

OFFER DOCUMENT ENTITLEMENT ISSUE



STELLAR RESOURCES LIMITED ACN 108 758 961

For a non-renounceable pro-rata entitlement issue of two (2) Offer Shares for every Five (5) Shares held by Eligible Shareholders registered at the Record Date at an Issue Price of \$0.01 (1.0c) per Offer Share (**Offer**) to raise up to approximately \$1,879,948 (before costs).

The Offer opens at 9.00AM (AEST) on Monday, 21 September 2020

The Offer closes at 5.00pm (AEDT) on Tuesday, 6 October 2020

The Offer is fully underwritten by Taylor Collison Limited ACN 008 172 450. Refer to section 7.11 for details regarding the terms of the underwriting.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This Offer Document dated 21 September 2020 and the accompanying personalised Entitlement and Acceptance Form contain important information. Please read both the Offer Document and the personalised Entitlement and Acceptance Form carefully and in their entirety and call your professional adviser or Stellar Resources Limited (**Company**) if you have any queries. In particular, Eligible Shareholders should refer to the risk factors set out in Section 6 of this document. If you do not understand these documents, or are in doubt as to how to act, you should consult your financial or other professional adviser before making any investment decision.

This Offer Document is not a prospectus prepared in accordance with the Corporations Act and has not been lodged with ASIC. Accordingly, this Offer Document does not necessarily contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other disclosure document. As the Company is a listed disclosing entity which meets the requirements of section 708AA of the Corporations Act, the Offer will be made without a prospectus. Neither ASIC nor ASX, nor any of their officers or employees takes responsibility for this Offer or the merits of the investment to which this Offer relates.

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1. Key details of Offer

1.1 Key terms of Offer

Detail	Terms
Issue Price	\$0.01 (1.0c)
Entitlement	2 Offer Shares for every 5 Shares held at the Record Date
Shortfall Offer	The Underwriter will take up any shortfall shares under the Entitlement Offer, accordingly no additional shares will be offered or issued to the eligible shareholders
Maximum number of Offer Shares to be issued	187,994,800 Offer Shares
Maximum gross proceeds of Offer	\$1,879,948
Maximum number of Shares on issue following the Offer (including the issue of the Placement Shares)	657,981,968 Shares

The above figures assume that no existing Options over will be exercised prior to the Record Date. As at the date of this Offer Document there are 37,000,000 Options on issue.

1.2 Key indicative dates

Event	Date
Announcement of Placement & NREO	Monday, 14 September 2020
Lodge ASX Appendix 2A for Placement & S708A(5)(e) Cleansing Notice	Tuesday, 15 September 2020
"Ex" date	Wednesday, 16 September 2020
Record date	Thursday, 17 September 2020
Despatch and Lodge of Offer Documents	Monday, 21 September 2020
NREO Opening Date	Monday, 21 September 2020
Last day to extend NREO Closing Date	Thursday, 1 October 2020
NREO Closing Date	5.00pm Tuesday, 6 October 2020
Shares quoted on deferred settlement basis	Wednesday, 7 October 2020
Announcement of results of NREO	Friday, 9 October 2020
Issue shares and lodge ASX Appendix 2A	Prior to 12.00pm Tuesday 13 October 2020
Shares commence trading on a regular basis	Wednesday, 14 October 2020

The above dates are indicative only and may be subject to change. Subject to the Corporations Act, the Listing Rules and other applicable laws, the Directors reserve the right:

- (a) to vary the dates of the Offer in consultation with the Underwriter; or
- (b) not to proceed with the whole or part of the Offer at any time prior to issue of the Offer Shares.

In the event the Directors decide not to proceed with the whole or part of the Offer, Application Monies (without interest) will be returned in full to the Applicants.

An extension of the Closing Date for the Offer will delay the anticipated date for issue of the Offer Shares. The commencement of quotation of Offer Shares is subject to confirmation from ASX.

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of Offer Shares.

Eligible Shareholders wishing to participate in the Offer are encouraged to submit their Entitlement and Acceptance Form and make payment of the appropriate Application Monies as soon as possible after the Offer opens.

You cannot, in most circumstances, withdraw an Application once it has been accepted. No cooling-off rights apply to the Offer.

2. Chairman's Letter

Dear Shareholders,

Offer

On behalf of the Board, I am pleased to invite you to participate in this fully underwritten non-renounceable pro-rata entitlement offer of two (2) Offer Share for every five (5) Shares (**Entitlement**) held at the Record Date at an issue price of \$0.01 (1.0c) (**Offer**) to raise a total of approximately \$1,879,948 (before costs). Your Entitlement will provide you with the opportunity to increase your exposure to the upside of the Company moving forward.

This Offer to eligible shareholders to participate in the Entitlement Issue priced at of \$0.01 (1.0c) represents a discount of discount of 41% to the Company's 30-day VWAP of \$0.017 (1.7 cents) as at 10 September 2020 and is offered to Shareholders in recognition of their ongoing support of the Company.

The Offer Shares will be issued under exception 1 and 2 of ASX Listing Rule 7.2 and exception 1 of ASX Listing Rule 10.12 which means that shareholder approval under ASX Listing Rule 7.1 and 10.11 (respectively) will not be required for the issue.

The Offer will be open to those Eligible Shareholders who are on the Company's share register at 7:00pm (Melbourne time) on Thursday, 17 September 2020 and that have a registered address in Australia or New Zealand; and are not located in US and are not a US Person or acting for the account of or benefit of a person in US or a US Person.

The Offer is fully underwritten by Taylor Collison Limited ACN 008 172 450. The Directors, Mr Simon O'Loughlin, Mr Simon Taylor and Mr Thomas Whiting have agreed to sub-underwrite the Entitlement Offer to a combined total amount of approximately \$120,000, through their nominee entities (as detailed under section 7.11).

All the Directors also intend to take up their entitlements and encourages shareholders to do the same (further details on Director entitlements are outlined in section 7).

The proceeds of the Offer, in conjunction with funds raised from the placement completed by the Company on 15 September 2020 raising \$300,000 before costs and expenses (via the issue of 27,272,727 Shares to sophisticated investors and professional investors at an issue price of \$0.011 (1.1c) (**Placement**)) will be used towards funding of Company's exploration projects in addition to general working capital requirements.

