



28 October 2022

2022 ANNUAL GENERAL MEETING – NOTICE AND PROXY FORM

Dear Shareholder

Stelar Metals Limited (ASX: SLB) (**Company**) is convening its Annual General Meeting of shareholders to be held on **Tuesday 29th November 2022 commencing at 3:00pm Australian Central Daylight Time (ACDT)** at 22 Greenhill Road, Wayville SA 5034 (**Annual General Meeting**).

The Company is providing the notice of Annual General Meeting (**Notice of Meeting**) electronically this year and is not mailing hard copies to shareholders unless a hard copy document has been requested.

A copy of the Notice of Meeting is available on the Company's website at [www.stelarmetals.com.au/investors/ASX announcements](http://www.stelarmetals.com.au/investors/ASX_announcements) and at the Company's Announcement Platform at www.asx.com.au

You may vote by attending the Annual General Meeting in person, by proxy or by appointing an authorised representative. Further details regarding voting by proxy are set out in the Notice of Meeting and on the enclosed personalised proxy form (**Proxy Form**).

Proxy Forms must be received by no later than 3.00pm (ACDT) on 27th November 2022. If you have any questions about your Proxy Form please contact Link Market Services at +61 1800 689 300.

Yours sincerely

Nick Harding
Company Secretary



STELAR METALS LIMITED

NOTICE OF 2022 ANNUAL GENERAL MEETING

ACN 651 636 065

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Stelar Metals Limited will be held at
22 Greenhill Road, Wayville, South Australia on
Tuesday 29 November 2022 commencing at **3.00 pm** (Adelaide time ACDT).

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Business

Financial Report

To receive and consider the Company's financial statements together with the declaration of the Directors, the Director's report, the Remuneration Report and independent audit report for the year ended 30 June 2022.

The 2022 Annual Report will be available to view online at www.stelarmetals.com.au and despatched to those Shareholders who have elected to receive a hard copy of the report.

Resolution 1 - Adoption of the Remuneration Report for the year ended 30 June 2022

To consider, and if thought fit, to pass, with or without amendment, the following Resolution as a non-binding resolution:

That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company adopt the Remuneration Report for the period ended 30 June 2022 as set out in the Directors' report in the 2022 Annual Report.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
 - (i) the voter is the Chair and the appointment of the Chair as proxy;
 - (ii) does not specify the way the proxy is to vote on this Resolution; and
- (b) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Note: the vote on this resolution is advisory only and does not bind the Directors of the Company.

Resolution 2 – Election of Mr Geoffrey Webster as a Director

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

That, for the purposes of Listing Rule 14.4 and clause 15.4 of the Constitution and for all other purposes, Mr Geoffrey Webster, who was appointed as an additional Director on 12 November 2021, will retire as a Director at the close of the meeting, and being eligible and having offered himself for re-election, is re-elected as a Director of the Company with immediate effect.

Resolution 3 – Election of Mr William Dix as a Director

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

That, for the purposes of Listing Rule 14.4 and clause 15.4 of the Constitution and for all other purposes, Mr William Dix, who was appointed as an additional Director on 12 November 2021, will retire as a Director at the close of the meeting, and being eligible and having offered himself for re-election, is re-elected as a Director of the Company with immediate effect.

Resolution 4 – Re-election of Mr Stephen Biggins as a Director

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

That, for the purposes of clause 15.2 of the Constitution and for all other purposes, Mr Stephen Biggins, having retired as a Director by rotation and being eligible and having offered himself for re-election, is re-elected as a Director of the Company with immediate effect.

Special Business

Resolution 5 – Appointment of Auditor

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

That, for the purposes of section 327B of the Corporations Act and for all other purposes, Grant Thornton Audit Pty Ltd, having been nominated by a Shareholder of the Company and having consented in writing to act in the capacity as auditor of the Company, be appointed as auditor of the Company, with effect from the close of the Meeting.

Resolution 6 - Approval of 10% Placement Facility

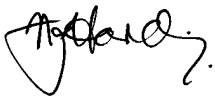
To consider, and if thought fit, to pass the following resolution as a Special Resolution:

That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.

