acquire a 100% interest in MW Minerals Pty Ltd. Under the agreement the Group acquired a 100% interest for a cash consideration of $50,000 and 4,000,000 ordinary paid shares in Star Minerals Limited to acquire E52/3635.

MW Minerals Pty Ltd's tenure (E52/3635) is an area covering 216 square km and is located in the Murchison region, situated approximately 100km north of Meekatharra and 50 km west of Peak Hill Mining Centre. E52/3635 is contiguous to the West Bryah Project area owned by Star Minerals Limited. The tenement is underlain by the Narracoota formation (Palaeo-Proterozoic) and part of the Trillbar Formation, both of which are known to host copper and gold deposits in the Bryah Basin and the greater district.

In 28 July 2023 the Group also entered into an agreement with Drillabit Pty Ltd for the 100% acquisition of E51/2069 for a cash consideration of $15,000 and 2,111,000 fully paid ordinary shares. This tenement covers 97.5 square km and is immediately south and contiguous with the Group's existing tenement package. Both tenement acquisitions expand and consolidate Star's West Bryah project.

Star of The East Option Agreement

Also during July 2023, the Group decided not to exercise the Star of the East Option due to the prioritisation of the West Bryah exploration plan, and scoping study work on the Tumblegum South project[6].

Placement

A placement of ordinary shares to new and existing sophisticated investors was completed, raising $600,000 at 4 cents per share.[7] Shares were issued following shareholder approval obtained at the general meeting of shareholders, held on 18 October 2023.

[6] See Star Minerals Limited (ASX: SMS) ASX announcement Quarterly Activities Report June 30 2023.
[7] See Star Minerals Limited (ASX: SMS) ASX Announcement dated 04 September 2023 titled: Placement Completed.

Participants in the placement received one free attaching option for every one ordinary share subscribed for. The unlisted options are exercisable at 6 cents and expire on 31 October 2026.

Funds raised from the placement allow the Company to advance scoping and environmental studies at the Company's Tumblegum South gold Project, exploration activities at the West Bryah copper gold Project and provide additional working capital.

Reporting Confirmation

The information in this report that relates to current resource estimates/drill results has been extracted from the Company's following ASX announcements:

- 29 May 2023 Tumblegum South Gold Mineral Resource Update
- 8 December 2023 Positive Scoping Study for Tumblegum South (See Cautionary Statement below)

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Cautionary Statement – Positive Scoping Study for Tumblegum South

The Scoping Study referred to in the announcement dated 8 December 2023 has been undertaken to determine the viability of open pit mining and third-party toll treatment of the Tumblegum South gold deposit. It is a preliminary technical and economic study of the potential viability of the Project. It is based on low level technical and economic assessments that are not sufficient to support estimation of ore reserves. Further evaluation work and appropriate studies are required before Star will be able to estimate any ore reserves or to provide any assurance of an economic development case.

The Scoping Study is based on the material assumptions outlined in the announcement dated 8 December 2023. These include the availability of funding. While Star considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the range of outcomes indicated in this Scoping Study, funding in the order of $2.0 million to $4.2 million will likely be required. Investors should note that there is no certainty that Star will be able to raise that amount of funding when needed. It is also possible working capital may only be available on terms that may be dilutive to or otherwise affect the value of Star's shares. It is also possible that Star could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce Star's proportionate ownership of the Project.

Potential funding options may also include third parties through a processing agreement, however at this stage the Company has not yet secured a processing contract and accordingly cannot make an assurance that it will have a processing contract available and, on the assumptions, made. The Company will update the market accordingly if any processing contracts are entered into.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

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Competent Person Statement – Exploration Results

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Tony Standish, who is a Member of the Australian Institute of Geoscientists. Mr Standish is a consultant to Star Minerals Limited and Bryah Resources Limited. Mr Standish has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Standish consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Competent Person Statement – Mineral Resource Estimation

The information in this announcement that relates to Mineral Resources is based on and fairly represents information compiled by Ms Lisa Milham, (Consultant with Entech Pty Ltd). Ms Milham is a member of the Australian Institute of Geoscientists (AIG). Ms Milham has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Milham consents to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