The key expected use of proceeds of the Offer is funding of the Company's North East Tasmania Gold Exploration Project, subject to granting of the 10 first-in-time Exploration Licence Applications registered to Stellar's wholly owned subsidiary, Tarcoola Iron Pty Ltd on 9 September 2020. Stellar is excited about the opportunity to explore for Victorian-Style Orogenic Gold and Intrusive Related Gold Systems within the Exploration Licence Applications in North East Tasmania. The Exploration Licence Applications cover a large area of 2,295 km² and contain ~76 recorded historic gold occurrences. For further details please see our 10 September 2020 announcement "NE Tasmania Gold Exploration Licence Applications".

Non-tradable rights

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferrable. Eligible Shareholders who do not take up their Entitlement will not receive any value in respect of those Entitlements.

Low-docs offer

The Offer is to be made under s708AA of the Corporations Act and the Offer Document has been lodged with the ASX. A copy of that document can be accessed on the ASX website or the Company's website and is anticipated to be despatched to Eligible Shareholders (with personalised Entitlement and Acceptance Forms) on or before 21 September 2020.

How to apply

This Offer Booklet is important and requires your immediate attention.

The Eligible Shareholders will be provided personalised Entitlement and Acceptance Form which contains details of your Entitlement. You may :

- take up your Entitlement in full;
- take up part of your Entitlement; or
- do nothing and allow your Entitlement to lapse.

The Entitlement Offer is scheduled to open on 21 September 2020 and closes at 5.00pm (AEDT) on 6 October 2020.

If you wish to participate by taking up all or part of your Entitlement, you need to ensure that you have completed your application in accordance with the instructions set out in the form and

- paying Application Monies via BPAY® pursuant to the instructions that are set out on the Entitlement and Acceptance Form so that your payment via BPAY® has been received by the Share Registry by 5.00pm (AEDT) on 6 October 2020;

OR

- forward your completed Entitlement and Acceptance Form together with your cheque in Australian currency drawn on and payable at an Australian bank to reach the Company's Share Registry, Boardroom Pty Limited, no later than 5.00pm (AEDT) on 6 October 2020 at the address set out below:

Stellar Resources Limited
c/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Cheques should be made payable to "Stellar Resources Limited" and crossed "Not Negotiable". In order to use BPAY®, for accepting all or part of your Entitlement you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm (AEDT) on 6 October 2020.

Conclusion

Potential investors should be aware that subscribing for the Offer Shares involves a number of risks. The key risk factors of which investors should be aware are set out in section 6 of this Offer Document. Investors should carefully consider the risk factors that affect the Company specifically and the industry in which it operates.

On behalf of the Board, I would like to thank you for your continued support and invite you to seriously consider this compelling investment opportunity.

Yours Sincerely,



Simon O'Loughlin
Non-Executive Chairman
Stellar Resources Limited

3. Important Information

This Offer Document is dated 21 September 2020. This Offer Document is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act (or any other law) and has not been lodged with ASIC. The Offer Document is for information purposes only.

This Offer Document does not purport to contain all the information that you may require to evaluate a possible application for Offer Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act (or any other law). It should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX.

It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the Offer Shares. Neither ASIC nor ASX take responsibility for the contents of this Offer Document.

By returning an Entitlement and Acceptance Form (if applicable) or paying for your Offer Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Document and you have acted in accordance with and agree to the terms of the Offer detailed in this Offer Document.

You should also consider the key risks which is included in this Offer Document at section 6.

References to 'you' and 'your Entitlement'

In this Offer Document, references to 'you' are references to Eligible Shareholders and references to 'your Entitlement' (or 'your Entitlement and Acceptance Form') are references to the Entitlement and Acceptance Form of Eligible Shareholders.

No Entitlement trading

Entitlements are non-renounceable and will not be tradable on the ASX or otherwise transferable. Accordingly, you cannot, in most circumstances, withdraw your Application for Offer Shares once it has been accepted.

3.1 Investment decisions

The information in this Offer Document does not take into account the investment objectives, financial situation or needs of you or any particular investor. The potential tax effects of the Offer will vary between individual investors. Before deciding whether to apply for Offer Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Offer Shares the subject of the Offer. If, after reading this Offer Document, you have any questions about the Offer, you should contact your stockbroker, accountant or other independent and appropriately licensed professional adviser.

3.2 Disclaimer

No person is authorised to give any information or to make any representations in connection with the Offer which is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied on as having been authorised by the Company in connection with the Offer.

3.3 Offer is only made in Australia, New Zealand and Luxembourg

This Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, the Offer is only being made in Australia, New Zealand and Luxembourg.

The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. In particular, this Offer Document may not be distributed in the US or any other country except Australia, New Zealand and Luxembourg.

New Zealand

The Offer to New Zealand investors is made pursuant to the New Zealand *Securities Act (Overseas Companies) Exemption Notice 2013*. Pursuant to this Act, the only members of the public to whom the Offer Shares are offered in New Zealand are those who, at the time of the Offer, are holders of Shares in the Company.

Luxembourg

This Offer Document has not been, and will not be, registered with or approved by any securities regulator in Luxembourg or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the Offer Shares be offered for sale, in Luxembourg except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Offer Shares in Luxembourg is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or

in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

As the ASX does not operate in New Zealand or Luxembourg, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

3.4 Forward-looking statements

This Offer Document 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 Offer Document, 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 the Company, the Directors and management of the Company.

To the maximum extent permitted by law, none of the Company or any person named in this Offer Document or any person involved in the preparation of this Offer Document makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any intentions or outcomes expressed or implied in any forward looking statement and disclaim all responsibility and liability for such forward looking statements (including, without limitation, liability for negligence). The Company has 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 Offer Document, except where required by law. You are cautioned not to place undue reliance on any forward looking statement having regard to the fact that the outcome may not be achieved.

Any pro forma financial information (including past performance information) provided in this Offer Document is for information purposes only and is not a forecast of operating results to be expected in any future period. Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Document.

3.5 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 6 of this Offer Document. Investors should carefully consider the risk factors that affect the Company specifically and the resources, mining and exploration industry in which it operates.

3.6 Defined terms and time

Terms and abbreviations used in this Offer Document are defined in section 8 of this Offer Document. All financial amounts shown in this Offer Document are expressed in Australian dollars unless otherwise stated.

Notwithstanding any references to the contrary, all references to time in this Offer Document are to Melbourne time.

3.7 Publicly available information

The Offer Document should be read in conjunction with the Company's continuous disclosure announcements made to the ASX available from the ASX website (at www.asx.com.au - ASX Code: SRZ). The Company may release further announcements after the date of this Offer Document which may be relevant to your consideration of the Offer.

3.8 Past performance

Investors should note that past performance, including past Share price performance, cannot be relied on as an indicator of, and provides no guidance as to, future Company performance, including future Share performance.

