

STELLAR RESOURCES LIMITED
ACN 108 758 961

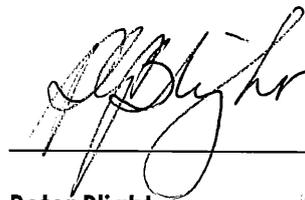
PROSPECTUS

For the offer of one (1) Listed Option for every two (2) Shares issued in the Placement (**Placement Options Offer**).

For the offer of 22,000,000 Listed Options to Hunter Capital Advisors Pty Ltd in satisfaction of corporate advisory and capital raising services provided in relation to the Placement (**Advisor Options Offer**).

Together the offers (**Offers**).

The Offers are only made to Eligible Parties.



Peter Blight

Managing Director

10/5/2017

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Listed Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Listed Options offered under this Prospectus should be considered speculative.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY.....	1
2.	TIMETABLE AND IMPORTANT NOTES	2
3.	DETAILS OF THE OFFER.....	5
4.	PURPOSE AND EFFECT OF THE OFFER.....	9
5.	RIGHTS AND LIABILITIES ATTACHING TO SHARES AND LISTED OPTIONS.....	11
6.	RISK FACTORS	16
7.	ADDITIONAL INFORMATION	23
8.	DIRECTORS' AUTHORISATION	31
9.	DEFINITIONS	32

1. CORPORATE DIRECTORY

Directors

Phillip G Harman
Non-Executive Chairman

Peter G Blight
Managing Director

Thomas H Whiting
Non-Executive Director

Miguel Lopez de Letona
Non-Executive Director

Company Secretary

Christina Kemp

Share Registry*

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Telephone: 1300 737 760

Registered Office

Level 17, 530 Collins Street
Melbourne VIC 3000

Telephone: + 61 3 9618 2540
Facsimile: +61 3 9649 7200

Email: srzinfo@stellarresources.com.au
Website: www.stellarresources.com.au

ASX Code

SRZ

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditors*

Deloitte Touche Tohmatsu
550 Bourke Street
Melbourne VIC 3000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	10 May 2017
Opening Date	10 May 2017
Closing Date*	5:00pm EST on 17 May 2017
Expected date of Official Quotation of the Listed Options	24 May 2017

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Listed Options are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 10 May 2017 and a copy of this Prospectus was lodged with Australian Securities and Investments Commission (ASIC) on that date. This Prospectus expires on the date which is 13 months after the date of this Prospectus (**Expiry Date**) and no Listed Options will be issued on the basis of this Prospectus after the Expiry Date.

This Prospectus is for an offer of Listed Options to acquire continuously quoted securities (as defined in the Corporations Act) of the Company and has been prepared in accordance with section 713 of the Corporations Act. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

This Prospectus contains important information which Eligible Parties should consider before making any decision to apply for Listed Options.

Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is only relevant to Eligible Parties in relation to Listed Options and should not be used for any other purposes.

2.3 Prospectus does not provide investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read and consider the information in this Prospectus (including the Listed Option terms set out in Section 5.2) in full before deciding to apply for Listed Options and consider the key risks set out in Section 6 that could affect the performance of Listed Options and Shares issued on exercise of the Listed Options. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Listed Options and Shares in the future.

An investment in the Company should be considered highly speculative. If you have any questions, you should seek advice from your financial adviser or other professional adviser before deciding to invest in Listed Options.

2.4 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.stellarresources.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.5 Website

No document or information included on our website is incorporated by reference into this Prospectus.

2.6 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Listed Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.7 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in

this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.8 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offers. You should rely only on information in this Prospectus.

3. DETAILS OF THE OFFER

3.1 Background to the Offers

On 1 March 2017, the Company announced a capital raising of approximately \$2.6 million before costs via a Share and Listed Options placement priced at \$0.035 per Share (with each Listed Option being exercisable at \$0.05 and expiring three years from the date of issue) (**Placement**).