Other Business

To transact any other business that may be brought forward in accordance with the Constitution.

By Order of the Board



N J Harding

Company Secretary

Dated this 20th day of October 2022

Voting Entitlements

For the purposes of ascertaining the voting entitlements for the Annual General Meeting, the shareholding of each Shareholder will be as it appears in the share register on Sunday 27 November 2022 at 3.00pm (Adelaide time ACDT).

Proxies

A Shareholder entitled to attend and vote at the Meeting has the right to appoint a proxy, who need not be a Shareholder of the Company. If a Shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

The Proxy Form can be deposited at the share registry of the Company, Link Market Services Limited, located at Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150. Alternatively, it can be mailed marked "Stelar Metals Limited" to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 or by facsimile to Link Market Services on +61 2 9287 0309.

A Shareholder can also cast their votes online by visiting www.linkmarketservices.com.au and following the instructions as below:

Select 'Investor Login' and in the "Single Holding" section enter Stelar Limited or the ASX code SLB in the Issuer name field, your Holder Identification Number (HIN) or Security Reference Number (SRN) (which is shown on the front of your Proxy Form), postcode and complete the security verification process and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

Corporate Representative

A corporation that is a Shareholder or a proxy may elect to appoint a person to act as its corporate representative at the meeting, in which case the corporate Shareholder or proxy (as applicable) must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that Shareholder's or proxy's (as applicable) corporate representative. The authority must be sent to the Company and/or the Company's Share Registry (detailed above) in advance of the meeting or handed in at the Meeting when registering as a corporate representative.

Shareholders can download and fill out the 'Appointment of Corporate Representation' form from Link Market Services Limited's website – www.linkmarketservices.com.au. Hover over 'Resources' Select the Investor Services tab and click on 'Forms' and then select 'Holding Management'.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 8372 7800.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist Shareholders in consideration of resolutions proposed for the Annual General Meeting of the Company to be held at 22 Greenhill Road, Wayville, South Australia on Tuesday 29 November 2022 commencing at 3.00 pm (Adelaide time ACDT).

It should be read in conjunction with the accompanying Notice of Annual General Meeting.

Financial Report

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.stelarmetals.com.au.

Resolution 1 - Adoption of the Remuneration Report for the year ended 30 June 2022

In accordance with section 250R(2) of the Corporations Act, Shareholders are required to vote on the Company's Remuneration Report for the year ended 30 June 2022.

The Remuneration Report is contained in the Directors' report in the 2022 Annual Report, which will be available to view online at the Company's website www.stelarmetals.com.au and despatched to those Shareholders who have elected to receive a hard copy of the report.

The Remuneration Report describes the underlying policies and structure of the remuneration arrangements of the Company and sets out the remuneration arrangements in place for directors and senior executives for the year ended 30 June 2022.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote at the Annual General Meeting of the Company. Members should note that the vote on Resolution 1 is not binding on the Company or the directors.

If more than 25% of the votes cast on a resolution to adopt the Remuneration Report are against the adoption of the Remuneration Report for two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution ("Spill Resolution"). If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting ("Spill Meeting") within 90 days of the second Annual General Meeting, at which all of the Company's directors when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the Managing Director of the company must go up for re-election.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

As this is the Company's first Annual General Meeting, no remuneration report of the Company has been considered before. Accordingly, a Spill Resolution will not be relevant for this Meeting.

Important information for Shareholders:

Please note, in accordance with sections 250R(4) and (5) of the Corporations Act, the Chair will not vote any undirected proxies in relation to Resolution 1 unless the Shareholder expressly authorises the Chair to vote in accordance with the Chair's stated voting intentions. Please note that if the Chair of the Meeting is your proxy (or becomes your proxy by default), by completing the attached Proxy Form, you will expressly authorise the Chair to exercise your proxy on Resolution 1 even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, which includes the Chair. You should be aware that the Chair of the Meeting intends to vote undirected proxies in favour of the adoption of the Remuneration Report.