3.9 Withdrawal

The Company reserves the right to withdraw the Offer at any time before the issue of Offer Shares under the Offer, in which case Stellar will refund any Application Monies received.

4. Details of the Offer

4.1 Purpose of the Offer

The purpose of this Offer is to:

- (a) facilitate funding of the Company's exploration and minerals projects and for general working capital requirements of the company. The key expected use of proceeds of the Offer is funding of the Company's North East Tasmania Gold Exploration Project, subject to granting of the 10 first-in-time Exploration Licence Applications registered to Stellar's wholly owned subsidiary, Tarcoola Iron Pty Ltd on 9 September 2020.
- (b) recognise Shareholders' ongoing support of the Company and provide the opportunity for Eligible Shareholders to participate in a discounted rights issue.

4.2 Entitlement and amount to be raised

The Company is undertaking a fully-underwritten non-renounceable pro-rata entitlement issue of two (2) Offer Share for every five (5) Shares (**Entitlement**) held by Eligible Shareholders registered as at the Record Date at an issue price of \$0.01 (1 cent) per Offer Share (**Offer**).

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of Offer Shares.

Based on the capital structure of the Company as at the date of this Offer Document, approximately 187,994,800 Offer Shares will be issued pursuant to this Offer to raise up to approximately \$1,879,948 (before costs).

All Offer Shares issued will have the rights attaching to those securities as set out in section 4.8.

The intended use of funds raised under the Offer is set out in section 5.1 of this Offer Document.

The Directors may, at any time, decide to withdraw this Offer Document and the Offer of Offer Shares made under it, in which case the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

4.3 Issue price

The issue price is \$0.01 for each Offer Share payable in full in Australian currency via BPAY® payment.

4.4 Minimum subscription

There is no minimum subscription in respect of the Offer, as the Offer is fully underwritten by the Underwriter.

4.5 Underwriting

The Offer is fully underwritten by the Underwriter. Subject to the terms of the Underwriting Agreement, the Underwriter will lodge or cause to be lodged with the Company, Applications for any Offer Shares not subscribed for by Eligible Shareholders. The Underwriter is entitled to, in consultation with the Company, nominate who is to receive Offer Shares not subscribed for as Entitlements by Eligible Shareholders.

A summary of the other material terms of the Underwriting Agreement is set out in Section 7.11 of this Offer Document.

4.6 Eligibility to participate in Offer

The Offer is being offered to Eligible Shareholders only. Eligible Shareholders are persons who are registered as a holder of Shares as at the Record Date that:

- (a) have a registered address in Australia, New Zealand or Luxembourg; and;
- (b) are not located in US and are not a US Person or acting for the account of or benefit of a person in US or a US Person,

(Eligible Shareholders).

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

The Company has decided that it is unreasonable to make offers under the Offer to Shareholders who have a registered address outside Australia, New Zealand or Luxembourg having regard to the number of such holders in those places and the number and the value of the Offer Shares that they would be offered, and the costs of complying with the relevant legal and regulatory requirements in those places. The Company may (in its absolute discretion) extend the Offer to Shareholders who have registered addresses outside of Australia, New Zealand or Luxembourg in accordance with applicable law.

The Company has appointed the Underwriter as a nominee to sell the Entitlements to which Ineligible Shareholders are entitled. Refer to Section 4.18 of this Offer Document for more details.

Shareholders with a registered address in New Zealand must note the selling restrictions set out in Section 4.17 of this Offer Document.

Eligible Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement which will accompany the copy of this Offer Document sent to them. Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of Offer Shares.

Shareholders who are not Eligible Shareholders, will not be entitled to participate in the Offer or to subscribe for Offer Shares.

4.7 Option holders

As at the date of this Offer Document, the Company has 37,000,000 Options on issue all of which were not exercised prior to the Record Date and there are unable to participate in the Offer.

Option holders will not be able to participate in the Offer unless they:

- (a) have become entitled to exercise their existing Options under the terms of their issue and do so, so they are registered as holders of Shares prior to the Record Date; and
- (b) participate in the Offer as a result of being a holder of Shares registered on the register of the Company at the Record Date.

4.8 Rights attaching to Shares

Shares issued pursuant to the Offer will be fully paid and rank equally with all other issued Shares, including in respect of dividends.

The rights attaching to Shares are set out in the Constitution and are regulated by the Corporations Act, the ASX Listing Rules and general law.

4.9 Non-renounceable offer

The rights to Offer Shares are non-renounceable. Accordingly, there will be no trading rights on the ASX (or any other exchange) and you may not dispose of your rights to subscribe for Offer Shares to any other party. If you do not take up your Entitlement to Offer Shares by the Closing Date, the Offer to you will lapse, you will receive no benefit and your interest in the Company may be diluted.

4.10 Acceptance

Your acceptance of the Offer must be made in accordance to the terms noted herewith and on the Entitlement and Acceptance Form.

The number of Offer Shares to which Eligible Shareholders are entitled (your Entitlement) is shown on your personalised Entitlement and Acceptance Form, which along with this Offer Document will be provided to the shareholder or can be accessed by contacting Boardroom (Company's Share registry). Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of Offer Shares.

If you do not take up your Entitlement in full, then your percentage holding in the Company will be diluted.

a) You may participate in the Offer as follows:

if you wish to take up your Entitlement in full or in part, arrange payment by:

- paying Application Monies via BPAY® pursuant to the instructions that are set out on the Entitlement and Acceptance Form so that your payment via BPAY® has been received by the Share Registry by 5.00pm (AEDT) on 6 October 2020;

OR

- forward your completed Entitlement and Acceptance Form together with your cheque in Australian currency drawn on and payable at an Australian bank to reach the Company's Share Registry, Boardroom Pty Limited, no later than 5.00pm (AEDT) on 6 October 2020 at the address set out below:

Stellar Resources Limited
c/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Cheques should be made payable to "Stellar Resources Limited" and crossed "Not Negotiable". In order to use BPAY®, for accepting all or part of your Entitlement you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm (AEDT) on 6 October 2020.

b) if you do not wish to accept all or part of your Entitlement, you are not obligated to do anything in response to the Offer.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.11 Implications of an acceptance

The payment of any Application Monies by BPAY® or cheques will be taken by the Company to constitute a representation by you that:

- a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- b) such payment constitutes a binding and irrevocable offer to apply for Offer Shares on the terms and conditions set out in this Offer Document and/or the Entitlement and Acceptance Form and, once lodged or paid, cannot be withdrawn; and

- (c) you acknowledge that once the Entitlement and Acceptance Form is returned or a BPAY® payment or cheque payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

4.12 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australia financial institution that supports BPAY® transactions or for New Zealand Shareholders only, if you do not have an account that supports BPAY® transactions to an Australian bank account then please contact Boardroom Pty Limited on 1300 737 760 (within Australia or on 02 9290 9600 (from outside Australia) for alternative payment arrangements. Please note that by paying by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance;
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Offer Shares which is covered in full by your Application Monies; and

It is your responsibility to ensure that your BPAY® or cheque payment is received by the Share Registry by no later than 5.00pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final allocation of Offer Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.13 Shortfall Shares

The Entitlement Offer is fully underwritten and lead managed by Taylor Collison Limited (Lead Manager).