Under the terms of the Placement, the Company undertook to issue recipients of Shares under the Placement (**Placement Recipients**) one (1) free Listed Option for every two (2) Shares received under the Placement (**Placement Options Offer**).

Additionally, pursuant to the Placement, the Company agreed to issue Hunter Capital Advisors Pty Ltd (**Advisors**) 5,200,000 Shares and 22,000,000 Options in satisfaction of corporate advisory and capital raising services performed in relation to the Placement. The 22,000,000 Listed Options to be issued to the Advisors form the advisor options offer under this Prospectus (**Advisor Options Offer**).

3.2 The Offers

By this Prospectus, the Company offers subscription for nil consideration up to approximately 37,142,857 free Listed Options to Placement Recipients on the basis of one (1) free Listed Option for every two (2) Shares subscribed for by Placement Recipients under the Placement and 22,000,000 free Listed Options to Advisors under the Advisor Options Offer.

The Offers are only extended to the Placement Recipients and the Advisors (**Eligible Parties**), accordingly Application Forms will only be provided by the Company to these parties.

No funds will be raised from the grant of the Listed Options pursuant to this Prospectus as they are being issued for nil consideration.

At a General Meeting held on 10 April 2017, Shareholders of the Company approved the issue of the relevant Listed Options under the Offers.

All of the Listed Options offered under this Prospectus will be granted on the terms and conditions set out in section 5.2.

Shares issued upon the exercise of any Listed Options will be fully paid and will rank equally in all respects with the Company's existing Shares on issue. A summary of the rights and liabilities attaching to the Shares is set out in Section 5.1.

The Listed Options are being offered under this Prospectus to allow Shares issued on the exercise of any of the Listed Options to be on-sold within 12 months of their issue without a disclosure document or 'cleansing statement' being issued for those Shares, and without a disclosure document being issued for the on-sale that otherwise would be required under the Corporations Act to on-sell those Shares with 12 months of their issue.

(a) **What is my Placement Entitlement?**

The number of Listed Options for which you are entitled to apply for under the Placement Options Offer (**Placement Entitlement**) is one-half of the number of Shares you subscribed for in the Placement. If your Placement Entitlement results in a fraction of a Listed Option, it will be rounded down to the nearest whole number.

No payment is required to take up your Placement Entitlement.

Placement Entitlements are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you will be unable to transfer your Placement Entitlement to another party.

If you choose to accept your Placement Entitlement to Listed Options under the Placement Options Offer, you must accept your Placement Entitlement in full.

If you choose not to accept your Placement Entitlement under the Placement Options Offer then your Placement Entitlement will lapse at the Closing Date.

Detailed instructions on how to accept your Placement Entitlement are set out in section 3.5. All applications, once received, are irrevocable.

(b) **What is my Advisor Entitlement?**

Advisors are entitled to 22,000,000 Listed Options under the Advisor Option Offer (**Advisor Entitlement**).

No payment is required to take up the Advisor Entitlement.

The Advisor Entitlement is non-renounceable. Accordingly, there will be no trading of rights on the ASX and the Advisors will be unable to transfer their Advisor Entitlement to another party.

If the Advisors choose to accept their Advisor Entitlement to Listed Options under the Advisor Options Offer, they must accept their Advisor Entitlement in full.

If the Advisors choose not to accept their Advisor Entitlement under the Advisor Options Offer then their Advisor Entitlement will lapse at the Closing Date.

Detailed instructions on how to accept your Advisor Entitlement are set out in section 3.5. All applications, once received, are irrevocable.

(c) **Why should you apply for Listed Options**

The Listed Options, if applied for, will be issued for nil consideration. There are no brokerage fees or other costs payable by Eligible Parties to acquire Listed Options. It is noted that in order to be entitled to these Listed Options, Placement Recipients paid \$0.035 for each Share subscribed for in the

Placement and the Advisors performed corporate advisory and capital raising services in relation to the Placement.

There is no obligation to apply for or exercise any of the Listed Options that you are entitled to.