Alternatively, if you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the Proxy Form.

As a further alternative, Shareholders can nominate as their proxy for the purposes of Resolution 1, a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies (subject to the Listing Rules).

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1, noting that each Director has a material personal interest in his own remuneration from the Company. The Chair intends to vote undirected proxies in favour of Resolution 1.

Resolution 2 –Election of Mr Geoffrey Webster as a Director

Listing Rule 14.4 and clause 15.4 of the Constitution require that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next Annual General Meeting following their appointment, but is eligible for re-election at that Annual General Meeting.

Mr Webster was appointed as a Director by the other Directors in accordance with the Constitution on 12 November 2021 and retires as a Director pursuant to Listing Rule 14.4 and clause 15.4 of the Constitution. Mr Webster is eligible for, and has offered himself for, re-election.

The resume of Mr Webster is as follows:

Geoffrey Webster

MBA, BEng Civil (Hons), GAICD

Mr Webster is a Chartered Professional Engineer graduating with honours from the University of Adelaide and is the director of a specialist engineering consultancy located in South Australia. He is a member of the Australian Institute of Company Directors and has been awarded an MBA through Latrobe University.

With nearly 25 years' experience in the engineering sectors, Mr Webster has previously worked as the General Manager for Transpacific Industries Group (now Cleanaway), an ASX 200 listed company, in a national capacity, as well as working as the project manager for a Hong Kong based investment company, Path Line Australia. Mr Webster is currently the deputy chair of not-for-profit entity KESAB. Mr Webster has also been appointed National President of a peak body for all stakeholders in the resource recovery industry, the Waste Management and Resource Recovery Association of Australia.

Mr Webster has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected, the Board considers that Mr Webster will be an independent Director.

The Company conducted appropriate checks on the background and experience of Mr Webster before his appointment to the Board. Mr Webster has confirmed that that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

Directors' Recommendation

The Board has reviewed Mr Webster's performance since his appointment and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (excluding Mr Webster) supports the election of Mr Webster and recommends that Shareholders vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

Resolution 3 –Election of Mr William Dix as a Director

Listing Rule 14.4 and clause 15.4 of the Constitution require that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next Annual General Meeting following their appointment, but is eligible for re-election at that Annual General Meeting.

Mr Dix was appointed as a Director by the other Directors in accordance with the Constitution on 12 November 2021 and retires as a Director pursuant to Listing Rule 14.4 and clause 15.4 of the Constitution. Mr Dix is eligible for, and has offered himself for, re-election.

The resume of Mr Dix is as follows:

William Dix

BSc, MSc Geology, MAusIMM

Mr Dix is a geologist with 25 years' experience in base metal, gold and uranium exploration and mining. Earlier in his career, he spent seven years with the highly successful international nickel producer LionOre Mining International in a variety of exploration, mining and management roles. He has a proven track record of successful project and team management and also has extensive experience in commercial activities including capital raisings, mergers, acquisitions and divestments. He holds a Bachelor of Science and Master of Science (Geology) from Monash University and is a member of AusIMM.

Mr Dix is currently the Managing Director of Todd River Resources Limited (ASX:TRT) and has previously served as a director of Fitzroy Resources Limited (ASX:FRY), Credo Resources Limited (ASX:CRQ), BBX Minerals Limited (ASX:BBX) and Consolidated Zinc Limited (ASX:CZL).

Mr Dix has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected, the Board considers that Mr Dix will be an independent Director.

The Company conducted appropriate checks on the background and experience of Mr Dix before his appointment to the Board. Mr Dix has confirmed that that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

Directors' Recommendation

The Board has reviewed Mr Dix's performance since his appointment and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (excluding Mr Dix) supports the election of Mr Dix and recommends that Shareholders vote in favour of Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3.

Resolution 4 –Re-election of Mr Stephen Biggins as a Director

In accordance with clause 15.2 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement. This rule does not apply to the Managing Director and Directors who only hold office until the next Annual General Meeting pursuant to clause 15.4 of the Constitution.

