

22 August 2022

STELLAR TO RAISE UP TO \$2.4 MILLION BY WAY OF A PLACEMENT AND SPP

Stellar Resources Limited (ASX: SRZ, “Stellar” or the “Company”) is pleased to announce a Placement to raise \$1,888,425 (“Placement”) and the launch of a Share Purchase Plan (“SPP”) intended to raise an additional \$500,000 (“Capital Raising”).

HIGHLIGHTS:

- The Company has received firm commitments to raise \$1,888,425 via a Placement and is also offering eligible shareholders the opportunity to participate in a Share Purchase Plan (“SPP”) under which the Company intends to raise an additional \$500,000.
- Issue price of \$0.015 (1.5 cents) under both the Placement and SPP, an 9.60% discount to the 15-day VWAP.
- The capital raised under the Placement and SPP will be used to continue to fund exploration and development on the Company’s portfolio of projects, including the Heemskirk Tin Project and for general working capital.
- Investors under the Placement and eligible shareholders under the SPP to be offered one (1) free attaching unlisted option for every two (2) New Shares subscribed for, exercisable at \$0.025 (2.5 cents) on or before an expiry date of two years from the date of issue.
- The free attaching options under the Placement and SPP will be subject to shareholder approval at an AGM during November 2022.
- Taylor Collison Limited is acting as the lead manager and bookrunner in respect of the Placement.

Executive Director, Gary Fietz, commented: “We are pleased to have received firm commitments to raise approx. \$1.9m under the Placement and to also be offering a SPP to all our eligible shareholders on the same terms which intends to raise an additional \$0.5m”.

“The funds raised from the Placement and the SPP will enable the Company to proceed with its planned Phase 2B drilling program and advance other project development activities at our flagship Heemskirk Tin Project, along with continuing to progress our North East Tasmania Gold and Base Metals Exploration Project and for general working capital”.

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Placement

The Company has received firm commitments to raise \$1,888,425 through the issue of 125,895,000 new fully paid ordinary shares in the Company (“**New Shares**”) to sophisticated and professional investors at an issue price of \$0.015 (1.5 cents) per New Share, with the offer of one (1) free attaching unlisted option (“**New Option**”) for every two (2) New Shares issued. Each New Option will have an exercise price of \$0.025 (2.5 cents) entitling the holder to be issued one fully paid ordinary share on exercise of a New Option, and will be able to be exercised any time up until the expiry date, being two years after the issue date. The issue of free attaching New Options under the Placement will be subject to shareholder approval.

The Placement is being lead managed by Taylor Collison Limited (“**Lead Manager**”). Under the mandate with the Lead Manager, they will receive a management fee of 2.0% of the gross proceeds raised under the Placement, a selling fee of 4.0% of the gross proceeds raised under the Placement and 25,179,000 Broker Options (on the same terms as the New Options to be issued under the Placement and SPP). The Broker Options to be issued to the Lead Manager are subject to shareholder approval.

The capital raised by the issue of the New Shares will be used to continue to fund exploration and development on the Company’s portfolio of projects, including the Heemskirk Tin Project and for general working capital.

New Shares and shares issued upon exercise of New Options will rank pari passu with the Company's existing fully paid ordinary shares on issue.

Share Purchase Plan

The Company will give eligible shareholders with a registered address in Australia and New Zealand on the record date of 7:00pm (AEST) on Friday, 19 August 2022 (each an “**Eligible Shareholder**”) an opportunity to subscribe for new fully paid ordinary shares (“**SPP Shares**”) in the Company by way of a Share Purchase Plan (“**SPP**”). The SPP Shares will be offered at an issue price of \$0.015 (1.5 cents) per SPP Share (being the same issued price as the price under the Placement) and be offered with one (1) free attaching unlisted Option (“**New Option**”) for every two (2) SPP Shares issued. Each New Option will have an exercise price of \$0.025 (2.5 cents), entitling the holder to be issued one fully paid ordinary share on exercise of a New Option, and will be able to be exercised any time up until the expiry date, being two years after the issue date. The issue of free attaching New Options under the SPP will be subject to shareholder approval.

Under the SPP, each Eligible Shareholder will be entitled to acquire up to \$30,000 of SPP Shares without brokerage. The Company intends to raise up to \$500,000 under the SPP, and the Company reserves the right to scale back applications. In the event of oversubscriptions, the Company, in consultation with the Lead Manager, may accept up to \$1,000,000 under the SPP.

The additional capital raised under the SPP will be used for the same purposes as funds raised under the Placement.

The offer of securities under the SPP will be made under a prospectus to be lodged with ASIC in accordance with the below timetable and sent to Eligible Shareholders shortly thereafter. Shareholders should consider the prospectus in deciding whether to acquire securities under the SPP and will need to complete the application form that will accompany the prospectus.

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Timetable

The intended timetable for the Placement and SPP is as follows:

Event	Details	Date (and time if relevant)
Trading Halt	The Company requests a trading halt before market open and ASX Limited (ASX) imposes a trading halt for no less than two business days	By 9.00am on Thursday, 18 August 2022
Record Date	The date and time that eligibility to participate in the SPP was determined	7:00pm (AEST) Friday, 19 August 2022
Announcement	The announcement of Placement and SPP and lodgement of Appendix 3B with ASX	Monday, 22 August 2022
Placement Completion	The Appendix 2A issued lodged and the Company issue the Placement shares	Monday, 29 August 2022
SPP Prospectus	Lodgement of Prospectus with ASIC and ASX	Friday, 2 September 2022
SPP Opening Date	SPP Offer Opening Date. Applications can be submitted and BPAY payments can be made on and from this date	9:00am (AEST) Friday, 2 September 2022
Closing Date	SPP closes. Applications must be received by 5:00pm (AEST)	5:00pm (AEST) Friday, 23 September 2022
SPP results announcement	The results of the SPP will be announced to the ASX (including scale back policy if applicable)	Wednesday, 28 September 2022
Issue Date	Issue date of SPP Shares and lodgement of Appendix 2A with ASX applying for quotation of the SPP Shares.	Before 12:00pm (AEST) Friday, 30 September 2022
Commencement of trading	SPP Shares commence trading on the ASX (subject to ASX Listing Rules).	Monday, 3 October 2022
AGM Notice	Lodgement of AGM Notice with ASX and dispatch to shareholders	Friday, 7 September 2022
Dispatch Date	Holding statements will be dispatched to Shareholders	Monday, 10 October 2022
AGM	AGM Conducted	Tuesday, 8 November 2022
Options Issue	Issue of Placement, SPP and Broker Options	Friday, 11 November 2022

This timetable is indicative only and is subject to change. Stellar may alter the dates above, withdraw or vary the SPP, or accept Applications received after the Closing Date, in each case in Stellar's absolute discretion, subject to the ASX Listing Rules and the Corporations Act.

– ENDS –

This announcement is authorised for release to the market by the Board of Directors of Stellar Resources Limited.

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