Eligible Parties should seek and rely on their own taxation advice regarding the exercise of Listed Options as the taxation consequences will depend on the particular circumstances of the individual.

(d) **Offer Period: Opening and Closing Dates**

The Offers open for receipt of acceptances on 10 May 2017 and close at 5:00pm (EST) time on 17 May 2017, subject to any variation of the Closing Date by the Directors in accordance with the ASX Listing Rules.

(e) **Who is entitled to participate in the Offer**

Each Eligible Party with a registered address in Australia is entitled to participate in the Offers and receive their full entitlement to Listed Options.

3.3 Use of funds raised from the Offers

No funds will be raised from the Offers of Listed Options. As noted previously, a total of \$2.6 million before costs was raised in the Placement of Shares. The funds raised will be applied to a program of diamond drilling, metallurgical testing, and approvals to advance the Tasmanian based high-grade "Heemskirk Tin Project", costs of the Placement of \$27,321 and for working capital purposes.

Any funds raised from the exercise of Listed Options will be used to advance the Company's exploration and project development activities at that time, and for working capital purposes.

3.4 Listed Options will be quoted

Application for Official Quotation of the Listed Options offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Listed Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Listed Options.

The fact that ASX may grant Official Quotation to the Listed Options is not to be taken in any way as an indication of the merits of the Company or the Listed Options now offered for subscription.

The Company will seek quotation of any Shares issued upon exercise of any Listed Options. The Company expects that Listed Options will be issued and allotted on or about 24 May 2017.

3.5 How to accept the Offers

Applications for Listed Options can only be made by Placement Recipients and Advisors at the direction of the Company and must be made using the appropriate

Application Form accompanying this Prospectus and returning it to the below address no later than 5:00pm (AEST) on 17 May 2017 (**Closing Date**).

By Fax:

+61 2 9290 9655
Attention: Boardroom

By Post:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

By Email:

corporateactions@boardroomlimited.com.au

Acceptances will not be valid if they are received after the Closing Date.

3.6 Lapse of Entitlement

If you decide not to accept your Entitlement or fail to do so by the Closing Date, your Entitlement will lapse.

3.7 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Listed Options on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.8 Enquiries

Any questions concerning the Offers should be directed to Boardroom on 1300 737 760.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

This Prospectus has been prepared for the offer of Listed Options such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of Section 707 of the Corporations Act is available.

Specifically, if the Listed Options are issued with disclosure under this Prospectus then the Shares issued upon the exercise of any of the Listed Options can be on-sold within 12 months of their issue without a disclosure document for the on-sale offer (even if the Shares were issued without disclosure or lodgement of a cleansing statement), as the Listed Options are issued with disclosure and the exercise of the Listed Option does not involve any further offer.

4.2 Effect of the Offers on the Company's capital structure

The effect of the Offers on the Company's capital structure is set out below.

Shares ¹	Number
Shares currently on issue	379,713,489
Shares offered under this Prospectus	Nil
Total Shares on issue on completion of the Offers	379,713,489

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 5 of this Prospectus.
2. This assumes the Offers are fully subscribed and no Options are exercised.

Option Class	Expiry Date	Exercise Price	Number
Unlisted Options ²	20 November 2019	6 cents	1,500,000
Unlisted Options ²	20 November 2019	8 cents	3,000,000
Unlisted Options ²	20 November 2019	10 cents	4,500,000
Unlisted Options ²	20 November 2019	12 cents	6,000,000
Total Options on issue prior to completion of the Offers			15,000,000
Listed Options offered under this Prospectus ¹	3 years from issue	5 cents	59,142,857
Total Options on issue on completion of the Offers			74,142,857

Notes:

1. The rights and liabilities attaching to the Listed Options are summarised in Section 5.2 of this Prospectus. 37,142,857 Listed Options are being offered under the Placement Options Offer and 22,000,000 Listed Options are being offered under the Advisor Options Offer, together 59,142,857 Listed Options are being offered under the Offers.
2. The Unlisted Options on issue prior to the date of this Prospectus are exercisable at 6, 8, 10 and 12 cents and expire on 20 November 2019. They were issued with the approval of Shareholders at the Company's Annual General Meeting, dated 17 November 2014.