The Directors presently in office are Mr Stephen Biggins, Mr Geoffrey Webster and Mr William Dix.

Mr Geoffrey Webster and Mr William Dix are each standing for election pursuant to clause 15.4 of the Constitution (the subject of Resolutions 2 and 3, respectively) and Mr Biggins is the longest in office. Accordingly, Mr Biggins will retire by rotation at the Annual General Meeting. Mr Biggins is eligible for, and has offered himself for, re-election.

The resume of Mr Biggins is as follows:

Stephen Biggins

MBA, BSc Geology (Hons)

Mr Biggins has 25 years' experience as a geologist and as an executive in both the mining industry in Australia and internationally. He has applied his Honours Degree in Geology and MBA as the founding Managing Director of several ASX listed companies. Mr Biggins has built prospective portfolios of lithium, gold, uranium and base metal exploration projects in Australia, Asia and Africa.

Mr Biggins is currently the Managing Director of Core Lithium (ASX:CXO) (Core). He has led Core in the acquisition, discovery and definition of the first lithium resource in the Northern Territory. In 2021, Mr Biggins led a \$150 million project financing to fully fund development of the Finniss Lithium Project leading to a final investment decision and Core commencing mining and project construction.

Mr Biggins previously served as founding director of Southern Gold Limited (ASX:SAU) from 2005 to 2010 and led the acquisition and discovery of the Cannon Gold Mine in Western Australia. He also was a founding director of Investigator Resources Limited (ASX:IVR) which has discovered the high-grade Paris silver resource in South Australia.

If re-elected the Board does not consider Mr Biggins will be an independent Director.

Directors' Recommendation

The Board has reviewed Mr Biggins' performance and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (excluding Mr Biggins) supports the re-election of Mr Biggins and recommends that Shareholders vote in favour of Resolution 4. The Chair intends to vote undirected proxies in favour of Resolution 4.

Resolution 5 - Appointment of Auditor

Section 327B(1) of the Corporations Act provides that a public company must appoint an auditor at its first Annual General Meeting and at any subsequent Annual General Meeting thereafter where there is a vacancy. The Directors appointed Grant Thornton Audit Pty Ltd as the Company's auditor following registration of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for Grant Thornton Audit Pty Ltd to be appointed as the Company's auditor. A copy of this nomination is attached to this Notice as Annexure A.

Grant Thornton Audit Pty Ltd has given its written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act subject to Shareholder approval of this Resolution.

If this Resolution is passed, the appointment of Grant Thornton Audit Pty Ltd as the Company's auditor will take effect at the close of this Meeting.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 5. The Chair intends to vote undirected proxies in favour of Resolution 5.

Resolution 6 - Approval of 10% Placement Facility

Background to Resolution 6

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to a company's 15% placement capacity under Listing Rule 7.1 effectively increasing the company's placement capacity to 25%.

An 'eligible entity' for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less. As at the date of this Notice, the Company's market capitalisation and has a current market capitalisation of \$9,585,500 (based on the number of Shares on issue and the closing price of Shares on the ASX on 17 October 2022). Further, the Company is not included in the S&P/ASX 300 Index and is therefore an eligible entity for the purposes of Listing Rule 7.1A.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. Resolution 6 is a Special Resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2. It is the Company's intention that funds received under the 10% Placement Facility will primarily be used to continue to advance the high-quality exploration projects the Company holds in South Australia, in addition to potentially undertaking further transactions to acquire new assets or investments should the Directors determine this to be in the best interests of the Company, and supplementing the Company's working capital requirements. Consequently, the Directors have resolved to seek Shareholder approval for the 10% Placement Facility, for the 12 month period from the date of this Annual General Meeting.