To the extent there is a shortfall between the number of Offer Shares applied for under the Offer and the total Entitlements offered to Eligible Shareholders under the Offer (Shortfall Shares) will be taken up by the Lead Manager.

Accordingly, Eligible Shareholders will not be offered any additional shares apart from their entitlement.

4.14 ASX Quotation

Application for Official Quotation of the Shares offered pursuant to this Offer Document will be made in accordance with the timetable set out at the commencement of this Offer Document.

The fact that ASX may grant Official Quotation of the Shares is not to be taken in any way as an indication of the merits of the Offer or an interest in the Company.

4.15 Allotment

Shares issued pursuant to the Offer will be allotted in accordance with the ASX Listing Rules and timetable set out in section 1.2 of this Offer Document.

Pending the allotment and issue of the Shares or payment of refunds under this Offer Document, all Application Monies will be held by the Company in trust for the Investor in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Investor waives the right to claim interest.

4.16 Offer Document and the Corporations Act

This Offer Document is issued pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act.

Accordingly, neither this Offer Document nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the offer will be prepared. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would ordinarily expect in, a prospectus.

In accordance with the conditions imposed on the Company by section 708AA of the Corporations Act, the Company provided ASX with a notice that complied with the requirements of section 708AA(7) on 14 September 2020. The notice was required to:

- (a) set out information that had been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and that Investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the Shares offer under this Offer Document; and
- (b) state the potential effect of the issue of the Shares offer under this Offer Document on the control of the Company and the consequences of that effect.

4.17 Overseas Shareholders

This Offer Document has been prepared to comply with the requirements of the securities laws of Australia.

This Offer Document does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer, the Offer Document or the Offer Shares, or otherwise permit the public offering of the Offer Shares, in any jurisdiction other than Australia.

The distribution of this Offer Document (including an electronic copy) outside Australia, New Zealand and Luxembourg may be restricted by law. If you come into possession of this Offer Document, you should observe such restrictions and should seek your own advice on such restrictions.

Shareholders resident in Australia, New Zealand or Luxembourg holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The Offer Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the Offer of Offer Shares is being made in reliance on the transitional provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Luxembourg

This Offer Document has not been, and will not be, registered with or approved by any securities regulator in Luxembourg or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the Offer Shares be offered for sale, in Luxembourg except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Offer Shares in Luxembourg is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

United States

None of the information in this Offer Document, or the Entitlement and Acceptance Form that will accompany this Offer Document when it is despatched to Eligible Shareholders, constitutes an offer to sell, or the solicitation of an offer to buy, any securities in US. Neither this Offer Document (or any part of it), the accompanying ASX announcements nor the Entitlement and Acceptance Form when that is to be made available, may be released or distributed directly or indirectly, to persons in US.

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of US. The Entitlements may not be taken up by persons in US or by persons (including nominees or custodians) who are acting for the account or benefit of a person in US, and the Offer Shares may not be offered, sold or resold in US or to, or for the account or benefit of, a person in US except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act of 1933 and applicable securities laws of any state or other jurisdiction in US.

Ineligible Shareholders are not entitled to participate in the Offer.

4.18 Appointment of Nominee

Pursuant to section 615 of the Corporations Act, the Company has appointed the Underwriter as a nominee, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale. The Company will seek to obtain ASIC approval for the appointment of the nominee, as required by section 615 of the Corporations Act.

The proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee must sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the nominee will not be required to sell Ineligible Shareholders' Entitlements at a particular price.

The Underwriter has been appointed as the nominee under section 615 of the Corporations Act and will be paid for this service on standard industry terms and conditions.

4.19 Enquiries

Any questions concerning the Offer should be directed to Boardroom Pty Limited on 1300 737 760 (within Australia or on 02 9290 9600 (from outside Australia).

5. Purpose and effect of the Offer

5.1 Use of funds raised

Completion of the Offer will result in an increase in cash at hand of up to approximately \$1.88 million (before the payment of the costs associated with the Offer).

The Company intends to apply the funds raised under the Offer and the proceeds of the Placement (approximately \$2.18 million in total) to facilitate funding of the Company's exploration and minerals projects and general working capital purposes.

The above statement is a statement of current intentions as at the date of this Offer Document. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied.

5.2 Effect of the Offer

The principal effect of the Offer will be to:

- (a) increase the cash reserves and issued capital by up to approximately \$1.88 million immediately after completion of the Offer prior to deducting the estimated expenses of the Offer; and
- (b) increase the total number of Shares on issue from 442,714,441 by up to 187,994,800 Shares, such that there will be approximately 657,981,968 Shares on issue following completion of the Offer and factoring in the issue of the Placement Shares.

Please see section 5.3 of this Offer Document for further details.

5.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Offer Shares are issued, is set out below.

Shares	Number
Shares on issue as at date of Offer Document	469,987,168
Offer Shares offered pursuant to the Offer	187,994,800
Total Shares on issue after completion of the Offer	657,981,968

Options & Share Rights	Number
SRZAA Unlisted Options (Various Classes)	37,000,000
SRZAB Share Rights	5,161,190
Total Options & Share Rights on issue after completion of the Offer*	42,161,190
*assuming no options or share rights have been exercised prior to the completion of the offer.	

5.4 Possible dilutive effect

The dilutionary effect of the Offer on your shareholding will depend on whether you are an Eligible Shareholder and if so, whether you elect to subscribe for some or all of your Entitlement.

If Eligible Shareholders take up all of their entitlements under the Offer, Eligible Shareholders will hold the same percentage interest in the Company as they did immediately prior to completion of the Offer.

However, to the extent that any Shareholder fails to take up their full Entitlement to Offer Shares under the Offer, or if an Ineligible Shareholder is unable to participate in the Offer, that Shareholder's percentage holding in the Company will be diluted.

Please refer to Section 5.5 of this Offer Document for detail of the effect of the Offer on voting power in the Company.