If all Listed Options are subscribed for, a total of 59,142,857 will be issued (subject to rounding). If all Listed Options are subscribed for, and then exercised, the number of Shares on issue will increase by 59,142,857. The Company would then have 438,856,346 Shares on issue.

4.3 Financial effect of the Placement Offer and the Hunter Offer

There is no material impact on the financial position of the Company from the Offers, as the Listed Options are to be issued for nil consideration and the costs of the Offers are expected to be approximately \$17,534.

As such, the Company will have to satisfy the costs of the Offers from its existing cash reserves.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES AND LISTED OPTIONS

5.1 Rights attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus should the Listed Options that form the Offers be exercised. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 **Rights attaching to Listed Options**

The terms and conditions of the Listed Options are as follows:

(a) **Entitlement**

Each Listed Option entitles the holder to subscribe for one Share upon exercise of the Listed Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Listed Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Listed Option will expire at 5:00 pm (EST) on the date that is 3 years from the date of issue (**Expiry Date**). A Listed Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Listed Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Listed Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Listed Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Listed Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Listed Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Listed Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Listed Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Listed Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Listed Options without exercising the Listed Options.

(l) **Change in exercise price**

A Listed Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Listed Option can be exercised.

(m) **Quoted**

The Company will apply for quotation of the Listed Options on ASX.

(n) **Transferability**

The Listed Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

6. RISK FACTORS

6.1 Introduction

The Listed Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend the Eligible Parties to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Listed Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of its Shares and Listed Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

(a) Liquidity of Options

While the Company will use reasonable endeavours to obtain approval for the Options to be quoted on ASX, there is a risk that quotation will not be approved. If this occurs, there will be no official secondary market for the Options. This may affect the Optionholder's ability to sell their Options at a desired price, if at all.

Furthermore, if the Options are not admitted to quotation on ASX within three months after the date of this Prospectus, the issue of Options will be void.

In the case that the Options are accepted for quotation, there still may be relatively few potential buyers or sellers of the Options on ASX at any time. This may increase the volatility of the market price of the Options. It may also affect the prevailing market price at which Optionholders are able to sell their Options.

(b) Liquidity of Shares

There may be relatively few potential buyers or sellers of the Shares on ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the exercise price that Shareholders paid to acquire their Shares.

(c) Development of key Project

Whilst the Company has: established a JORC compliant indicated and inferred tin resource at its Heemskirk Tin Project, completed a positive prefeasibility study, and owns 100% of the Project, much further drilling and

other work remains to be done before a decision to mine, based upon a bankable feasibility study, can be made. The established mineral resource may only partly be converted to mineable reserves. It may not be possible to achieve a satisfactory metallurgical recovery of tin from the ore mined on scaling up from laboratory test results and there could be increases in the expected capital costs of mine and processing plant development and/or costs of mining or processing which jeopardize the Project. Whilst the Company is confident that these high grade deposits will be mined, and is maximizing its efforts towards that objective, there can be no guarantee that the Company will succeed in establishing a commercial tin mining operation in the reasonably foreseeable future, or at all. Until a decision to establish a tin mine is made, or there is a major discovery at another of the Company's projects, the future prospects of the Company are inevitably uncertain.

(d) **Exploration risk**

The other mineral tenements of the Company are in the early stages of exploration. Because mineral exploration and development are high-risk undertakings, there can be no assurance that exploration of these other or any future tenements will result in the discovery of an economic deposit. If exploration is successful, there will be additional costs and processes involved in moving to the development phase. Exploration and development costs are based on estimates and assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may differ materially from these estimates and assumptions. Such differences may materially and adversely affect the Company's viability.