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a Special Resolution at an Annual General Meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue two classes of Equity Securities being listed Shares and unlisted Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement (**Relevant Period**):

- (i) plus the number of fully paid shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exceptions 9, 16 or 17;
- (ii) plus the number of fully paid shares issued in the Relevant Period on conversion of convertible securities within Listing Rule 7.2 exception 9 where the convertible securities were issued or agreed to be issued before the Relevant Period commenced or the issue or agreement to issue the convertible securities was made with approval of holders of shares under Listing Rule 7.1 or 7.4; ;
- (iii) plus the number of fully paid shares issued in the 12 months under an agreement to issue within Listing Rule 7.2 exception 16 where the agreement was entered into before the Relevant Period commenced or the agreement or issue was made with approval of holders of shares under Listing Rule 7.1 or 7.4;
- (iv) plus the number of any other fully paid shares issued in the Relevant Period with approval of holders of shares under Listing Rule 7.1 or 7.4;
- (v) plus the number of partly paid shares that became fully paid in the Relevant Period;
- (vi) less the number of fully paid shares cancelled in the Relevant Period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 50,450,001 Shares and therefore has a capacity to issue:

- (a) 7,567,500 Equity Securities under Listing Rule 7.1; or
- (b) subject to Shareholder approval being obtained under this Resolution 6, 5,045,000 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility pursuant to Resolution 6 as follows:

(a) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must not be less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

The Company may also issue Equity Securities under the 10% Placement Facility as consideration for the acquisition of a new asset, in which case the Company will release to the market a valuation of those Equity Securities that demonstrates that the issue price of the securities complies with the rule above. Since it is not known at this time if any securities will be issued during the 12 month period under the 10% Placement Facility, it is not possible to definitively state the minimum issue price, except to confirm that the issue price will be calculated in accordance with the above formula.

(b) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the Meeting at which the approval is obtained;

- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

(c) **Listing Rule 7.1A**

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's placement capacity under Listing Rule 7.1.

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders may be subject to both economic and voting power dilution. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The table below shows the dilution of existing Shareholders on the basis of the current market price of shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at 17 October 2022. The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.095 50% decrease in issue price	\$0.190 issue price	\$0.285 50% increase in issue price
Current Variable A 50,450,001 Shares	10% voting dilution	5,045,000 Shares	5,045,000 Shares	5,045,000 Shares
	Funds raised	\$479,275	\$958,550	\$1,437,825
50% increase in current Variable A 75,675,002 Shares	10% voting dilution	7,567,500 Shares	7,567,500 Shares	7,567,500 Shares
	Funds raised	\$718,912	\$1,437,825	\$2,156,737
100% increase in current Variable A 100,900,002 Shares	10% voting dilution	10,090,000 Shares	10,090,000 Shares	10,090,000 Shares
	Funds raised	\$958,550	\$1,917,100	\$2,875,650

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- no listed or unlisted Options (including any listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities. If the issue of Equity Securities includes listed

Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

4. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
5. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
6. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
7. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1. Dilution experienced by Shareholders may be greater if issues have been made utilising the capacity in Listing Rule 7.1 as well.
8. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
9. The issue price is \$0.190, being the closing price of the Shares on ASX on 17 October 2022.

(e) **Use of funds raised under the 10% Placement Facility**

- (i) The Company may seek to issue the Equity Securities in which case the Company intends to use the funds raised towards the acquisition of new assets or investments (including expenses associated with such acquisitions or investments), the advance the high-quality exploration projects the Company holds in South Australia and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Equity Securities.

(f) **Allocation policy under the 10% Placement Facility**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

If Resolution 6 is approved by Shareholders, the Company may issue Equity Securities under the 10% Placement Facility during the 10% Placement Period as and when the circumstances of the Company require.

(g) **Previous approval under Listing Rule 7.1A**

As this is the Company's first Annual General Meeting, it has never previously obtained Shareholder approval under Listing Rule 7.1A. Accordingly, the Company has not issued any Equity Securities under Listing Rule 7.1A.2 in the twelve months preceding the date of the Annual General Meeting.