Competent Person Statement – Scoping Study for Tumblegum South

The information in this report that relates to the Open Pit Mining Scoping Study for Tumblegum South and to the Production Target derived from the Scoping Study is based on information compiled by Mr Jake Fitzsimons, a Competent Person who is a Member or Fellow of The Australian Institute of Mining and Metallurgy and a full time employee of Orelogy Pty Ltd. Mr Fitzsimons has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Fitzsimons consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the half-year are detailed under the heading 'Review of Operations' of this report.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Company that occurred during the half-year under review not otherwise disclosed in this report or in the financial report.

EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance that has occurred subsequent to the reporting date, 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 subsequent reporting periods.

Auditor's independence DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year ended 31 December 2023 is included within this financial report.

Signed in accordance with a resolution of directors made pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the Directors



IAN STUART
Non-executive Chairman
12 March 2024

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ELDERTON
AUDIT PTY LTD

Auditor's Independence Declaration

To those charged with the governance of Star Minerals Limited.

As auditor for the review of Star Minerals Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and

ii) no contraventions of any applicable code of professional conduct in relation to the review.

Elderton Audit Pty Ltd



Rafay Nabeel
Director

12 March 2024

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2023

	Notes	Consolidated 31/12/2023 $	Consolidated 31/12/2022 $
Income		**9**	**95,402**
Accounting, audit, legal & taxation		**(29,681)**	**(31,563)**
Consultants		**(121,350)**	**(64,800)**
Directors / Officers		**(61,191)**	**(123,395)**
Employee benefits expense		**(73,358)**	**(179,873)**
Insurance		**(27,232)**	**(22,630)**
Exploration and evaluation		**(25,939)**	**(57,899)**
Rental expenses		**(27,846)**	**(22,817)**
Depreciation expense		**(2,734)**	**(2,723)**
Share Based Payments		**(55,548)**	**(10,077)**
Other corporate and administrative expenses		**(57,623)**	**(88,242)**
Profit/(Loss) before income tax expense from continuing operation		**(482,493)**	**(508,617)**
Income Tax Expense		**-**	**-**
Profit/(Loss) after income tax expense for the half year		**(482,493)**	**(508,617)**
Total Comprehensive Profit/(Loss) for the half year		**(482,493)**	**(508,617)**
		Cents	**Cents**
Basic/diluted earnings per share	5	**(0.76)**	**(0.96)**

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	Consolidated 31/12/2023 $	Consolidated 30/06/2023 $
ASSETS			
Current Assets			
Cash and cash equivalents		**583,040**	784,026
Trade and other receivables		**76,692**	69,716
Prepayments		**33,646**	13,677
Total Current Assets		**693,378**	867,419
Non-Current Assets			
Plant and equipment		**2,419**	5,153
Exploration and evaluation assets	3	**6,035,334**	5,537,358
Total Non-Current Assets		**6,037,753**	5,542,511
TOTAL ASSETS		**6,731,131**	6,409,931
LIABILITIES			
Current Liabilities			
Trade and other payables		**99,581**	204,313
Other liabilities		**-**	-
Employee provisions		**4,032**	11,150
Total Current Liabilities		**103,613**	215,463
TOTAL LIABILITIES		**103,613**	215,463
NET ASSETS		**6,627,518**	6,194,467
EQUITY			
Issued Capital	4	**8,538,166**	7,633,170
Reserves		**556,255**	545,707
Accumulated losses		**(2,466,903)**	(1,984,410)
TOTAL EQUITY		**6,627,518**	6,194,467