(e) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(f) **Reliance on third parties**

Through the Company's use of contractors and other persons for exploration and other services generally, it is reliant upon a number of third parties for the conduct and success of its exploration and development activities. While this situation is normal for the mining industry in Australia, problems caused by third parties may arise which have the potential to impact on the performance and operations of the Company. Any failure by counterparties to perform their obligations may have a material adverse effect on the Company and there can be no assurance that the Company

would be successful in attempting to enforce any of its contractual rights through legal action.

(g) **Key personnel and employees risk**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(h) **Local Community**

The Company's Heemskirk Tin Project is situated on the edge of the township of Zeehan. While the Company will do all in its power to maintain good working relationships with the local community, and will pursue a mining plan designed to minimize any community impact, there is a risk that this will not be sufficient to satisfy community expectations. In that event, the activities of the Company could potentially be disrupted and/or delayed.

6.3 Industry specific

(a) **Operating risks**

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (i) adverse geological conditions;
- (ii) failure to achieve predicted grades in exploration and mining;
- (iii) limitations on activities due to seasonal weather patterns and cyclone activity;
- (iv) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (v) difficulties in commissioning and operating plant and equipment;
- (vi) mechanical failure of operating plant and equipment;
- (vii) unanticipated metallurgical problems which may affect extraction recoveries and costs;
- (viii) industrial and environmental accidents, industrial disputes and other force majeure events;
- (ix) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (x) inability to obtain or maintain any necessary consents or approvals.

No assurances can be given that the Company will achieve commercial viability through successful exploration and/or mining. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(b) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices (including for tin) fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(c) **Mineral resources estimates risk**

Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(d) **Title risk**

Although the Company has investigated title to all of its tenements, the Company cannot give any assurance that title to such tenements will not be challenged or impugned. Accordingly, there is a residual risk that, despite the Company's investigations, the tenements may be subject to prior unregistered agreements or transfers or title may be affected by unregistered encumbrances, third party interests or defects. Tenements are also subject to minimum expenditure requirements. In the event that these minimum expenditure requirements are not met, those tenements may be subject to forfeiture proceedings.

(e) **Environmental risks**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by regulatory authorities.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires, may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay or modification to anticipated exploration programmes or mining activities. There is always a risk that detailed environmental investigations will identify endangered or other protected species that may affect the ability of the Company to obtain any necessary government approvals or carry out its operations as planned.

(f) **Native Title risks**

Whilst the area of the Heemskirk Tin Project is not considered to include any such rights, the Company has interests in other tenements which include areas over which legitimate Native Title rights of indigenous Australians may exist. Tenements which the Company may acquire in the future may also include areas where Native Title rights exist. Where Native Title rights exist, the Company's ability to gain access to the land or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. As at the date of this Prospectus, the Company is not aware of any Native Title rights which it expects to materially adversely affect its operations. Nevertheless, no guarantee can be given that Native Title rights will not affect the Company.

(g) **Regulatory risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to

authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(h) **Legislative changes and government policy risk**

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity to explore and mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

(i) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

6.4 **General risks**

The value of the Company's securities are affected by a number of general factors which are beyond the control of the Company and its Directors including those set out below.

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;

- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) **Taxation**

The acquisition and disposal of Shares and Listed Options will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Listed Options from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Listed Options under this Prospectus.

6.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Listed Options offered under this Prospectus

Therefore, the Listed Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Listed Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Listed Options pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Availability of other documents

ASX maintains detailed records of company announcements for all companies listed on ASX. Copies of ASX announcements are available on ASX's website at www.asx.com.au or the Company's website www.stellarresources.com.au

In addition, ASIC also maintains records in respect of documents lodged with it by the Company. Copies of documents lodged with ASIC in relation to the Company may be obtained from or inspected at, an office of ASIC.

The Company will provide a copy of any of the following documents free of charge to any person who requests a copy before the Closing Date:

- (a) The Company's Annual Financial Report for the year ending 30 June 2016 (being the annual financial report most recently lodged with ASIC in relation to the Company before the issue of this Prospectus); and
- (b) any other continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC. There has been no other continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC.