5.5 Effect of Offer on Voting Power in the Company

(a) Underwriter

The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares to the Underwriter may increase its interest in the Company and dilute the shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

The Underwriter intends to allocate the Shortfall to its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Company, in consultation with the Underwriter, will otherwise ensure that the Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the Corporations Act 2001 (Cth) and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

Shareholders should also note that if all Shareholders do not take up their Entitlement, the Underwriter will obtain a maximum Voting Power of 28.57% of the Company. The table below sets out examples of the possible voting power of the Underwriter based on the participation of Shareholders in the Offer.

This table assumes that:

- the Placement Shares are placed in accordance with the firm commitments received by the Company;
- no Shares are issued before the Record Date, as a result of the exercise of Options; and
- those Entitlements not accepted are placed solely with the Underwriter or its associates.

Underwriter's Voting Power Pre-Offer	Total Shareholder take up of Entitlements	Shares taken up by Underwriter under Shortfall	Underwriter's Voting Power Post-Offer
0%	100%	0	0.00%
0%	50%	93,997,400	14.29%
0%	25%	140,996,100	21.43%
0%	0%	187,994,800	28.57%

Notwithstanding the potential increase in voting power of the Underwriter underwriting the Offer, the Company understands that, other than as disclosed in this Offer Document and previously announced by the Company, the Underwriter has no present intention of making any significant changes to the current business plan or management of the Company.

These intentions are based on information concerning the Company, its business and the business environment which is known to the Underwriter at the date of this Offer Document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information at the relevant time.

(b) Non-participating Shareholders

Shareholders should note that if they do not participate in the Offer, then following completion of the Offer, their Voting Power could be diluted by up to 32.72%. Examples of how the dilution may impact Shareholders are set out below.

The below table assumes that:

- no Shares are issued before the Record Date, as a result of the exercise of Options; and
- those Entitlements not accepted are subscribed by the Underwriter.

Holder	Record Date		Entitlement	Post-Offer	
	Shares	%	Shares	Shares	%
Shareholder 1	50,000,000	10.64%	20,000,000	50,000,000	7.60%
Shareholder 2	10,000,000	2.13%	4,000,000	10,000,000	1.52%
Shareholder 3	500,000	0.11%	200,000	500,000	0.08%
Total	469,987,168	100%	187,994,800	657,981,968	100%

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all eligible shareholders take up their entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer; and
- (b) in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement as shown by the table above.

5.6 Details of substantial holders

Based on publicly available information as at the close of trading on 15 September 2020, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	At date of Offer Document		On completion of Offer	
	Shares	%	Shares	%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	72,928,284	15.52%	72,928,284	11.08%
CAPETOWN S A	62,382,221	13.27%	62,382,221	9.48%

If a substantial holder of the Company does not participate in the Offer, and the Offer and any Shortfall is fully subscribed, their holding will be diluted.

6. Risk Factors

6.1 Introduction

An investment in the Company is not risk free and should be regarded as speculative.

There are specific risks which relate directly to the Company's activities. 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 the Shares and the underlying Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed and do not take into account the individual circumstances of Shareholders.

The Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Offer Document and consult with their professional advisers before deciding whether to apply for Shares under this Offer Document.

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

6.2 Specific risks

(a) Investment Risk

Holders of Shares have no right to a repayment of their investment. Investors should appreciate that an investment in Shares carries risks. The Shares may not be tradeable at their issue price, and liquidity may be thin. The Shares are not redeemable in any circumstance and, in the event of external administration or liquidation (i.e., insolvency), are likely to be of minimal value.

(b) Future Capital Needs and Additional Funding

While the Company believes that on completion of the Offer it will have enough working capital to fund its activities in the short term, it is operating in highly volatile times. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates. If adequate funds are not available on acceptable terms the Company may not be able to further develop its project(s) and it may impact on the Company's ability to continue as a going concern.

As the Company is also actively looking at acquisitions, there may be additional funding requirements to fund the acquisition or undertake the required work program on the acquisition. As at the date of this document, the Company does not have any negotiations underway on any potential acquisition and is therefore unable to quantify any potential requirement.

None of these alternatives have been determined at present, and any need to implement a funding alternative would be considered if required having regard to the circumstances at that time including the amount raised under the Offer. However, no assurance can be given that the Company will be able to implement any specific alternative or raise any particular amount through implementing any of them. The Company's ability to raise capital in the future may also be impacted by COVID-19.

(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 scoping 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 Heemskirk Tin 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 Company Risk

As the Company is an exploration company, the market's perception of the value of its shares can alter significantly from time to time, causing fluctuations in the Company's share price. Fluctuations may also occur as a result of factors influencing the price of shares in exploration companies or share prices generally, as well as exploration activities by other parties in the same general region. The price of shares rises and falls and many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions and investor and consumer sentiment. The stock markets generally remain volatile.

While the Company is seeking to acquire additional exploration assets in order to increase the geological diversity of the Company's exploration portfolio all of the abovementioned risks also apply to any acquisition.

(e) Industry Nature Risk

Mineral exploration activity, especially drilling, by its nature is risky. Where exploration is successful, drilling operations can be affected by breakdowns, adverse weather conditions, site and geographical conditions, operational risks, shortage or delays in the delivery of rigs and/or other equipment, industrial disputes, government regulations, environmental issues and unanticipated costs. Exploration may be unsuccessful. Exploration may prove to be more costly than expected or the proposed timing of exploration may not be achieved, thus potentially putting strains on the Company's financial position.

Even if an apparently viable mineral resource is identified, there is no guarantee that it can be profitably exploited. While exploration may yield positive results there can be no guarantee that any discovery will be sufficiently productive to justify commercial development or cover operating costs. There can be no assurance that the Company will achieve production as this will depend on a wide range of factors, including development decisions, capital costs and operating costs and the ability of the Company to fund these costs.

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. In addition, such estimates are necessarily imprecise and depend to a significant extent on interpretations, which may prove inaccurate. The calculation of any possible grade and tonnage of a mineral deposit in a prospect may be proved incorrect by future exploration/production, mapping and/or drilling.

(f) Native Title Risk and Cultural Heritage

Native title rights may adversely impact on the Company's operations. The Company's current projects are in compliance with Native Title requirements, however there is no certainty that a suitable Native Title agreement could be reached if there were a requirement for such an agreement due to further development or changes in Native Title requirements.

The impact of Native Title requirements on any future acquisition is not able to be assessed currently but may incur unforeseen costs and time in negotiating an agreement.

