

Stellar Resources

ASX Announcement



15 October 2020

Completion of \$2.18m Capital Raising

Stellar Resources Limited (ASX: SRZ, “Stellar” or the “Company”) is pleased to announce that it has **raised a total of \$2.18 million** via its recently completed fully underwritten, Non-Renounceable Entitlement Offer raising \$1.88 million (“**Entitlement Offer**”) and placement raising \$0.3 million (“**Placement**”), as initially announced on 14 September 2020. Both the Placement and the Entitlement Offer targets have been met in full and all funds have now been received by the Company.

Entitlement Offer

The Entitlement Offer was completed on 13 October with a total of 187,994,800 shares issued at 1 cent per share raising a total of \$1,879,948 (before costs).

Eligible shareholders took up 46% of shares offered to them under the Entitlement offer (85,741,194 shares), raising \$857,412. The Board would like to thank shareholders who participated in the Entitlement Offer for their ongoing support.

The Entitlement Offer was fully underwritten by Taylor Collison who took up the remaining 54% of the Entitlement Offer shares that were not taken up by shareholders (102,253,606 shares) raising \$1,022,536. Taylor Collison have now distributed all the underwritten shares to its sub-underwriters. The Board would also like to thank Taylor Collison and its sub-underwriters for their support.

Placement

The Placement was completed on 15 September raising \$300,000 (before costs) from the issue of 27,272,727 shares to sophisticated, professional and other exempt investors at 1.1 cents per share. The placement was led by Taylor Collison who were paid a fee of 6% of funds raised under the placement and the fully underwritten Entitlement Offer.

Use of Funds

The \$2.18m raised place the Company in a strong financial position and will be used to fund the Stellar’s exploration and minerals projects and general working capital requirements.

Funding of the Company’s North East Tasmania gold exploration program will be a key part of the use of funds, subject the 10 Exploration Licences applied for on 10 September 2020 being granted. In anticipation of these Exploration Licences being granted early in 2021, Stellar recently commenced work on capture and review of historic data over and around its Exploration Licence applications including; geophysical surveys, drilling, soil, rock chip and stream sediment results and records on gold occurrences. Please see our *10 September 2020 announcement “NE Tasmania Gold Exploration Licence Applications”* for further details.

Capital Structure

Shares: 657,981,968
Share Price (SRZ): 1.5 c
Unlisted Options: 37,000,000
Share Rights 5,161,190

Commodity

Tin Price: US\$18,276/t
Gold Price: US\$1,923/Oz
Exchange Rate US\$ 0.72

Board & Management

Simon O’Loughlin
Non-Executive Chairman
Simon Taylor
Non-Executive Director
Thomas Whiting
Non-Executive Director
Gary Fietz
Non-Executive Director

Melanie Leydin
Company Secretary

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Increase in Director Shareholding's

Stellar's Directors all took up their entitlements in full under the Entitlement Offer and Mr Simon O'Loughlin, Mr Simon Taylor and Mr Thomas Whiting, were also sub-underwriters of the Entitlement Offer. As a result, Stellar's Directors have increased their shareholdings in the Company as follows:

Director	SRZ Shareholding (14 Sept 2020)	Entitlement Offer Shares Taken Up	Sub-Underwriter Shares Taken Up	Current SRZ Shareholding	%	Options held	Share Rights held
Simon O'Loughlin	2,700,000	1,080,000	2,719,592	6,499,592	0.99	1,350,000	1,755,137
Simon Taylor	4,000,000	1,600,000	2,719,592	8,319,592	1.26	2,000,000	1,229,685
Thomas Whiting	2,264,129	905,652	1,087,837	4,257,618	0.65	-	1,172,864
Gary Fietz	879,373	351,750	-	1,231,123	0.19	2,000,000	1,003,504

Stellar's Chairman, Mr Simon O'Loughlin commented that –

"We are delighted that many of our existing shareholders elected to take up their entitlements under the Entitlement Offer, which has contributed approximately 40% of the \$2.18 million total capital raised. I would like to thank shareholders for their support and also Taylor Collison for leading the Placement and underwriting the Entitlement Offer.

The \$2.18 million raised is a very positive outcome for Stellar and places us in a strong position now to advance our projects with the focus being on our gold exploration program in North East Tasmania once the Exploration Licences are granted which we anticipate occurring early in 2021."

-Ends-

This announcement is authorised for release by the Board of Directors of Stellar Resources Limited.

For further details please contact:

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Or visit our Website at:

<http://www.stellarresources.com.au>