This Prospectus contains details specific to the Offers. If Eligible Parties require any further information in relation to the Company, the Directors recommend that they take advantage of the ability to inspect or obtain copies of the documents referred to above.

7.3 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
9 May 2017	Response to ASX Price Query
4 May 2017	S. 708A Notice
27 April 2017	Change in Substantial Holding
26 April 2017	Third Quarter Activities and Cashflow Reports
21 April 2017	Diamond Drilling Underway at Heemskirk Tin
20 April 2017	Appendix 3B
10 April 2017	Results of General Meeting
6 April 2017	Investor Presentation
3 April 2017	Hunter Capital Research Report
23 March 2017	Diamond drilling to commence at Heemskirk Tin
23 March 2017	Change of Director's Interest Notice
22 March 2017	Change in substantial holding
20 March 2017	Change in substantial holding
14 March 2017	Change in substantial holding
10 March 2017	Information disclosed under LR 3.10.5A and 7.1A.4(b)
10 March 2017	S.708A Notice
10 March 2017	Appendix 3B
10 March 2017	Notice of General Meeting/Proxy Form
9 March 2017	Half Year Accounts
1 March 2017	Heavily over-subscribed Placement raises \$2.6m
27 February 2017	Trading Halt
27 February 2017	Expiry of 25,000,000 Unlisted Options
2 February 2017	Investor Presentation
14 February 2017	Mining Lease Granted to Heemskirk Tin Project
30 January 2017	Second Quarter Activities and Cashflow Reports
12 January 2017	Heemskirk Tin Ore Sorting Update
29 November 2016	Tin Mineral Resource Upgrade JORC 2012
17 November 2016	Results of Annual General Meeting
17 November 2016	Presentation – Annual General Meeting
19 October 2016	First Quarter Activities and Cash Flow Reports
17 October 2016	Notice of Annual General Meeting/Proxy Form
5 October 2016	Investor Presentation
15 September 2016	Investor Briefings – Sydney and Melbourne
1 September 2016	Heemskirk Tin Project Update

Date	Description of Announcement
31 August 2016	Appendix 4 G and Corporate Governance Statement
31 August 2016	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <http://www.stellarresources.com.au/>.

7.4 Details of substantial holders

Based on publicly available information as at 10 May 2017, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
JP Morgan Nominees Australia Limited ¹	74,378,450	19.59
Capetown S A	62,382,221	16.42
Susanne Bunnenberg	44,544,120	11.73
Resource Capital Fund V L.P.	27,114,450	7.14

Notes:

1. 44,544,120 Shares of the 74,378,450 are held by Susanne Bunnenberg. Please see Company's recent Change in Substantial Holding notice dated 20 March 2017.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offers.

7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers pursuant to this Prospectus; or
- the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Philip G Harman	1,779,704	5,000,000 ¹
Peter G Blight	2,044,675	5,000,000 ²
Thomas H Whiting	990,000	2,500,000 ³
Miguel Lopez de Letona	Nil	2,500,000 ⁴

Notes:

1. Phillip Harman has 500,000 Unlisted Options exercisable at \$0.06, 1,000,000 Unlisted Options exercisable at \$0.08, 1,500,000 Unlisted Options exercisable at \$0.10, 2,000,000 Unlisted Options exercisable at \$0.12 and all of those Unlisted Options will expire on 20 November 2019.
2. Peter Blight has 500,000 Unlisted Options exercisable at \$0.06, 1,000,000 Unlisted Options exercisable at \$0.08, 1,500,000 Unlisted Options exercisable at \$0.10, 2,000,000 Unlisted Options exercisable at \$0.12 and all of those Unlisted Options will expire on 20 November 2019.
3. Thomas Whiting has 250,000 Unlisted Options exercisable at \$0.06, 500,000 Unlisted Options exercisable at \$0.08, 750,000 Unlisted Options exercisable at \$0.10, 1,000,000 Unlisted Options exercisable at \$0.12 and all of those Unlisted Options will expire on 20 November 2019.
4. Miguel Lopez de Letona has 250,000 Unlisted Options exercisable at \$0.06, 500,000 Unlisted Options exercisable at \$0.08, 750,000 Unlisted Options exercisable at \$0.10, 1,000,000 Unlisted Options exercisable at \$0.12 and all of those Unlisted Options will expire on 20 November 2019.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2015	2016	2017
Philip G Harman	\$148,030 ¹	\$31,676	\$31,110
Peter G Blight	\$302,481 ²	\$165,064	\$111,000
Thomas H Whiting	\$74,015 ³	\$14,925	\$15,555
Miguel Lopez de Letona	\$74,015 ⁴	\$14,925	\$15,555