Delays may be experienced if evidence of Aboriginal cultural heritage exists on any land to which the Company requires access. When exercising a right or permission for access to any land, it is an offence, to disturb physical evidence of human occupation of prehistoric or historic significance without statutory permission. This restriction applies to any activity including minerals exploration and production. The Company is currently in compliance with all heritage requirements on its current projects, but may face unexpected delays and/or costs with any potential acquisition.

(g) 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.

(h) Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company may be dependent upon the Company's senior management, key personnel and consultants. There can be no assurance given that there will be no detrimental impact on the Company if one, or a number of, those employees or consultants cease their employment or engagement with the Company.

(i) Tenure and Title Risk

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for tenements will be approved in full or at all. In addition, interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

The Company wishes to highlight that currently it holds first-in-time registered Exploration Licence Applications (Applications) over the North East Tasmania Gold Project. Processing of these Applications by Mineral Resource Tasmania (MRT) is expected to take 3-6 months. The Company expects that following completion of processing of the Applications, that Exploration Licences will be granted by MRT over the areas covered by the Applications, however there is a risk that MRT may not grant EL's to the Company over part or all of the areas covered by the Applications.

(j) Access and Infrastructure Risk

Access on and to tenements may be subject to the availability of appropriate infrastructure or the consent of third parties. There is no guarantee that agreement can be reached with interested third parties or that the necessary infrastructure required to access or develop the tenements will be available or viable.

(k) Occupational Health and Safety

There is an inherent risk of workplace accidents occurring during the conduct of mining activity. The Board is totally committed to providing a safe and healthy workplace for the Company's employees and contractors, where engaged from time to time. Hazardous activities are avoided wherever possible, but when necessary, all employees and contractors are required to conduct themselves in accordance with all applicable laws and policies in force from time to time in respect of occupational health and safety.

(l) Underwriting Risk

The Entitlement Offer is fully underwritten which means there is a high level of certainty that the Company will raise sufficient money under it to carry out its stated objectives for the next 12 months. However there are circumstances outlined in this document that may lead to the underwriting agreement becoming terminated. If this were to occur there is no guarantee that the Company will be able to secure additional or alternative funding under the Entitlement Offer, the success of which would then be dependent on shareholder support and the ability to obtain investor support for any shortfall that may arise. If such support is not forthcoming, the Company's work programme will be compromised and consideration will need to be given to implementing alternative funding strategies.

(m) Uninsured Loss and Liability

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all losses or liabilities that could arise from the Company's operations. If the Company incurs losses or liabilities which are not covered by the Company's insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of the Company's assets may be at risk.

(n) Contractual Dispute Risk

Contractual disputes with joint venture partners and contractors can arise from time to time. The Company does not currently have any joint venture arrangements on its projects, however it may be a part of any future acquisition or divestment. Where a joint venture partner does not satisfy its financial or other commitments or act in the best commercial interest of the project, it could have a material adverse effect on the interests of the Company. The Company is unable to predict the risk of financial failure, non-compliance with obligations or default by a participant in any venture to which it may become a party, or insolvency or managerial failure by any of contractors used by the Company in its exploration activities. Failure to meet contracted obligations by a joint venture partner or contractor could adversely affect the Company's capacity to carry out its own activities.

(o) Environmental Risk

In relation to the projects currently held by the Company is currently in compliance with all environmental requirements. Issues can arise from time to time with respect to abandonment costs, consequential clean-up costs and environmental concerns. The Company could become subject to liability if, for example, there is an environmental event such as rain, storms, fire, flooding etc that require clean-up costs to be incurred. It is not possible to quantify any such contingent liability. Whilst no guarantee can be given, the Company is not aware of any advices which would suggest that there is any particular exposure in relation to any of its present interests.

(p) Environmental Impact Constraints

The Company's exploration and appraisal programs will, in general, be subject to approval by government authorities. Development of any mineral resources will be dependent on the Company being able to obtain environmental approvals to carry out its planned activities, and then being able to meet all environmental conditions placed on such activities.

(q) Impairment of Non-Financial Assets Risk

As at 30 December 2019, the Company's assets included \$10.8 million of capitalised exploration and evaluation costs. These assets are tested semi-annually for impairment in accordance with accounting standard requirements to assess whether the carrying value may exceed its recoverable amount. An impairment loss may be triggered if capitalised exploration expenditure, evaluation and development costs where an area of interest does not meet the requirements under the accounting standards (AASB 6 - Exploration for and Evaluation of Mineral Resources).

(r) 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 General Risks

A number of factors which are outside of the Company's control may significantly impact on the Company, its performance and the price of Shares. These factors include:

(a) COVID-19 Pandemic Risk

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID -19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors accordingly.

(b) Investment and Economic Risk

Economic factors both in Australia and internationally beyond the control of the Company, such as interest rates, inflation, exchange rates, taxation, changes in government policy and legislation, may negatively impact on the operational performance of the Company.

The Company's revenues, expenses and cash flows could be negatively affected by any of these factors, which in turn may affect the price of New Shares.

No assurances can be made that the Company's performance will not be adversely affected by any such market fluctuations or factors. None of the Company or its Directors or any other person guarantees the performance of the Company or the market price at which its shares trade.

The price of New Shares quoted on ASX may rise or fall.

The New Shares issued under the Entitlement Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. The value of the New Shares will be determined by the share market and will be subject to a range of factors beyond the control of the Company and its Directors including the demand and availability of Shares.

There can be no guarantee that an active market in New Shares will develop or the market price of the shares will not decline. An investment in New Shares should be considered speculative.

(c) Governmental and Regulatory Risk

The impact of actions by governments may affect the Company's operations including matters such as necessary approvals, land access, sovereign risk, additional or increased taxation and royalties which are payable on the proceeds of the sale of any successful exploration. Further, the approval of contractual arrangements in relation to exploration permits as well as the renewal of exploration permits is each a matter of governmental discretion and no guarantee can be given in this regard.

A failure to obtain any approval would mean that the ability of the Company to participate in or develop any project may be limited or restricted either in part or absolutely. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

(d) Commodity and Currency Price Volatility

Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations. Some of these influencing factors include:

- the COVID-19 pandemic;
- world demand for particular commodities;
- the level of production costs in major commodity producing regions; and
- expectations regarding inflation, interest rates and US dollar exchange rates.

Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and financial position.

Factors affecting commodity prices include:

- supply and demand fluctuations for specific commodities;
- changes in investor sentiment toward specific commodities;
- speculative trading;
- forward selling activities; and
- macro-economic factors such as inflation and interest rates.

(e) Stock Market Risks

The market price of the Shares may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to the Company's operations.

(f) **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.