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity

For the half year ended 31 December 2023

	Note	Issued Capital $	Share Based Payment Reserve $	Accumulated Losses $	Total $
Balance as at 1 July 22		7,583,170	544,182	(811,094)	7,316,258
Loss for the period				(508,617)	(508,617)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss		-	-	(508,617)	(508,617)
Transactions with owners in their capacity as owners					
Contributions of Equity		-	-	-	-
Share based payments		-	10,077	-	10,077
Shares issued as consideration – E&E asset acquisition		-	-	-	-
Capital raising costs		-	-	-	-
Balance as at 31 December 22		**7,583,170**	**554,259**	**(1,319,711)**	**6,817,718**
Balance as at 1 July 23		7,633,170	545,707	(1,984,410)	6,194,467
Loss for the period		-	-	(482,493)	(482,493)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss		-	-	(482,493)	(482,493)
Transactions with owners in their capacity as owners					
Contributions of Equity		645,000	-	-	645,000
Share based payments		-	10,548	-	10,548
Shares issued as consideration – E&E asset acquisition		274,995	-	-	274,995
Capital raising costs		(15,000)	-	-	(15,000)
Balance as at 31 December 23		**8,538,165**	**556,255**	**(2,466,903)**	**6,627,518**

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows

For the half year ended 31 December 2023

	Consolidated	
	31/12/2023	**31/12/2022**
	$	**$**
Cash flows from operating activities		
Payments to suppliers and employees	**(390,267)**	**(983,815)**
Interest received	**-**	**-**
Net cash provided by / (used) in operating activities	**(390,267)**	**(983,815)**
Cash flows from investing activities		
Payments for exploration and mining interests	**(52,309)**	**(352,916)**
Proceeds from exploration and mining interests	**-**	**-**
Payment for property plant and equipment	**-**	**(4,227)**
Net cash used in investing activities	**(52,309)**	**(357,143)**
Cash flows from financing activities		
Proceeds from issue of shares	**600,000**	**-**
Payment of capital raising costs	**(15,000)**	**-**
Repayment of borrowings	**-**	**-**
Net cash provided by financing activities	**585,000**	**-**
Net increase (decrease) in cash held	**142,424**	**(1,340,959)**
Cash at beginning of the period	**440,616**	**2,974,731**
Cash at end of the period	**583,040**	**1,633,772**

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the half year ended 31 December 2023

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Star Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies have been consistently applied with those of the previous financial periods and corresponding interim reporting period, except in relation to the matters disclosed below.

The interim report has been prepared on a historical cost basis modified, where applicable, by measurement at fair value of selected items. Cost is based on the fair values of the consideration given in exchange for assets. For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realization of the future potential of the Company's assets and discharge of its liabilities in the normal course of business.

The directors consider it is appropriate to prepare the consolidated entity's financial statements on a going concern basis and recognise that additional funding may be required to ensure the consolidated entity can continue its operations for the next twelve months and to fund the continued development of the consolidated entity's exploration assets. This basis has been determined after consideration of the following factors:

- The Company is confident that sufficient capital will be obtained in order to further pursue its exploration activities. This confidence can be evidenced upon review of the Company's ability to raise capital historically.
- If sufficient capital is not obtained, it may cast significant doubt on the company's ability to continue as a going concern and, therefore, be unable to realise its assets and discharge its liabilities in the normal course of business.

Consequently, the Board considers the Group is a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

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New or amended Accounting Standards and Interpretations adopted

The Company has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

2. SEGMENT INFORMATION

AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During the period, the Company considers that it operated in only one segment, being mineral exploration within Australia. Segment assets are allocated to countries based on where the assets are located. The Company's assets are all located within Australia.

3. EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	31/12/2023	30/06/2023
	$	$
Exploration expenditure brought forward	**5,537,358**	4,637,617
Tenement acquisition costs	**339,995**	-
Duties Payable on acquisitions	**2,309**	113,455
Expenditures during the period	**155,672**	786,286
Exploration expenditure carried forward	**6,035,334**	5,537,358

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest, at amounts at least equal to book value.

During the half year the Group entered into a binding agreement with Pinny Pty Ltd to acquire a 100% interest in MW Minerals Pty Ltd.

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MW Minerals Pty Ltd's tenure (E52/3635) is an area covering 216 square km located in the Murchison region and is contiguous to the West Bryah Project tenement package. The tenement is underlain by the Narracoota formation (Palaeo-Proterozoic) and part of the Trillbar Formation, both of which are known to host copper and gold deposits in the Bryah Basin and the greater district.