Notes:

1. Phillip Harman's remuneration in 2015 consisted of a cash component of \$65,550 and a non-cash options component valued at \$82,480.
2. Peter Blight's remuneration in 2015 consisted of a cash component of \$220,000 and a non-cash options component valued at \$82,481.
3. Thomas Whiting's remuneration in 2015 consisted of a cash component of \$32,775 and a non-cash options component valued at \$41,240.
4. Miguel Lopez de Letona's remuneration in 2015 consisted of a cash component of \$32,775 and a non-cash options component valued at \$41,240.

7.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$4,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$64,510.22 (excluding GST and disbursements) for legal services provided to the Company.

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.8 Estimated expenses of Offer

The total expenses of the Offers are estimated to be approximately \$17,534 as follows:

Expense	(\$)
ASIC Fees	2,350
ASX Fees	10,186
Legal Fees	4,000
Miscellaneous (printing and mailing)	998
Total	17,534

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of

notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 3 9618 2540 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.10 Privacy Act

If you complete an application for Listed Options, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder or Optionholder, facilitate distribution payments and corporate communications to you as a Shareholder or Optionholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

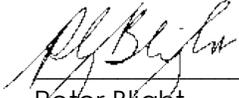
You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)* (as amended), the *Corporations Act* and certain rules such as the *ASX Settlement Operating Rules*. You should note that if you do not provide the information required on the application for Listed Options, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Peter Blight

**Managing Director
For and on behalf of
Stellar Resources Limited**

9. DEFINITIONS

\$ means Australian dollars.

Advisors means Hunter Capital Advisors Pty Ltd.

Advisor Entitlement means the Advisors entitlement to 22,000,000 Listed Options pursuant to the Advisor Options Offer.

Advisor Options Offer means the offer of 22,000,000 Listed Options to the Advisors in satisfaction of their corporate advisory and capital raising services in relation to the Placement.

Applicant means an investor who applies for Listed Options pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Boardroom means Boardroom Pty Limited, the Company's share registry.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

Company means Stellar Resources Limited (ACN 108 758 961).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Parties means the Placement Recipients and the Advisors.

Entitlement is both the Placement Entitlement and the Advisor Entitlement.

EST means eastern standard time as observed in Melbourne, Victoria.

Listed Option means an option with the Exercise Price of \$0.05 expiring on the date 3 years from the issue of the Option, on the terms set out in Section 5.2 of this Prospectus.

Offers means the offer of Listed Options pursuant to the Advisor Options Offer and Placement Options Offer.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Placement means the Placement of Shares and Options announced on the ASX on 1 March 2017.

Placement Entitlement means the entitlement of 37,142,857 Listed Options to the Placement Recipients on the basis of one (1) Listed Option for every two (2) Shares received under the Placement.

Placement Options Offer means the offer of 37,142,857 Listed Options to the Placement Recipients on the basis of one (1) Listed Option for every two (2) Shares received under the Placement.

Placement Recipients means the people who received Shares under the Placement.

Prospectus means this prospectus.

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

Shareholder means a shareholder of the Company.

Share Registry means Boardroom Pty Limited (ACN 003 209 836).

Unlisted Option means an unlisted option exercisable at 6, 8, 10 and 12 cents and expire on 20 November 2019. They were issued with the approval of Shareholders at the Company's Annual General Meeting, dated 17 November 2014.