(g) **Taxation**

The acquisition and disposal of Shares 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 and disposing of Shares 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 Shares under the Offer.

7. Additional information

7.1 Continuous disclosure obligations

The Company is listed on the ASX and its Shares are quoted on the ASX under the code: SRZ.

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports. The Company is required to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

This Offer Document is issued pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act.

This Offer Document 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 or other disclosure document that is required to satisfy the Corporations Act. 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 enquiries 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 three months before the issue of this Offer Document 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.

7.2 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date this Offer Document and the respective dates of those sales were:

	Share Price	Date
Highest	0.02	03/09/2020
Lowest	0.006	25/06/2020
Last	0.016	16/09/2020

7.3 Interests of Directors

The interests of the Directors hold either directly or through their controlled entities in the securities of the Company as at the date of this Offer Document are as follows:

Director	Shares	Options	NED Rights	Entitlement (Offer Shares)
Thomas Whiting	2,264,129	-	1,172,864	905,652
Gary Fietz	879,373	2,000,000	1,003,504	351,750
Simon O'Loughlin	2,700,000	1,350,000	1,755,137	1,080,000
Simon Taylor	4,000,000	2,000,000	1,229,685	1,600,000

The Board encourages all Eligible Shareholders take up their Entitlements and advises that all Directors intend to take up their respective Entitlements in full where eligible.

7.4 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.5 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company currently operates an electronic issuer-sponsored register and an electronic CHES sub-register. The two sub-registers together will comprise the Company's register of Shares.

The Company will not issue certificates. Investors who are allotted Shares under this Offer Document will be provided with a transaction confirmation statement which sets out the number of Shares allotted to the Investor. Investors who elect to hold Shares on the issuer-sponsored sub-register will be provided with a holding statement (similar to a bank account statement) which sets out the number of Shares allotted to the Shareholder under this Offer Document. For Investors who elect to hold their Shares on the CHES sub-register, the Company will issue an advice that sets out the number of the Shares allotted to the Investor under this Offer Document. At the end of the month of allotment, CHES, acting on behalf of the Company, will provide those Shareholders with a holding statement that confirms the number of Shares held and any transactions during that month.

A holding statement (whether issued by CHES or the Company) will also provide details of the applicable Holder Identification Number in case of a holding on the CHES sub-register or Reference Number in case of a holding on the issuer-sponsored sub-register. Following distribution of these initial holding statements, a holding statement will also be provided to each Shareholder at the end of any subsequent month during which the balance of that Shareholder's holding of securities in the Company changes.

A Shareholder may request a holding statement at any other time. However, a charge may be imposed by the Share Registry for additional statements.

7.6 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder 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 Share Registry.

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

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), 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 Shares, the Company may not be able to accept or process your application.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process the application.

7.7 Rights issue exception not available

No nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in Item 10 of Section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% Voting Power threshold in section 606 as a result of acceptance of their Entitlement should seek professional advice before completing and returning the Entitlement and Acceptance Form.

7.8 Litigation

So far as the Company is aware, there are no legal or arbitration proceedings, active or threatened against, or being brought by, the Company which may have a material effect on the Company's financial position.

7.9 No cooling-off rights

Cooling-off rights do not apply to an investment in Offer Shares. You cannot, in most circumstances, withdraw your application once it has been accepted.

7.10 Alteration of terms

The Company reserves the right, at its discretion, to vary all or part of the Offer at any time, subject to the Corporations Act and ASX Listing Rules and any other law or regulation to which the Company is subject.

7.11 Underwriting

The Company has entered into an underwriting agreement with the Underwriter, Taylor Collison, dated 14 September 2020 (**Underwriting Agreement**), pursuant to which the Underwriter has agreed to fully underwrite the Offer by procuring Applications for any Offer Shares that are not subscribed for by Eligible Shareholders pursuant to the Offer. The Underwriter has the right to, in consultation with the Company, nominate and determine who is to receive all of the Offer Shares not subscribed for as Entitlement.

The Underwriter has entered into a number of sub-underwriting agreements in respect of the Shares, including with Directors, Mr Simon O'Loughlin, Mr Simon Taylor and Mr Thomas Whiting, who have agreed to sub-underwrite the Entitlement Offer to a combined total amount of approximately \$120,000, through their nominee entities. No sub-underwriter will increase their shareholding to above 19.99% as a direct result of the issue of Offer Shares under the Offer.

Mr O'Loughlin, Mr Taylor and Mr Whiting have waived any entitlement to be paid fees in respect of their sub-underwriting. The maximum potential increase in voting power of Mr O'Loughlin, Mr Taylor and Mr Whiting as a result of this sub-underwriting arrangement is set out below.

Director	Sub-Underwritten Shares	Sub-Underwritten Value	Shares Currently Held	Entitlement under the Offer	Total Shares held post Offer*	Total Voting Power post offer*
Thomas Whiting	2,000,000	\$20,000	2,264,129	905,652	5,169,781	0.79%
Simon O'Loughlin	5,000,000	\$50,000	2,700,000	1,080,000	8,780,000	1.33%
Simon Taylor	5,000,000	\$50,000	4,000,000	1,600,000	10,600,000	1.61%

**The above mentioned figures assumes that i) Mr O'Loughlin, Mr Taylor and Mr Whiting will not exercise the options or share rights (as detailed under section 7.11) before the Record date, ii)) all Shares are issued pursuant to the Offer under their entitlements; and (iii) that Mr O'Loughlin, Mr Taylor and Mr Whiting are obliged to subscribe for all of their respective sub-underwritten Shares pursuant to their sub-underwriting agreement.*

The sub-underwriting arrangements shall terminate if the Underwriters' obligations under the Underwriting Agreement cease or are terminated.

The Company has agreed to pay to the Underwriter, Taylor Collison the following fees:

- (a) an aggregate fee of 6 % (plus GST) of the total gross amount underwritten by the Underwriter.

The Company will also be required to indemnify the Underwriters for certain costs and expenses incurred by it in relation to the Offer, including certain legal fees.

The Underwriting Agreement contains various representations, warranties, indemnities and undertakings in favour of the Underwriters that are not unusual for an underwriting arrangement of this sort. In particular, the Underwriting Agreement contains various representations and warranties by the Company relating to the Company and its business, including information provided to the Underwriter and disclosed to the ASX. The Underwriting Agreement also imposes various obligations on the Company, including undertakings to do certain things, including providing certain notices to the Underwriter and the ASX within prescribed periods. The Underwriting Agreement also places certain restrictions on the Company for a period of three months from the date of the Underwriting Agreement, including restrictions on amendments to its constitution, disposing of the whole or a substantial part of its business or property and restrictions on the issue of Shares by the Company.

