

21 September 2020

Dear Shareholder

Notification to ineligible shareholders of Entitlement Offer

Stellar Resources Limited (**Company**) has announced to ASX Limited (**ASX**) a pro-rata non-renounceable entitlement offer (**Entitlement Offer**) to acquire two (2) fully paid ordinary shares (**New Shares**) at \$0.01 (1 cent) per share for every five (5) existing shares (**Entitlement**) held by Company's shareholders in Australia, New Zealand or Luxembourg as at 7.00pm (AEST) on Thursday, 17 September 2020 (**Record Date**).

The Entitlement Offer seeks to raise approximately \$1.87 million (before costs) and is fully underwritten.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth).

The net proceeds of the Entitlement Offer will be used to undertake the exploration on the Company's mineral properties and general working capital purposes.

Entitlement Offer

The Entitlement Offer is being made Eligible Shareholders who will be able to take up their Entitlement. Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those who:

- (a) are registered as the holder of shares in the Company as at 7.00 pm (AEST) on the Record Date;
- (b) have a registered address on the share register of the Company in Australia, New Zealand or Luxembourg;
- (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

The Company has determined that it would be unreasonable to extend the Entitlement Offer to Shareholders with registered addresses outside Australia, New Zealand or Luxembourg (**Ineligible Shareholders**), having regard to:

- the small number of Shareholders with registered addresses outside Australia, New Zealand and Luxembourg; and
- the number and value of the New Shares which would be offered to Ineligible Shareholders; and the cost of complying with the legal requirements and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Entitlement Offer will not be made to Ineligible Shareholders.

No right to participate

Unfortunately, the Company has determined that you do not qualify as an Eligible Shareholder. Accordingly, the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer.

STELLAR RESOURCES LIMITED

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The purpose of this letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter constitutes the notice that the Company is required to give each Ineligible Shareholder under ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the *Corporations Act 2001* (Cth).

This letter is not an offer to issue entitlements or New Shares to you, and is not an invitation for you to apply for entitlements in New Shares. You are not required to do anything in response to this letter.

On behalf of the Board and management of Stellar Resources Limited, we thank you for your continued interest and support of the Company.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "S. O'Loughlin", is positioned below the "Yours faithfully," text.

Simon O'Loughlin
Non-Executive Chairman