(h) **Voting Exclusion Statement**

As at the date of the Notice, the Company has not formed any specific intention to issue any additional Shares or other securities, and has not approached any particular existing Shareholder or any other person with a view to participating in the issue of the Equity Securities. In these circumstances (and in accordance with Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that a person will participate in the proposed issue. Therefore, no existing Shareholder's votes will therefore be excluded under a voting exclusion and accordingly, a voting exclusion statement is not included in this Notice.

Directors' Recommendation

Resolution 6 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders entitled to vote on Resolution 6 must be in favour of this Resolution. The Board considers that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required. At the date of this Notice, the Company has no plans to use the Placement Facility should it be approved.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of special Resolution 6 to provide the Company with additional capacity to issue securities. The Chair intends to vote all undirected proxies in favour of Resolution 6.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following unless the context otherwise requires:

"10% Placement Facility" has the meaning given in Resolution 6 of the Explanatory Memorandum.

"2022 Annual Report" means the Company's financial statements together with the declaration of the Directors, the Director's report, the Remuneration Report and independent audit report for the year ended 30 June 2022.

"Annual General Meeting" or **"Meeting"** means the meeting convened by the Notice.

"ASX" means ASX Limited ACN 008 624 691 or the securities exchange operated by ASX Limited (as the context requires);

"Board" means the Board of Directors from time to time.

"Chair" means the chair of the Meeting.

"Closely Related Party" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealings with the Company;
- (e) a company that the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

"Company" means Stellar Metals Limited (ACN 651 636 065).

"Constitution" means the constitution of the Company from time to time.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Directors" means the Directors of the Company from time to time and **"Director"** means any one of them.

"Equity Securities" has the meaning given to that term in the Listing Rules.

"Explanatory Memorandum" means this explanatory memorandum.

"Key Management Personnel" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Director (whether executive or otherwise).

"Listing Rules" means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

"Notice" **"Notice of Meeting"** or **"Notice of Annual General Meeting"** means this notice of meeting including the Explanatory Memorandum and the Proxy Form. **"Option"** means an option to acquire a Share.

"Proxy Form" means the proxy form accompanying the Notice.

"Remuneration Report" means the remuneration report set out in the Director's report section of the 2022 Annual Report.

"Resolution" means a resolution contained in this Notice of Meeting.

"Share" means a fully paid ordinary share in the capital of the Company.

"Shareholder" means a holder of Shares in the Company.

"Trading Day" means a day determined by ASX to be a trading day in accordance with the Listing Rules.

"Variable A" means "A" as set out in the formula in Listing Rule 7.1A.2.

"VWAP" means Volume Weighted Average Price of the Company's ASX-listed Shares trading under the code ADN.

ANNEXURE A

14 October 2022

Stelar Metals Limited
22 Greenhill Road
Wayville, South Australia 5034

Attention : Nick Harding - Company Secretary

NOMINATION OF AUDITOR

Dear Sir,

In accordance with section 328B(1) of the Corporations Act, I Jack Rosagro, being a shareholder of Stelar Metals Limited (ACN 651 636 065) ("Company") hereby nominate Grant Thornton Audit Pty Ltd of Level 3, 170 Frome Street, Adelaide, South Australia as auditor of the Company.

Please distribute copies of this nomination notice as required under section 328B(3) of the Corporations Act.

Yours faithfully



Jack Rosagro

LODGE YOUR VOTE



ONLINE

<https://investorcentre.linkgroup.com>



BY MAIL

Stelar Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Stelar Resources Limited and entitled to participate in and vote hereby appoint:

APPOINT A PROXY



the Chairman of the
Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting
as your proxy, please write the name of the person or
body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **3:00 pm (Adelaide time ACDT) on Tuesday, 29 November 2022 at 22 Greenhill Road, Wayville, South Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

- 1 Adoption of the Remuneration Report for the year ended 30 June 2022
- 2 Election of Mr Geoffrey Webster as a Director
- 3 Election of Mr William Dix as a Director
- 4 Re-election of Mr Stephen Biggins as a Director

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 5 Appointment of Auditor

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 6 Approval of 10% Placement Facility



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00 pm (Adelaide time ACDT) on Sunday, 27 November 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Stelar Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**