The obligation of the Underwriter to underwrite the Offer is conditional on customary conditions including, amongst others, the dispatch of this Offer Document and certain events not occurring during the period the Offer is open.

If certain events occur, the Underwriter has the right to terminate the Underwriting Agreement. In summary, these include:

- (a) (unable to issue Shares) the Company is prevented from issuing the Offer Shares within the time required by the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency;
- (b) (withdrawal) the Company withdraws the Offer;
- (c) (Corrective Disclosure):
 - (i) the Underwriter, forms the view on reasonable grounds that a corrective document should be lodged with ASX to comply with the Corporations Act and the Company fails to lodge a corrective document in such form and content and within such time as the Underwriter may reasonably require; or

- (ii) the Company lodges a corrective document without the prior written agreement of the Underwriter (which agreement the Underwriter may not unreasonably withhold);
- (d) (market movement) the S&P/ASX Small Ordinaries index falls by more than 10% on any two consecutive trading days after the Execution Date or one business day prior to the Settlement Date;
- (e) (ASIC application): ASIC gives notice of an intention to hold a hearing, examination or investigation, or it requires information to be disclosed in connection with the Offer, the Placement or the Company;
- (f) (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and the Takeovers Panel elects to hear the application
- (g) (No Listing Approval): the Company fails to lodge an Appendix 2A in relation to the Underwritten Shares with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (h) (Indictable offence): a director or senior manager of the Company is charged with an indictable offence;
- (i) (insolvency) an Event of Insolvency occurs in respect of the Company;
- (j) (capital structure) the Company alters its capital structure in any manner not contemplated by the Offer Document or without the prior written consent of the Underwriter;
- (k) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before the Issue without the prior written consent of the Underwriter;
- (l) (Timetable) any event specified in the timetable is delayed for more than 3 business days without the prior written consent of the Underwriters

8. Definitions

\$ or Dollars means dollars in Australian currency (unless otherwise stated).

AEST means Australian Eastern Standard Time & **AEDT** means Australian Eastern Daylight Time.

Applicant means an Eligible Shareholder has submitted an Application.

Application means an application for Offer Shares or Shortfall Shares pursuant to this Offer Booklet.

Application Monies means monies received by the Company from Applicants with respect to the Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement Pty Ltd ACN 008 504 532.

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.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

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

Business Day means a day that is not a Saturday, Sunday or a public holiday in Melbourne, Victoria.

CHESS means Clearing House Electronic Sub-register System of ASTC.

Closing Date means 5.00pm (AEDT) on the date specified in the timetable set out at section 1.2 this Offer Document or such other date as may be determined by the Directors.

Company means Stellar Resources Limited ACN 108 758 961.

Constitution means the constitution of the Company as at the date of this Offer Document.

Corporations Act means the *Corporations Act 2001* (Cth), as amended.

Directors means the directors of the Company as at the date of this Offer Document.

Eligible Shareholder has the meaning given to that term in section 4.6 of this Offer Document.

Entitlement means the non-renounceable entitlement for Eligible Shareholders to subscribe for Offer Shares on the basis of two (2) Offer Share for every five (5) Shares held on the Record Date. Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of Offer Shares.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Offer Document.

Ineligible Shareholders means any Shareholder who is not an Eligible Shareholder.

Issue Price means \$0.01 per Offer Share.

Investor means an investor participating in the Offer.

Listing Rules means the official listing rules of ASX, as amended from time to time.

Offer means the non-renounceable entitlement issue of two (2) Offer Share for every five (5) Shares held by those Eligible Shareholders registered at the Record Date at the Issue Price.

Offer Document means this document dated 21 September 2020 under which the Offer is made, and includes any amended or replacement summary document.

Offer Share means a new fully paid Share in the capital of the Company to be issued pursuant to the Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the placement undertaken by the Company on 15 September 2020 under which the Placement Shares were issued to sophisticated investors and professional investors to raise \$ 300,000 (before costs and expenses) in accordance with sections 708(8) and 708(11) of the Corporations Act.

Placement Shares means approximately 27,272,727 Shares to be issued pursuant to the Placement.

Record Date means 7.00pm (AEST) on the date specified in the timetable set out at section 1.2 this Offer Document.

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

Share Registry means Boardroom Pty Ltd ABN 14 003 209 836.

Shareholder means a holder of a Share.

Shortfall means the extent to which Eligible Shareholders do not subscribe for Offer Shares pursuant to the Offer.

Underwriter means Taylor Collison Limited ABN 53 008 172 450 .

Underwriting Agreement means the underwriting agreement between the Underwriter and the Company dated 14 September 2020, as summarised in section 7.11 of this Offer Document.

US means the United States of America.

US Person means, among other things and subject to certain exceptions:

- (a) any natural person resident in the US;
- (b) any partnership, corporation or other entity organised or incorporated in the US;
- (c) any trust of which any trustee is a US person;
- (d) any agency or branch of a foreign entity located in the US;
- (e) any account held by a dealer or other fiduciary that either is organised, incorporated or resident in the US or holds for the benefit or account of a US Person; or
- (f) any partnership or corporation that is organised or incorporated in a foreign jurisdiction by a US person principally for the purpose of investing in securities not registered under the US Securities Act.

US Securities Act means the *United States Securities Act of 1933*, as amended.

Voting Power has the meaning given to that term in the Corporations Act.

9. Corporate Directory

Directors

Mr Simon O'Loughlin
Non-Executive Chairman

Mr Thomas Whiting
Non-Executive Director

Mr Gary Fietz
Non-Executive Director

Mr Simon Taylor
Non-Executive Director

Company Secretary

Ms Melanie Leydin

Underwriter

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Adelaide, South Australia 5000

Tel: +61 8 8217 3900
Website: <https://www.taylorcollison.com.au/>

ASX Code

SRZ

Registered Office

Level 4, 96-100 Albert Road
South Melbourne, Victoria 3205

Tel: +61 3 9692 7222
Facsimile: +61 3 9077 9233
Website: www.stellarresources.com.au

Email: srzinfo@stellarresources.com.au

Share Registry

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

Tel: 1300 737 760 (within Australia)
+61 2 9290 9600 (outside
Australia)
Website: www.boardroomlimited.com.au

Legal Advisors

Steinepreis Paganin
Level 4, 50 Market Street
Melbourne VIC 3000

Tel: +61 3 9111 9400
Facsimile: +61 3 9111 9433
Website: <https://www.steinpag.com.au/>