



27 February 2014

Dear Shareholder

**Stellar Resources Limited – pro-rata non-renounceable rights issue**

As announced on 21 February 2014, Stellar Resources Limited (ACN (108 758 961)) (**Stellar** or **Company**) is undertaking a one (1) for twelve (12) pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 23,037,295 fully paid ordinary shares (**New Share**) to raise approximately \$1,197,939. The price of New Shares under the Offer is \$0.052 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 25 February 2014.

The Offer is conditionally partially underwritten by Capetown S.A. and M. Elsasser Vermögensverwaltung Wealth Management GmbH (together the **Underwriters**). No underwriting fee is payable by the Company to the Underwriters in respect of the underwriting.

The net funds of the proceeds from the entitlement offer are to be applied to an optimisation drilling program at the high grade Heemskirk Tin Project, drilling of the satellite St Dizier tin prospect and working capital requirements. Tender applications from drilling companies are currently being evaluated with drilling scheduled to commence in March 2014.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members on 6 March 2014, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Assuming the offer is fully subscribed, following completion of the Offer the Company will have issued approximately 23,037,295 New Shares resulting in total Shares on issue of approximately 299,484,842.

A copy of the Prospectus is available on the ASX and Stellar websites. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 11 March 2014. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

**STELLAR RESOURCES LIMITED**

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## Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Boardroom Pty Limited (**Share Registry**) by no later than 7.00 pm (AEDT) on 25 March 2014, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 7.00 pm (AEDT) on 25 March 2014, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.052 per New Share).
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

## Key dates for the Offer

Lodgement of Prospectus with the ASIC	25 February 2014
Lodgement of Prospectus & Appendix 3B with ASX	25 February 2014
Notice sent to Shareholders	27 February 2014
Ex date	28 February 2014
Record Date for determining Entitlements	6 March 2014
Prospectus sent out to Shareholders & Company announces this has been completed	11 March 2014
Closing Date*	25 March 2014
Shares quoted on a deferred settlement basis	26 March 2014
ASX notified of under subscriptions	27 March 2014
Issue date/Shares entered into Shareholders' security holdings	31 March 2014
Quotation of Shares issued under the Offer*	1 April 2014

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Ms Christina Kemp, Stellar's Company Secretary, on +61 3 9618 2540.

Yours sincerely

**Phillip Harman**  
**Non-Executive Chairman**