The Group also entered into an agreement with Drillabit Pty Ltd for the 100% acquisition of E51/2069 This tenement covers 97.5 square km and is immediately south and contiguous with the Group's existing tenement package. Both tenement acquisitions expand and consolidate Star's West Bryah project.

4. ISSUED CAPITAL

	31/12/2023 No.	30/06/2023 No.	**31/12/2023 $**	30/06/2023 $
Ordinary shares – fully paid	75,922,799	53,561,799	9,221,597	8,301,602
Share issue costs	-	-	(683,431)	(668,431)
	75,922,799	53,561,799	**8,538,166**	7,633,171

5. EARNINGS PER SHARE

	31/12/2023 (Cents)	**30/06/2023** (Cents)
Basic Profit / (loss) per share	**(0.76)**	(2.21)
The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:		
Net Profit / (loss) for the period	**(482,493)**	(1,173,316)
	No.	No.
Weighted average number of ordinary shares used in the calculation of Basic and diluted EPS	**63,780,609**	53,189,319

6. DIVIDENDS

No dividends have been declared or paid during the half-year ended 31 December 2023 or in the prior period, and the directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2023.

7. EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstances that has occurred subsequent to the reporting date 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 subsequent reporting periods.

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8. CONTINGENT LIABILITIES

As at 31 December 2023:

- The Group has granted the vendors of the West Bryah Project a 0.75% net smelter return royalty on all products extracted or derived from the area.
- Australian Vanadium Limited (ASX: AVL) have been granted a 0.75% net smelter return royalty on all products extracted or derived from area of M51/888 of the Tumblegum South Gold Project.

There were no other contingent liabilities at the period end.

9. COMMITMENTS

The Group has no other commitments other than those disclosed as at 30 June 2023.

10. RELATED PARTIES TRANSACTIONS

Parent entity

Star Minerals Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:
On 31 October 2023 the Company completed a $600,000 capital raising and issued 15 million shares at $0.04 per share to investors. Directors Ian Stuart and Ashley Jones participated in the capital raising on the same terms as other investors and were issued 1,000,000 and 625,000 shares respectively.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31/12/2023 $	30/06/2023 $
Current receivables:		
Trade receivables from other related party [1]	20,161	43,636
Current payables:		
Trade payables to other related party - Bryah Resources Ltd [2]	4,118	34,610

[1] Exploration and evaluation expenses paid by the Group recoverable from Bryah Resources Limited (a related party of Director, Ian Stuart).

[2] Recharge to the Company of exploration and evaluation expenses paid by Bryah Resources Limited (a related party of Director, Ian Stuart).

Directors' Declaration

In the opinion of the directors of Star Minerals Limited ('the Company'):

1. The financial statements and notes thereto of the Company, as set out within this financial report, are in accordance with the Corporations Act 2001 including:
    a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
    b. giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the half-year then ended.
2. 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.

This declaration is made in accordance with a resolution of the board of directors.



IAN STUART
Non-executive Chairman

12 March 2024

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ELDERTON
AUDIT PTY LTD

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Star Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Star Minerals Limited (the 'Company') and its controlled entity (collectively referred to as 'the Group'), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the director's declaration.

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

a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty related to Going Concern

We draw attention to the note 1 of the financial report, which described that the ability of the Group to continue as a going concern is dependent on raising equity finance. As a result, there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our opinion is not modified in respect of this matter.

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Director's Responsibilities for the Half-Year Financial Report

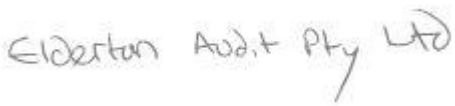
The Directors of the Group are responsible for the preparation of the half-year financial report in accordance with the Australian Accounting Standards and the *Corporation Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial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

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Accordingly, we do not express an audit opinion.



Elderton Audit Pty Ltd



Rafay Nabeel
Director
12 March 2024
Perth

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